WENDEL

2022

Universal Registration Document

including the annual financial report

Investing *for the long term*

Contents

WENDEL AT A GLANCE 2 to 35

1 PRESENTATION OF THE GROUP 37
- 1.1 Corporate history 38
- 1.2 Business 39
- 1.3 Investment Model: Strategy and objectives 40
- 1.4 Portfolio companies 44

2 CORPORATE GOVERNANCE 61
- 2.1 Governing and supervisory bodies 62
- 2.2 Compensation of corporate officers 110

AFR **3** RISK FACTORS 149
- 3.1 Risk factors 150
- 3.2 Litigation, insurance, and regulatory environment 157
- 3.3 Risk management and internal control systems 160

AFR **4** NON-FINANCIAL INFORMATION 173
- Foreword 175
- 4.1 Wendel Group 175
- 4.2 ESG performance of controlled portfolio companies 201
- 4.3 Issues specific to Wendel SE 249
- 4.4 European Green Taxonomy 267
- 4.5 Duty of care plans 275
- 4.6 Cross-reference table and reporting methodology 285
- 4.7 Report of one of the Statutory Auditors, appointed as independent third party 287

AFR **5** COMMENTS ON FISCAL YEAR 2022 291
- 5.1 Analysis of the consolidated financial statements 292
- 5.2 Analysis of the parent company financial statements 298
- 5.3 Net Asset Value (NAV) 300
- 5.4 Simplified organization chart as of December 31, 2022 305

AFR **6** CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2022 307
- 6.1 Balance sheet – Consolidated statement of financial position 308
- 6.2 Consolidated income statement 310
- 6.3 Statement of comprehensive income 311
- 6.4 Statement of changes in equity 312
- 6.5 Consolidated cash flow statement 313
- 6.6 General principles 314
- 6.7 Notes to the financial statements 315
- 6.8 Notes to the balance sheet 347
- 6.9 Notes to the income statement 366
- 6.10 Notes on changes in cash position 371
- 6.11 Other notes 373
- 6.12 Statutory auditors' report on the consolidated financial statements 382

7 PARENT COMPANY FINANCIAL STATEMENTS 389
- 7.1 Balance sheet as of December 31, 2022 390
- 7.2 Income statement 392
- 7.3 Cash flow statement 393
- 7.4 Notes to the parent company financial statements 394
- 7.5 Statutory auditors' report on the financial statements 410

8 SHARE CAPITAL AND SHAREHOLDERS 415
- 8.1 Wendel share performance and dividend 416
- 8.2 Financial communication policy 419
- 8.3 Information on the share capital 423
- 8.4 Information on the Company and main provisions of the by-laws 436

9 SHAREHOLDERS' MEETING OF JUNE 15, 2023 441
- 9.1 Statutory Auditors' reports 442
- 9.2 Additional reports 451
- 9.3 Observations of the Supervisory Board for the Shareholders' Meeting 459
- 9.4 Report of the Executive Board on the resolutions submitted to the Shareholders' Meeting of June 15, 2023 460
- 9.5 Draft resolutions 464

10 ADDITIONAL INFORMATION 475
- 10.1 Contracts 476
- 10.2 Transactions with related parties 476
- 10.3 Significant changes in financial condition or business status 476
- 10.4 Expenses referred to in Articles 39-4 and 223 *quater* of the French Tax Code 477
- 10.5 Suppliers & customers 477
- 10.6 Persons responsible for the Universal Registration Document and the audit of the financial statements 478
- 10.7 Cross-reference tables 480
- 10.8 Glossary 486
- 10.9 Index by topic 488

WENDEL

2022 Universal Registration Document

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.

TRANSPARENCY AWARDS 2022 GOLD LABEL

This label recognizes the most transparent documents and information materials according to the criteria of the *classement annuel de la Transparence* (annual Transparency ranking) (www.labrador-transparency.com).

AUTORITÉ DES MARCHÉS FINANCIERS AMF

The French language version of the Universal Registration Document was filed on April 14, 2023 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 Universal 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 leading listed investment firms.

We specialize 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 wide-ranging expertise, our teams in Europe and North America provide active and attentive support to the companies we accompany. The Group's objective is to build sustainable leading companies in promising sectors, as it has done with Capgemini, Legrand, bioMérieux, Stallergenes, Editis, Deutsch Group and Allied Universal, for example.

Our values

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

Engagement

—

Engagement means first and foremost having a strong sense of responsibility towards the companies, shareholders, teams and other stakeholders of Wendel. Wendel's emphasis on building for the long term makes the Group a special investor. We bring to our investments our expertise, support for 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.

Entrepreneurial spirit

—

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

Overview of Wendel

as of December 31, 2022

319 years of history

More than 45 years of investment experience

89 employees

7 major portfolio companies

Consolidated net sales

€8.7 billion

+15.9%

total growth, including 10.7% organic growth year-on-year

Gross assets

Nearly €9 billion

Net Asset Value (NAV)

€167.9

per share

Market capitalization

Nearly €4 billion

Ordinary dividend

€3.20

per share (1) up 6.7%

Financial credit ratings

Standard & Poor's

Long-term: BBB with a stable outlook

Short-term: A-2

Since January 25, 2019

Moody's

Long-term: Baa2 with a stable outlook

Since September 5, 2018

Non-financial ratings

SAM S&P Global

Inclusion for the third consecutive year in the Dow Jones Sustainability Index (DJSI) with a score of 72/100.

Only French Diversified Financials company ranked in the DJSI's Europe and World indices.

MSCI

AA rating, ranked among industry leaders.

CDP (Carbon Disclosure Project)

Rated B for the "Climate Change Management" program.

Sustainalytics

Classed as Negligible Risk, among the Top 50 ESG performers in 2022.

No. 1 among its peers of the same market capitalization level.

Moody's

Score of 58/100.

Ranked 5th in its sector.

GAÏA Rating

Score of 81/100.

Grands Prix de la Transparence

Grand Prix 2021, all categories.

See all ratings for Wendel and its portfolio companies, p.27

Investments

Controlled companies

ACAMS
Bureau Veritas
Constantia Flexibles
Crisis Prevention Institute
Stahl

—

Non-controlled companies

IHS Towers
Tarkett

—

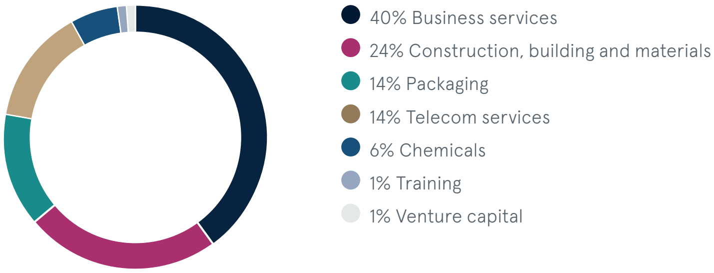
Growth investments

Wendel Growth

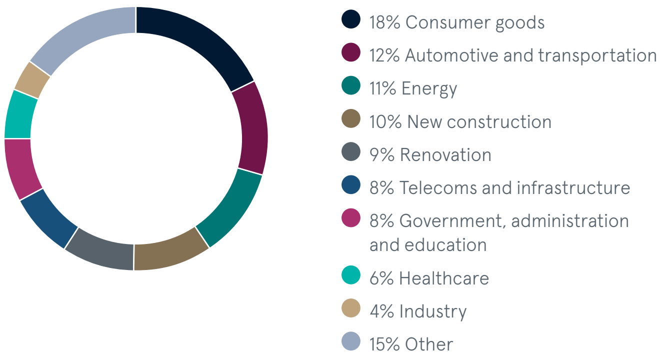
Offices

Paris
New York
Luxembourg

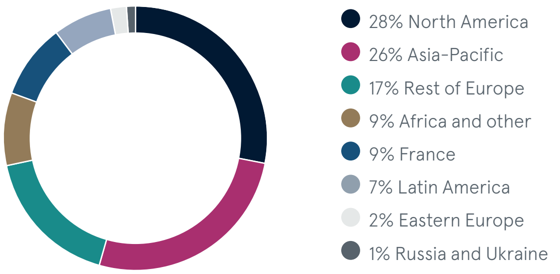
Sectorial diversification (2)



Economic exposure by end market (3)



Geographical exposure by end market (3)



Wendel is listed on Eurolist by Euronext Paris.
(1) Subject to approval by the Shareholders' Meeting of June 15, 2023.
(2) Breakdown of the sum of the sales of portfolio companies and Wendel Growth's commitments.
(3) Enterprise value exposure of Group companies, according to the breakdown of 2022 sales. Enterprise values are based on NAV calculations as of December 31, 2022. Companies included are: Bureau Veritas, Constantia Flexibles, Crisis Prevention Institute, ACAMS, Stahl, IHS Towers, and Tarkett.

2022

Highlights

January 6, 2022

—

Acquisition of PreScience by Bureau Veritas

Bureau Veritas continued its growth in the Transport Infrastructure market with the acquisition of PreScience, a US-based leader of project and construction management services for Transportation Infrastructure projects. This acquisition reinforces Bureau Veritas' positioning in the building and infrastructure sector in North America.

March 11, 2022

—

ACAMS joins Wendel's portfolio

Wendel announces the acquisition of ACAMS (Association of Certified Anti-Money Laundering Specialists), the world's largest membership organization dedicated to fighting financial crime. Wendel invested $338 million in equity for a c. 98% interest in the company. By the very nature of ACAMS' business, this investment fits well with the Wendel Group's ESG values.

March 22, 2022

—

Wendel launches its endowment fund, Wendel Cares

Through Wendel Cares, Wendel aims to give fresh impetus to its philanthropic activities by bringing all its patronage initiatives under one roof and extending their scope to other themes that are in line with the challenges facing our society today.

June 20, 2022

—

A new head office for Wendel

Wendel sells its building on rue Taitbout to move to 4 rue Paul-Cézanne. This new headquarters provides Wendel's teams with a more collaborative workspace that meets the latest environmental standards.

January 13, 2022

—

Wendel steps up the development of Wendel Growth (formerly Wendel Lab)

Jérôme Michiels, Executive Vice-President of Wendel, is named to head up the development of Wendel Growth and in February 2022, Antoine Iszak joins the Wendel Growth investment team as Head of Growth Equity.

January 21, 2022

—

Completion of the sale of Cromology

Wendel completes the sale of Cromology, which was acquired in 2006, to DuluxGroup, a subsidiary of Nippon Paint Holdings Co, Ltd, generating net proceeds of €896 million or €358 million above Cromology's valuation in Wendel's NAV published before the transaction announcement, i.e., as of June 30, 2021.

February 24, 2022

—

Bureau Veritas announces its succession plan and the arrival of Hinda Gharbi

Bureau Veritas announces the arrival of Hinda Gharbi as Chief Operating Officer as of May 1, 2022, then Deputy CEO on January 1, 2023. She will be appointed as Chief Executive Officer at the end of the 2023 Annual General Meeting.

August 11, 2022

—

Constantia Flexibles acquires FFP Packaging Solutions

This acquisition of a leading player for sustainable, flexible packaging in the consumer market earns Constantia Flexibles its first consumer products plant in the United Kingdom. This is an important step in the extension of its portfolio and is perfectly aligned with its Vision 2025 growth strategy.

December 2, 2022

—

Appointment of Laurent Mignon, Group CEO of Wendel

Laurent Mignon succeeds André François-Poncet as Wendel's Group CEO. Wendel's Executive Board is now composed of Laurent Mignon and David Darmon, Group Deputy CEO and member of the Executive Board since 2019.

December 2022

—

ESG performance of Wendel and its companies recognized

Wendel's ESG efforts were recognized by the DJSI and the CDP, with a 72/100 score and a B rating, respectively. Bureau Veritas, Constantia Flexibles and Stahl also all maintained or improved their ratings compared to 2021. Wendel and Bureau Veritas stand out in the 2021 ranking for women in SBF 120 governing bodies.

“Wendel is writing a new chapter in its history, with an ambitious investment strategy that creates value for all its shareholders.”

Nicolas ver Hulst,
Chairman of the Supervisory Board

Message from the Chairman of the Supervisory Board

Nicolas ver Hulst

2022 was a good year for all Wendel Group companies, with remarkable performances both in terms of earnings growth and profitability, which continued to rise despite the steep increases in energy and raw materials costs.

2022 was also an important year for Wendel in terms of portfolio rotation. Cromology was sold under excellent conditions thanks to the significant restructuring work carried out in 2018, and a new company, ACAMS, joined the Group.

Net Asset Value (NAV) per share stands at €167.9 and, in line with our shareholder return policy, we will propose a dividend of €3.20 per share to the Shareholders' Meeting, which represents an increase of 6.7% on last year.

In terms of Wendel's governance, 2022 was shaped by significant changes. At Supervisory Board level, Jacqueline Tammenoms Bakker did not wish to seek the renewal of her term of office, after two four-year terms. We would like to extend our thanks for her contribution to the work of the Board and for the outstanding way in which she has chaired our Governance and Sustainability Committee. As the Committee Chairwoman, she has played a major role in redefining compensation methods, finding the best successor for André François-Poncet, and selecting new Board members. William Torchiana will take over as the Chairman of the Committee. We are also pleased to welcome Fabienne Lecorvaisier to the Supervisory Board. The first woman to have been Chief Financial Officer of a CAC 40 company, she brings with her a wealth of experience in finance and ESG.

One of the most important decisions of the Supervisory Board is, of course, the choice of the Group CEO (Chairman of the Executive Board): Laurent Mignon joined us on December 2, 2022.

His successful track record in all the institutions that he has managed (most recently BPCE and Natixis) makes him one of the most experienced and respected executives in the market. With a richly unique background, the experience that he brings to Wendel combines managerial qualities and strategic vision in the financial sector.

Laurent Mignon will be able to count on the support of David Darmon and the talent of Wendel's teams in leading the necessary dialogue between the Supervisory Board and the Executive Board in a constructive and productive manner.

He succeeds André François-Poncet, whom I would like to thank for all his work during his time as Group CEO. Under his leadership, Wendel has undergone profound change, and is now on a solid footing going forward, with an optimized portfolio, a highly robust financial structure, and recognized ESG performance.

It's on this strong foundation that Wendel is writing a new chapter in its history, with an ambitious investment strategy that creates value for all its shareholders. This strategy also includes the development of a new third-party asset management business, leveraging Wendel's proven track record and the expertise of its teams. The Supervisory Board has given its full support to the Executive Board to implement the strategy, for which the roadmap will be defined in the coming months.

Lastly, another symbolic and somewhat nostalgic change is underway at Wendel, with the recent move from our headquarters on rue Taitbout. Following the sale – under excellent conditions – of the former headquarters building, Wendel is now based in more functional premises that meet the highest environmental standards, on rue Paul-Cézanne in the eighth *arrondissement* of Paris. The move comes at a time when Laurent Mignon is breathing new life into Wendel, and will be a boost for the teams as we move into the new stage of our development.

April 13, 2023

Message from the Group CEO

Laurent Mignon

In an environment disrupted by the convergence of economic, social, public health, ecological and geostrategic crises, Wendel's portfolio performed remarkably well in 2022.

The hard work carried out to support our portfolio companies enabled them to post very good performances in 2022. Despite a context marked by cost inflation and the rapid rise in interest rates resulting in a sharp decline in the financial markets, they have all successfully pursued their profitable growth trajectories, which testifies to the quality of these companies and their management, as well as their attractiveness to their clients.

The performance of CPI, as well as that of Constantia Flexibles, a world leader in flexible packaging, confirm Wendel's ability to invest in competitive companies. We continue to support these companies in their development, as we did recently with Stahl and the acquisition of Industrial Solutions Group (ISG).

The year 2022 was also marked by the deployment of our "Growth" investment strategy. The Wendel Lab, renamed "Wendel Growth", has been structured and strengthened to make direct investments in start-ups. Three investments in promising companies have already been announced since the beginning of 2023.

We have continued and will continue to make strong commitments for Wendel and its companies in order to build the sustainable leaders of tomorrow. Wendel is now included in ESG benchmark indices DJSI World and DJSI Europe, a testament to the many efforts it has made in this area.

On the strength of this performance, Wendel is now in an excellent position to embark on a new phase of its development based on new strategic directions that will create value for all its shareholders. This new ambition will enable the Group to accelerate its investment strategy with the aim of investing around €2 billion within the next two years, to strengthen its role as an active shareholder with value creation as its compass. It will also drive the Group’s development of a new third-party asset management business, which is the natural extension of our business as a long-term investor. With the creation of this business, we will generate a new source of income and expand our investment capabilities, leveraging our talented team and reinforcing it according to our needs. Our objective is to offer an average Total Shareholder Return of more than 10% for Wendel shareholders. This is an ambitious strategy, and we will be working to define the roadmap in the coming months.

On a more personal note, I would like to thank the Supervisory Board for its trust. It was with great pride that I joined Wendel in December 2022. During my term of office, in close cooperation with the Supervisory Board and my fellow Executive Board member, David Darmon, I will strive to pursue an ambitious development strategy and to increase the Company's Net Asset Value while respecting Wendel's history and long-standing values, which are highly distinctive strengths in the investment world.

April 13, 2023

"Wendel is now in an excellent position to embark on a new phase of its development."

Laurent Mignon

Group CEO

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.

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).

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's transformation in the new environment

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, Allied Universal, Bureau Veritas or Stahl.

Governance

Supervisory Board

The Supervisory Board is composed of 12 members, including 6 members of the Wendel Family and 2 employee representatives. Terms are 4 years. 40% (1) of members are women. At 40% (2), the percentage of independent members on the Board exceeds the Afep-Medef Code requirement of 33.3%.

Nicolas ver Hulst

69 years old

—

Chairman of the Supervisory Board

Gervais Pellissier

63 years old

—

Vice-Chairman of the Supervisory Board, Lead Member of the Supervisory Board, Chairman of the Audit, Risks and Compliance Committee, Member of the Governance and Sustainability Committee

Independent member

Franca Bertagnin Benetton

54 years old

—

Member of the Audit, Risks and Compliance Committee

Independent member

Bénédicte Coste

65 years old

—

Member of the Governance and Sustainability Committee

Harper Mates

40 years old

—

Employee representative

François de Mitry

57 years old

—

Member of the Audit, Risks and Compliance Committee

Priscilla de Moustier

70 years old

—

Member of the Governance and Sustainability Committee

The composition of the Supervisory Board is as of December 31, 2022.
(1) Percentage excluding members who are employee representatives: including these members, the percentage increases to 50%.
(2) Percentage excluding members who are employee representatives.

Jacqueline Tammenoms Bakker

69 years old

—

Chairwoman of the Governance and Sustainability Committee, Member of the Audit, Risks and Compliance Committee

Independent member

Term of office expires at the June 15, 2023 Shareholders' Meeting

Sophie Tomasi Parise

44 years old

—

Member of the Governance and Sustainability Committee, Employee representative

Thomas de Villeneuve

50 years old

—

Member of the Governance and Sustainability Committee

Humbert de Wendel

66 years old

—

Member of the Audit, Risks and Compliance Committee

William D. Torchiana

64 years old

—

Member of the Audit, Risks and Compliance Committee, Member of the Governance and Sustainability Committee

Independent member

Fabienne Lecorvaisier

60 years old

—

Appointment submitted to the Shareholders' Meeting of June 15, 2023

Independent member

40%
women (excluding members representing employees)

40%
independent members (excluding members representing employees)

59 years
average age

5.1 years
of seniority, on average

5 nationalities
American, French, Italian, Luxembourgian, Dutch

IN 2022

—

8 scheduled **meetings**

100%
attendance rate

2 *ad hoc* **meetings**

87.5%
attendance rate

Governance

Executive Board

The Executive Board, appointed by the Supervisory Board for a four-year term, comprises two members: Laurent Mignon, Group CEO, and David Darmon, Member of the Executive Board and Group Deputy CEO.

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

It is assisted by five committees: the Management Committee, which handles day-to-day 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. A specific committee, dedicated to Wendel Growth's investments, whether direct or via funds, examines plans to acquire and divest assets and makes recommendations.

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.

Mandate of the Executive Board

April 7, 2021 - April 6, 2025

Career

Laurent Mignon

A graduate of HEC and the Stanford Executive Program, Laurent Mignon has been Group CEO since December 2, 2022.

He was previously with the BPCE Group, Chairman of the Executive Board since May 2018 after serving as Chief Executive Officer of Natixis since April 2009. Before that, he worked for Banque Indosuez, Banque Schroders and AGF (Assurances Générales de France), where he was Chief Executive Officer, and was a Managing Partner at Oddo & Cie.

David Darmon

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.

Governance

Investment and Development Committee

Composed of the Executive Board, the two Executive Vice-Presidents and two Managing Directors – the CEO of Wendel Luxembourg being Secretary and permanent participant – the Investment and Development Committee meets periodically to work on selecting and developing the Group's investments. It examines plans to acquire and divest assets and Wendel's investment policy in order to formulate recommendations to the decision-making bodies.

Laurent Mignon

59 years old

—

Group CEO

since December 2, 2022

David Darmon

49 years old

—

Member of the Executive Board, Group Deputy CEO

17 years of seniority

Jérôme Michiels

48 years old

—

Executive Vice-President, Chief Financial Officer, Director of Wendel Growth

16 years of seniority

Félicie Thion de la Chaume

43 years old

—

Executive Vice-President, Managing Director

15 years of seniority

Adam Reinmann

47 years old

—

Managing Director, CEO of Wendel North America

9 years of seniority

Harper Mates

40 years old

—

Managing Director

7 years of seniority

Claude de Raismes

39 years old

—

CEO of Wendel Luxembourg, Secretary of the Investment and Development Committee

14 years of seniority

AS OF DECEMBER 31, 2022 (1)

—

47.6 years
average age

10.6 years
average seniority

33.3%
women

(1) The calculation does not take into account Claude de Raismes, Secretary of the Investment and Development Committee.

Governance

Management Committee

Every week, the Management Committee brings together the members of the Executive Board, the two Executive Vice-Presidents, the Director of Sustainable Development and Communications, the General Counsel, the Tax Director, the Director of Human Resources and General Resources and the Deputy Chief Financial Officer. It makes day-to-day decisions regarding the Group's organization and operations, calling on other people concerned when necessary.

Laurent Mignon

59 years old

—

Group CEO

since December 2, 2022

David Darmon

49 years old

—

Member of the Executive Board,
Group Deputy CEO

17 years of seniority

Jérôme Michiels

48 years old

—

Executive Vice-President,
Chief Financial Officer,
Director of Wendel Growth

16 years of seniority

Félicie Thion de la Chaume

43 years old

—

Executive Vice-President,
Managing Director

15 years of seniority

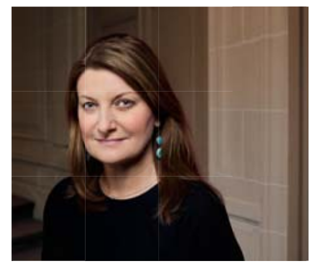
Caroline Bertin Delacour

59 years old

—

General Counsel,
Group Chief Compliance Officer

13 years of seniority



Christine Anglade Pirzadeh

51 years old

—

Director of Sustainable Development and Communication,
Executive Board Advisor

11 years of seniority

Alexina Portal

53 years old

—

Director of Human Resources
and General Resources

3 years of seniority

Benoît Drillaud

48 years old

—

Deputy CFO

18 years of seniority

Peter Meredith

63 years old

—

Tax Director

10 years of seniority

AS OF DECEMBER 31, 2022

—

52.5 years
average age

11.4 years
average seniority

44.4%
women

Mission

Engaging with entrepreneurial teams to build sustainable leading companies

Values

Engagement
Excellence
Entrepreneurial spirit

Governance

Supervisory Board [1]

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

40% independent members [2]

40% women [3]

Audit, Risks and Compliance Committee

Governance and Sustainability Committee

Executive Board

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

Committees

Management Committee

Investment and Development Committee

Wendel Growth Committee

Coordination Committee

ESG Steering Committee

ESG strategy

Building sustainable companies

Wendel as an investor

100% of controlled companies have formalized an ESG roadmap

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

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

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

Empowering excellence and engagement

Wendel as a company

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

90% of employees trained in ESG in 2022

96% of employees trained in business ethics

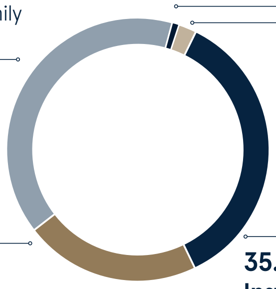
40% women in management positions

Sponsorships

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

Resources

Permanent capital



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

Human capital

89
employees located in Paris, Luxembourg and New York

82%
of employee shareholders

Total workforce gender split

(1) The composition of the Supervisory Board is as of December 31, 2022.
(2) Percentage excluding members representing employees. Beyond the requirements of the Afep-Medef Code.
(3) Percentage excluding members representing employees: including these members, the percentage rises to 50%. Beyond legal requirements and those of the Afep-Medef Code.
(4) Present throughout the year.
(5) In accordance with Article L. 233-10 of the French Commercial Code (*Code de commerce*), the data include Wendel-Participations SE, its Chairwoman, Priscilla de Moustier, and Société Privée d'Investissement Mobiliers (SPIM).

Our investments

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

Controlled companies

—

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

Bureau Veritas
Conformity assessment and certification services
Since 1995

Constantia Flexibles
Flexible packaging
Since 2015

Crisis Prevention Institute
Training services
Since 2019

Stahl
Specialty coatings and surface treatments for flexible materials
Since 2006

Non-controlled companies

—

IHS Towers
Telecom infrastructure
Since 2013

Tarkett
Flooring and sports surface solutions
Since 2021

—

Wendel Growth
Growth investments
Since 2013

—

Other
Cash, treasury shares, etc.

Value created with and for stakeholders

Measurement of value creation

Nearly €9 billion of gross assets

Nearly €4 billion in market capitalization

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

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

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

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

—

Support for companies and value sharing

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

Representation on the companies' Boards of Directors and key Committees

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

—

Shareholder dialogue

Institutional investors: **280 meetings**

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

Letter to shareholders: **2 editions**

Governance roadshows

Independent lead director

—

Employee development and value sharing

95.5% of employees (8) trained over the year

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

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

Reimbursement of nursery expenses

Supplemental insurance, contingency benefits

(6) Adjusted for the €3 dividend per share paid in June 2022, NAV is down 9.2% over the year. In reported figures, NAV is down 10.8%.
(7) The overall yield is as of December 31, 2022.
(8) Present as of December 31, 2022.

New strategic directions

– **Invest €2 billion within two years**

– **Strengthen our role as an active shareholder**

– **Create an asset management for third parties business line**

– **Create value and maintain a TSR above 10%**

On March 16, 2023, Wendel's Executive Board presented its new strategic directions.

Implementation of an active portfolio management and investment policy with an intention to invest c.€2 billion of equity within two years, while optimizing Wendel's financial flexibility

- The unit amount of equity investments is expected to be between €300 million and €600 million, in Western Europe and North America;

Reinforcement of our role as an active shareholder to create value in the portfolio

- Investment in unlisted companies with priority given to majority stakes;
- Active involvement with the Bureau Veritas Management team to accelerate value creation;

Ambition to develop an asset management business for third parties

- leveraging the capabilities of Wendel's investment platform and investing in new talent;

New financial policy featuring

- a dividend set at around 2% of Net Asset Value, on average, while having a minimum objective of annual stability; and
- the optimization of Wendel's financing capacity, while preserving an LTV ratio compatible with an Investment Grade financial rating.

A target of double-digit average total shareholder return.

Wendel will seek to be an influential shareholder holding Board and key Committee seats, alongside like-minded partners.

Investment profile

Wendel seeks market leading businesses 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 demonstrated resilience through economic cycles.

Attractive sectors meeting those criteria include technology services and software, business services, healthcare and industrial technology. Nevertheless, Wendel remains opportunistic and could position itself in other sectors that meet its criteria.

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

- companies that are in line 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;
- located in countries that are well known to Wendel: **in Western Europe, particularly in France, and North America** (United States and Canada);
- **strong international exposure** or an international growth strategy;
- ideally representing an initial investment of **between €300 million and €600 million**; smaller investments are also considered through Wendel Growth;
- 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**;
- with **sound fundamentals** and, in particular, **recurring and predictable cash flows**; and
- offering **high potential for long-term profitable growth**, based on both organic growth and accretive acquisitions.

Our mission

Engaging with entrepreneurial teams to build sustainable leaders

Driven by a culture of **excellence**, **engagement** and **entrepreneurship**, dating back three hundred years, we are committed to supporting talented management teams to build tomorrow's sustainable businesses, which are leaders in their respective segments. We are convinced that taking ESG criteria into account within our investment activity is not only necessary to address the societal challenges of our times, it also allows for value creation in the short, medium and long term.

Our ESG strategy

Building sustainable leaders within the portfolio

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

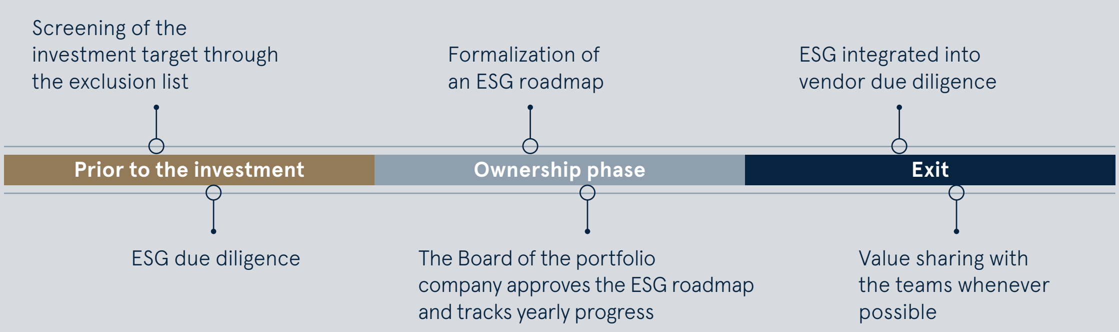
Supporting our portfolio companies in their ESG ambitions and performances.

Empowering excellence and engagement within Wendel

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

Focusing on HR performance through commitment, well-being and inclusion.

Wendel incorporates sustainability issues throughout the investment cycle



Our ESG priorities

Employee health and safety

The consolidated frequency rate of workplace accidents in controlled companies was **0.95**, down 17% compared to 2021.

Climate change mitigation

55% of the portfolio's emissions are from companies with SBTi approved pathways.

94% of the portfolio's emissions come from companies that have at least committed to submitting their targets to SBTi.

Systematic **carbon footprint** measurement by controlled companies in the portfolio within 18 months of their acquisition.

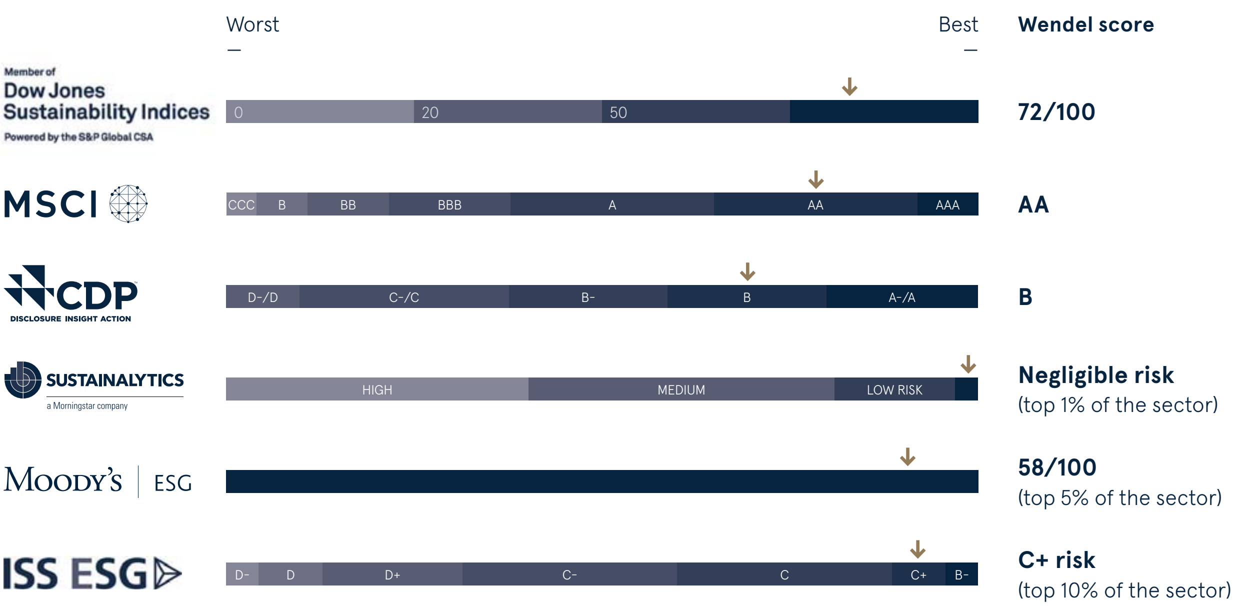
Equity and diversity

29% of members of the Boards of Directors of controlled companies are women, up 3 points compared with 2021.

Products and services with environmental added value

55% of sales with environmental added value in the portfolio of companies.

Wendel's non-financial ratings compared to the rest of the sector



Our investments

A tightened, but diversified investment portfolio

ACAMS

98.0%

of the capital

Anti-money laundering and financial crime training and certification services

—

2022 sales

$98.4 million [1]

A world leader

More than 300 employees

Present in 180 countries

Over 100,000 members

Amount invested

$338 million since 2022

BUREAU VERITAS

35.6%

of the capital

Conformity assessment and certification services

—

2022 sales

€5,650.6 million

A world leader

~ 82,000 employees

Present in 140 countries

400,000 customers

More than 1,600 offices and laboratories

Amount invested

€397 million since 1995

ESG achievements

Member of Dow Jones Sustainability Indices Powered by the S&P Global CSA

Rated 85/100

Ranked 2nd in the Professional Services Industry category

CDP

Rated B

EcoVadis Platinum Medal

Top 1% of companies evaluated

Constantia Flexibles

60.8%

of the capital

Flexible packaging

—

2022 sales

€1,954.5 million

No. 2 in Europe
No. 3 worldwide

~ 7,030 employees [2]

27 production sites in 15 countries

Amount invested

€565 million since 2015

ESG achievements

CDP

Rated A –

Leadership Level

EcoVadis Gold Medal

Top 2% of companies evaluated

CRISIS PREVENTION INSTITUTE

96.3%

of the capital

Training services

—

2022 sales

$120.1 million

World leader

More than 10,000 customers

Nearly 380 employees

39,000 Certified Instructors who train over 1.4 million people annually

Offices in 3 countries, training offered in 17 countries

Amount invested

$569 million since 2019

stahl

67.9%

of the capital

Specialty coatings
and surface treatments
for flexible materials

—

2022 sales
€914.9 million

No. 1 worldwide

~ 1,800 employees

Present in 22 countries

34 laboratories
and 11 production sites

Amount invested
€221 million since 2006

ESG achievements

EcoVadis Platinum Medal
Top 1% of companies evaluated

IHS
Towers of strength

19.0%

of the capital

Telecoms infrastructure

—

2022 sales
$1,961.3 million

No. 1 in Africa

No. 4 independent
multinational towerco [3]
in the world

~ 2,800 employees

Present in 11 countries

39,652 towers [3]

Amount invested
$830 million since 2013

Tarkett

23.4% [4]

of the capital

Flooring and sports
surface solutions

—

2022 sales
€3,358.9 million

No. 3 worldwide

~ 12,000 employees

34 industrial sites

25 laboratories
and 8 recycling centers

Amount invested
€222 million since 2021

ESG achievements

CDP
Rated A –
Leadership Level

EcoVadis Gold Medal
Top 2% of companies evaluated

Amounts invested and percentages of share capital held by the Wendel Group are stated as of December 31, 2022. If co-investment conditions are met, there could be a dilutive effect on Wendel's percentage ownership. See section 6.7 "Notes to the financial statements", note 5-3 "Impact of co-investment mechanisms for Wendel" of the 2022 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) Unaudited figures.
(2) Excluding the joint venture in India, not pro forma of the acquisition of Drukpol Flexo (announced on March 2, 2023) and not pro forma of the acquisition of Lászlópack (announced on April 6, 2023).
(3) The number of towers is indicated as of December 31, 2022, except for GD Towers which is indicated as of February 23, 2023. The number of towers is pro forma for announced transactions, if any.
(4) Share of Tarkett SA's capital held indirectly by Wendel as of December 31, 2022, net of treasury shares. Stake held via Tarkett Participation as part of the partnership with the Deconinck family.

Wendel Growth

Investing in high-growth companies

With Wendel Growth [1], Wendel invests directly or via funds in innovative, high-growth companies. Wendel Growth has, to date, mainly made commitments to several high-quality technology and growth investment funds.

Wendel Growth focuses on direct investment and co-investment opportunities in startups. Wendel's ambition is to invest up to €50 million in scale ups in Europe and North America. In parallel, Wendel Growth will continue to invest in funds.

Wendel Growth’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.

WENDEL Growth

(1) Formerly Wendel Lab.

An attractive DNA for entrepreneurs

Wendel's permanent capital (evergreen), as well as its philosophy as a long-term investor, makes it the ideal partner to support innovative companies in their development plans. Wendel thus participates in both the capital structuring of its companies and their future profits.

Wendel Growth works closely with four highly respected Senior Advisors in technology development to bring value to its investments. Wendel's operational teams provide expertise in structuring, M&A acquisitions and business connections. Wendel's international footprint, with its network in the United States and its office in New York, is an asset for supporting entrepreneurs in the development of their companies.

Key figures (2)

Investment objective
a medium-term exposure of **€500 million**

More than €200 million in capital committed by Wendel Growth

- **€164 million** in funds
- **~ €40 million** directly

20 funds in the portfolio

4 direct investments,
including 3 new ones in 2023

AlphaSense — **Sector** Data Intelligence

tadaweb — **Sector** DefTech

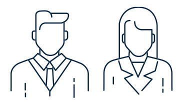
Brigad — **Sector** Restoration and Care

PRELIGENS — **Sector** DefTech

(2) As of March 17, 2023.

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.



THE SUPERVISORY BOARD AND ITS COMMITTEES

Reports to

Reports to

Reports to → EXECUTIVE BOARD ← Informs

Reports to

1st line

Investment and corporate teams

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

2nd line

Corporate functions
Risk management and compliance

The different 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

Internal audit

The Internal Audit Department conducts an independent assessment 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.

Audits

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.

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 below presents 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.

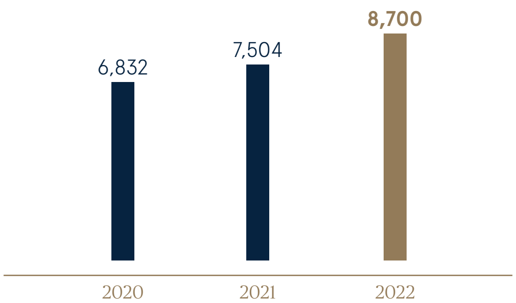
Map of risks deemed most significant by Wendel

Risk factors	Assessment
OPERATIONAL AND BUSINESS RISKS	
Geographical exposure and asset concentration	High
Robustness of portfolio companies' business models	High
Due diligence on contemplated investments and divestments	Medium
Valuing of portfolio companies	Medium
FINANCIAL RISKS	
Equity market fluctuations	High
EXTERNAL RISKS	
Conflict in Ukraine and geopolitical tensions	Medium
RISKS RELATED TO GOVERNANCE	
Presence of a majority shareholder	Low

Key financial figures

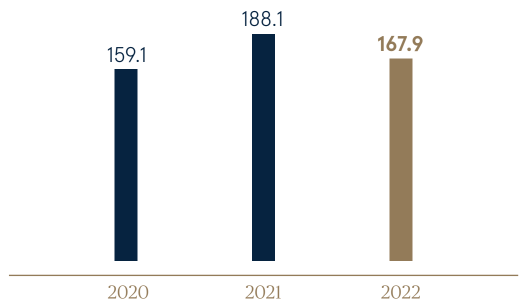
Consolidated net sales

In millions of euros as of December 31



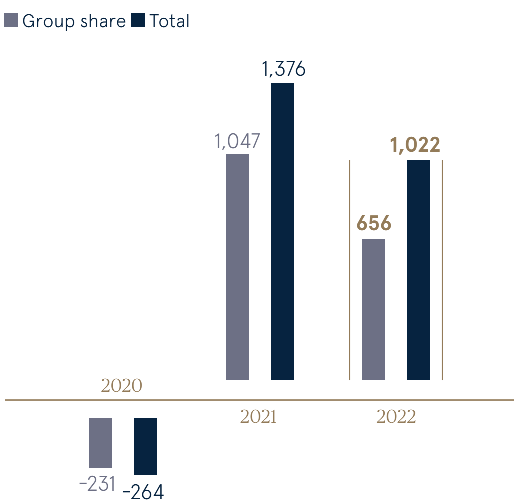
Net Asset Value (NAV)

In euros per share as of December 31



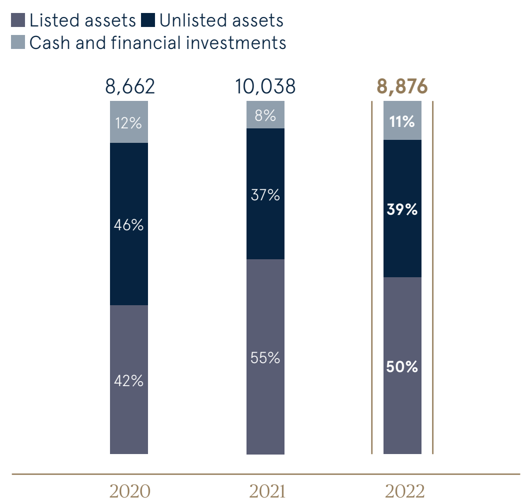
Net income (loss)

In millions of euros as of December 31



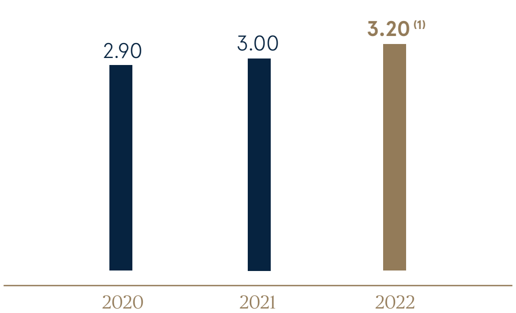
Total gross assets

In millions of euros as of December 31



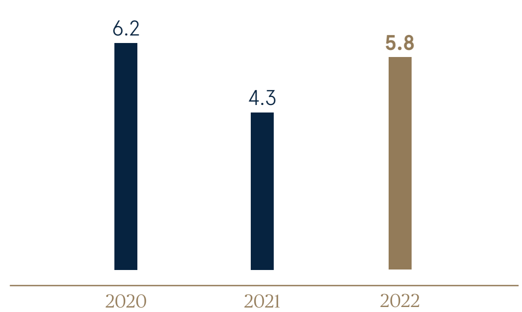
Dividend

Ordinary dividend, in euros per share



Loan To Value (LTV) ratio

As a percentage as of December 31



(1) Subject to approval by the Shareholders' Meeting of June 15, 2023.

Non-financial key figures

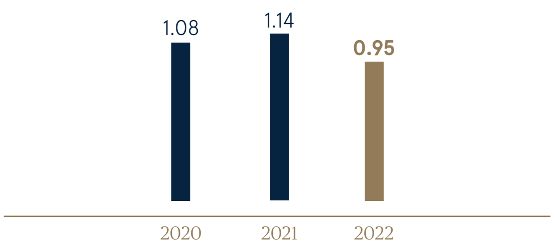
ESG approach

100% of portfolio companies have an ESG roadmap.

100% of the CEOs of controlled companies [(2)] have part of their compensation linked to the achievement of ESG objectives.

Employee health and safety

Average frequency rate of work-related accidents in controlled portfolio companies



Climate change mitigation

100% of controlled portfolio companies that have identified climate change adaptation risks have developed a climate resilience plan approved by their Board of Directors.

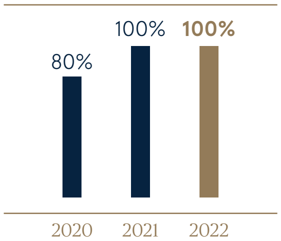
94% of the portfolio's emissions [(3)] come from companies that have at least committed to submitting their targets to the SBTi. Two companies (Stahl and Bureau Veritas) have submitted their targets and are awaiting validation of their SBTi pathway.

28% of the portfolio companies [(3)], representing **55%** of the portfolio's emissions, have their emissions reduction pathway approved by the SBTi.

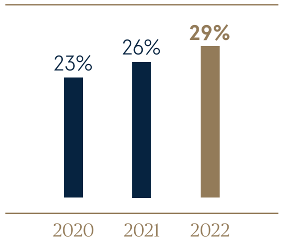
Parity and diversity

within Wendel SE and controlled companies

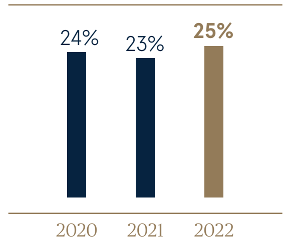
Controlled companies committed to gender parity



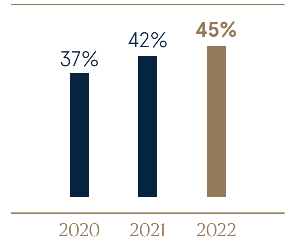
Proportion of women on Boards



Proportion of women in management positions

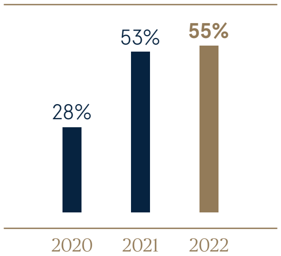


Proportion of women in Wendel's investment team



Products and services with environmental added value

Consolidated net sales



→ **55%** of Bureau Veritas' sales are generated by its Green Line products and services [(4)].
→ **59%** of Constantia Flexibles' sales are generated by its recyclable packaging products [(5)].
→ **57%** of Stahl's sales are from sales of water-based products. The composition of these products (high water content and low solvent content) results in a significant reduction in CO_2 emissions generated over the product life cycle.

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

→ the entire CPI training offer is designed to reduce violent behavior and improve personal safety in the workplace *(see section 4.2.4 – CPI's ESG performance)*;
→ the entire ACAMS training offer is designed to fight financial crime *(see section 4.2.5 – ACAMS' ESG performance)*.

(2) Present throughout the year.
(3) Includes controlled and non-controlled companies.
(4) Bureau Veritas' Green Line is a line of services and solutions dedicated to Corporate Social Responsibility (CSR).
(5) Only estimates of the proportion of sales represented by Constantia Flexibles' recyclable solutions were available as of the date of publication of the 2022 Universal Registration Document. In 2021, this ratio was 55%.

1

PRESENTATION OF THE GROUP

1.1 CORPORATE HISTORY 38

1.2 BUSINESS 39

1.3 INVESTMENT MODEL: STRATEGY AND OBJECTIVES 40

1.3.1 Engaged partnering with entrepreneurial teams 40
1.3.2 A value creation objective 41
1.3.3 New strategic directions for the Executive Board 42

1.4 PORTFOLIO COMPANIES 44

1.4.1 Bureau Veritas 44
1.4.2 Stahl 46
1.4.3 IHS Towers 48
1.4.4 Constantia Flexibles 50
1.4.5 Crisis Prevention Institute 53
1.4.6 Tarkett 55
1.4.7 ACAMS 56
1.4.8 Wendel Growth 58

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 driving 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, etc.

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

In the 20th century, hard hit by two world wars that ravaged production facilities in Lorraine, 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 powerful image. This solid positioning, as a professional shareholder that approaches investments from an industrial point of view, prompted us to propose, at the June 4, 2007 Shareholders' Meeting, that the legal name of the Company be simplified from "Wendel Investissement" to "Wendel" to emphasize the 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 Western Europe and North America.

1.2 Business

Wendel is one of Europe's leading investment companies in terms of size, with nearly €9 billion in gross assets as of December 31, 2022. 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 fact 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 45 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 and best ESG practices, and by boosting productivity. Investment opportunities are systematically referred to a team which examines each case, in particular by looking at the company's growth prospects. These investment opportunities are then reviewed by a diverse and collegial Investment and Development Committee, composed of experienced Managing Directors, including the Chief Financial Officer and the two members of the Executive Board, before being approved by the governance bodies of the entities concerned. If Wendel proceeds with the transaction, the team that examined the opportunity is then responsible for its execution.

Global competitive landscape in 2022

As a professional investor, Wendel may face competition in its acquisitions, including from private equity funds, sovereign wealth funds, pension funds, family groups and industry players. All these entities (except for industry players) are active controlling investors and number in the thousands, typically focusing on medium-term investment horizons of three to five 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 wealth funds, pension funds and investment funds) have emerged, also targeting longer-term investments and with a trend towards more substantial deals. This trend can be partially explained by the fact that private equity generates higher returns than most other asset categories over the long term.

2022 was shaped by two distinct periods. The first few months of the year followed on from the record activity seen in 2021, with significant fundraising and numerous acquisitions and divestments, despite an uncertain macroeconomic environment (driven by rising inflation and geopolitical tensions). Policy rate hikes by central banks from June 2022 onwards have significantly dampened private equity activity around the world, fueling economic recession scenarios and reducing access to credit, particularly leveraged loans. Fundraising and large-scale transactions were scarce in the second half of the year in all segments of the private equity industry, particularly in venture capital. This situation continued into the first quarter of 2023 and its persistence will depend on how quickly macroeconomic factors stabilize.

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: Strategy and objectives

Wendel's approach consists of selecting leading companies, making long-term investments and helping to define ambitious strategies, while implementing a clear shareholder approach, in conjunction with 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 scope.

Since 1977, Wendel's international investment teams have applied their experience and expertise in investments to a significant 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 required 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 A value creation objective

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. From an operational standpoint, Wendel holds constructive, transparent talks with their management teams, constantly questioning habitual practices and rethinking current models in the light of global best practices. Wendel meets its commitments on a daily basis by fostering effective relationships built on trust that recognize the respective roles of shareholders and managers. It provides guarantees of shareholder stability and the support of a long-term partner who does not hesitate to make a financial commitment during challenging times, where justified.

Leveraging its status as an Investment Grade bond issuer, the Group has the financial means to build a diversified portfolio of companies and to make new investments.

Acquisitions by portfolio companies

Growth by acquisition is an integral part of the Wendel Group companies' development model. They completed nine acquisitions in 2022, and most of them plan to achieve a portion of their growth via acquisitions, generally focusing on small- or medium-sized targets that create the most value. Wendel's teams assist Group companies in their search for acquisitions, in deploying their external growth strategy, and in arranging the required financing.

An entrepreneurial model

Wendel believes that providing management teams with a financial interest in value creation is an effective approach, giving executives a personal stake in the risks and rewards of their investments.

For listed portfolio companies (Bureau Veritas, IHS Towers and Tarkett), the management teams benefit from stock option and/or free share plans.

For unlisted subsidiaries (Stahl, Constantia Flexibles, CPI, ACAMS, IHS Towers – when it was unlisted – and Tarkett Participation), the profit-sharing policy is based on a co-investment mechanism through which managers may make significant personal investments alongside Wendel. See Chapter 6, note 5-2 of this Universal Registration Document for further details.

1.3.3 New strategic directions for the Executive Board

On March 16, 2023, the Executive Board unveiled its new strategic directions. These provide for:

- Implementation of an active portfolio management and investment policy with an intention to invest c. €2 billion of equity within two years, while optimizing Wendel's financial flexibility.
- Equity investments of €300 million to €600 million per investment in Western Europe and North America.
- Investment policy and value creation based on Wendel's role as a hands-on shareholder.
- Investment in unlisted companies, with priority given to majority stakes.
- Active involvement with the Bureau Veritas Management team to accelerate value creation.
- Ambition to develop an asset management business with third-party money based on the capabilities of Wendel's investment platform and further investment in talents.
- A new financial policy featuring: (i) a dividend set at 2% of Net Asset Value, on average, while having a minimum objective of annual stability, and (ii) the optimization of Wendel's financing capacity while maintaining an LTV ratio consistent with an Investment Grade financial rating.
- A target of double-digit average total shareholder return.

Wendel will seek to become a significant shareholder holding Board and key committee seats, alongside like-minded partners.

Investment profile

Wendel seeks market leading businesses 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 demonstrated resilience through economic cycles.

Attractive sectors meeting those criteria include technology services and software, business services, healthcare and industrial technology. Nevertheless, Wendel remains opportunistic and would consider investments in other industries that meet its criteria.

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

- companies that are in line with 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;
- located in countries that are well known to Wendel: in Western Europe, particularly in France, and North America (both the United States and Canada);
- strong international exposure or an international growth strategy;
- ideally representing an initial investment of between €300 million and €600 million; smaller investments are also considered through Wendel Growth;
- 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;
- with sound fundamentals and, in particular, recurring and predictable cash flows; and
- offering high potential for long-term profitable growth, based on both organic growth and accretive acquisitions.

Wendel Growth

With Wendel Growth, Wendel aims to increase its exposure to the high-growth company sector. In the medium term, Wendel Growth's exposure should represent €500 million. Initiated in 2013, Wendel Growth has, to date, mainly made commitments to several high-quality technology and growth investment funds. Priority is now given to direct investments, while in parallel, Wendel Growth will continue to invest in funds. Wendel Growth has multiple objectives. It diversifies the portfolio by increasing exposure to high-growth assets, generally with a digital component or with disruptive business models. Wendel Growth also develops the expertise of its team and that of its portfolio companies on technological innovations that could impact or enhance their value creation profiles.

Strategic financing guidelines

Wendel aims to retain a flexible financing structure that can withstand sudden, severe market shocks. In keeping with its long-term investor profile, Wendel aims to retain its Investment Grade credit rating.

As of December 31, 2022, Wendel had a low Loan-to-Value Ratio of 5.8%. 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.

Shareholder return

The Company's objective is to distribute an annual dividend of around 2%, on average, of Net Asset Value, with a minimum objective of annual stability.

In addition, Wendel may carry out share buybacks on an opportunistic basis and within the limits of the authorizations granted by the Shareholders' Meeting and the regulations in force.

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 transactions, Wendel accompanies its companies in the deployment of 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 and 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 non-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 the Group's 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 have shown eagerness to lead by example and a willingness to cultivate relationships of trust with all our stakeholders. In 2020, Wendel published its 2023 ESG roadmap, formalizing its ambitious strategy in this area. 2022 was marked by an improvement in many ESG parameters and a significant increase in non-financial ratings (see Chapter 4).

Recent developments

The acquisition of ACAMS in 2022 was a first step in Wendel's capital redeployment objective and further enhanced the portfolio's growth profile, as was the case with the acquisition of CPI in 2019. Wendel has also accelerated the development of Wendel Growth through fund commitments, and has recruited seasoned professionals with solid experience and excellent references. In addition, Wendel made significant gains thanks to the turnaround and disposal of Cromology in 2022.

Since early 2023, Wendel Growth has made three new direct investments (Tadaweb, Brigad and Preligens).

On March 22, 2023, Wendel announced the successful issue of €750 million of bonds exchangeable for Bureau Veritas ordinary shares, maturing in 2026 and with a 25% premium over the reference share price. Wendel reaffirms its full support for Bureau Veritas' strategy.

1.4 Portfolio companies

All information regarding the competitive positioning and market shares of our portfolio companies, as well as certain financial information, is provided by the companies themselves and has not been verified by Wendel. Comments on the companies' business include the impact of IFRS 16, unless otherwise stated.

1.4.1 Bureau Veritas

Continued growth at Bureau Veritas, as the group reinforces its positioning on sustainability services with the "Green Line"

Bureau Veritas is the world's leading provider of inspection, certification and testing services in the areas of quality, health, safety, security, environmental and social responsibility (QHSE-SR). Bureau Veritas is directly and indirectly involved in ESG and in 2020 launched its "Green Line" of services and solutions to help its clients implement their strategies and measure and achieve their sustainability goals with confidence and transparency. Bureau Veritas generates approximately 55% of its sales through the BV Green Line of services and solutions.

Bureau Veritas in brief

(Fully consolidated company)

Present in 140 countries	More than 1,600 offices and laboratories	Approx. 82,000 employees	400,000 clients
€5,650.6 million in sales in 2022	€902.1 million in adjusted operating income(1)	Stake held by Wendel: 35.55%(2) of the share capital and 51.7% of theoretical voting rights	Amount invested(3) by Wendel: €397.3 million since 1995(4)

(1) Bureau Veritas defines "adjusted" operating profit as operating profit before income and expenses relating to acquisitions and other non-recurring items (indicator not defined under IFRS). Including the impact of IFRS 16.
(2) Share of equity owned by Wendel as of December 31, 2022, net of treasury shares.
(3) Amount of equity invested by Wendel for the stake held as of December 31, 2022.
(4) Since its initial investment of €931 million in Bureau Veritas, Wendel has received approximately €4 billion in proceeds from disposals and Bureau Veritas dividends.

Why did we invest in Bureau Veritas?

Bureau Veritas is well 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 revenue 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 2022

Revenue in 2022 amounted to €5,650.6 million, a +13.4% increase compared with 2021. Organic revenue was up +7.8% in 2022, benefiting from solid trends across most businesses and geographies and a maintained momentum for Sustainability and ESG-related solutions across the entire portfolio, representing 55% of Bureau Veritas sales through the BV Green Line of services and solutions.

The scope effect was a positive +0.9% (including 1.6% in the last quarter), reflecting the four bolt-on acquisitions realized in 2022, alongside those of the prior year. Currency fluctuations had a positive impact of +4.7% (including a positive impact of 3.0% in Q4 2022), mainly due to the strong appreciation of the USD and pegged currencies against the euro, which was partly offset by the depreciation of some emerging countries' currencies.

Adjusted operating profit increased by 12.5% to €902.1 million.

At December 31, 2022, the adjusted net financial debt/EBITDA ratio was further reduced to 0.97x (from 1.10x as of December 31, 2021). The average maturity of Bureau Veritas' financial debt was 3.9 years, with a blended average cost of funds over the year of 2.1% excluding the impact of IFRS 16 (compared with 2.3% in 2021 excluding the impact of IFRS 16).

The Board of Directors of Bureau Veritas proposed a dividend of €0.77 per share, payable in cash, for 2022, up +45.3% compared to the prior year. Moving forward, Bureau Veritas expects to maintain a dividend of around 65% of its adjusted net profit (from 50% previously). This is subject to the approval of the Shareholders' Meeting to be held on June 22, 2023.

Hinda Gharbi Deputy CEO of Bureau Veritas since January 1, 2023

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

On January 1, 2023, Hinda Gharbi became 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 which will be held on June 22, 2023.

2023 outlook

Based on a healthy sales pipeline and the significant growth opportunities related to Sustainability, and taking into account the current macro uncertainties, Bureau Veritas expects for the full year 2023 to deliver:

- Mid-single-digit organic revenue growth;
- A stable adjusted operating margin;
- A strong cash flow, with a cash conversion[1] above 90%.

In millions of euros	2022 after IFRS 16	2021 after IFRS 16	Δ
Revenue	5,650.6	4,981.1	+13.4%
Adjusted operating profit[1]	902.1	801.8	+12.5%
As a % of revenue	16.0%	16.1%	-13 bps
Attributable adjusted net profit[2]	466.7	420.9	+10.9%
Adjusted net financial debt[3]	975.3	1,051.4	-7.2%

(1) Bureau Veritas defines "adjusted" operating profit as operating profit before income and expenses relating to acquisitions and other non-recurring items (indicator not defined under IFRS).
(2) Bureau Veritas defines attributable "adjusted" net profit as attributable net profit 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, Chief Executive Officer

Hinda Gharbi, Deputy CEO

François Chabas, Chief Financial Officer

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

Wendel's team

Board of Directors: Laurent Mignon (Vice-Chairman) since December 15, 2022, Jérôme Michiels, Christine Anglade-Pirzadeh, Claude Ehlinger (Wendel Senior Advisor)

Strategy Committee: Laurent Mignon (Chairman since December 15, 2022)

Nomination & Compensation Committee: Claude Ehlinger (Wendel Senior Advisor)

Audit & Risk Committee: Jérôme Michiels

For more information: bureauveritas.com

(1) Net cash generated from operating activities/Adjusted Operating Profit.

1.4.2 Stahl

Stahl is the global leader in specialty formulations for coatings and surface treatments for flexible substrates. Stahl's performance coatings are found in everyday materials in the automotive, apparel, luxury goods, footwear, packaging, and the home furnishing industry, amongst others.

Stahl in brief

(Fully consolidated company)

Physically present in 22 countries	34 laboratories and 11 production sites	Approx.1,800 employees	No. 1 worldwide in specialty leather chemicals
€914.9 million in sales in 2022	Adjusted EBITDA(1) of €194.3 million in 2022	Stake(2) held by Wendel: 67.9%	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, 2022, for the stake held at that date. In the meantime €341 million has been paid to Wendel in dividends and loan repayments.

Why did we invest in Stahl?

Stahl is the world leader in coatings and surface treatments for flexible substrates. 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 Stahl's capital from Clariant for €50 million, bringing its total investment in the company to €221 million.

Highlights of 2022

Stahl, the world leader in specialty coatings for flexible substrates, posted total sales of €914.9 million in 2022, representing an increase of +10.1% over 2021. Organic growth was +6.3% while FX contributed positively (+3.8%), mostly through USD and RMB strengthening against the Euro.

FY2022 EBITDA(1) amounted to €194.3 million, translating into an EBITDA margin of 21.2%, in line with Stahl's historical levels. Stahl remained highly cash generative, notably thanks to the good EBITDA level. As a result, net debt as of December 31, 2022, was €97.7 million(2), vs. €183.8 million end of June 2022.

On March 16, 2023, the Stahl Group acquired 100% of the shares in ICP Industrial Solutions Group (ISG), a leader in high-performance packaging coatings which reinforces Stahl's position as the global leader in the field of specialty coatings for flexible substrates. ISG offers a comprehensive complementary portfolio of high-performance coatings used primarily in packaging and labeling applications, notably in the resilient food and pharmaceutical sectors. It is mostly present in North America (close to 70% of sales).

Following this acquisition, Stahl sales will cross the €1 billion mark with an EBITDA margin above 20%. The transaction is carried out at an enterprise value of c. $205 million.

(1) EBITDA including IFRS 16 impacts, EBITDA excluding IFRS 16 stands at €191.1m.
(2) Including IFRS 16 impacts. Net debt excluding the impact of IFRS 16 was €80.9m.

Concurrently, Stahl secured new financing of $580 million with a group of relationship banks, extending maturities until 2028. The financing will be used to finance the acquisition of ISG, refinance its existing credit facilities, and fund future external growth, with a focus on opportunities in specialty coatings.

Stahl's standalone leverage was reported at 0.4x[1] EBITDA as of December 31, 2022. Pro forma of the ISG transaction, leverage would stand at c.1.5x.

Outlook for development

In the future, Stahl intends to further develop, strengthen and broaden its core specialty coatings franchise. The acquisition of ISG, on March 16, 2023, is a perfect example of that strategic plan. Longer term, Stahl will continue to reinforce its position as the worldwide leader of high-performance coatings for flexible substrates, through organic developments, expanding its current scope of business and gaining further market share, as well as targeted acquisitions.

Stahl also intends to increase the levels of premiumization and specialization to further support its premium margin model.

The group will continue to capitalize on its strengths, which are its global leadership, unmatched innovation capabilities (innovative environmentally friendly solutions and customized technologies), its strong relationships with top clients, its exposure to fast-growing markets and its 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 towards emerging markets, particularly in Asia, and increasing environmental regulations, which are beneficial to Stahl market shares, given its innovation leadership and its unmatched portfolio of solutions complying with these regulations throughout the production chain. The trend towards bio-based chemicals will continue to develop in the future, and Stahl is well positioned to benefit with largely water based formulations and recently launched ranges of products with high levels of renewable content.

Benefitting from a strong financial structure, Stahl is actively reviewing targeted acquisition opportunities, with a focus on specialty coatings.

In millions of euros	2022 after IFRS 16	2021 after IFRS 16	Δ
Sales	914.9	831.3	+ 10.1%
EBITDA[1]	194.3	179.9	+ 8.0%
As a % of sales	*21.2%*	*21.6%*	*-40 bps*
Net financial debt	97.7	176.2	-78.5

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

Top management

Maarten Heijbroek, Chief Executive Officer

Frank Sonnemans, Chief Financial Officer

Wendel's team as of December 31, 2022

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

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

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

For more information: stahl.com

(1) Computed as per financing documentation definition.

1.4.3 IHS Towers

IHS, a leading provider of communications infrastructure

IHS is one of the largest independent owners, operators, and developers of shared 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 39,652 towers, 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	39,652 towers	No. 1 in Africa	No. 4 independent multinational towerco(1) in the world
$1,961.3 million in sales in 2022	Approx. 2,800 employees	Stake held by Wendel(2): 19.0%	Amount(2) invested by Wendel: $830 million since 2013

(1) Tower count as reported as of December 31, 2022, except GD Towers which is as of February 23, 2023. Tower count is pro forma for announced transactions, as applicable.
(2) Stake held and amount of equity invested by Wendel at December 31, 2022 for the stake held at that date, corresponding to €662 million.

Why did we invest in IHS?

IHS is a leading provider of communications infrastructure for mobile phone operators. Over the last 22 years, the group has successfully developed along the entire telecom tower value chain, from construction and maintenance to leasing. It provides market-leading services to its customers, who are leading telecom operators, including Airtel, MTN, Orange, TIM 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 68% of group sales as of Q422. 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. At and since the IPO, Wendel has not sold any shares.

$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.

IHS' shareholders before its IPO include MTN, Emerging Capital Partners, International Finance Corporation (IFC), part of the World Bank Group, FMO, the Netherlands development bank, Investec Asset Management (now Ninety-One), 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, funds managed by Edmond de Rothschild now Elyan Partners, 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 in 2022.

For more information on the company's news: https://www.ihstowers.com/support-and-info/media/press-releases

For more information on the company's sustainability commitment: https://www.ihstowers.com/sustainability

Top management

Sam Darwish, Chairman and Chief Executive Officer

Steve Howden, Group Chief Financial Officer

Governance

Frank Dangeard was proposed by Wendel to sit on the Board of IHS which comprises 10 directors in total.

For more information: ihstowers.com

1.4.4 Constantia Flexibles

Constantia Flexibles' success is based on its leading positions, well invested global manufacturing base, sustainable and innovation focus and a management team with a demonstrated track record of outperformance

Constantia Flexibles is a global leader in the fragmented flexible packaging market. The Group produces flexible packaging solutions for a diversified portfolio of blue-chip customers and local champions in the pharmaceutical and consumer industries.

Constantia Flexibles in brief

(Fully consolidated company)

No. 2 in Europe, No. 3 worldwide	7,030 employees(3)		27 production sites(3) in 15 countries(3)
€1,954.5 million in sales in 2022	EBITDA of €256.4 million in 2022(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, 2022, for the stake held at that date.
(3) Excluding India joint-venture, not pro-forma for the Drukpol Flexo acquisition announced on March 2, 2023 and not pro forma for the Lászlópack acquisition announced on April 6, 2023.

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 pharmaceutical and consumer industries. Constantia Flexibles has successfully developed its activities and has become a global leader in flexible packaging. The group now has 7,030 employees in 15 countries, both figures excluding the recently announced India joint-venture and not pro-forma for the acquisition of Drukpol Flexo in Poland announced on March 2, 2023 or the Lászlópack acquisition announced on April 6, 2023.

The flexible packaging market for pharmaceutical and fastmoving consumer goods, in which Constantia Flexibles operates, offers a combination of stability and growth. The business of Constantia Flexibles is resilient 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 growing population, 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. Under Wendel's ownership, Constantia has focused on the most dynamic sub-segments within that market, enabling the company to further enhance its growth profile.

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

- the group's long-standing relationships with major global blue-chip customers and local champions;
- the size of the group, enabling it to harness economies of scale;
- the group's innovation capabilities and technological edge, which position the group at the forefront of the packaging sustainability transformation opportunity and allows it to tap into attractive adjacent industries;
- the group's strategically located well-invested global manufacturing base; and
- the ability of Constantia Flexibles to pursue an external growth strategy, as demonstrated recently with the acquisition of Propak in Turkey, FFP in the UK, Drukpol Flexo in Poland and Lászlópack in Hungary, as well as the formation of the announced joint-venture with Premji Invest and SB Packagings in India.

On March 27, 2015, Wendel finalized the acquisition of Constantia Flexibles for an enterprise value of €2.3 billion 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.

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 34% of the group's management adjusted EBITDA, and it is the largest manufacturer of blisterlidding for medications globally.

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 towards 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.

Consumer

The Consumer division represents around 66% of the EBITDA of Constantia Flexibles. It encompasses a vast array of products to serve market segments ranging from dairy to confectionery via ready-made meals, coffee capsules 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 a balanced mix of customers including consumer industry giants such as Nestlé, Unilever, Mars, and Pepsico as well as private label customers.

Highlights of 2022

Full-year sales totaled €1,954.5 million, up +23.6% on an organic basis with a strong performance across both Pharma and Consumer markets. The growth was driven by (i) price increases to compensate for the impact of cost inflation, (ii) volume growth in higher margin businesses notably in the pharma market, and (iii) a favorable sales mix effect. Total growth was +21.9%. The acquisitions of Propak in June 2021 and FFP Packaging Solutions in August 2022 contributed positively to top line growth (+3.7%) and foreign exchange by +4.5%. In accordance with IFRS 5, Indian activities are classified as discontinued operations and are not consolidated anymore given the announced formation of a joint-venture with Premji Invest. Impact on total growth was -9.8%.

Full-year EBITDA of €256.4 million[1] (representing a reported margin of 13.1% versus 12.5% last year) improved by €55.4m driven by: (i) continued growth in Pharma with a significant overall improvement in the US operations (ii) strong performance in the Aluminum division with the hub plant optimizing its sales mix whilst the satellite plants continued to enhance performance through operational excellence and organic volume growth (iii) excellent performance in the Film division with strong international organic growth and Propak (acquired in June 2021) delivering a record full-year performance. Throughout the year margins were protected by successfully passing through the unprecedented cost inflation to the customer base on a timely basis whilst effectively managing the significant supply chain disruptions. EBITDA margins based on 2020 price levels improved from 12.6% to 16.0%.

Net debt stood at €313.1 million[2] at the end of 2022 representing a significant reduction from the €400.3 million on December 31, 2021 reflecting the strong performance and improved cash generation of the group in 2022 whilst also funding the acquisition of FFP and growth capital expenditure. Leverage ratio has been improved to 1.2x EBITDA compared to 1.8x at the beginning of the year.

Outlook for development

2023 shows a very promising start of the year with continued progress targeted in volume, EBITDA and cash generation.

In 2021, Constantia Flexibles initiated a strategy called Vision 2025. This strategic roadmap refocuses strategic priorities primarily towards boosting growth and profitability. It also aimed to strengthen organic growth through innovation, the sustainable packaging technologies segment and the new EcoLutions sustainable product range. Constantia Flexibles is also continuously looking at inorganic growth opportunities to take advantage of the fragmented flexible packaging market, 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, and an EBITDA margin of at least 14% (based on 2020 price levels). Constantia is carefully managing the inflationary cost environment as well as realizing synergies from the recent acquisitions.

In millions of euros	2022 after IFRS 16	2021 after IFRS 16	Δ
Sales	1,954.5	1,603.4	+21.9%
EBITDA[1]	256.4	201.0	+27.6%
As a % of sales	*13.1%*	*12.5%*	*+60 bps*
Net financial debt	313.1	400.3	-87.2

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

Top management

Pim Vervaat, Chief Executive Officer

Richard Kelsey, Chief Financial Officer

Wendel's team

Supervisory Board: David Darmon (Chairman), Jérôme Richard, Constance d'Avout

Nomination and Compensation Committee: David Darmon, Constance d'Avout

Audit Committee: Constance d'Avout, Jérôme Richard

For more information: cflex.com

(1) EBITDA including the impact of IFRS 16. Recurring EBITDA excluding the impact of IFRS 16 was €245.7m.
(2) Including IFRS 16 impacts. Net debt excluding the impact of IFRS 16 was €267.1m.

1.4.5 Crisis Prevention Institute

Crisis Prevention Institute, the global leader in crisis management training programs

Crisis Prevention Institute, "CPI," is the global leader in crisis prevention and aggressive behavior management training programs. For 43 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 39,000 "Certified Instructors" who train over 1.4 million people each year	376 employees	World market leader
$120.1 million in sales in 2022	Adjusted EBITDA[(1)] of $61.9 million in 2022	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, 2022, for the stake held at that date representing €511 million.

About CPI

On December 23, 2019, Wendel completed the acquisition of the Crisis Prevention Institute (CPI). CPI, headquartered in Milwaukee, 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 inteach and certify individuals to instruct staff at their organizations to assess, manage, and safely resolve instances of 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 CPI's Blue CardTM certification at the end of the 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 39,000 active "Certified Instructors" who train over 1.4 million people a year. Over the last 40 years, CPI's certified instructors (CIs) have trained over 15 million professionals in17 countries around the world.

CPI is one of Wendel's three current investments in the US alongside Alphasense and ACAMS. Wendel has completed a total of seven investments in the US, including the successful acquisition of Deutsch, CSP Technologies, Coastal and Allied Barton.

Why did we invest in CPI?

CPI is the world leader in crisis management training 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 43 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.

Highlights of 2022

Crisis Prevention Institute recorded revenue of $120.1 million in 2022, up +15.1% in total compared to 2021, or +17.0% organically. Foreign exchange impact was -1.8%.

The strong revenue growth was accompanied by an even stronger EBITDA growth of +20.2% to $61.9 million. This corresponds with a record margin of 51.5% over the period (+210 basis points versus 2021). EBITDA benefited primarily from the flow-through of higher sales to earnings, effective cost management, and early year labor vacancy. CPI's operating costs, however, are expected to increase in 2023.

As of December 31, 2022, net debt totaled $300.6 million(1), or 4.9x EBITDA as defined in CPI's credit agreement, reflecting a c. 35% decline in leverage levels since its acquisition in December 2019.

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 10% of sales in 2022, 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.

In millions of US dollars	2022 after IFRS 16	2021 after IFRS 16	Δ
Sales	120.1	104.3	+15.1%
EBITDA(1)	61.9	51.5	+20.2%
As a % of sales	*51.5%*	*49.4%*	*+210 bps*
Net financial debt	300.6	322.6	-22.0

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

Top management

Tony Jace, Chief Executive Officer

Susan Driscoll, President

Joy Krausert, Chief Financial Officer

Wendel's team

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

Audit Committee: Harper Mates (Chairperson), Adam Reinmann

For more information: https://www.crisisprevention.com/

(1) Including IFRS 16 impact. Net debt excluding IFRS 16 impact was $296.8m.

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 focusing 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
€3,358.9 million in sales in 2022	EBITDA of €234.9 million in 2022[(1)]	Stake[(2)] held by Wendel: 23.4%	Amount invested by Wendel[(3)]: €222 million since April 2021

(1) Adjusted EBITDA. Including the impact of IFRS 16.
(2) Share of equity owned by Wendel as of December 31, 2022, net of treasury stock. Stake held via Tarkett Participation as part of the partnership with the Deconinck family.
(3) Amount of equity invested by Wendel as of December 31, 2022, for the stake held at that date through Tarkett Participation.

Why did we invest in Tarkett?

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 observer 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 regulations, but this is not on the table at this time. Tarkett Participation is controlled by the Deconinck family.

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 has many strategic assets:

- a leading position as the world's 3rd largest flooring supplier worldwide (based on 2022 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;
- a "GloCal" positioning;
- an eco-innovation pioneer; and
- an international and experienced management team.

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

For more information on sustainability:
https://www.tarkett-group.com/en/climate- circular-economy/

Top management

Fabrice Barthelemy, Chief Executive Officer

Raphaël Bauer, Chief Financial Officer

Eric La Bonnardière, Chairman

Wendel's team

Board of Directors of Tarkett Participation: Charles Goulet

Board of Directors of Tarkett SA: Charles Goulet (Observer)

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

1.4.7 ACAMS

ACAMS is the world's largest[1] membership organization dedicated to fighting financial crime

ACAMS is the world's largest membership organization dedicated to ending financial crime through continuing professional education, training and certifications, in the areas of Anti-Money Laundering (AML), financial crime prevention and sanctions compliance.

ACAMS in brief

(Fully consolidated company from March 2022)

303 employees	Over 100,000 members	Presence in 180 countries and jurisdictions	Global leader in anti-financial crime professional education, training and certifications
$98.4 million in sales in 2022[1]	EBITDA of $19.4 million in 2022[1]	Stake held by Wendel: 98%	Amount invested[2] by Wendel: $338 million

(1) Unaudited figures. EBITDA including Wendel's estimate of the operating expenses required to manage ACAMS' operations on an independent basis.
(2) Amount of equity invested by Wendel in ACAMS in March 2022, representing €303 million.

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). This transaction valued ACAMS' enterprise value at approximately $500 million[2]. 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 ending financial crime through continuing professional education, training and certification in the areas of Anti-Money Laundering (AML), financial-crime prevention and sanctions compliance. The company benefits from a large global network of over 100,000 members in more than 180 countries and jurisdictions. Of these members, nearly 55,000 professionals hold CAMS certifications that require rigorous preparation, periodic renewals, and continuing education and training, including webinars and conference attendance. ACAMS employs 303 people, mainly in the United States, United Kingdom and Hong Kong, who together serve a global customer base. The Company generates around 60% of its sales outside of the United States and has a long history of organic growth through global expansion and the introduction of new programs aimed at supporting its customers' and members' fight against an increasingly complex financial-crime environment.

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

Highlights of 2022

On March 10, 2022, Wendel acquired ACAMS, a global leader in professional education and training for anti-financial crime (AFC) professionals.

ACAMS reported 2022 revenue of $98.4 million[3], up +15.4% vs. the same period in 2021. Organic growth was +15.9%, and the impact of foreign exchange was -0.5%. Year-over-year growth was driven by conference recovery and greater sales of Certifications, Memberships and Training, particularly to large bank customers across the globe. 2022 revenue growth benefited from the increasing regulatory activity amidst the recent geopolitical turmoil.

(1) Based on public data.
(2) Net adjusted acquisition price of $487.5 million.
(3) Revenue is shown excluding the IFRS purchase price allocation entry related to deferred revenue.

As of December 31, 2022, EBITDA[1] pro forma for the carve-out was c. $19.4 million, resulting in a pro forma margin of 19.7%. ACAMS is targeting go-forward EBITDA margin in excess of 20%.

As of December 31, 2022, net debt totaled $143.4 million[2] which represents 5.9x EBITDA as defined in ACAMS' credit agreement. ACAMS' cash flow generation was impacted by one-time expenditures related to the carve-out, but ACAMS is expected to deliver cash conversion above 75% on a run-rate basis.[3]

ACAMS' separation from its prior parent company is nearly complete and is expected to be finalized during the first half of 2023.

Outlook for development

Over the past twelve months, ACAMS has successfully managed its separation from its prior owner while accelerating investment in the membership organization, including resuming its global conference activity, introducing new webinars, training and certifications centered on emerging threat areas such as sanctions and cryptocurrencies, and accelerating the expansion of its membership base. The combination of these factors, supported by the growing global need to stay ahead of an ever-changing threat and regulatory environment, has supported ACAMS' recent results.

The company is targeting double-digit organic revenue growth and >20% EBITDA margins over the next several years through additional investments in enterprise sales, enhanced engagement with a growing membership base and the continued introduction of new programs and subject-matter expertise, which it intends to develop organically or through acquisitions.

In millions of US dollars	2022 after IFRS 16	2021 after IFRS 16	Δ
Revenue	98.4	85.3	+15.4%
EBITDA[1]	19.4	16.0	+21.4%
As a % of revenue	*19.7%*	*18.7%*	*+100 bps*[1]
Net financial debt	143.4	n/a	

(1) Estimated EBITDA, including Wendel's estimate of the operating expenses required to manage ACAMS' operations on an independent basis.

Top management

Scott Liles, Chief Executive Officer

Mariah Gause, Chief Operating Officer

Wendel's team

Board of Directors: Adam Reinmann (Chairman), Harper Mates, Jamie Fletcher, Caroline Bertin Delacour, Mel Immergut (Wendel Senior Advisor)

Audit Committee: Jamie Fletcher (Chairman), Adam Reinmann, Harper Mates, Caroline Bertin Delacour

For more information: acams.org

(1) EBITDA post and before IFRS 16. There is no IFRS 16 impact on ACAMS. EBITDA is calculated on a pro forma basis that reflects full anticipated cost structure required to operate on a standalone basis. EBITDA is before non-recurring items and goodwill allocation entries.
(2) Net debt post and before IFRS 16. There is no IFRS 16 impact on ACAMS. The acquisition of ACAMS was completed in March 2022, so there is no data available at end of 2021.
(3) Defined as (EBITDA-CAPEX)/EBITDA.

1.4.8 Wendel Growth[1]

Investing in high-growth companies

With Wendel Growth, Wendel invests directly or via funds in innovative, high-growth companies. Initiated in 2013, Wendel Growth has, to date, mainly made commitments to several high-quality technology and growth investment funds.

Wendel Growth is now looking for direct investment and co-investment opportunities in start-ups. Wendel's ambition is to invest up to €50 million per investment in scale-ups in Europe and North America. Priority is given to direct investments, while in parallel, Wendel Growth will continue to invest in funds.

Wendel Growth key figures

>20 investments in funds	4 direct investments[1]	€167 million in capital committed[2]

(1) As of March 31, 2023. €37m has been committed with three new direct investments.
(2) As of December 31, 2022.

Why did we create Wendel Growth?

With Wendel Growth, Wendel aims to increase its exposure to the high-growth company sector. In the medium term, Wendel Growth's exposure should represent €500 million.

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

Wendel Growth's objective is twofold:

- to diversify Wendel's portfolio by gaining exposure to high-growth assets, generally with a digital component or with disruptive business models; and
- to develop the expertise of Wendel's teams and those of its portfolio companies in terms of technological innovations that can impact or improve the Group's value creation profile.

Wendel's evergreen capital is attractive to entrepreneurs who are looking for a partner capable of supporting them over the long term.

Wendel Growth also seeks to add value to its investments by working closely with four renowned Senior Advisors in technology development and by relying on the significant expertise of Wendel's operational teams in structuring, M&A acquisitions or business connections. Wendel's international footprint, with its network in the United States and its New York office, is a real asset in helping entrepreneurs develop their companies.

Direct investments: Since 2022, Wendel Growth has been accelerating its direct investments in order to build up a portfolio of innovative, high-growth companies over the medium term by investing in two to four companies per year.

Wendel targets:

- direct investments, as leader or follower, from €10 to €50 million in scale-ups (up to four investments per year)
- companies with high-growth, high-margin businesses and double-digit annual growth with a target return of >25% IRR
- start-ups in growth sectors, outside Wendel's ESG exclusion list, such as BtoB SaaS software, marketplaces, fintech, digital health, defense, deeptech, technology-based services, etc.
- start-ups located in countries where Wendel already has experience, mainly in Europe and the United States, where Wendel has a large office in New York.

(1) Formerly Wendel Lab.

Investments in funds: Wendel Growth's fund investment strategy is to invest primarily in funds located in the United States and Europe, in a diversified manner, from venture capital to growth capital, while maintaining a steady investment rate to mitigate vintage risk.

Through its funds activity, Wendel Growth has access to renowned institutions such as Accel Partners, Andreessen Horowitz (a16z), Bond Capital, Innovation Endeavors, Kleiner Perkins, Quadrille, Northzone, Redpoint and Insight.

Investments

This new team has already made three direct investments since the beginning of 2023:

- In January, €15 million invested in Tadaweb, which delivers open-source intelligence (OSINT) platforms that enable organizations to generate actionable intelligence by making analysts' investigative methods hyper-efficient, reducing time to insight from days to minutes.
- In February, €7 million in Brigad, an online tool connecting self-employed professionals with hospitality and care establishments.
- Wendel signed an agreement early March to invest up to €15 million in convertible bonds and warrants in Preligens, the French pioneer in AI technology to empower intelligence and other defense applications. Preligens develops solutions to automate the analysis of multi-source data and cue users towards unusual events requiring their tradecraft.

In 2022, €51 million of new capital was committed. Total commitments stood at €204 million as of March 17, 2023, of which €164 million in funds and around €40 million in direct investments.

Sustainable development and non-financial information

Investments made by Wendel Growth are in line with Wendel’s ESG values and ethics. Investment opportunities are subject to ESG due diligence during the investment phase. In particular, they are subject to the exclusion list adopted by Wendel. Before investing in a fund, the ESG and Wendel Growth teams analyze the investment policies of the funds in question and their suitability in light of Wendel’s exclusion list. Where possible, more in-depth ESG due diligence is undertaken (HR policies, code of conduct, consideration of climate change, etc.). This practice is also implemented as part of direct investments in growth companies.

2

CORPORATE GOVERNANCE

2.1 GOVERNING AND SUPERVISORY BODIES 62

2.1.1 The Supervisory Board and its operations 62
2.1.2 Supervisory Board Committees 86
2.1.3 Gender diversity policy in governing bodies 92
2.1.4 Corporate governance statement 93
2.1.5 The Executive Board and its operations 94
2.1.6 Internal organization 99
2.1.7 Division of powers between the Executive and Supervisory Boards 104
2.1.8 Compliance and ethical issues involving the Group's governing and supervisory bodies 106

2.2 COMPENSATION OF CORPORATE OFFICERS 110

2.2.1 Compensation policy for corporate officers 110
2.2.2 General information on the compensation of corporate officers for fiscal year 2022 119
2.2.3 Breakdown of compensation paid in or awarded for 2022 to Executive Board members and to the Chairman of the Supervisory Board, subject to the shareholders' vote 140

This "Corporate governance" section includes extracts from the Supervisory Board's report on Corporate Governance prepared pursuant to Articles L. 22-10-20 and L. 22-10-34 of the French Commercial Code (*Code de commerce*). The Supervisory Board's report also includes information pertaining to Shareholders' Meetings (section 8.4.4) and information that could have an impact in the event of a takeover bid (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 16, 2023, 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 Company's governance structure was chosen to separate the executive functions, performed by the Executive Board, from the non-executive functions of control and supervision, performed by the Supervisory Board on behalf of shareholders.

This 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 no less than 3 and no more than 18 members.

The members of the Supervisory Board are appointed by the shareholders, voting at the Ordinary Shareholders' Meeting, for a four-year term. They may 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 aged 70 or more may not, after each Ordinary Shareholders' Meeting, exceed one-third of the number of Board members in office. 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 16, 2022. The Supervisory Board is composed of ten members appointed by the Shareholders' Meeting and two 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, 2022, the expiration dates for the terms of the members appointed by the Shareholders' Meeting were as follows:

2023 Shareholders' Meeting	2024 Shareholders' Meeting	2025 Shareholders' Meeting	2026 Shareholders' Meeting
■ Gervais Pellissier ■ Jacqueline Tammenoms Bakker ■ Humbert de Wendel	■ Thomas de Villeneuve	■ Bénédicte Coste ■ François de Mitry ■ Priscilla de Moustier ■ Nicolas ver Hulst	■ Franca Bertagnin Benetton ■ William Torchiana

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 40% excluding members representing employees, and 50% when they are included. As of the publication of this Universal Registration Document, 4 women sit on the Supervisory Board: Franca Bertagnin Benetton, Bénédicte Coste, Priscilla de Moustier, and Jacqueline Tammenoms Bakker, Chairwoman of the Governance and Sustainability Committee.

Jacqueline Tammenoms Bakker, an independent member of the Supervisory Board since the Shareholders' Meeting of 2015, has expressed her intention to not seek the renewal of her term. The appointment of Fabienne Lecorvaisier as an independent member will be proposed to the Shareholders' Meeting on June 15, 2023. The renewal of the terms of office of Gervais Pellissier and Humbert de Wendel will also be submitted for approval at this meeting.

For more information concerning the proposed appointment of Fabienne Lecorvaisier and the renewal of the terms of office of Gervais Pellissier and Humbert de Wendel, see the "Succession plan for the Supervisory Board" section below.

Subject to the approval of the Shareholders' Meeting on June 15, 2023, after the meeting, the Supervisory Board will be composed of 12 members, including two members representing employees, i.e.:

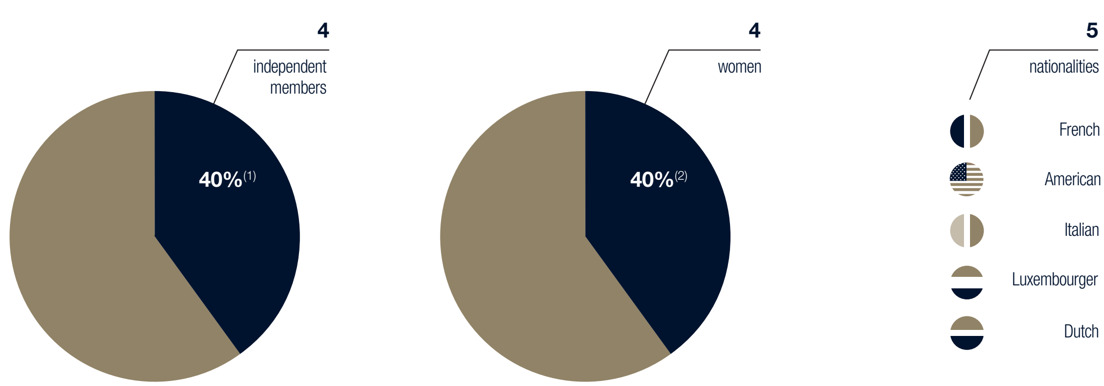
- 40% of women excluding members representing employees and 50% when they are included; and
- 40% independent members, excluding members representing employees.

Supervisory Board members at April 14, 2023

Name	Gender	Age	Nationality	Number of offices held in other listed companies	Position on the Supervisory Board	Date first appointed to the Supervisory Board	Date current term ends	Years of service on the Board	Number of Wendel SE shares held as of Dec. 31, 2022	Committee member	Independent as defined in the Afep-Medef Code
Nicolas ver HULST	M	69	French	-	Chairman	May 18, 2017	2025 AGM	5	906	-	
Gervais PELLISSIER	M	63	French	-	Vice-Chairman and Lead Member	June 5, 2015	2023 AGM	7	500	ARCC and GSC	•
Franca BERTAGNIN BENETTON	F	54	Italian	1	Member	May 17, 2018	2026 AGM	4	500	ARCC	•
Bénédicte COSTE	F	65	French	-	Member	May 28, 2013	2025 AGM	9	1,060	GSC	
Harper MATES	F	40	American	-	Member representing employees	January 1, 2021	12/31/2024	2	687	-	
François de MITRY	M	57	Luxembourger	-	Member	June 29, 2021	2025 AGM	1	3,000	ARCC	
Priscilla de MOUSTIER	F	70	French	-	Member	May 28, 2013	2025 AGM	9	150,443	GSC	
Jacqueline TAMMENOMS BAKKER	F	69	Dutch	1	Member	June 5, 2015	2023 AGM	7	500	ARCC and GSC	•
Sophie TOMASI PARISE	F	44	French	-	Member representing employees	September 5, 2018	11/20/2026	4	4,174	GSC	
William TORCHIANA	M	64	American	-	Member	June 15, 2022	2026 AGM	0	2,000	ARCC and GSC	•
Thomas de VILLENEUVE	M	50	French	-	Member	July 2, 2020	2024 AGM	2	500	GSC	
Humbert de WENDEL	M	66	French	-	Member	May 30, 2011	2023 AGM	11	225,064	ARCC	

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

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 and the range of necessary expertise of its members' profiles are strengths and enhance its contribution to good governance. The Governance and Sustainability Committee conducts its search and selection of new members 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 summarized in the table below.

Skills of the Supervisory Board members

	Private equity & investment	Leadership	Finance	ESG	International experience
Nicolas ver Hulst	✓	✓	✓		
Gervais Pellissier		✓	✓		✓
Franca Bertagnin Benetton	✓	✓			✓
Bénédicte Coste			✓		
Harper Mates	✓		✓		
François de Mitry	✓	✓			✓
Priscilla de Moustier		✓		✓	
Jacqueline Tammenoms Bakker		✓		✓	✓
Sophie Tomasi Parise					
William Torchiana		✓		✓	✓
Thomas de Villeneuve	✓	✓			
Humbert de Wendel		✓	✓		✓
TOTAL	**42%**	**75%**	**42%**	**25%**	**50%**

The Supervisory Board has drawn up a skills matrix, which it periodically reviews, to identify the experiences and qualifications that should be strengthened within the Board, in particular with regard to changes in strategic objectives. In 2022, the analysis of the results of this matrix, in addition to the results of the Board's annual assessment of its composition, showed that the Supervisory Board would benefit from the addition of the following skills:

- international experience;
- operational leadership experience;
- skills in investment or M&A, finance and ESG.

The Governance and Sustainability Committee conducted its work in accordance with the Supervisory Board's diversity policy and proposed the following candidate: Fabienne Lecorvaisier. 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 when he or she has no relationship of any kind whatsoever with the corporation, its Group or its management that may interfere with his or her freedom of judgment".

At their respective meetings on March 15 and 16, 2023, the Governance and Sustainability Committee and the Supervisory Board reviewed the independence of each member based on the following criteria, in accordance with recommendation 10.5 of the Afep-Medef Code, to establish that 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. Directors may no longer be classified as independent after 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 IHS, a Wendel portfolio company, and Orange, IHS client and Gervais Pellissier's employer. The Supervisory Board confirmed Gervais Pellissier's independence given that:

- Gervais Pellissier no longer holds an executive position at Orange since stepping down as Deputy Chief Executive Officer after December 1, 2022;
- 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
- when he was Deputy Chief Executive Officer at Orange, the relations between Orange and IHS were not within Gervais Pellissier's remit or under his responsibility.

Following the review of the independence of its members, the Supervisory Board estimated that on March 16, 2023, 4 out of 10 members, i.e., 40%(1), met the independence criteria set by the Afep-Medef Code: Franca Bertagnin Benetton, Gervais Pellissier, Jacqueline Tammenoms Bakker and William Torchiana. The composition of the Supervisory Board therefore complies with recommendation 10.3 of the Afep-Medef Code, which advocates that at least one-third of the Board members of controlled companies be independent.

(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.

Lead Member of the Supervisory Board

Gervais Pellissier, independent Vice-Chairman of the Board, 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 2022, Gervais Pellissier met with the Company's institutional investors, which facilitated direct dialogue on certain issues. Gervais Pellissier subsequently reported on these meetings to the Board.

Succession plan for the Supervisory Board

The succession plan for the Supervisory Board was drawn up 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 is reviewed by the Committee and the Chairman of the Supervisory Board at least once a year and whenever necessary. It was reviewed in January 2023, which allowed the Committee to establish its recruitment priorities for the coming years. The new version of the succession plan was adopted by the Governance and Sustainability Committee on January 31, 2023.

The plan specifies the characteristics of the Board's composition, as well as the data that will make it possible to monitor changes. 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: expiration of the term of office, reaching the age limit or loss of independent status due to the length of the term of office.

Where appropriate, the plan provides for the replacement of the member(s) concerned, and describes the role of the Governance and Sustainability Committee. The process for selecting the new member(s) is also detailed. It is based on the preparation of a candidate profile by the Board, taking into account the Supervisory Board's diversity policy, general personal and professional criteria expected of all candidates, as well as specific criteria to tailor the search to particular 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 one (or ideally, two) 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.

In 2022 and in early 2023, a process for selecting a new independent member of the Supervisory Board was set up according to the main steps described below:

- based on the recommendation of the Governance and Sustainability Committee, the Supervisory Board defined the required profile taking into account the diversity policy, skills matrix and expectations in terms of contribution to its work;
- the Governance and Sustainability Committee selected a recognized international recruitment firm to help identify potential candidates;
- the interested candidates who matched the search criteria were interviewed by the Chairman of the Supervisory Board and a sub-group of the Governance and Sustainability Committee;
- the finalists met with the other members of the Governance and Sustainability Committee, certain members of the Supervisory Board and the Chairman of the Executive Board.

At the end of this process, the Supervisory Board selected Fabienne Lecorvaisier, whose appointment will be submitted to the Shareholders' Meeting of June 15, 2023. The Board highlighted her rich professional background: Fabienne Lecorvaisier served as Finance and Information Systems Director of Essilor America in New York before being appointed as Chief Financial Officer for the Essilor group and Chief Financial Officer at Air Liquide, where she now holds the position of Executive Vice-President in charge of Sustainable Development, Public and International Affairs, Social Programs and General Secretariat. With her experience as a non-executive officer (as a member of the Board of Directors of Sanofi and Safran), Fabienne Lecorvaisier will bring to the Supervisory Board her strategic vision, her American experience, her expertise in mergers and acquisitions, and her knowledge of ESG issues.

Subject to her appointment, Fabienne Lecorvaisier will join the Audit, Risks and Compliance Committee, which will benefit from her financial expertise, her skills in risk control and her experience in non-financial reporting.

The Board took note of Fabienne Lecorvaisier's intention to terminate her duties with Air Liquide as of May 4, 2023 to focus on her non-executive directorships.

The renewal of the terms of office of Gervais Pellissier and Humbert de Wendel is also submitted to shareholders' approval. In particular, the Board highlighted the following:

- for Gervais Pellissier: his financial expertise and executive management experience within the Bull group and the Orange group;
- for Humbert de Wendel: his financial expertise and knowledge of the industrial sector acquired during his career with the Total group.

These skills are relevant to the Supervisory Board, which also values the qualitative contributions of Gervais Pellissier and Humbert de Wendel to the work of the Board and of the Audit, Risks and Compliance Committee throughout their terms of office.

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 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.

Nicolas ver Hulst is Chairman of the Board of Directors of 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 clarifications below, there is no proven or potential conflict of interest between, on the one hand, private or other interests 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.

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 section 2.1.8.2 – Business ethics, under "Conflicts of interest".

The 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 section 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 first appointed: May 18, 2017

Current term expires:
AGM to be held in 2025

Born on August 21, 1953

French nationality

Business address:
Wendel
2-4 rue Paul Cézanne
75008 Paris
France

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, 2022:

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 Centre 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, 2022: 906

Gervais PELLISSIER

Vice-Chairman of the Supervisory Board

Lead Member of the Board

Chairman of the Audit, Risks and Compliance Committee

Member of the Governance and Sustainability Committee

Independent member

Date first appointed: June 5, 2015

Current term expires:
AGM to be held in 2023
(renewal submitted)

Born on May 14, 1959

French nationality

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

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.

From September 1, 2020 to December 1, 2022, Gervais Pellissier was Deputy CEO, Human Resources and Group Transformation Director and Chairman of Orange Business Services. Since December 1, 2022, Gervais Pellissier has been advisor to the CEO of Orange.

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, 2022:

Orange Group:

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

Director of Orange Spain since 2006 and Chairman since 2016

Other:

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

Appointments expired in the last five years:

Deputy Chief Executive Officer of Orange SA

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, 2022: 500

Franca BERTAGNIN BENETTON

Member of the Supervisory Board

Member of the Audit, Risks and Compliance Committee

Independent member

Date first appointed: May 17, 2018

Current term expires:
AGM to be held in 2026

Born on October 23, 1968

Italian nationality

Business address:
Evoluzione 2 Srl
Piazza Rinaldi, 10
31100 Treviso
Italy

Career path:

Franca Bertagnin Benetton is a graduate of Boston University and holds an 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 Italy 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) and BCapital (since 2022).

She is a director of Benetton Group (since 2013), Autogrill Spa (since 2017), Telepass Spa and Fondazione Benetton (since 2019). She has also been a director of Edizione, the investment holding company of the Benetton family, for 16 years.

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, 2022:

CEO of BCapital Srl

CEO of Evoluzione 2 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:

Director of Edizione Srl

CEO of Evoluzione Spa

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

Number of Wendel shares held as of December 31, 2022: 500

Bénédicte COSTE

Member of the Supervisory Board

Member of the Governance and Sustainability Committee

Date first appointed: May 28, 2013

Current term expires:
AGM to be held in 2025

Born on August 2, 1957

French nationality

Business address:
Wendel
2-4 rue Paul Cézanne
75008 Paris
France

Career path:

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, 2022:

Wendel Group:

Director of Wendel-Participations SE

Other:

Chairwoman and CEO of Financière Lamartine

Chairwoman of Association samarienne de défense contre les éoliennes industrielles

Chairwoman of Fédération Stop Eoliennes Hauts de France

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, 2022: 1,060

Harper MATES

Member of the Supervisory Board, member representing employees

Date first appointed: January 1, 2021

Current term expires: December 31, 2024

Born on June 10, 1982

American nationality

Business address:
Wendel North America
101 Park Avenue, 46th Floor
New York, NY 10178
USA

Career path:

Harper holds an MBA from Harvard Business School and a BA from the University of Wisconsin-Madison.

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 as an associate at Citi Private Equity.

Other appointments and positions held as of December 31, 2022:

Wendel Group:

Managing Director at Wendel

Director of Elevator Holdco Inc. (Crisis Prevention Institute)

Director of Avalon Parent Holdco, Inc (ACAMS)

Appointments expired in the last five years: none

Number of Wendel shares held as of December 31, 2022: 687

François de MITRY

Member of the Supervisory Board

Member of the Audit, Risks and Compliance Committee

Date first appointed: June 29, 2021

Date current term ends: AGM to be held in 2025

Born on January 27, 1966

Luxembourg nationality

Business address:
Astorg
3 St James Square
London SW1 Y4JU3
United Kingdom

Career path:

François de Mitry 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.

He 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, he 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, 2022:

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, 2022: 3,000

Priscilla de MOUSTIER

Member of the Supervisory Board

Member of the Governance and Sustainability Committee

Date first appointed: May 28, 2013

Current term expires:
AGM to be held in 2025

Born on May 15, 1952

French nationality

Business address:
Wendel
2-4 rue Paul Cézanne
75008 Paris
France

Career path:

Priscilla de Moustier 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 the interface between Wendel and Insead for the Wendel Chair dedicated to family-owned businesses, created by Wendel and which became the Wendel International Center for Family Enterprise in 2004.

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

Other appointments and positions held as of December 31, 2022:

Wendel Group:

Chairman and CEO of Wendel-Participations 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 the American Library of Paris

Director of FBN International

Number of Wendel shares held as of December 31, 2022: 150,443

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 first appointed: June 5, 2015

Current term expires:
AGM to be held in 2023

Born on December 17, 1953

Dutch nationality

Business address:
Wendel
2-4 rue Paul Cézanne
75008 Paris
France

Career path:

Jacqueline Tammenoms Bakker 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 Chairwoman 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, 2022:

Member of the Supervisory Board of Boskalis (listed company)

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

Member of the Advisory Board of the Netherlands Growth Fund

Appointments expired in the last five years:

Member of the Supervisory Board of TomTom (2014-22)

Member of the Supervisory Board of CNH Industrial (2012-21)

Member of the Supervisory Board of Unibail Rodamco (2015-20)

Chairwoman of the Board of the Van Leer Group Foundation (2011-20)

Number of Wendel shares held as of December 31, 2022: 500

Sophie TOMASI PARISE

Member of the Supervisory Board, member representing employees

Member of the Governance and Sustainability Committee

Date first appointed: September 5, 2018

Current term expires: November 20, 2026

Born on April 19, 1978

French nationality

Business address:
Wendel
2-4 rue Paul Cézanne
75008 Paris
France

Career path:

Sophie Tomasi Parise holds postgraduate 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, 2022:

Wendel Group:

Wendel Deputy Tax Director

Appointments expired in the last five years: none

Number of Wendel shares held as of December 31, 2022: 2,941 shares and 7,445.16 FCPE Wendel shares (equivalent to 1,233 Wendel shares at that date)

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 first appointed: June 16, 2022

Date current term ends:
AGM to be held in 2026

Born on September 19, 1958

American nationality

Business address:
Sullivan & Cromwell
51 rue de la Boétie
75008 Paris
France

Career path:

William D. Torchiana holds a BA from Stanford University and a Juris Doctor from the University of Pennsylvania Law School.

He 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, 2022:

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

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, 2022: 2,000

Thomas de VILLENEUVE

Member of the Supervisory Board

Member of the Governance and Sustainability Committee

Date first appointed: July 2, 2020

Date current term ends:
AGM to be held in 2024

Born on May 19, 1972

French nationality

Business address:
Apax Partners
1 rue Paul Cézanne
75008 Paris
France

Career path:

Thomas de Villeneuve is a graduate of École des hautes études commerciales (HEC).

He 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, 2022:

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

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)

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:

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

Permanent representative of Destilink Finco BV (Belgium)

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)

Managing Director of Experlink BV (Netherlands)

Director of Comitium SAS

Director of Comitium HoldCo SAS

Number of Wendel shares held as of December 31, 2022: 500

Humbert de WENDEL

Member of the Supervisory Board

Member of the Audit, Risks and Compliance Committee

Date first appointed: May 30, 2011

*Current term expire*s:
AGM to be held in 2023
(renewal submitted)

Born on April 20, 1956

French nationality

Business address:
Wendel
2-4 rue Paul Cézanne
75008 Paris
France

Career path:

Humbert de Wendel is a graduate of the Institut d'études politiques de Paris and ESSEC.

He 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, 2022:

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, 2022: 225,064

New member of the Supervisory Board whose appointment is proposed to the Shareholders' Meeting of June 15, 2023

Fabienne LECORVAISIER

Member of the Supervisory Board

Member of the Audit, Risks and Compliance Committee

Independent member

Date first appointed: June 15, 2023

Date current term ends:
AGM to be held in 2027

Born on August 27, 1962

French nationality

Business address:
Wendel
2-4 rue Paul Cézanne
75008 Paris
France

Career path:

Fabienne Lecorvaisier is a graduate of École Nationale des Ponts et Chaussées, with a degree in civil engineering.

After eight years in banking (Société Générale, Barclays, Banque du Louvre) where she worked in project financing and mergers and acquisitions, Fabienne Lecorvaisier joined the Essilor group in September 1993 as Development Director. In January 1996, she was appointed Finance and Information Systems Director of Essilor America (in New York for 3 years), before being appointed Chief Financial Officer in January 2001 and Chief Strategy and Acquisitions Officer in January 2007. Fabienne Lecorvaisier joined Air Liquide in 2008. From 2008 to 2021, she was Chief Financial Officer of the Air Liquide Group. She is currently Executive Vice-President in charge of Sustainable Development, Public and International Affairs, Social Programs and General Secretariat. She has been a member of the Executive Committee of Air Liquide since 2008.

Fabienne Lecorvaisier will terminate her duties with Air Liquide as of May 4, 2023 to focus on her non-executive directorships.

Other appointments and positions held as of December 31, 2022:

Executive Vice-President in charge of Sustainable Development, Public and International Affairs, Social Programs and General Secretariat of Air Liquide (listed company)

Director of Air Liquide International

Director of Air Liquide Finance

Director of The Hydrogen Company

Executive Vice-President of Air Liquide International Corporation

Director of American Air Liquide Holdings, Inc.

Director of Safran (listed company)

Director of Sanofi (listed company)

Appointments expired in the last five years:

President of Air Liquide US LLC

Director of Air Liquide Eastern Europe

Director of ANSA (*Association Nationale des Sociétés par Actions*)

Chairman and Chief Executive Officer of Air Liquide Finance

Number of Wendel shares held as of December 31, 2022: 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. They also set 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). They are regularly reviewed and updated. The latest changes, dated November 30, 2022, included the following:

- the granting of new ESG responsibilities to the two Board Committees (see detailed information in section 2.1.2);
- the implementation of legal and regulatory updates as well as updates related to the recommendations of the Afep-Medef Code and recent changes in the Company's practices (e.g., reference to the written consultation, the Board's succession plan and the Charter for the evaluation of related-party agreements and ordinary agreements);
- changes in certain stipulations in line with market practices (reinforced confidentiality obligation).

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 by-laws, the Board's internal regulations, the Company's Market Confidentiality and Ethics Code, the Company's Code of Ethics 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 and all the necessary information are sent via a secure electronic platform and, whenever possible, one week in advance. In case of emergency, the Board may be convened without advance notice. The members attend the most important meetings that are scheduled in advance in person, and the other meetings remotely (by telephone or videoconference), which allows for increased flexibility and reduces international travel.

The Statutory Auditors are invited to all meetings of the Supervisory Board at which the annual or half-year 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 10 times in 2022: 8 scheduled meetings and 2 *ad hoc* meetings for specific projects. The average attendance rate was 100% for scheduled meetings and 87.5% for *ad hoc* meetings. 6 meetings were held in person and 4 were held remotely. They lasted on average 3 hours and 45 minutes. 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%	100%
Franca Bertagnin Benetton	100%	100%
Bénédicte Coste	100%	100%
Harper Mates	100%	100%
François de Mitry	100%	0%
Priscilla de Moustier	100%	100%
Guylaine Saucier (until June 16, 2022)	100%	100%
Jacqueline Tammenoms Bakker	100%	50%
Sophie Tomasi Parise	100%	100%
William Torchiana (from June 16, 2022)	100%	-
Thomas de Villeneuve	100%	100%
Humbert de Wendel	100%	100%

Training of the Supervisory Board members

In 2022, the members of the Board benefited from a training session dedicated to ESG, given by a specialized external instructor, following their expressed wish during the Supervisory Board's 2021 assessment. This training enabled the Supervisory Board members to deepen their knowledge of ESG reporting and new ESG regulations (CSRD, taxonomy, etc.), and to better understand their role in this area.

An induction program is organized for the new members of the Supervisory Board. This program allows them to meet with the Company's senior executives who present relevant information about Wendel's business and operations. William Torchiana benefited from this program when he joined the Supervisory Board.

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

In 2022, seven of the eight scheduled Supervisory Board meetings were executive sessions.

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:

- succession planning for the Chairman of the Executive Board;
- evaluation of the operations and work of the Supervisory Board and Committees;
- 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.

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.

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 send them these information packages in a timely manner.

The Board Secretary prepares minutes of each meeting. They are distributed prior to the following meeting, during which they are submitted for approval.

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 to 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 its internal regulations, the Supervisory Board individually and collectively represents all shareholders. The Board must conduct its business in the common 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 2022 were as follows:

Strategy and operations

- Implementation of the 2021-24 strategic plan and monitoring of the Executive Board's roadmap;
- Proposed investments and divestments;
- Activity of the portfolio companies (including presentations and discussion with their CEOs).

Finance and risks

- Net Asset Value;
- Parent company and consolidated financial statements at December 31, 2021 and June 30, 2022, and Statutory Auditors' reports;
- Dividends;
- Presentation of the management report;
- Reports of the Audit, Risks and Compliance Committee;
- Quarterly financial information;
- Financing;
- Share buybacks;
- Authorization to reduce the share capital by canceling treasury shares;
- Authorization of capital increase reserved for members of the Group savings plan.

ESG

- Succession plans of the Executive Board and the Supervisory Board;
- Selection of William Torchiana as independent member of the Board as of the Shareholders' Meeting of June 16, 2022, and changes in the composition of the Committees;
- Appointment of Laurent Mignon as Chairman of the Executive Board with effect from December 2, 2022, to replace André François-Poncet;
- Short-term and long-term compensation of the Executive Board;
- Reports of the Governance and Sustainability Committee;
- Review of the Company's compliance with the Afep-Medef Code;
- Evaluation of the operations and work of the Supervisory Board and Committees;
- Amendment of the Supervisory Board's internal regulations;
- Authorization of related-party agreements;
- Annual review of related-party agreements that remained in force and review of agreements relating to ordinary transactions entered into under arm's length conditions;
- Report of the Supervisory Board on Corporate Governance;
- Preparation of the Shareholders' Meeting and authorization of resolutions submitted to the Board;
- Climate risk assessment of controlled portfolio companies;
- Consideration of social and environmental issues in the Group's main decisions;
- Review of the gender diversity policy in governing bodies;
- Gender and pay equality.

2.1.1.5 Evaluation of the Supervisory Board and its Committees

Recommendation 11 of the Afep-Medef Code advises the Board to "evaluate its ability to meet the expectations of the shareholders […] by periodically reviewing its membership, organization and operations […]". In particular, it recommends that the Board discuss its operations once a year and perform a formal evaluation at least once every three years.

In 2020, the assessment of the Supervisory Board was entrusted to an independent firm. Since then, the Supervisory Board has carried out a self-assessment of its work and its composition on two occasions, in 2021 and 2022.

At the end of 2022, the members of the Board responded to a comprehensive questionnaire that was redesigned to take into account new topics addressed by the Board 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 ways to improve the composition and operations of the Board and its Committees and on the main focal points 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 that concerned them and suggested improvements. The Chairman presented the findings of the evaluation to the Supervisory Board on February 1, 2023. The Board scheduled this item on the agenda for discussion and identified ways in which it could improve its work and better contribute to good governance, some of them with immediate effect.

The main conclusions of the 2022 evaluation are as follows:

Main strengths of the Board:

Functioning and work: the assessment of the Board shows a high level of satisfaction among its members with the functioning of the Board and its two Committees. The implementation of the improvements suggested at the end of the 2021 assessment is positively highlighted, in particular the organization of certain meetings in-person and others by videoconference as well as the recurring executive sessions.

Relations with management: the Board appreciates the relationship of trust and the dialogue that it has with the Executive Board, as well as the quality and transparency of information and discussions with the management team. The presentations made by the Executive Boards of the portfolio companies during the year are also considered relevant and useful.

Food for thought for the future:

Skills in ESG: the Board members appreciated the training session organized in October 2022 and wish to continue to deepen their skills in this area to be able to anticipate regulatory changes and assess the actions to be implemented. The Board members would like to spend more time on ESG, in particular to understand how to measure Wendel's carbon impact.

Information: the Board members believe that they have sufficient information to carry out their duties, but would like to be involved at the early stage in structuring the compensation of the Executive Board.

2.1.2 Supervisory Board Committees

For the Board to fulfill 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.

With regard to ESG, after analyzing the specific characteristics of Wendel SE in this area, it was decided to entrust the work related to this topic to the Board's two current Committees, rather than create a dedicated committee. The main ESG issues, particularly related to the environment, concern and are handled by the portfolio companies. The responsibilities of the Supervisory Board focus on (i) ESG strategy (purpose and values, roadmap and priorities), (ii) consideration of ESG factors in investments and (iii) review of the Committees' work on ESG. The Committees' responsibilities were clarified in the amended internal regulations of the Supervisory Board of November 30, 2022, as follows:

- the Audit, Risks and Compliance Committee's role is to:
  - review extra-financial information to be published ("Extra-Financial Performance Declaration" or equivalent), including the follow-up on the achievement of the main ESG performance indicators and the taxonomy reporting;
  - ensure that the process used to produce extra-financial information is rigorous;
  - be informed of the selection process of the independent third party, and its annual audit;
  - inform the Supervisory Board of any observations it considers relevant on ESG reporting;
- the Governance and Sustainability Committee's role is to:
  - ensure that the Board has the required skills to assess ESG issues, risks and opportunities, and to understand applicable rules and standards for ESG matters;
  - review the choice of the main ESG performance indicators made by management;
  - define and assess ESG objectives applicable to the short term and long term Executive Board members' compensation items.

The Supervisory Board will regularly review the relevance of this ESG governance structure, particularly in relation to the next ESG roadmap and changes in applicable regulatory requirements.

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 also invited to each Committee meeting.

The members of the Committee have the necessary skills to perform their duties. Gervais Pellissier was Deputy Chief Executive Officer of Orange and previously Chief Financial Officer of the same company. He has also held the post of Chief Financial Officer of Bull. 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. Humbert de Wendel was Treasurer of the Total Group. William Torchiana has extensive knowledge and expertise in risk management, law and compliance.

The Committee is chaired by Gervais Pellissier, an independent member. Jacqueline Tammenoms Bakker, Franca Bertagnin Benetton and William Torchiana are the other independent members of the Committee. With 4 independent members out of six, the composition of the Committee is in line with recommendation 17.1 of the Afep-Medef Code, which recommends that at least two-thirds of members be independent.

Responsibilities of the Audit, Risks and Compliance Committee

As part of the update of the internal regulations adopted by the Supervisory Board on November 30, 2022, the responsibilities of the Audit, Risks and Compliance Committee were reorganized into 4 themes ("Accounting and financial information", "Risks, internal control and compliance", "ESG" and "Statutory Auditors"). The Committee was given new ESG responsibilities on this occasion.

The main task of Wendel's Audit, Risks and Compliance Committee is to monitor:

- the process for preparing financial and non-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 15.1.2 of the internal regulations of the Supervisory Board, the main tasks of Wendel's Audit, Risks and Compliance Committee are to:

- **Accounting and financial information:**
  - 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 and the applicable methodology),
  - ensure that the accounting policies chosen are appropriate and properly applied in the preparation of the parent company and consolidated financial statements,
  - ensure that the processes used to produce financial information are sufficiently rigorous so as to guarantee the reliability of this information,
  - ensure that internal data collection and control procedures guarantee the quality and reliability of the Company's financial statements,
  - ensure the appropriate accounting methods are used for any significant or complex transaction carried out by the Company,
  - inform the Supervisory Board of any observations it considers relevant from an accounting and financial point of view, in particular when the half-year and annual parent company and consolidated financial statements are approved,
  - review the Company's earnings releases;
- **Risks, internal control and compliance:**
  - 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,
  - review risk exposure and ensure that appropriate insurance programs,
  - follow-up the main ongoing litigations involving the Company and their potential accounting impact,
  - regarding anti-corruption measures, review risk assessment and follow-up implementation of action plans,
  - approve the annual internal audit plan,
  - interview the persons in charge of internal audit and risk control, and provide advice on the organization of their departments;
- **ESG:**
  - review extra-financial information to be published ("Extra-Financial Performance Declaration" or equivalent), including the follow-up on the achievement of the main ESG performance indicators and the taxonomy reporting;
  - ensure that the process used to produce extra-financial information is rigorous;
  - be informed of the selection process of the independent third party, and its annual audit;
  - inform the Supervisory Board of any observations it considers relevant on ESG reporting;
- **Statutory Auditors:**
  - serve as liaison with the Statutory Auditors and consult them regularly;
  - oversee the Statutory Auditor selection process, submit its findings to the Supervisory Board, and issue a recommendation on the Statutory Auditors nominated 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);
  - approve the non-audit services of the Statutory Auditors of the Group and Group-controlled companies, in accordance with laws and regulations applying to the Statutory Auditors' independence.

The Audit, Risks and Compliance Committee may also review any issues within its remit at the request of the Supervisory Board.

Organization and procedure

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 annual and half-year financial statements. It has access to all the resources it considers necessary to fulfill its responsibilities.

The Executive Vice-President and Chief Financial Officer presents the items 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 Chief Compliance Officer and non-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 maps, audit plans and monitoring updates. He also acts as Secretary of the Committee.

The Statutory Auditors are invited to each meeting. The Committee may interview any member of 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 its remit.

Documents are addressed to Committee members sufficiently in advance of each meeting. The Chairman of the Committee presents a report of each meeting at the following Supervisory Board meeting. The minutes of the Committee are approved at the next meeting.

In 2022, the Audit, Risks and Compliance Committee met 7 times at scheduled meetings. with an average attendance rate of 98%. 4 meetings were held in person and 3 were held remotely. They lasted on average 2 hours and 25 minutes.

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

		Scheduled meetings
Guylaine Saucier, Chairwoman of the Committee[1] (until June 16, 2022)	Member since June 4, 2010 Chairwoman from March 22, 2011 to June 16, 2022	100%
Gervais Pellissier, Chairman of the Committee[1]	Member since June 5, 2015 Chairman since June 16, 2022	100%
Franca Bertagnin Benetton[1]	Since September 4, 2018	85.7%
François de Mitry	Since June 29, 2021	100%
Jacqueline Tammenoms Bakker[1], Chairwoman of the Governance and Sustainability Committee	Since May 17, 2018	100%
William Torchiana[1]	Since June 16, 2022	100%
Humbert de Wendel	Since May 30, 2011	100%

(1) Independent members.

In 2022, the Committee examined the following points:

- Net Asset Value and its calculation method;
- parent company and consolidated financial statements as of December 31, 2021;
- first-half 2022 consolidated financial statements;
- the Statutory Auditors' reports;
- Wendel's liquidity and debt situation and that of its subsidiaries;
- review of risks and compliance procedures;
- 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, and monitoring of new regulatory obligations for the publication of non-financial information;
- review of disputes, the tax situation and off-balance sheet commitments;
- review of the insurance plan;
- monitoring of the implementation of Wendel's IT roadmap and progress on cybersecurity;
- review of the cybersecurity system of the portfolio companies;
- approval of non-audit assignments for the Statutory Auditors and monitoring of their work; and
- review of audit and non-audit fees and the Statutory Auditors' statement of independence.

2.1.2.2 Governance and Sustainability Committee

Composition of the Governance and Sustainability Committee

The Governance and Sustainability Committee combines the functions of the nomination committee and the compensation committee. Since 2020, it also has ESG-related duties.

As of the date of the Universal Registration Document, it is composed of 7 members, including one member representing employees. 3 members (not including the member representing employees), or 50%, are independent: Jacqueline Tammenoms Bakker, Chairwoman; Gervais Pellissier and William Torchiana.

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

Remit of the Governance and Sustainability Committee

As part of the update of the internal regulations adopted by the Supervisory Board on November 30, 2022, the responsibilities of the Governance and Sustainability Committee were reorganized into 4 themes ("Organization of governance", "Compensation of corporate officers and co-investment", "ESG" and "Ethics and compliance"). The Committee was entrusted with new ESG responsibilities on this occasion.

Pursuant to Article 15.2.2 of the internal regulations of the Supervisory Board, the tasks of the Governance and Sustainability are as follows:

- **Governance organization:**
  - prepare succession plans for the Supervisory Board and the Executive Board;
  - propose changes in the composition of the Supervisory Board and of its Committees;
  - propose new members of the Executive Board or the renewal of the Executive Board to the Supervisory Board;
  - define the candidates' appropriate profiles taking into account a variety of experience and new priorities (e.g., ESG);
  - monitor the evaluation of the Supervisory Board's composition and proceedings;
  - express an opinion on any question related to the governance of the Company or the functioning of its governing bodies;

- **Compensation of corporate officers and co-investment:**
  - periodically review the adequacy of the overall compensation budget for the Supervisory Board members and, as the case may be, propose to add a resolution to the Shareholders' Meeting agenda in order to change its amount;
  - propose the methods for apportionment of director's fees among the members of the Supervisory Board;
  - propose the compensation package for the Chairman of the Supervisory Board and for the Lead Independent Member;
  - propose the current or deferred compensation of Executive Board members, whether fixed or variable, long term or short term, including benefits in kind, the granting of stock options or performance shares, retirement benefits and termination benefits;
  - examine Executive Board proposals involving the grant of stock options and performance shares for Company employees;
  - propose to the Supervisory Board the general principles of the co-investment policy for Executive Board members and Wendel teams, and examine the terms and conditions proposed by the Executive Board;
- **ESG:**
  - ensure that the Board has the required skills to assess ESG issues, risks and opportunities, and to understand applicable rules and standards for ESG matters;
  - review the choice of the main ESG performance indicators made by management;
  - define and assess ESG objectives applicable to the short term and long term Executive Board members' compensation items;
- **Ethics and compliance:**
  - review the Supervisory Board Internal Rules and, as the case may be, propose amendments;
  - review the compliance to the Afep-Medef Code and to best governance practices;
  - ensure the existence of an adequate compliance program (in particular with the Code of Ethics, the anti-corruption program, the protection of personal data); and
  - review any question concerning business ethics of Supervisory Board and Executive Board members, raised by the Supervisory Board.

The Governance and Sustainability Committee may also review any issues within its remit at the request of the Supervisory Board.

Organization and procedure

The Governance and Sustainability Committee met 8 times in 2022: 7 scheduled meetings and 1 *ad hoc* meeting for specific issues. The average attendance rate was 96.4% for scheduled meetings and 85.7% for the *ad hoc* meeting. 4 meetings were held in person and 4 were held remotely. They lasted on average 3 hours.

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[1], Chairwoman of the Committee	Member from June 5, 2015, Chairwoman since May 17, 2018	100%	100%
Bénédicte Coste	Since July 2, 2020	100%	100%
Priscilla de Moustier	Since October 23, 2013	100%	100%
Gervais Pellissier[1] (from June 16, 2022)	Since June 16, 2022	100%	100%
Guylaine Saucier[1] (until June 16, 2022)	From October 23, 2013 to June 16, 2022	100%	100%
Sophie Tomasi Parise, member representing employees	Since September 5, 2018	71.4%	0%[2]
William Torchiana[1] (from June 16, 2022)	Since June 16, 2022	100%	-
Thomas de Villeneuve	Since June 29, 2021	100%	100%

(1) Independent members.
(2) Sophie Tomasi Parise, as a member representing employees, did not participate in the meetings relating to the succession plan for senior executives and for André François-Poncet.

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 Chairwoman 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.

In 2022, the following topics were addressed at meetings:

- setting variable compensation of Executive Board members for 2021;
- setting the 2022 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;
- drawing up of the succession plan for the Supervisory Board;
- changes in the composition of the Supervisory Board and the Committees, as well as the search for and selection of an independent member;
- review of the succession plan for the Executive Board and key people;
- succession to the Chairman of the Executive Board: determination of the conditions of André François-Poncet's departure; search, selection and determination of the compensation of his successor;
- organization of ESG governance and definition of the training needs of Board members;
- amendment of the Board's internal regulations;
- review of governance issues;
- analysis of the Company's compliance with the Afep-Medef Code, and particularly changes in the independence of Board members;
- report of the Supervisory Board on Corporate Governance;
- preparation of governance and compensation issues for the 2022 Shareholders' Meeting;
- review of the results of the self-assessment of the functioning and work of the Supervisory Board and its Committees and presentation of recommendations to the Board;
- review of the compensation policy for senior executives and the results in terms of gender and pay equality.

To further improve dialogue with Wendel's main investors interested in doing so, as well as with the main proxy advisors, the Chairwoman of the Governance and Sustainability Committee and William Torchiana – who will replace her following the Shareholders' Meeting of June 15, 2023 – participated in governance roadshows organized by the Investor Relations department and the General Secretariat in February 2023.

This direct dialogue, which allows for a better mutual understanding of expectations, was initiated more than seven years ago. The various topics covered include the composition of the Supervisory Board, the succession plans, the compensation of members of the Executive Board and consideration of ESG-related issues. The topics covered and the investors' comments were reported to the Supervisory Board.

2.1.3 Gender diversity policy in governing bodies

In accordance with recommendation 8 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 Executive Board informs the Supervisory Board of the results obtained in the past fiscal year. These will then be described in the report of the Supervisory Board on Corporate Governance.

Governing bodies

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

As of the date of the Universal Registration Document, 33.3% of the Investment and Development Committee and 44.4% of the Management Committee are women.

Targets

The following gender equality targets were set over a period aligned with the duration of the 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 the three pillars below:

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 strengthen skills;
- no impact on career development or access to training of any maternity/paternity leave or any personal or family obligations; and
- for each salaried position, creation of a job description linked to the experience, skills and performance of employees, placing an emphasis on career development for each employee.

Recruitment

This pillar includes the following measures:

- continued promotion of gender diversity of profiles in recruitment procedures, and a proactive approach to ensuring the presence of women candidates throughout the 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 contractually required to apply these criteria; and
- introduction of a recruitment training guide to promote good practice on 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 according to a market benchmark and will be applied identically to each candidate; and
- in the event of maternity/paternity leave, Wendel supplements social security benefits and maintains the level of compensation, with no impact on future compensation.

2022 in review

The proportion of women on the Investment and Development Committee at the date of the Universal Registration Document has increased slightly compared to the previous year reflecting the efficiency of Wendel's policy to promote female talent and its appeal among women. With regard to the Management Committee, the 45% by 2025 target has already almost been reached with women making up 44.4% of its composition, thanks to the implementation of all the actions planned in accordance with the plan described above, and in particular:

- all job descriptions have been written to support recruitment needs for the year but also to allow each employee to clearly position himself/herself with regard to his/her professional skills and career development. In this way, training requests made were matched to needs, and 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 personal constraints;
- since July 1, 2021, Wendel has applied the paternity leave reform and has maintained, for many years, the salary for the entire duration of maternity and paternity leave; Wendel continued to fund inter-company daycare places for parents of young children under the age of 3; a parenting support service was also opened to all;
- all recruitment contracts are reviewed in advance to ensure compliance with Wendel's expectations, and all people involved in recruitment processes receive a copy of the internal guide setting out the legal and regulatory provisions relating to discrimination in hiring and in the Company;
- for each new hire, a salary range for the position was determined prior to the search for candidates and the publication of the offer, based on cross-market benchmarks. Wendel also continues to participate in studies of market comparables (company size, sector of activity, business lines) and used four complementary benchmarks for all Wendel functions. These data are used for hiring purposes but also during the salary review campaign that take place at the end of each year; and
- lastly, as is the case every year, the assessment of the Wendel 2022 action plan on gender equality was presented to the Social and Economic Committee in December 2022, which validated the plan and noted that all the criteria envisaged had been met.

Wendel's actions were rewarded by being ranked ninth in the ranking for gender balance in executive bodies of SBF 120 companies.

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, January 2020 and December 2022. This Code is available on the Medef website at the following address: *www.consultation.codeafepmedef.fr.*

At its meeting of March 15, 2023, 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. The Governance and Sustainability Committee combines the functions of the nomination committee and the compensation committee. While not a majority, the proportion of independent members on the Committee is 50%[1]. The Governance and Sustainability Committee is chaired by an independent member of the Supervisory Board, Jacqueline Tammenoms Bakker, and operates independently from both the principal shareholder and Wendel's management. All the Committee members are non-executive members due to the Company's two-tier system.

(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: Laurent Mignon, Chairman, and David Darmon.

During its September 16, 2022 meeting, the Supervisory Board appointed Laurent Mignon as Chairman and member of Wendel's Executive Board, for the remainder of André François-Poncet's term, i.e., until April 6, 2025. The date of his taking office was set at December 2, 2022 by the Supervisory Board at its meeting of October 27, 2022.

During its September 9, 2019 meeting, the Supervisory Board appointed David Darmon as member of Wendel's Executive Board, effective from that date, and for the remainder of Bernard Gautier's term, i.e., until April 6, 2021. The term of office was then renewed for a period of 4 years, from April 7, 2021 to April 6, 2025, by a decision of the Supervisory Board on December 9, 2020.

David Darmon has also been Group Deputy CEO since the Supervisory Board's decision of October 27, 2021.

Executive Board members, with the exception of the 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 "Executive corporate officers' situation with respect to Afep-Medef recommendations"). In accordance with the recommendations of the Afep-Medef Code, the Chairman of the Executive Board, Laurent Mignon, does not have an employment contract.

Members of the Executive Board are appointed and may be removed by the Supervisory Board. Their term is 4 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 Executive Board Secretary and Advisor.

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 a collegial Executive Board, 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 that each member can 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, meaning that it has accurate and up-to-date information to inform its deliberations on the succession plan for the Executive Board.

Regarding the succession of André François-Poncet as Chairman of the Executive Board:

As soon as André François-Poncet announced his intention to end his term of office, a selection process for a new Chairman of the Executive Board was initiated. This process was carried out in an organized and efficient manner, according to the main steps described below:

- the Supervisory Board established a candidate profile, taking into consideration the future needs of the Group;
- a Selection Committee, composed of the Chairman of the Board and several Board members, was set up by the Governance and Sustainability Committee. The Committee was assisted in its work by a recognized international recruitment firm;
- the selected candidates (women and men) were interviewed; and
- the Committee presented Laurent Mignon as candidate to the Supervisory Board, which decided at its meeting of September 16, 2022 to appoint him as Chairman of the Executive Board.

André François-Poncet agreed to remain in office until the effective arrival of Laurent Mignon on December 2, 2022, thereby ensuring continuity in the Company's management and a smooth transition.

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 five years: (i) been convicted of fraud or been the subject of an official indictment and/or 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, the Paris Judicial Tribunal ruled against current and former employees of Wendel in judicial proceedings concerning their personal tax situation. David Darmon has appealed the judgment and the case is currently before the Paris Court of Appeal.

Conflicts of interest, family ties and service contracts

Laurent Mignon and David Darmon held and hold directorships in some of the Group's portfolio 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.

Laurent Mignon

Group CEO/Chairman of the Executive Board

Date first appointed to the Executive Board: December 2, 2022

Current term expires: April 6, 2025

Born on December 28, 1963

French nationality

Business address:
Wendel
2-4 rue Paul Cézanne
75008 Paris
France

Career path:

Laurent graduated from HEC in 1986 and from the Stanford Executive Program.

He worked for Banque Indosuez for over ten years, first in capital markets, then in corporate and investment banking. In 1996, he joined Schroders bank in London, before joining AGF (Assurances Générales de France) in 1997 as Chief Financial Officer. He was appointed to the Executive Committee of AGF in 1998, becoming Deputy Chief Executive Officer in charge of Banque AGF, AGF Asset Management and AGF Immobilier in 2002, then in charge of life insurance, financial services and credit insurance in 2003. In 2006, he was appointed Chief Executive Officer and Chairman of the Executive Committee. From 2007 to 2009, he was Managing Partner at Oddo & Cie.

Before joining Wendel, Laurent served at Groupe BPCE from 2009 to 2022, where he was Chief Executive Officer of Natixis and a member of the Executive Management Committee of BPCE (including a member of the Management Board from 2013) from 2009 to May 2018, and Chairman of the Executive Board of Groupe BPCE from May 2018 to December 2022.

Other appointments and positions held as of December 31, 2022:

Wendel Group:

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

Other:

Director of Arkema (listed company)

Director of AROP (Association pour le Rayonnement de l'Opéra National de Paris)

Non-voting member of the Board of Directors of Oddo BHF SCA

Appointments expired in the last five years:

Chairman of the French Banking Association (*Association Française Bancaire* - AFB)

Director of CNP Assurances

Non-voting member of the Board of Directors of Fimalac

Chairman of BPCE's Executive Board

Chairman of the Board of Directors of Natixis

Chairman of CE Holding Participations

Director of Sopassure

Chairman of the Board of Directors of Crédit Foncier

Chairman of the French Association of Credit Institutions and Investment Companies

Vice-Chairman, then Chairman and member of the Executive Committee of the French Banking Federation (FBF)

Director of Peter J. Solomon Company LP and Peter J. Solomon GP, LLC

Chairman of the Board of Directors of Natixis Assurances

Chief Executive Officer: Natixis

Number of Wendel shares held as of December 31, 2022: none (it being specified that Laurent Mignon bought 5,980 shares on January 4, 2023)

David Darmon

CEO/Member of the Executive Board

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

Current term expires: April 6, 2025

Born on December 18, 1973

French nationality

Business address:
Wendel
2-4 rue Paul Cézanne
75008 Paris
France

Career path:

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 17 years. In particular, he participated in the investment and oversight of companies such as Allied Barton (now Allied Universal), CSP Technologies, Deutsch, Stallergenes, Constantia Flexibles and Crisis Prevention Institute. In his work for Wendel Growth, 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 in September 2019.

Other appointments and positions held as of December 31, 2022:

Wendel Group:

Chairman of the Board of Constantia Flexibles

Other:

Manager of Compagnie des Sables d'Or (*société civile*)

Manager of Compagnie de Mare e Sole (*société civile*)

Manager of SCI Villa de la Calanque Verte

Appointments expired in the last five years:

Wendel Group:

Director of CSP Technologies

Director of IHS

Number of Wendel shares held as of December 31, 2022: 46,054 shares and 95,720.6459 FCPE Wendel units (equivalent to 15,848 Wendel shares at that date)

2.1.5.2 Operation of the Executive Board

In accordance with Article 20 of the by-laws, Executive Board meetings are held at the head office or at any other venue specified by the Chairman in the meeting notice. The agenda may be amended during 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 2022, the Executive Board met 22 times.

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

- the Group's financial position; and
- portfolio companies and their 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 accounts close and Net Asset Value;
- 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 career development of the Company's employees,
  - 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 the 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;
- IT, cybersecurity and digital; and
- the follow-up of the project to transfer the head office in Paris.

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 89 people across Wendel's three offices. The team is articulated around two key committees: the Investment and Development Committee and the Management Committee.

2.1.6.1 Executive Vice-Presidents

The Executive Board is assisted by two Executive Vice-Presidents. They do not have corporate officer status and may not enter into binding agreements on behalf of the Company.

Jérôme Michiels

Executive Vice-President, Chief Financial Officer, Head of Wendel Growth

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 ten years on the investment team, he took over the responsibility for Wendel's Finance department in October 2015. He is a graduate of 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 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, 2 Executive Vice-Presidents and 2 Managing Directors, with the CEO of Wendel Luxembourg as secretary and permanent participant, the Investment and Development Committee meets periodically to work on selecting the Group's investments. It reviews Wendel's investment policy, plans to acquire and divest assets and the performance of the investment team's employees. At the date of the Universal Registration Document, it was composed of 6 members, of which 2 women and 4 men.

2.1.6.3 The Wendel Growth Investment Committee

An Investment Committee meets to work on the selection and development of Wendel Growth's investments. It examines plans to acquire and divest assets, and issues recommendations. Depending on the nature of the investment, the committee is composed of:

- for direct investments: the Executive Board, the Head of Wendel Growth, the Director of Wendel Growth Direct, a Managing Director, and where appropriate a Senior Advisor on the matter in question. At the date of the Universal Registration Document, this committee is composed of 5 men;
- for investments via funds: the Executive Board and the Head of Wendel Growth. At the date of the Universal Registration Document, this committee is composed of 4 men.

The CEO of Wendel Luxembourg is secretary and a permanent participant of these committees.

2.1.6.4 The Management Committee

Every week, the Management Committee brings together the members of the Executive Board, the two 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 Group's organization and operations, calling on other people concerned when necessary. At the date of the Universal Registration Document, it was composed of 9 members, of which 4 women and 5 men.

2.1.6.5 The Coordination Committee

The Coordination Committee meets twice a month and is made up of the members of the Investment and Development Committee and the Management Committee as well as key managers at Wendel and its international offices. Its role is to act as a hub to collect and share cross-company information to ensure that it flows freely throughout the Group. At the date of the Universal Registration Document, it was composed of 21 members, of which 5 women and 16 men.

2.1.6.6 The ESG Steering Committee

The ESG Steering Committee was 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 the Executive Vice-President and Chief Financial Officer, two Operating Partners and representatives of Wendel's different operational and support divisions: Internal Audit department, General Secretariat, Sustainable Development and Communications department, Financial Communications department, Human Resources and General Resources department. The committee meets every six weeks to carry out monitoring of the Group's ESG ratings, progress made on rolling out the ESG roadmap for Wendel and its portfolio companies, and changes in non-financial reporting standards. At the date of the Universal Registration Document, it was composed of 13 members, of which 5 women and 8 men.

2.1.6.7 Locations

Wendel has offices for its holding companies and service activities. The oldest are in Paris (since 1704) and Luxembourg (since 1931). The Group also opened premises in New York (2013).

Paris

Wendel's registered office was recently transferred from the 9th to the 8th *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 fund 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 examines 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 Wendel Growth 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).

2.1.6.8 Teams

Wendel's team leaders and principal members

♦ Management Committee

■ Investment and Development Committee

○ Wendel Growth Investment 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 4 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, Executive Board Advisor

Christine Anglade Pirzadeh joined Wendel in 2011. She was previously Director of Communications at the French financial markets authority (*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, Group Chief Compliance Officer, Secretary of the Supervisory Board and of the Governance and Sustainability Committee

Before joining Wendel in 2009 as Head 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 is a graduate of ESCP with a master's in Finance and holds a DEA in Economy from the University of Paris I Panthéon-Sorbonne.

Charles Goulet ✶

Managing Director

Charles Goulet joined Wendel's investment team in 2010 as an Analyst, and has been Managing Director since January 1, 2023. He has worked primarily in the Paris office, where he is based today, and has also spent 4 years in the London office. Charles started his career at AXA Private Equity (now Ardian) in London as an Analyst in the private debt and fund-of-funds teams. Charles is a graduate of ESSEC business school and holds a degree in law.

Étienne Grobon ✶ ❖

Director of Internal Audit, Secretary of the Audit, Risks and Compliance Committee

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 3 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.

Antoine Izsak ○

Director of Wendel Growth Direct

Antoine Izsak joined Wendel in 2022 as Head of Growth Equity at Wendel Growth. Prior to joining Wendel, Antoine worked as a director for seven years in the Large Venture fund of Bpifrance. He began his career at Edmond de Rothschild Capital Partners and then worked at LEK Consulting where he gained experience in strategy consulting. Antoine holds a Master's degree in Software Development from Supélec Engineering School and a Master's degree in Finance from the University of Paris-Dauphine.

Xavier Lemonnier ✶

Managing Director

Xavier joined Wendel's investment team in 2018 as a director, and has been a Managing Director since January 1, 2023. Prior to joining Wendel, Xavier worked for nearly nine years at BC Partners, in Paris and most recently London. He started his career in 2008 at Merrill Lynch's investment banking group. Xavier is a graduate of École polytechnique and ENSAE ParisTech.

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 JP 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 (2005-13), of CapGemini (2000-05), 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 ✶

General Counsel 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 General Counsel 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 and Operational 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 and 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, Co-head of the Operating team

Jérôme joined Wendel in 2019. He 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, IT Operating Partner

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 3 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 3 years.

David Varet ✶ ❖

Operating Partner, Co-head of the Operating team

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, except for those powers that have not been expressly attributed by law or the by-laws 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 Laurent Mignon, 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 interim and annual financial statements, as prescribed by law.

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

The Executive Board ensures that the draft resolutions it submits to shareholders at the 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 Shareholders' Meetings.

The Supervisory Board oversees the Executive Board's management of the Company on an ongoing basis, pursuant to Article L. 225-68 of the French Commercial Code and Article 1 of its internal regulations. It conducts the controls and verifications it deems appropriate, at any time during the year, and can obtain access to any documents 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 and sets the meeting's agenda.

At least once every quarter, the Executive Board presents the Supervisory Board with 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 position, their external growth transactions and any other transaction likely to have a significant impact on the Company.

Within 3 months after the close of each fiscal 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 the 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 half-year 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 financial position and the type and maturity of its bank and bond debt.

The Supervisory Board is kept regularly informed of the financial and non-financial risks the Company assumes and the measures the Executive Board takes to address them (see Chapter 3 below and note 6 to the consolidated financial statements).

Prior approval from the Supervisory Board is required for the transactions specified in Article 15 of the Company's by-laws:

- any transaction, including the acquisition or divestment by the Company (or an intermediate holding company), amounting to more than €100 million, as well as any decision binding the Company or its subsidiaries for the long term;
- 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 to change the by-laws, submitted to shareholders at their General Meeting;
- 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 at their General Meeting regarding the appropriation of earnings or the distribution of dividends, as well as any interim dividend;
- any merger or spin-off that the Company is party to;
- any proposal to shareholders at their General Meeting regarding a share buyback program;
- any proposal to shareholders at their General Meeting 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 the Shareholders' Meeting. According to the AMF, when a company's primary activity is to acquire and manage equity investments, divestments – even significant ones – clearly fall within its normal operating cycle, and as such may be foreseen by the market and shareholders. Wendel is therefore not required to present significant divestments to its shareholders.

The Supervisory Board appoints, and has the power to remove, members of the Executive Board. It sets their level of compensation as well as the terms of said compensation (current or deferred, fixed or variable). It sets stock option and performance share grants allocated to Executive Board members, as well as any 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 establish the grant dates and 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 5.1 to the consolidated financial statements). The Executive Board determines the team members eligible for co-investment and their individual allocations.

In accordance with the recommendations of the Afep-Medef Code, the Supervisory Board is informed each year by the Executive Board of the results obtained in the past fiscal year pursuant to (i) the gender diversity policy in governing bodies, and (ii) the ESG strategy.

2.1.8 Compliance and ethical issues involving the Group's governing and supervisory bodies

Since 2009, the obligations in terms of confidentiality, abstention from transactions involving Wendel shares and its investees, market information and the rules for managing conflicts of interest, as well as the responsibilities of the Company's Ethics Officer have been governed by the Market Confidentiality and Ethics Code. Since 2009, the Ethics Officer has been Caroline Bertin Delacour, General Counsel of Wendel.

The Code applies in particular to the members of the Executive Board and the Supervisory Board. The Code was most recently updated by the Executive Board in July 2019.

The Executive Board has also adopted a Code of Ethics, amended in July 2022, and a compliance program through targeted policies (relating to the fight against corruption and influence peddling, the fight against money laundering and the financing of terrorism, compliance with international sanctions and personal data protection) (see section 4.3.3). 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 portfolio companies, 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

The Supervisory Board members are bound by a strict confidentiality obligation, which goes beyond the simple obligation of discretion provided for by law, concerning (i) the content of the discussions and deliberations of the Board and its Committees, and (ii) all information and documents presented, or provided to them for the preparation of their work, or of which they may have become aware in the course of their duties. This information may not be shared or used for personal purposes. The Board members must take all necessary measures to ensure that this confidentiality is maintained. This confidentiality obligation applies as a matter of principle, whether or not the Chairman has clearly stated the confidential nature of the information.

If the members of the 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, on or off-market, any transaction in securities issued by Wendel, until the information is no longer considered to be inside information (e.g., information made public or abandoned project). They are 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 half-year financial statements, quarterly revenue, and Net Asset Value (NAV, see section 5.3). These periods are as follows: for the publication of annual and half-year 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, the members of the governing and supervisory bodies must also refrain from trading in the securities of Wendel Group's listed or unlisted portfolio companies (subject to Wendel Group's co-investment rules). This restriction does not apply to securities they hold in compliance with their obligations required by law or the by-laws or, where appropriate, the legitimate investment policy applicable to them in their capacity as directors (in accordance with the governing principles issued by the Company in which the term of office is held). In addition, this restriction does not apply in the event of dividends paid in the form of shares of subsidiaries or portfolio companies.

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 3 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 by-laws of the Company, each member of the Supervisory Board must hold 500 fully paid-up shares;
- each member of the Executive Board must retain a number of shares, in particular those resulting from the exercise of their stock options or the vesting of their performance shares, corresponding, for the Chairman 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 26.3.3 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 (*Pactes Dutreil*) under Article 787 B of the French Tax Code (*Code général des impôts*), 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 related-party agreements and ordinary agreements (see paragraph below "Related-party agreements and ordinary agreements").

The members of the Executive and Supervisory Boards must look into any actual, potential or future conflicts of interest and bring them to the attention of the Company's Ethics Officer or the Supervisory Board Chairman. The Supervisory Board members must also inform the Lead Member of the Supervisory Board of any conflict of interest with the majority shareholder.

For members of the Executive Board, specific processes for handling conflicts of interest have been implemented.

Members of the Supervisory Board, who are subject to a general obligation of loyalty, must each prepare a statement regarding the absence of conflicts of interest, 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 ten working days following the occurrence of any event that made the previous statement in whole or in part inaccurate. In the case of a conflict of interest, the Board member in question abstains from taking part in the discussions or from participating in the vote of the corresponding deliberation, and 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 members with investment experience. In this respect, some members of the Board may hold positions – in addition to their term of office as members of the Supervisory Board – with Wendel's competitors. An increased level of vigilance is then required and implemented as part of the application of the conflict of interest management procedure.

In response to a request made each year by the Company, each member of the Board must provide a list of all offices and positions held during the past five years. 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.

Related-party agreements and ordinary 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 related-party agreements and agreements relating to ordinary transactions entered into under arm's length conditions. This Charter:

- reiterates the regulatory framework applicable to 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 entered into under arm's length conditions.

The procedure applicable to agreements relating to ordinary transactions entered into under arm's length 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 arm's length 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 entering into an agreement, an amendment or renewal, assess whether the conditions meet the criteria of ordinary transactions entered into under arm's length conditions. This assessment must be documented. In the event of difficulties in interpreting or evaluating criteria, the matter should be referred to the Group Chief Compliance Officer who will make an assessment on a case-by-case basis and consult the Director of Internal Audit if needed.

2. **Retrospective review of the application of criteria by the Group Chief Compliance Officer**

The Group Chief Compliance Officer reviews how the Charter is applied by the Involved Functions on a regular basis and as deemed necessary.

To facilitate the Group Chief Compliance Officer's review, each Involved Function drawing up these agreements must be in a position to share a sample/list of agreements relating to ordinary transactions entered into under arm's length conditions within their scope upon request.

If the Group Chief Compliance Officer retrospectively considers that an agreement on the list of agreements relating to ordinary transactions entered into under arm's length 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 a direct or 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 Group Chief Compliance Officer reports on the findings of her review to the Company's Supervisory Board. Parties with a direct or 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 Group Chief 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 entered into under arm's length conditions**

The Supervisory Board's annual report on Corporate Governance contains:

- a description of the procedure for reviewing agreements relating to ordinary transactions entered into under arm's length conditions; and
- a description of its implementation by the Company, including the Supervisory Board's conclusions following the Group Chief Compliance Officer's annual report and any follow-up.

The implementation of the procedure in 2022 is described below:

The Group Chief Compliance Officer obtained the list of ordinary agreements entered into by Wendel under arm's length 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 16, 2023, 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 related-party agreements and subject to the corresponding procedure. These agreements are described in the Statutory Auditors' special report on related-party agreements; and
- the agreements entered into with companies identified as companies with top management individuals in common with Wendel meet the cumulative criteria of "ordinary transaction" and "arm's length conditions".

The Supervisory Board concluded that there was no need to reclassify the agreements referred to in the second list item 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 entered into under arm's length conditions.

To the best of the Company's knowledge, the following agreements were entered into during 2022 and early 2023 (see also note 5.1 to the consolidated financial statements):

- March 2022: in accordance with the co-investment principles for the 2021-25 period, André François-Poncet, Chairman of the Executive Board until December 1, 2022; David Darmon, member of the Executive Board; and Harper Mates and Sophie Tomasi Parise, members of the Supervisory Board representing employees, subscribed to co-investment units in the ACAMS sub-funds of the Expansion 17 SCA FIAR fund and in the Millésime III sub-fund of the Global Performance 17 SCA FIAR fund;
- December 2022:

  Laurent Mignon, Chairman of the Executive Board:

  - acquired from Wendel Luxembourg co-investment units in the Crisis Prevention Institute (CPI), Tarkett and ACAMS sub-funds of the Expansion 17 SCA FIAR fund, and in the Millésime II and Millésime III sub-funds of the Global Performance 17 SCA FIAR fund, in accordance with the applicable co-investment principles,
  - entered into purchase and sale agreements with Wendel Luxembourg relating to his co-investments made or to be made through the Global Performance 17 SCA FIAR and Expansion 17 SCA FIAR funds. The purpose of these undertakings is to settle the outcome of the co-investments of the Chairman of the Executive Board in the event of his departure from the Wendel Group before the occurrence of liquidity events affecting the companies in which he has or will have co-invested through the above-referred FIAR funds.

  David Darmon, member of the Executive Board, increased his exposure to CPI and raised his co-investment from 6.7% to 8% by acquiring additional shares from Wendel Luxembourg.

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 related-party agreements, submitted for approval to the Shareholders' Meeting of June 15, 2023, under the terms of the 4th resolution.

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 15, 2023, pursuant to the 16th to 18th resolutions.

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 providing stability during the four-year term of the Executive Board and is 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 4 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 policy is implemented 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 the achievement level of each of the criteria.

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 portion being preponderant.

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 thus 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 applied to approximately 21% of Wendel's workforce);
- alignment with Wendel's values, notably in terms of ESG;
- consideration of the general context (including the health crisis); and
- transparency and readability.

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 companies and, on the other hand, on the implementation of its strategy. To this end, certain short-term compensation objectives are based on the net sales and results of Wendel's portfolio companies, while others are based on the achievement of strategic and ESG roadmaps. Long-term compensation, which gives corporate officers a stake in the share capital, is linked to the Company's performance over four years. This includes financial performance, based on the increase in the TSR and dividend, and non-financial performance, based on ESG criteria.

These conditions mean that the compensation policy is in line with the best interests of the Company, contributes to the Company's sustainability and aligns the interests of corporate officers and shareholders. It is also consistent with Wendel's mission statement, as defined in 2020, whereby, as a long-term investor, Wendel 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 21% of Wendel's workforce which includes most managers;
- the performance conditions attached to the Executive Board's stock options and performance shares are used in the allocation plans for employees, it being specified that employees also benefit from another type of plan with different conditions.

Conflicts of interest

In view of the Company's two-tier system, no conflict of interest is likely to arise in the determination, review and implementation of the compensation policy of the Executive Board, as this policy is determined and evaluated by the Supervisory Board on the recommendation of the Governance and Sustainability Committee, and the members of the Executive Board are not members of these bodies, nor do they attend deliberations on this subject.

For the determination, review and implementation of the compensation policy for members of the Supervisory Board, the Supervisory Board, where necessary, applies the measures for managing 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).

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.

Accordingly, on the recommendation of the Governance and Sustainability Committee, the Supervisory Board may take into account unforeseeable and significant circumstances likely to affect the assessment of the performance of the Executive Board, such as a substantial change in the Group's scope's members or in the missions entrusted to it, a major event affecting the markets or structural changes impacting Wendel's business.

This possibility will enable the Supervisory Board to ensure that the compensation policy is appropriate in view of the management of these events by the members of the Executive Board, the performance of the Group and the exceptional circumstances. However, it can only be used within the following limits:

- the only compensation items that may be amended are annual variable compensation, options and performance shares;
- the maximum amounts that can be awarded on these items cannot be amended.

Any exemption from one of the compensation policy items will be decided by the Supervisory Board on the prior recommendation of the Governance and Sustainability Committee. Any exemptions decided in this way will be set out in the Universal Registration Document for the fiscal year in which they were defined.

2.2.1.2 Compensation policy for Executive Board members

Determination of the compensation policy for 2023

The 2023 compensation policy is in line with the policy established in 2021 in the framework of the renewal of the Executive Board's term of office for four years, subject to the changes outlined below. These reflect, in particular, the 3 adjustments decided upon when Laurent Mignon took office in December 2022, which will be submitted for approval to the Shareholders' Meeting of June 15, 2023 (10th resolution).

As a reminder, the principles of compensation for the Executive Board were reviewed in depth in 2021 using a comprehensive approach, to ensure that this compensation is in line with the individual and collective performance of the members of the Executive Board (pay for performance), as well as with Wendel's mission statement 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:

- dedicated benchmarks performed by a specialized external consultant (use of 3 company panels to analyze data adapted to Wendel's hybrid nature: SBF 120 companies in a market capitalization range close to that of Wendel, listed investment and holding companies based in Europe, and private equity funds);
- analysis of best practices 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.

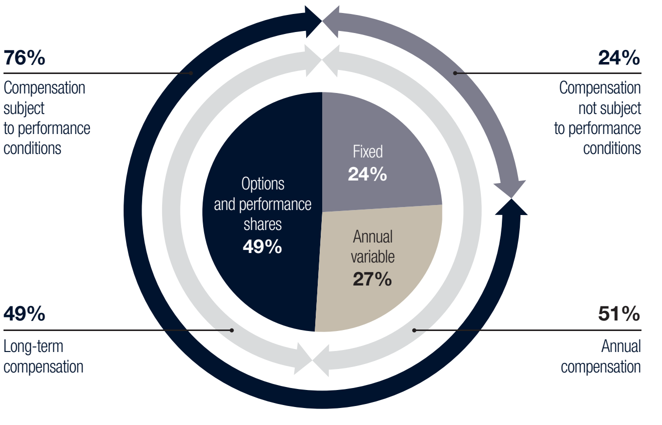
Proposed changes for 2023

At its meeting of March 16, 2023, 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:

- fixed compensation: for the Chairman of the Executive Board, fixed compensation increased by 13% to €1,300,000 (compared to €1,150,000 for the previous Chairman of the Executive Board, André François-Poncet). This increase seemed appropriate to the Supervisory Board, as it had already been agreed in March 2021 for André François-Poncet's second term of office, although he decided to waive it due to the health crisis. In consideration of the above, Laurent Mignon's maximum long-term compensation was reduced from 105% to 95% of the sum of the fixed and maximum variable portions of his annual compensation. Of note, the fixed compensation of the Chairman of the Executive Board has remained unchanged since 2018, unlike that of Wendel's employees, which has increased by 25.81% on average for employees present since January 1, 2018;
- 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, and now includes ACAMS. The non-financial objective has been revised, referring to the definition of a new strategic plan by the Executive Board, increasing the weighting of the human resources criterion and simplifying the ESG criteria;
- options: the performance condition for options remains an ESG condition based, as in 2022, on a four-year training cycle on the "S" of ESG. The changes made in 2023 relate to the theme of the training cycle, which will relate to inclusion, and to the population concerned, which will be extended to 85% of all employees (the condition is described in the section "Compensation items", paragraph "Allocation of stock options");
- departure of an Executive Board member:
  - termination benefits: the definition of "situation of failure", which precludes the payment of such benefits in the event of Laurent Mignon's departure, no longer refers to the existence of serious misconduct, as was the case for the rules applicable to the previous Chairman of the Executive Board; it has been aligned with the definition applicable to the other Executive Board member. A "Situation of failure" is thus now established where (i) Wendel no longer benefits from an Investment Grade rating and (ii) for 2 consecutive years, Wendel's TSR is in the bottom quartile in terms of relative performance compared to the CACmid60 index;
  - treatment of options and performance shares: in the event of departure, the Supervisory Board may, exceptionally, waive the presence condition applicable to the options and performance shares granted to members of the Executive Board, without being required to apply a *pro rata temporis* calculation.

2023 compensation structure

The 4 main compensation items of the members of the Executive Board are balanced (approximately 50/50) between annual compensation and long-term compensation. They are also demanding since more than three quarters of the compensation is subject to performance conditions. They are complementary and each of them serves different purposes.



Approximately 15.7% of the maximum compensation of the members of the Executive Board is based on ESG criteria, including short-term and long-term objectives.

The members of the Executive Board do not benefit from the following compensation items: multi-year variable compensation, exceptional compensation, non-compete compensation, and supplementary pension plan.

Compensation items

Fixed compensation

The fixed compensation for 2023 is as follows:

- €1,300,000 for the Chairman of the Executive Board; and
- €770,000 for the other member of the Executive Board.

Annual variable compensation

For 2023, the maximum amount of variable compensation remains set at 115% of the fixed compensation, 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 2022 is detailed in section 2.2.2.2 – Total compensation and benefits in kind, paragraph "Summary of the compensation of each executive corporate officer".

The Supervisory Board retained, as previously, 4 objectives for 2023, 3 financial and 1 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 16, 2023. For each financial 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. For the non-financial objective, specific initiatives and actions have been set, so that its achievement can be evaluated at the end of the year.

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 21% of Wendel's workforce.

Description of the 2023 performance objectives:

The **financial objectives**, weighted and capped together at 65% of the maximum variable compensation, are as follows:

- the 1st **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 2nd **objective** concerns the individual and collective performance of 5 other companies in the portfolio (Stahl, Constantia, CPI, Tarkett, ACAMS), 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 five companies in the Net Asset Value as of December 31, 2022 and as of December 31, 2023. This objective is weighted and capped at 25% of the maximum variable compensation; and
- the 3rd **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 are 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 an ambitious 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% met; and
- if the results achieved exceed the target budget, the objective is considered met at between 85% and 100% depending on the outperformance, without being able to exceed 100%.

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.

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 3 types of criteria, which represent respectively 65%, 20% and 15% of the non-financial objective:

- the definition of a new strategic plan and the implementation of value-creating initiatives (weighted and capped at 65% of the non-financial target). Priorities for 2023 include implementing an active portfolio management and investment policy, optimizing Wendel's financial flexibility, active involvement with the Bureau Veritas management team to accelerate value creation, and ambition to develop a third-party asset management business;
- a human resources criterion (weighted and capped at 20% of the non-financial objective), aimed at aligning the Paris and New York investment teams with the new strategic directions;
- ESG criteria detailed as follows (weighted and capped at 15% of the non-financial objective):
  - climate: the development of a methodology for climate objectives that is consistent with the best international standards in this area and compatible with Wendel's business. The definition of this methodology will then make it possible to set an objective to be reached by 2030,
  - risk management: the improvement in cybersecurity at Wendel and its portfolio companies, as measured by the progression of NIST ratings.

The achievement rate of the non-financial objective will be calculated based on the effective completion of these initiatives and actions during the year.

Summary

Type of objective	Weighting
Financial objectives	**65%**
Performance of Bureau Veritas: organic growth and adjusted operating income	20%
Performance of 5 other companies in the portfolio (Stahl, Constantia, CPI, Tarkett, ACAMS): organic growth and EBITDA	25%
Maintaining Wendel's Investment Grade rating	20%
Non-financial objective	**35%**
Criteria:	
New strategic plan and value creation initiatives	*65%*
Human Resources	*20%*
ESG	*15%*
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 value created for shareholders.

Maximum grant amount

The total value of the options and performance shares, as determined on the date of their grant, for each of the two members of the Executive Board, may reach a maximum of: 95% of the sum of the fixed and the maximum annual variable portions of their annual compensation,

Within these proportions, each member of the Executive Board receives a target allocation of 70% performance shares and 30% options.

Under the 21st and 22nd resolutions, the 2023 Shareholders' Meeting will be asked 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 vesting of the performance shares granted may not exceed 50% of this overall budget, within the limits 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 each 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/her duties, he/she is not required to purchase shares on the market. However, 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.

Hedging

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 over the 20 trading days preceding the grant date, with no discount.

The presence condition is 4 years following the grant date, 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 an additional ESG performance condition: the options granted under the 2023 compensation policy will be exercisable if, over a period of 4 years, at least 85% of Wendel employees have attended each year a training course on inclusion, to raise awareness on, and fight against, psycho-social risks.

The Board considers that this performance condition linked to the "S" of ESG will allow the deployment of an ambitious training cycle, aligned with the Group's ESG strategy and its objective of being a responsible company.

The Supervisory Board also stresses that this condition is measurable, since 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 grant date, it being specified that, subject to the achievement of the performance conditions described below, 50% of the performance shares may vest 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 3 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) growth in the ordinary 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, vesting of the shares 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, vesting of the shares 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 growth (25% of the allocation)

  The ordinary dividend paid each year for 4 years must be greater than or equal to the dividend paid the previous year.

  Dividend growth 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 were 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 6 months (except in the event of serious misconduct) and may trigger the entitlement to legal and contractual indemnities for dismissal.

Benefits in kind

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 plan and death and disability insurance, it being specified 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 2021-2025 (see note 4 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.

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 benefits 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 is prorated and 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 recommendation of the Governance and Sustainability Committee, decide to waive the applicable presence condition. In any event, there may 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

Laurent Mignon

In the event of termination of his term of office on the Executive Board, Laurent Mignon would receive a payment equal to (i) the sum of his gross fixed monthly compensation at the time of departure and 1/12th of his variable compensation actually paid for the last fiscal year preceding his departure, (ii) multiplied by the number of months he served as Chairman of the Executive Board, without this payment exceeding 18 months of this fixed and variable compensation.

Payment of the benefits is subject to the fulfillment of both of the following two performance conditions:

- Laurent Mignon must have obtained, for the last 2 years preceding his departure, variable compensation at least equal to 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 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 6 months following a substantial change in responsibilities or a significant divergence in strategy with the Supervisory Board.

This indemnity will not be due in the event of:

- resignation, except in the aforementioned case;
- retirement or eligibility for a full pension within the 6 months following the departure;
- serious or gross misconduct; and
- a situation of failure recognized by the Supervisory Board. A "Situation of failure" is established where (i) Wendel no longer benefits from an Investment Grade rating and (ii) for two consecutive years, Wendel's TSR is in the bottom quartile in terms of relative performance compared to the CACmid60 index.

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 employment contract, a payment equal to 18 months of his gross fixed monthly compensation at the time of his departure.

Payment of the benefits is subject to the fulfillment of both of the following two performance conditions:

- David Darmon must have obtained, for the last 2 years preceding his departure, variable compensation at least equal to 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 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 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 member of the Executive Board within 6 months following a substantial change in responsibilities or a significant divergence in strategy; and
- resignation from office as member of the Executive Board as a result of dismissal as employee (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 6 months prior to eligibility for a full pension;
- serious or gross misconduct; and
- a situation of failure recognized by the Supervisory Board. A "Situation of failure" is established where (i) the Wendel Group's consolidated net debt is greater than €2.5 billion, and (ii) for two consecutive years, Wendel's TSR is in the bottom quartile in terms of relative performance compared to the CACmid60 index.

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 may trigger an entitlement to legal and contractual severance payments.

It is specified that the total amount of indemnities paid to David Darmon, including the legal and contractual severance payments related to his employment contract, may not exceed 18 months of his monthly average compensation determined as follows: sum of (i) his gross fixed monthly compensation at the time of his departure, and (ii) 1/12th of the variable compensation actually paid during the last 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.

Proposed changes for 2023

The compensation structure has been adjusted to ensure that the variable portion is systematically preponderant, regardless of the number of Board and Committee meetings scheduled during the year, in accordance with the recommendations of the Afep-Medef Code. This did not result in a change to the maximum total budget – which has remained unchanged since 2017 – or the amount accruing to each member assuming full attendance.

Accordingly, the compensation policy for members of the Supervisory Board is based on a maximum amount of annual compensation, of which 55% is variable and linked to attendance and 45% is fixed. As a result, a member who fails to attend scheduled meetings could lose up to 55% of his or her maximum annual compensation.

The allocation among the members is determined as follows:

	Maximum annual compensation	Variable portion (55%)	Fixed portion (45%)
Chairman of the Supervisory Board	€100,000	€55,000	€45,000
Member of the Supervisory Board	€50,000	€27,500	€22,500
Chair of a Committee(1)	€50,000	€27,500	€22,500
Member of a Committee(1)	€20,000	€11,000	€9,000

(1) Amount in addition to the compensation as a member of the Board.

In addition, the Chairman of the Supervisory Board and the Lead Member of the Supervisory Board receive specific compensation related to their functions:

- 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 periodically by the Governance and Sustainability Committee and the Supervisory Board;
- 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 2022

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 15, 2023, pursuant to the 11th resolution.

2.2.2.1 Application of the 2022 compensation policy

The 2022 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 16, 2022:

- Chairman of the Executive Board, the 8th resolution approved with 97.06% votes in favor;
- member of the Executive Board, the 9th resolution approved with 97.83% votes in favor; and
- members of the Supervisory Board, the 10th resolution approved with 99.53% votes in favor.

The total compensation of the Executive Board member and the Supervisory Board members paid in or awarded for 2022 fully complies with the provisions of the compensation policy for 2022.

Regarding the Chairman of the Executive Board, and as part of the succession of André François-Poncet in early December 2022, the following clarifications are made:

- André François-Poncet's departure:

At the meeting of September 16, 2022 and on the recommendation of the Governance and Sustainability Committee, the Supervisory Board applied the 2022 compensation policy without any exception. Accordingly:

  - André François-Poncet was not eligible for any termination benefits following the end of his term of office, as the conditions for payment of such benefits were not met (voluntary departure);
  - no stock options or performance shares were granted to André François-Poncet for 2022, although his term of office expired at the end of 2022;
  - with regard to performance share and stock option plans for which the presence condition had not yet been met, i.e., plans granted in 2021, the Supervisory Board decided to maintain the benefit of the plans granted on a *pro rata temporis* basis, this option being provided for in the compensation policy. The performance conditions governing the exercise of the options and/or the vesting of the performance shares of these plans were not waived.

- Laurent Mignon's appointment:

Laurent Mignon's compensation is in line with the 2022 compensation policy, subject to the adjustments set out below. His compensation was set by the Supervisory Board, at its meetings of September 16 and October 27, 2022, on the recommendation of the Governance and Sustainability Committee.

In accordance with the compensation policy in force, Laurent Mignon received benefits of €1,335,000 to compensate for the loss of benefits linked to his previous role. It is specified that:

  - the amount of benefits was determined to compensate for the loss of the following compensation items, all cash-based, linked to his departure from his term of office as Chairman of the Executive Board of BPCE: his maximum annual variable compensation of €1,320,000 for the first 11 months of 2022 and, for the residual balance, deferred cash compensation subject to a presence condition, which was not met due to his early departure;
  - the payment of the benefits was subject to Laurent Mignon's reinvestment of 40% of it in Wendel shares within 4 months of his appointment. Laurent Mignon met this obligation by purchasing 5,980 Wendel shares on January 4, 2023.

The Supervisory Board made 3 adjustments to the 2022 compensation policy, which will be submitted to the Shareholders' Meeting of June 15, 2023 for approval (10th resolution):

- fixed compensation: fixed compensation increased by 13% to €1,300,000 (compared to €1,150,000 for André François-Poncet). This increase seemed appropriate to the Supervisory Board, as it had already been agreed in March 2021 for André François-Poncet's second term of office, although he decided to waive it due to the health crisis. In consideration of the above, Laurent Mignon's maximum long-term compensation was reduced from 105% to 95% of the sum of the fixed and maximum variable portions of his annual compensation. It is specified that the fixed compensation of the Chairman of the Executive Board has remained unchanged since 2018, unlike that of Wendel's employees, which has increased by 25.81% on average for employees present since January 1, 2018;
- options and performance shares in the event of departure: the Supervisory Board may, exceptionally, waive the presence condition applicable to the options and performance shares granted to Laurent Mignon, without being required to apply a *pro rata temporis* calculation;
- termination benefits: the definition of "situation of failure", which precludes the payment of such benefits in the event of Laurent Mignon's departure, no longer refers to serious misconduct, as was the case for the rules applicable to André François-Poncet; it has been aligned with the definition applicable to the Executive Board member. "Situation of failure" is established where (i) Wendel no longer benefits from an Investment Grade rating and (ii) for two consecutive years, Wendel's TSR is in the bottom quartile in terms of relative performance compared to the CACmid60 index.

In accordance with the recommendations of the Afep-Medef Code, this information was published on the website after approval by the Supervisory Board.

Total compensation was structured to encourage performance and align the interests of the Executive Board members with the Company's objectives, thereby contributing to the Company's long-term performance.

2.2.2.2 Total compensation and benefits in kind

The compensation items of Executive Board and Supervisory Board members presented below are those paid during or allocated in 2022 in respect of their term of office.

Summary of compensation, options and performance shares granted in respect of 2022 to each executive corporate officer

Relative proportion of fixed and variable compensation

Annual variable compensation awarded to the Executive Board members for 2022 corresponds to 112% of the fixed compensation awarded to André François-Poncet, Laurent Mignon and David Darmon respectively, for 2022. 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 in kind.

The value of the options and performance shares awarded to Laurent Mignon and David Darmon in 2022 represents 95% of the sum of the fixed and maximum variable portions of their annual compensation. Detailed information is provided in Tables 4 and 6 of the Afep-Medef Code shown below. André François-Poncet did not receive any stock options or performance shares in respect of 2022.

Table 1 under the Afep-Medef Code

	2022	2021
André François-Poncet Chairman of the Executive Board until December 1, 2022		
Total compensation awarded for the year (detailed in table 2)	**2,525,576**	**2,656,241**
Number of options granted during the year	0	41,034
Valuation of options granted during the year (detailed in table 4)	**-**	**779,646**
Number of performance shares granted during the year	0	23,421
Valuation of performance shares granted during the year (detailed in table 6)	**-**	**1,817,470**
TOTAL	**2,525,576**	**5,253,357**
Laurent Mignon Chairman of the Executive Board since December 2, 2022		
Total compensation awarded for the year (detailed in table 2)	**1,554,227**	**-**
Number of options granted during the year	37,085	-
Valuation of options granted during the year (detailed in table 4)	**530,316**	**-**
Number of performance shares granted during the year	19,095	-
Valuation of performance shares granted during the year (detailed in table 6)	**1,237,356**	**-**
TOTAL	**3,321,899**	**-**
David Darmon Member of the Executive Board		
Total compensation awarded for the year (detailed in table 2)	**1,717,230**	**1,677,674**
Number of options granted during the year	36,293	24,858
Valuation of options granted during the year (detailed in table 4)	**471,809**	**472,302**
Number of performance shares granted during the year	17,282	14,188
Valuation of performance shares granted during the year (detailed in table 6)	**1,100,863**	**1,100,989**
TOTAL	**3,289,902**	**3,250,965**

The valuation of the options and performance shares corresponds to their fair value, calculated at the time they were granted and in accordance with IFRS:

- *the options and performance shares granted in 2021 were valued at €19.0 and €77.6, respectively;*
- *the options and performance shares granted to David Darmon in August 2022 were valued at €13.0 and €63.7, respectively;*
- *the options and performance shares granted to Laurent Mignon in December 2022 were valued at €14.3 and €64.8, respectively.*

These optional valuations are theoretical and correspond neither to amounts actually received nor to the actual amounts that could be obtained if the presence and performance conditions enabled their beneficiaries to exercise their rights.

Summary of the compensation of each executive corporate officer

Overview:

- the fixed compensation of André François-Poncet, Laurent Mignon and David Darmon was set at €1,150,000, €1,300,000 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. This compensation is under no circumstances guaranteed, but subject to conditions as set out below.

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 2022 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 16, 2023, 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 comparing actual levels of organic growth and profitability with those 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 this respect is zero; ■ if the achieved result is equal to the budget, the variable portion due in this respect is only 85%; and ■ if the achieved result is higher than the budget, the variable portion due in this respect is between 85% and 100%, without being able to exceed this amount regardless of the level of outperformance.
Bureau Veritas performance with equal weightings for organic growth and adjusted operating profit	20%	93.5%	The organic growth and adjusted operating income achieved by Bureau Veritas in 2022 were compared to these same indicators as budgeted at the beginning of 2022. This result reflects the strong growth in Bureau Veritas' performance, which exceeded the budget, with organic growth up 7.8% and adjusted operating profit up 12.5% despite a difficult macroeconomic environment.
Performance of 4 other portfolio companies (Constantia, CPI, Stahl and Tarkett) with equal weightings for organic growth and EBITDA	25%	100%	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 4 companies in the revalued net assets at December 31, 2021 and at December 31, 2022. 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. The organic growth and EBITDA of Constantia, CPI, Stahl and Tarkett in 2022 were compared to these same indicators as budgeted at the beginning of 2022. Overall, the 2022 performances of Constantia, CPI and Stahl were strong in terms of organic growth and profitability, and exceeded the budget. Tarkett's profitability was lower.
Maintaining Wendel's Investment Grade rating	20%	100%	Wendel's rating remained the same in 2022: 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%**	**98%**	

Type of objective	Weighting/ caps	Rate of achievement on 100%	Comments
NON-FINANCIAL OBJECTIVE **Criteria:**			**General comment:** 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 the implementation of the 2021-24 strategic plan and the implementation of other value creation initiatives, in particular: ■ deployment of capital in unlisted companies; ■ development of Wendel Growth (formerly Wendel Lab); ■ external growth of portfolio companies; ■ dividend growth; ■ optimization of Wendel's balance sheet; ■ targeted share buybacks; ■ cybersecurity developments.	*75%*	95%	■ The acquisition of ACAMS was completed (approximately €304 million investment by Wendel). ■ Wendel Growth's development strategy was elaborated and broadly publicized. The Direct Investment team was strengthened. Several investment opportunities were reviewed and two investments (Tadaweb and Brigad) – launched in late 2022 – were announced in early 2023. ■ Bureau Veritas made 4 acquisitions, Constantia acquired FFP Packaging Solutions, and Stahl launched the acquisition of ICP Industrial Solutions Group (ISG) in the US, for which an agreement was signed in early 2023. ■ The dividend paid in 2022 increased by 3.4% compared to 2021. ■ Wendel's balance sheet was strengthened with the sale of Cromology, for a net cash amount of €896 million, and the sale of the Paris headquarters building, which was completed under very good conditions. A bond issue was successfully launched, with a 1.375% coupon – the lowest obtained by Wendel – with a 12-year maturity. This issue allowed the early redemption of all the bonds maturing in October 2024. The syndicated credit line was extended to July 2027. As a result, the average maturity of the debt was extended to 6.4 years and its weighted average cost reduced to 1.7%. ■ The Company bought Wendel shares for €25 million during the first half of 2022. ■ Wendel and its portfolio companies made progress in cybersecurity, as evidenced by the progression of NIST ratings.

Type of objective	Weighting/ caps	Rate of achievement on 100%	Comments
Criteria related to the ESG roadmap, human resources and compliance procedures, including: ■ implementation of succession plans; ■ recruitment of senior advisors; ■ improvement of Wendel's ESG profile for analysts and investors; ■ increase in ESG performance indicators of portfolio companies; ■ progress in gender diversity; ■ monitoring and strengthening of compliance systems.	*25%*	100%	The expected initiatives were carried out, in particular: ■ succession plans were implemented for all of Wendel's key positions. At the level of the portfolio companies: the succession of Didier Michaud-Daniel was organized with the appointment of Hinda Gharbi effective as from the 2023 Shareholders' Meeting; at Stahl and Constantia, succession plans were drawn up for the key positions; ■ 4 senior advisors were recruited for Wendel Growth, and one senior advisor was recruited for the US investment team; ■ in 2022, Wendel's score among the non-financial rating systems in which it participates was stable compared to the previous year, which implies a continued improvement in Wendel's ESG performance given the progress of the other companies in the sector. For the third year in a row, Wendel is included in the DJSI World and Europe indexes, making it one of the top 10% highest-performing companies in sustainability in the Diversified Financials category. Wendel's efforts to combat climate change were also recognized by CDP in 2022 with a B rating, compared to a B- at the end of 2021; ■ the outcome of the consolidated ESG performance indicators of the portfolio companies show an improvement in Wendel's 4 priorities, as confirmed by the Independent Third Party's work. These indicators are described in Chapter 4 of the Universal Registration Document; ■ the gender pay gap at Wendel has been reduced by 16.2 points since 2019, and Wendel was ranked 9th in the 2021 ranking for gender balance in executive bodies of SBF 120 companies (compared to 24th in the 2019 ranking); ■ the compliance systems in place at Wendel and its consolidated portfolio companies continued to be strengthened in various areas. Controlled portfolio companies paid particular attention to compliance with international sanctions in light of the Russia-Ukraine conflict. An action plan was implemented at ACAMS, aiming at the deployment of a compliance system.
TOTAL NON-FINANCIAL OBJECTIVE	**35%**	**96.3%**	
TOTAL	**100%**	**97.4%**	

The Supervisory Board did not use the adjustment clause of the compensation policy.

The Supervisory Board meeting held on March 16, 2023, on the advice of the Governance and Sustainability Committee, concluded that the achievement rate of Executive Board members' objectives was 97.4% in 2022. In order to determine this rate, the Board specifically examined (i) for the financial objectives, the level of achievement of the performance thresholds set at the beginning of 2022 and (ii) for the non-financial objective, the achievement of the actions and progress expected for each criterion. More generally, the Board ensured that the level of achievement of objectives was consistent with Wendel's performance in 2022.

As a result, the Board set the variable compensation of the Executive Board members for 2022 at 112% of their fixed compensation, i.e., €1,288,000 for André François-Poncet, €115,818 for Laurent Mignon and €862,400 for David Darmon.

Table 2 under the Afep-Medef Code

The amounts "paid during 2022" correspond to the amounts actually received by each executive corporate officer. The amounts "awarded for 2022" correspond to the compensation allocated to the executive corporate officers for duties performed during 2022, regardless of the payment date. These amounts include all compensation paid by Group companies during the year.

André François-Poncet

	2022		2021	
	Amounts awarded	Amounts paid	Amounts awarded	Amounts paid
Total fixed compensation(1)	1,150,000	1,150,000	1,150,000	1,150,000
of which compensation from Group companies(2)	*70,167*	*70,167*	*97,500*	*97,500*
Variable compensation	1,288,000	1,322,500	1,322,500	912,525
Other compensation(3)	74,359	36,776	170,524	5,924
Benefits in kind(4)	13,217	13,217	13,217	13,217
TOTAL	**2,525,576**	**2,522,493**	**2,656,241**	**2,081,666**

(1-2) Fixed compensation: Regarding the compensation of Group companies, in 2022, André François-Poncet received directors' fees from Bureau Veritas.
(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 2022 from the Company' contribution of €5,924 and a discount of 30% on the price of the subscribed shares representing a value of €68,435. In addition, as the conditions were met, in 2022, he received a profit share of €30,852 (gross) in respect of 2021.
(4) Benefits in kind: André François-Poncet benefited from unemployment insurance taken out with the GSC (social guarantee for business leaders), amounting to €13,217 for 2022.

André François-Poncet also received health, death and disability insurance under the same terms and conditions as Wendel management employees.

Laurent Mignon

	2022(1)		2021	
	Amounts awarded	Amounts paid	Amounts awarded	Amounts paid
Total fixed compensation(2)	103,409	103,409	-	-
of which compensation from Group companies	-	-	-	-
Variable compensation	115,818	-	-	-
Other compensation(3)	1,335,000	1,335,000	-	-
Benefits in kind	-	-	-	-
TOTAL	**1,554,227**	**1,438,409**	**-**	**-**

(1) The compensation mentioned in these columns corresponds to the compensation awarded or paid to Laurent Mignon in his capacity as Chairman of the Executive Board since December 2, 2022.
(2) Fixed compensation: Annual amount of €1,300,000, adjusted pro rata based on time served as Chairman of the Executive Board, from December 2, 2022 to December 31, 2022.
(3) Other compensation: Laurent Mignon received benefits of €1,335,000, to compensate for the loss of benefits linked to his previous role. For more information, see section 2.2.2.1 of the Universal Registration Document.

Laurent Mignon also receives health, death & disability insurance under the same terms and conditions as Wendel management employees.

David Darmon

	2022		2021	
	Amounts awarded	Amounts paid	Amounts awarded	Amounts paid
Total fixed compensation	770,000	770,000	725,476	725,476
of which compensation from Group companies	-	-	-	-
Variable compensation	862,400	834,297	834,297	476,100
Other compensation(1)	71,613	36,776	104,684	5,924
Benefits in kind(2)	13,217	13,217	13,217	13,217
TOTAL	**1,717,230**	**1,654,290**	**1,677,674**	**1,220,717**

(1) 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. 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 2022 from the Company' contribution of €5,924 and a discount of 30% on the price of the subscribed shares representing a value of €65,689. In addition, as the conditions were met, in 2022, he received a profit share of €30,852 (gross) in respect of 2021.
(2) Benefits in kind: David Darmon benefited from unemployment insurance taken out with the GSC (social guarantee for business leaders), amounting to €13,217 for 2022.

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 2022 or exercised during 2022

1. Options granted for 2022

In 2022, David Darmon and Laurent Mignon were granted an amount of stock subscription options determined by the Supervisory Board, on the recommendation of the Governance and Sustainability Committee, and within the limits set by shareholders at the Shareholders' Meeting. These amounts, granted in August 2022 for David Darmon and in December 2022 for Laurent Mignon, are shown in the table below.

No stock options were granted to André François-Poncet for 2022.

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 two-year period, 75% of the options in the event of departure at the end of a three-year period and 100% of the options in the event of departure at the end of a four-year period. However, in exceptional circumstances, the Supervisory Board may, on the recommendation of the Governance and Sustainability Committee, decide to maintain the exercise of the stock options by waiving the applicable presence condition, in accordance with the compensation policy in force;
- a performance condition, assessed over a period of 4 years and linked to the Company's ESG strategy: the options granted under the 2022 compensation policy will be exercisable if, over a period of 4 years, at least 90% of the members of the Wendel Coordination Committee (i.e., senior executives) have attended an ESG training course each year; and
- a holding condition of at least 500 shares resulting from the exercise of the options of the 2022 plan.

Table 4 under the Afep-Medef Code – Stock subscription or purchase options granted for 2022

	Plan no. and date	Type of option (purchase or subscription)	Number of options granted during the year	% of corresponding capital(1)	Option valuation according to the method used for the consolidated financial statements	Exercise price(2)	Exercise period	Performance conditions
André François-Poncet	-	-	0	-	-	-	-	
Laurent Mignon	Plan W-15A	Subscription	37,085	0.084%	€14.3	€87.05	2026-32	
	Dec. 6, 2022							See above
David Darmon	Plan W-15	Subscription	36,293	0.082%	€13.0	€84.27	2026-32	
	Aug. 2, 2022							See above
TOTAL			**73,378**	**0.166%**				

(1) Share capital at the date of grant.
(2) The exercise price of the options was determined based on the average share price over the 20 days prior to the grant date, without a discount.

The 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:

- for options granted to Laurent Mignon: €14.3 at the grant date (December 6, 2022);
- for options granted to David Darmon: €13.0 at the grant date (August 2, 2022).

This value takes into account the presence and demanding performance conditions that ensure alignment of the Executive Board's interests with the Company's objectives. 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 would 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 Laurent Mignon and David Darmon in 2022 represents 30%(1) of their fixed and maximum annual variable compensation.

A total of 18,667 stock options were granted in 2022 to the 10 non-corporate officer employees who received the highest number of stock options that year.

(1) Concerning Laurent Mignon: he was granted stock options and performance shares representing a maximum amount of 95% of the sum of the fixed and maximum variable portions of his annual compensation, adjusted pro rata to the number of days between December 2, 2022 and August 1, 2023 (243 days). This period corresponds to his presence during the first year of the August 2022 plan. The options and performance shares granted on December 6, 2022 to Laurent Mignon were valued at a total amount of €1,767,672 and the value of the options represents 30% of this amount.

2. Options for which the performance conditions were met in 2022

The options of Plan W-12 granted on July 8, 2019 became exercisable on July 8, 2022. The performance condition, assessed over a three-year period, has been met. It required that the ordinary dividend paid each year from 2020 must be greater than or equal to the ordinary dividend paid the previous year. Accordingly:

- the dividend paid in 2020 (€2.80) was equal to that paid in 2019 (€2.80);
- the dividend paid in 2021 (€2.90) was higher than that paid in 2020 (€2.80); and
- the dividend paid in 2022 (€3.0) was higher than that paid in 2020 (€2.90).

Under this plan:

- André François-Poncet was granted 22,579 stock purchase options;
- David Darmon was granted 9,500 stock purchase options in his capacity as an employee (the grant having taken place prior to his appointment as a member of the Executive Board).

3. Options exercised in 2022

Table 5 under the Afep-Medef Code – Stock subscription or purchase options exercised in 2022

	Plan no. and date	Type of option (purchase or subscription)	Number of options exercised during the year	Exercise price
David Darmon	Plan W-5 July 5, 2012	Purchase	9,500	€54.93

These options were granted to David Darmon in his capacity as an employee, the grant having taken place prior to his appointment as member of the Executive Board.

4. Review of stock option 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.

Situation as of Dec. 31, 2022	Plan 6	Plan 7	Plan 8	Plan 9	Plan 10	Plan 11	Plan 12	Plan 13	Plan 14	Plan 15	Plan 15A
Date of the Shareholders' Meeting	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	06/16/22	06/16/22
Plans	W-6	W-7	W-8	W-9	W-10	W-11	W-12	W-13	W-14	W-15	W-15A
Grant date	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	08/02/22	12/06/22
Type of option	Purchase	Purchase	Purchase	Purchase	Purchase	Purchase	Purchase	Sub-scription	Sub-scription	Sub-scription	Sub-scription
Initial total number of shares that can be subscribed or purchased	252,182	231,834	268,314	68,814	235,895	152,744	145,944	270,342	131,795	72,573	37,085
of which:											
Number initially granted to corporate officers:											
Laurent Mignon										-	37,085
André François-Poncet	-	-	-	-	-	23,140	22,579	22,341	41,034	-	-
Frédéric Lemoine	53,518	52,632	51,747	0	50,952	-	-	-	-	-	-
David Darmon(1)	-	-	-	-	-	-	-	20,625	24,858	36,293	-
Bernard Gautier	35,677	35,088	34,500	0	33,968	33,784	32,965	-	-	-	-
Start date for exercise of options	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	08/02/26	12/06/26
Option expiration date	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	08/01/32	12/05/32
Subscription or purchase price per share	€82.90	€107.30	€112.39	€94.38	€134.43	€120.61	€119.72	€82.05	€110.97	€84.27	€87.05
Discount	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Performance conditions(2)	for all	for all	for all	for all	for all	for all	for all	for all	for all	for all	for all
Aggregate number of shares subscribed or purchased	**213,195**	**0**	**142,834**	**22,605**	**0**	**4,250**	**8,500**	**0**	**0**	**0**	**0**
Aggregate number of canceled or expired options	**0**	**231,834**	**16,005**	**5,565**	**144,279**	**26,002**	**32,965**	**6,761**	**32,029**	**0**	**0**
Number of options remaining to be exercised(3)	**38,987**	**0**	**109,475**	**40,644**	**91,616**	**122,492**	**104,479**	**263,581**	**99,766**	**72,573**	**37,085**
REMAINING OPTIONS TO BE EXERCISED BY CORPORATE OFFICERS(3):											
Laurent Mignon	-	-	-	-	-	-	-	-	-	-	37,085
André François-Poncet	-	-	-	-	-	23,140	22,579	22,341	13,678(4)		-
David Darmon(1)	-	-	-	-	-	-	-	20,625	24,858	36,293	-

(1) *Prior to his appointment as member of the Executive Board in September 2019, David Darmon was awarded stock purchase and subscription options in his capacity as an employee.*
(2) *The performance conditions applicable to executive corporate officers are described in the Registration Document or Universal Registration Document for the year during which the options were granted.*
(3) *Maximum number subject to fulfillment of performance conditions.*
(4) *In the context of the departure of André François-Poncet, the grant of options under this plan has been maintained on a pro rata temporis basis (resulting in a loss of 27,356 options out of 41,034 options initially granted), in accordance with the applicable compensation policy.*

Over the last 5 years, employees of Wendel and its international offices have been granted options, regardless of the beneficiaries' gender, in the following proportions:

- 2022: 88% of workforce, including 54% of women, at the grant date;
- 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 direct reports and top managers);
- 2018: 33% of workforce, including 35% of women, at the grant date (options granted only to Executive Board direct reports and top managers).

Table describing the performance conditions applicable to options not yet exercisable by corporate officers

	Plan 13	Plan 14	Plan 15	Plan 15A
OPTIONS NOT YET EXERCISABLE BY CORPORATE OFFICERS:				
André François-Poncet	22,341	13,678(1)	-	-
Laurent Mignon	-	-	-	37,085
David Darmon	20,625	24,858	36,293	-
PERFORMANCE CONDITIONS:				
Start date for the exercise of stock options	08/05/2023	07/30/2025	08/02/2026	12/06/2026
Duration of condition	3 years	4 years	4 years	
Type of condition	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).	The options granted under the 2022 compensation policy will be exercisable if, over a period of 4 years, at least 90% of the members of the Wendel Coordination Committee have attended a yearly ESG training course.	
Achievement of the condition	Note: the ordinary dividend paid by decision of the Shareholders' Meeting of July 2, 2020 was €2.80 per share. Achievement: condition satisfied for the first year (dividend paid in 2021 greater than that paid in 2020) and for the second year (dividend paid in 2022 higher than that paid in 2021).	Achievement: all the companies controlled by Wendel have drawn up an analysis of their climate risk (verified by the independent third party as part of its report on the consolidated non-financial performance statement). Condition met for the first 25% of the allocation.	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 non-financial performance statement.	

(1) In the context of the departure of André François-Poncet, the grant of options under this plan has been maintained on a pro rata temporis basis (resulting in a loss of 27,356 options out of 41,034 options initially granted), in accordance with the applicable compensation policy.

Performance shares granted to executive corporate officers for 2022 or vested in 2022

1. Performance shares granted for 2022

David Darmon and Laurent Mignon were granted performance shares in 2022 in an amount determined by the Supervisory Board, on the recommendation of the Governance and Sustainability Committee, and within the limits set by shareholders at the Shareholders' Meeting. These amounts, granted in August 2022 for David Darmon and in December 2022 for Laurent Mignon, are shown in the table below.

No performance shares were granted to André François-Poncet for 2022.

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 vest in the event of departure at the end of a two-year period, 75% of the performance shares in the event of departure at the end of a three-year period and 100% of the performance shares in the event of departure at the end of a four-year period. However, in exceptional circumstances, the Supervisory Board may, on the recommendation of the Governance and Sustainability Committee, decide to maintain the vesting of the performance shares by waiving the applicable presence condition, in accordance with the compensation policy in force;
- 3 performance conditions, assessed over a four-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, vesting of the shares 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%, 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, vesting of the shares 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,
  - the third condition is linked to dividend growth: 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 corresponding to at least 500 shares of the 2022 plan.

Table 6 under the Afep-Medef Code – Performance shares granted for 2022

	Plan no. and date	Number of performance shares granted during the year	% of corresponding capital(1)	Performance share valuation according to the method used for the consolidated financial statements	Vesting date	Availability date	Performance conditions
André François-Poncet	-	0	-	-	-	-	-
Laurent Mignon	Plan 14-1A	19,095	0.043%	€64.8	12/06/2026	12/06/2026	
	Dec. 6, 2022						See above
David Darmon	Plan 14-1	17,282	0.039%	€63.7	08/02/2026	08/02/2026	
	Aug. 2, 2022						See above
TOTAL		**36,377**	**0.082%**				

(1) *Share capital at the date of grant.*

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:

- for shares granted to Laurent Mignon: €64.8 at the grant date (December 6, 2022);
- for shares granted to David Darmon: €63.7 at the grant date (August 2, 2022).

This value takes into account the presence and demanding performance conditions that ensure 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 granted to Laurent Mignon and David Darmon in 2022 represents 70%[(1)] of their fixed and maximum annual variable compensation.

The 10 non-corporate officer employees who were granted the greatest number of performance shares in 2022 were granted a total of 117,237 shares (it being specified that in 2022, there were two separate allocation plans, and the number of 117,237 corresponds to the aggregate number of shares allocated under both plans).

2. Performance shares for which the performance conditions were met in 2022

Performance shares granted on July 8, 2019:

The vesting of shares was subject to the absolute and relative performance of Wendel's TSR over 3 years. As of July 8, 2022, none of the thresholds had been reached, so the performance conditions were not met and all performance shares granted on July 8, 2019 were forfeited.

3. Performance shares that became available in 2022

Table 7 under the Afep-Medef Code – Performance shares that became available in 2022

No performance shares became available in 2022. As a result, Table 7 of the Afep-Medef Code is not applicable.

(1) Concerning Laurent Mignon: he was granted stock options and performance shares representing a maximum amount of 95% of the sum of the fixed and maximum variable portions of his annual compensation, adjusted pro rata to the number of days between December 2, 2022 and August 1, 2023 (243 days). This period corresponds to his presence during the first year of the August 2022 plan. The options and performance shares granted on December 6, 2022 to Laurent Mignon were valued at a total amount of €1,767,672 and the value of the performance shares represents 70% of this amount.

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 under which no more shares will vest are not presented in the table below.

Situation as of Dec. 31, 2022	Plan 11-2	Plan 12-1	Plan 12-2	Plan 13-1	Plan 13-2	Plan 14-1	Plan 14-2	Plan 14-1A
Date of Shareholders' Meeting	05/16/19	07/02/20		06/29/21		06/16/22	06/16/22	06/16/22
No. of authorized shares as % of capital	0.5%	0.5%		1%			1%	
Share grants as % of capital	0.138%	0.189%	0.123%	0.163%	0.104%	0.138%	0.314%	0.043%
Grant date	07/08/19		08/05/20		07/30/21	08/02/22	08/02/22	12/06/22
Number of performance shares granted	**62,480**	**84,341**	**55,036**	**73,021**	**46,411**	**61,160**	**139,382**	**19,095**
of which, shares granted to corporate officers:								
Laurent Mignon	-	-	-	-	-	-	-	19,095
André François-Poncet	0	35,745	0	23,421	0	0	0	-
David Darmon(1)	-	6,875	0	14,188	0	17,282	0	-
Shares to be issued/existing shares	existing		existing		existing			existing
Vesting date	07/10/23	08/05/23	08/05/24		07/30/25	08/02/26	08/02/24	12/06/26
End of holding period	07/10/23	08/05/23	08/05/24		07/30/25	08/02/26	08/02/24	12/06/26
Performance conditions(2)	yes	yes	yes		yes	yes	yes	yes
Share value at grant date	€119.72	€82.05	€82.05	€110.97	€110.97	€84.27	€84.27	€87.05
Share value at vesting date	-	-	-	-	-			
Number of shares vested	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Aggregate number of canceled or expired shares	**10,941**	**1,948**	**12,171**	**17,041**	**4,877**	**0**	**0**	**0**
Number of shares not yet vested(3)	**51,539**	**82,393**	**42,865**	**55,980**	**41,534**	**61,160**	**139,982**	**19,095**
Remaining shares not yet vested for corporate officers(3):								
Laurent Mignon	-	-	-	-	-	-	-	19,095
André François-Poncet	-	35,745	-	7,807(4)	-	-	-	-
David Darmon(1)	-	6,875	-	14,188	-	17,282	-	-

(1) Prior to his appointment as member of the Executive Board in September 2019, David Darmon was awarded stock purchase and subscription options in his capacity as an employee.
(2) The performance conditions applicable to corporate officers are described in the Registration Document or Universal Registration Document for the year during which the performance shares were granted.
(3) Maximum number subject to fulfillment of performance conditions.
(4) In the context of the departure of André François-Poncet, the grant of shares under this plan has been maintained on a pro rata temporis basis (resulting in a loss of 15,614 shares out of 23,421 shares initially granted), in accordance with the applicable compensation policy.

Over the last 5 years, employees of Wendel and its international offices have been granted free shares, regardless of the beneficiaries' gender, in the following proportions:

- 2022: 88% of workforce, including 54% of women, at the grant date;
- 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; and
- 2018: 85% of workforce, including 53% of women, at the grant date.

Table describing the performance conditions applicable to performance shares not yet vested for corporate officers

	Plan 12-1	Plan 13-1	Plan 14-1	Plan 14-1A
SHARES NOT YET VESTED FOR CORPORATE OFFICERS:				
André François-Poncet	35,745	7,807[(1)]	-	-
Laurent Mignon	-	-	-	19,095
David Darmon	6,875	14,188	17,282	-
PERFORMANCE CONDITIONS:				
Share vesting date	08/05/23	07/30/2025	08/02/2026	12/06/2026
Duration of condition	3 years	4 years		
Type of 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 met at 100%; if this TSR is less than 5%, the condition is not met. Between these two limits, vesting of the shares is calculated on a linear basis; 2. relative performance of Wendel's cumulative TSR (non-annualized) over 3 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 met at 100%; if Wendel's TSR is equal to the SBF 120 TSR, the performance condition is met 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, vesting of the shares is calculated on a linear basis; 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 met at 100%; if Wendel's TSR is equal to the upper limit of the lowest decile, then the performance condition is met at 20%; if Wendel's TSR is in the lowest decile, then the performance condition is not met; between these limits, vesting of the shares is calculated on a linear basis.	The following 3 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, vesting of the shares 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%, 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, vesting of the shares 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; 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.		

(1) In the context of the departure of André François-Poncet, the grant of shares under this plan has been maintained on a pro rata temporis basis (resulting in a loss of 15,614 shares out of 23,421 shares initially granted), in accordance with the applicable compensation policy.

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. As a result, Table 10 of 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 – December 1, 2022)		X		X	X			X
Laurent Mignon Chairman of the Executive Board (December 2, 2022 – April 6, 2025)		X		X	X			X
David Darmon Member of the Executive Board and CEO (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

The annual compensation of the members of the Supervisory Board amounts to a maximum of €900,000, including a variable portion based on attendance. For 2022, the amount of compensation was as follows:

- ordinary compensation (for all Board members except the 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 the Chairs):
  - 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 time lag between the granting and payment of compensation to Supervisory Board members.

Non-executive corporate officers	Amounts paid in 2022	Amounts paid in 2021
NICOLAS VER HULST – CHAIRMAN		
Compensation for term of office	100,000	100,000
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**	**360,000**
FRANCA BERTAGNIN BENETTON		
Compensation for term of office	69,200	66,200
BÉNÉDICTE COSTE		
Compensation for term of office	70,900	69,200
Compensation for Wendel-Participations term of office	10,000	10,000
Total	**80,900**	**79,200**
ÉDOUARD DE L'ESPÉE (until June 29, 2021)		
Compensation for term of office	-	34,600
Compensation for Wendel-Participations term of office	-	5,000
Total		**39,600**
NICHOLAS FERGUSON (until June 29, 2021)		
Compensation for term of office	-	32,900
Harper MATES(1)		
Compensation for term of office	-	-
FRANÇOIS DE MITRY		
Compensation for term of office	70,900	32,900
Compensation for Wendel-Participations term of office	10,000	10,000
Total	**80,900**	**42,900**
PRISCILLA DE MOUSTIER		
Compensation for term of office	70,900	69,200
Compensation for Wendel-Participations term of office	10,000	10,000
Compensation as Chairwoman and CEO of Wendel-Participations	30,000	30,000
Total	**110,900**	**109,200**
GERVAIS PELLISSIER		
Compensation for term of office	93,600	70,900
Compensation as Lead Member of the Supervisory Board	25,000	25,000
Total	**118,600**	**95,900**

Non-executive corporate officers	Amounts paid in 2022	Amounts paid in 2021
GUYLAINE SAUCIER (until June 16, 2022)	-	
Compensation for term of office	62,400	118,000
JACQUELINE TAMMENOMS BAKKER		
Compensation for term of office	119,700	116,300
SOPHIE TOMASI PARISE[(1)]		
Compensation for term of office	-	-
WILLIAM TORCHIANA		
Compensation for term of office	44,700	-
THOMAS DE VILLENEUVE		
Compensation for term of office	70,900	67,900
Compensation for Wendel-Participations term of office	10,000	10,000
Total	**80,900**	**77,900**
HUMBERT DE WENDEL		
Compensation for term of office	70,900	70,900
Compensation for Wendel-Participations term of office	10,000	10,000
Total	**80,900**	**80,900**
TOTAL	**1,209,100**	**1,219,000**
Of which total compensation paid by Wendel	1,119,100	1,124,000

(1) *As members of the Board representing employees, 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 under their employment contract.*

2.2.2.3 Clawback clause

Neither the compensation policy for Executive Board members nor the policy for Supervisory Board members provide for the possibility, in some cases, of claiming the repayment of variable compensation (clawback clauses).

2.2.2.4 Termination benefits

The conditions for the termination benefits that may be paid to Laurent Mignon and David Darmon are described in section 2.2.1.2 – Compensation policy for Executive Board members.

André François-Poncet was not eligible for termination benefits following the end of his term of office, as the conditions for payment of termination benefits were not met (voluntary departure).

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 pertains solely to compensation granted or paid for corporate offices held in companies included in the Company's scope of consolidation.

2.2.2.6 Table 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 average compensation on a Full-time equivalent basis for the Company's employees (excluding said corporate officers), and on the other hand, the median compensation on a Full-time equivalent basis for Company's employees (excluding said corporate officers); and
- the annual change in the compensation of each of these corporate officers, the average compensation on a Full-time equivalent basis for the Company's employees (excluding said corporate officers) above-mentioned ratios, and the Company's performance over the last five fiscal years.

The amounts indicated were calculated according to 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 table monitoring such changes is in line with the table proposed by Afep.

Methodology

Numerator (corporate officers) and denominator (employees)	Description
Compensation and benefits in kind paid or granted in 2022	■ Fixed compensation paid in 2022 ■ Variable compensation paid in 2022 for 2021 ■ Exceptional compensation paid in 2022 ■ Stock subscription or purchase options granted in 2022(1) ■ Performance shares granted in 2022(1) ■ Employee savings (profit-sharing, PEG and PERECOL contributions) paid in 2022 ■ Benefits in kind paid in 2022 ■ For the Chairman of the Supervisory Board (numerator): fixed and variable compensation for his term of office at Wendel

(1) *The options and performance shares were valued by an independent expert at the date of their grant using a Monte Carlo mathematical pricing model.*

In accordance with Afep guidelines, non-recurring compensation items were excluded from calculations to avoid distorting the ratios' comparability. The following items are excluded: benefits for taking up a position, 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 deemed most appropriate given that Wendel is an 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 a single position.

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 aggregate compensation paid to the departing and incoming corporate officers, *pro rata* to the respective length of their terms of office (ratio expressed according to position and not individually);
- for the Chairman of the Executive Board 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

	2018	2019	2020	2021	2022
COMPENSATION AND RATIOS					
Average compensation of employees (excluding corporate officers)	245,083	290,463	321,984	307,655	385,011
Change vs previous year	*(2.2)%*	*+18.5%*	*+10.9%*	*(4.5)%*	*+25.1%*
Median compensation of employees (excluding corporate officers)	121,938	145,150	131,070	124,795	153,937
Change vs previous year	*(3.8)%*	*+19.0%*	*(9.7)%*	*(4.8)%*	*+23.4%*
Chairman of the Executive Board (A)					
Compensation of the Chairman of the Executive Board	4,731,811	5,597,164	4,398,118	4,678,781	4,393,573
Change vs previous year	*+1.9%*	*+18.3%*	*(21.4)%*	*+6.4%*	*(6.1)%*
Compared to average employee compensation	19.31	19.27	13.66	15.21	11.41
Change vs previous year	*+4.2%*	*(0.2)%*	*(29.1)%*	*+11.3%*	*(25.0)%*
Compared to median employee compensation	38.80	38.56	33.56	37.49	28.54
Change vs previous year	*+5.9%*	*(0.6)%*	*(13.0)%*	*+11.7%*	*(23.9)%*
Member of the Executive Board (B)					
Compensation of the Executive Board member	2,893,506	3,337,411	1,487,176	2,794,008	3,226,962
Change vs previous year	*(6.4)%*	*+15.3%*	*(55.4)%*	*+87.9%*	*+15.5%*
Compared to average employee compensation	11.81	11.49	4.62	9.08	8.38
Change vs previous year	*(4.2)%*	*(2.7)%*	*(59.8)%*	*+96.5%*	*(7.7)%*
Compared to median employee compensation	23.73	22.99	11.35	22.39	20.96
Change vs previous year	*(2.7)%*	*(3.1)%*	*(50.6)%*	*+97.3%*	*(6.4)%*
Chairman of the Supervisory Board (C)					
Compensation as Chairman of the Supervisory Board	274,998	350,000	343,750	350,000	350,000
Change vs previous year	*+87.1%*	*+23.7%*	*(1.8)%*	*+1.8%*	=
Compared to average employee compensation	1.12	1.20	1.07	1.17	0.91
Change vs previous year	*+89.8%*	*+7.1%*	*(10.8)%*	*+9.3%*	*(22.2)%*
Compared to median employee compensation	2.26	2.41	2.62	2.88	0.27
Change vs previous year	*+94.8%*	*+6.6%*	*+8.7%*	*+9.9%*	*(21.2)%*
PERFORMANCE					
NAV per share as of December 31 (D)	**147.4**	**166.3**	**159.1**	**188.1**	**167.9**
Change vs previous year	*(16.4)%*	*+12.8%*	*(4.3)%*	*+18.2%*	*(10.7)%*

(A) Chairman of the Executive Board during the period: Frédéric Lemoine (April 2009 – Dec. 2017), André François-Poncet (Jan. 2018 – Dec. 2022), Laurent Mignon (since Dec. 2022).
(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 as of 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, PlaYce;*
- *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;*
- *December 31, 2022: Bureau Veritas, Stahl, IHS, Constantia Flexibles, CPI, Tarkett, ACAMS, Wendel Growth, other assets and debts.*

2.2.3 Breakdown of compensation paid in or awarded for 2022 to Executive Board members and to the Chairman of the Supervisory Board, subject to the shareholders' vote

In accordance with Article L. 22-10-34, II of the French Commercial Code, the following items of the compensation paid or granted, if applicable, to Executive Board members and to the Chairman of the Supervisory Board for 2022 must be submitted to the shareholders' vote:

- fixed compensation;
- variable compensation for the year, including any multi-year variable portion, together with the objectives contributing to the determination of said variable compensation;
- exceptional compensation;
- stock options, performance shares, and any other form of long-term compensation;
- benefits for taking up a position and termination benefits;
- supplementary pension plans; and
- benefits in kind.

It is proposed that the Shareholders' Meeting of June 15, 2023 vote on the items of compensation paid in or awarded for 2022 to André François-Poncet, Laurent Mignon, David Darmon and Nicolas ver Hulst in respect of their terms of office. This will be covered in the 12th, 13th, 14th and 15th resolutions of the Shareholders' Meeting (see section 9.5 – Draft resolutions).

Breakdown of compensation paid in or awarded for 2022 to André François-Poncet, Chairman of the Executive Board until December 1, 2022, subject to the shareholders' vote

12th resolution

Form of compensation	Amounts	Comments
Gross fixed compensation	€1,150,000 (awarded/paid)	Fixed compensation awarded for 2022: The fixed compensation for André François-Poncet in an amount of €1,150,000 was approved by the Supervisory Board on November 16, 2017 and has remained unchanged since that date. A portion (€70,167) is paid as compensation for corporate offices held in companies included in the Company's scope of consolidation.
Gross annual variable compensation	€1,288,000 (awarded)	Annual variable compensation awarded for 2022: If all the financial (65%) and non-financial (35%) objectives were achieved, the variable compensation could have amounted to up to 115% of the fixed compensation. The financial objectives were as follows: performance of Bureau Veritas, performance of 4 other companies in the portfolio, maintaining of Wendel's Investment Grade rating. The non-financial objective was based on different criteria: ■ criteria related to the execution of the 2021-24 strategic plan and the implementation of other value-creating initiatives (in particular: deployment of capital in unlisted companies, development of Wendel Growth (formerly Wendel Lab), external growth of portfolio companies, dividend growth, optimization of Wendel's balance sheet, targeted share buybacks, cybersecurity developments); ■ criteria related to human resources, the ESG roadmap and compliance mechanisms, at the level of Wendel and the portfolio companies (in particular: implementation of succession plans, recruitment of senior advisors, improvement of Wendel's ESG profile among analysts and investors, progress in ESG performance indicators of portfolio companies, progress in gender diversity, monitoring and strengthening of compliance mechanisms). For detailed information on the achievement of these various objectives, see section 2.2.2.2 – Total compensation and benefits in kind, paragraph "Summary of the compensation of each executive corporate officer" of the 2022 Universal Registration Document. On March 16, 2023, on the recommendation of the Governance and Sustainability Committee, the Supervisory Board set André François-Poncet's variable compensation at 97.4% of his maximum variable compensation, i.e., €1,288,000. The amount of the variable compensation represents 112% of his gross fixed compensation awarded for 2022. The payment of André François-Poncet's variable compensation is subject to the approval of the Shareholders' Meeting of June 15, 2023 (12th resolution).
	€1,322,500 (paid)	Annual variable compensation paid in 2022: The gross annual variable compensation granted for 2021 was paid in 2022 following the approval of the Shareholders' Meeting of June 16, 2022 (12th resolution), based on an achievement rate of the objectives set at 100% of his maximum variable compensation by the Supervisory Board of March 17, 2022.
Performance shares	0	No stock options or performance shares were granted to André François-Poncet for 2022, although his term of office expired at the end of 2022.
Stock options (subscription and/or purchase)		
Other compensation	€74,359 (awarded)	Other compensation awarded for 2022: 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 Company matching contribution of €5,924 (already paid, see below) and a 30% discount on the price of the subscribed shares, representing an amount of €68,435.
	€36,776 (paid)	Other compensation paid for 2022: This amount corresponds to the Company matching contribution of €5,924 in connection with the capital increase reserved for members of the Group savings plan and a profit share of €30,852 (gross) in respect of 2021.

Form of compensation	Amounts	Comments
Benefits in kind	€13,217 (awarded and paid)	André François-Poncet benefited from unemployment insurance taken out with the GSC (social guarantee for Company managers) in an amount of €13,217 for 2022.
Termination benefits	None owed or paid	André François-Poncet was not eligible for termination benefits following the end of his term of office, as the conditions for payment of termination benefits were not met (voluntary departure).

André François-Poncet did not receive any of the following benefits: multi-year variable compensation, exceptional compensation, non-compete clause payment, or 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 or awarded for 2022 to Laurent Mignon, Chairman of the Executive Board since December 2, 2022, subject to the shareholders' vote

13th resolution

Form of compensation	Amounts	Comments
Gross fixed compensation	€103,409 (awarded/paid)	Fixed compensation awarded for 2022: The annual fixed compensation was set at €1,300,000 by the Supervisory Board at its meeting of September 16, 2022. The amount of €103,409 corresponds to the adjustment *pro rata* to the time served as Chairman of the Executive Board, from December 2 to December 31, 2022.
Gross annual variable compensation	€115,818 (awarded)	Annual variable compensation awarded for 2022: The objectives conditioning the payment of Laurent Mignon's variable compensation for 2022 were identical to those set for André François-Poncet and David Darmon. If all the financial (65%) and non-financial (35%) objectives were achieved, the variable compensation could have amounted to up to 115% of the fixed compensation (as adjusted *pro rata* to the time served as Chairman of the Executive Board, from December 2, 2022 to December 31, 2022). The financial objectives were as follows: performance of Bureau Veritas, performance of 4 other companies in the portfolio, maintaining of Wendel's Investment Grade rating. The non-financial objective was based on different criteria: ■ criteria related to the execution of the 2021-24 strategic plan and the implementation of other value-creating initiatives (in particular: deployment of capital in unlisted companies, development of Wendel Growth (formerly Wendel Lab), external growth of portfolio companies, dividend growth, optimization of Wendel's balance sheet, targeted share buybacks, cybersecurity developments); ■ criteria related to human resources, the ESG roadmap and compliance mechanisms, at the level of Wendel and the portfolio companies (in particular: implementation of succession plans, recruitment of senior advisors, improvement of Wendel's ESG profile among analysts and investors, progress in ESG performance indicators of portfolio companies, progress in gender diversity, monitoring and strengthening of compliance mechanisms). For detailed information on the achievement of these various objectives, see section 2.2.2.2 – Total compensation and benefits in kind, paragraph "Summary of the compensation of each executive corporate officer" of the 2022 Universal Registration Document. On March 16, 2023, on the recommendation of the Governance and Sustainability Committee, the Supervisory Board set Laurent Mignon's variable compensation at 97.4% of his maximum variable compensation, i.e., €115,818. The amount of the variable compensation represents 112% of his gross fixed compensation awarded for 2022. The payment of Laurent Mignon's variable compensation is subject to the approval of the Shareholders' Meeting of June 15, 2023 (13th resolution).
	-	Annual variable compensation paid in 2022: None.
Performance shares	19,095 performance shares valued at their grant date at €1,237,356*	In accordance with the authorization granted by the Shareholders' Meeting of June 16, 2022, Laurent Mignon was granted performance shares on arrival, *pro rata* to his presence during the first year of the August 2022 plan, i.e., from December 2, 2022 to August 1, 2023. The vesting 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, vesting of the shares 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%, 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, vesting of the shares 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; ■ the third condition is linked to dividend growth: 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 €64.8 (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.

Form of compensation	Amounts	Comments
Stock options (subscription and/or purchase)	37,085 stock subscription options valued at their grant date at €530,316*	In accordance with the authorization of the Shareholders' Meeting of June 16, 2022, stock subscription options were granted to Laurent Mignon on arrival. The exercisability of these options is subject to the following performance condition: the options will be exercisable if, over a period of 4 years, at least 90% of the members of the Wendel Coordination Committee have attended a yearly ESG training course. * The stock options were valued by an independent expert at €14.3 (unit value) at 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	€1,335,000 (awarded/paid)	In accordance with the compensation policy in force and the decisions of the Supervisory Board made at the meetings of September 16, 2022 and October 27, 2022, Laurent Mignon received benefits of €1,335,000 to compensate for the loss of benefits linked to his previous role. It is specified that: ■ the amount of benefits was determined to compensate for the loss of the following compensation items, all cash-based, linked to his departure from his term of office as Chairman of the Executive Board of BPCE: his maximum annual variable compensation of €1,320,000 for the first 11 months of 2022 and, for the residual balance, deferred cash compensation subject to a presence condition, which was not met due to his early departure; ■ the payment of the benefits was subject to Laurent Mignon's reinvestment of 40% of it in Wendel shares within 4 months of his appointment. Laurent Mignon met this obligation by purchasing 5,980 Wendel shares on January 4, 2023.
Benefits in kind	-	Laurent Mignon did not receive any benefits in kind.
Termination benefits	-	None owed or paid. The compensation policy applicable to Laurent Mignon provides for the following commitments in the event of forced departure: ■ payment equal to (i) the sum of his fixed monthly compensation at the time of departure and 1/12th of his variable compensation actually paid for the last fiscal year preceding his departure, (ii) multiplied by the number of months Laurent Mignon served as Chairman of the Executive Board, without this payment exceeding 18 months of this fixed and variable compensation; ■ subject to (i) the absence of "situation of failure" and (ii) two performance conditions: Laurent Mignon 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.

Laurent Mignon did not receive any of the following benefits: multi-year variable compensation, exceptional compensation, non-compete clause payment, or supplementary pension plan.

Breakdown of compensation paid in or awarded for 2022 to David Darmon, member of the Executive Board, subject to the shareholders' vote

14th resolution

<table>
<thead>
<tr><th>Form of compensation</th><th>Amounts</th><th>Comments</th></tr>
</thead>
<tbody>
<tr><td>Gross fixed compensation</td><td>€770,000 (awarded/paid)</td><td><u>Fixed compensation awarded for 2022</u>:

The fixed compensation was approved by the Supervisory Board on March 17, 2021, amounting to €770,000, effective from April 1, 2021 and has remained unchanged since that date.</td></tr>
<tr><td rowspan="2">Gross annual variable compensation</td><td>€862,400 (awarded)</td><td><u>Annual variable compensation awarded for 2022</u>:

If all the financial (65%) and non-financial (35%) objectives were achieved, the variable compensation could have amounted to up to 115% of the fixed compensation. The financial objectives were as follows: performance of Bureau Veritas, performance of 4 other companies in the portfolio, maintaining of Wendel's Investment Grade rating.

The non-financial objective was based on different criteria:
■ criteria related to the execution of the 2021-2024 strategic plan and the implementation of other value-creating initiatives (in particular: deployment of capital in unlisted companies, development of Wendel Growth (formerly Wendel Lab), external growth of portfolio companies, dividend growth, optimization of Wendel's balance sheet, targeted share buybacks, cybersecurity developments);
■ criteria related to human resources, the ESG roadmap and compliance mechanisms, at the level of Wendel and the portfolio companies (in particular: implementation of succession plans, recruitment of senior advisors, improvement of Wendel's ESG profile among analysts and investors, progress in ESG performance indicators of portfolio companies, progress in gender diversity, monitoring and strengthening of compliance mechanisms).

For detailed information on the achievement of these various objectives, see section 2.2.2.2 – Total compensation and benefits in kind, paragraph "Summary of the compensation of each executive corporate officer'" of the 2022 Universal Registration Document.

On March 16, 2023, on the recommendation of the Governance and Sustainability Committee, the Supervisory Board set David Darmon's variable compensation at 97.4% of his maximum variable compensation, i.e., €862,400. The amount of the variable compensation represents 112% of his gross fixed compensation awarded for 2022.

The payment of David Darmon's variable compensation is subject to the approval of the Shareholders' Meeting of June 15, 2023 (14th resolution).</td></tr>
<tr><td>€834,297 (paid)</td><td><u>Annual variable compensation paid in 2022</u>:

The gross annual variable compensation granted for 2021 was paid in 2022 following the approval of the Shareholders' Meeting of June 16, 2022 (13th resolution), based on an achievement rate of the objectives set at 100% of his maximum variable compensation by the Supervisory Board meeting of March 17, 2022.</td></tr>
<tr><td>Performance shares</td><td>17,282 performance shares valued at their grant date at €1,100,863*</td><td>In accordance with the authorization of the Shareholders' Meeting of June 16, 2022, performance shares were granted to David Darmon. The vesting 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, vesting of the shares 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%, 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, vesting of the shares 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;
■ the third condition is linked to dividend growth: 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 €63.7 (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.</td></tr>
</tbody>
</table>

Form of compensation	Amounts	Comments
Stock options (subscription and/or purchase)	36,293 stock subscription options valued at their grant date at €471,809*	In accordance with the authorization of the Shareholders' Meeting of June 16, 2022, stock subscription options were granted to David Darmon. The exercisability of these options is subject to the following performance condition: the options will be exercisable if, over a period of 4 years, at least 90% of the members of the Wendel Coordination Committee have attended a yearly ESG training course. * The stock options were valued by an independent expert at €13.0 (unit value) at 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	€71,613 (awarded)	Other compensation awarded for 2022: 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 Company matching contribution of €5,924 (already paid, see below) and a 30% discount on the price of the subscribed shares representing an amount of €65,689.
	€36,776 (paid)	Other compensation paid for 2022: This amount corresponds to the Company matching contribution of €5,924 in connection with the capital increase reserved for members of the Group savings plan and a profit share of €30,852 (gross) in respect of 2021.
Benefits in kind	€13,217 (awarded/paid)	David Darmon benefited from unemployment insurance taken out with the GSC (social guarantee for Company managers) in an amount of €13,217 for 2022.
Termination benefits	-	None owed or paid. The compensation policy applicable to David Darmon includes 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 of the last fiscal year preceding his departure.

David Darmon did not receive any of the following benefits: multi-year variable compensation, exceptional compensation, non-compete clause payment, or supplementary pension plan.

Breakdown of compensation paid in or awarded for 2022 to Nicolas ver Hulst, Chairman of the Supervisory Board, subject to the shareholders' vote

15th resolution

Form of compensation	Amounts	Comments
Gross fixed compensation	€250,000 (awarded/paid)	The Chairman of the Supervisory Board has received yearly compensation of €250,000 since 2018.
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 16, 2022, 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 attended all 10 Supervisory Board meetings held in 2022.

Nicolas ver Hulst did not receive any of the following benefits: variable compensation, multi-year variable compensation, exceptional compensation, stock options, performance shares, benefits in kind, termination benefits, non-compete clause payment, or supplementary pension plan.

3

RISK FACTORS

3.1 RISK FACTORS 150

3.1.1 Operational and business risks 151
3.1.2 Financial risks 153
3.1.3 External risks 154
3.1.4 Risks related to governance 155
3.1.5 Risks specific to portfolio companies 155

3.2 LITIGATION, INSURANCE, AND REGULATORY ENVIRONMENT 157

3.2.1 Judicial proceedings and arbitration 157
3.2.2 Insurance 157
3.2.3 Regulatory environment 158

3.3 RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS 160

3.3.1 Introduction 160
3.3.2 An appropriate organization with clearly-defined responsibilities and powers 162
3.3.3 Periodic assessments of the main risks 166
3.3.4 Appropriate internal control processes 168
3.3.5 Review of the internal control system 171
3.3.6 Achievements in 2022 172

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 below in section 3.3 – 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 fiscal 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, could have an equally negative impact on Wendel or its activities, its financial position, earnings 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. Accordingly, the climate risk (i.e., the impact that global warming could have on its business or that of its portfolio companies) has, since 2021, been taken into account via a specific impact audit, which led to the implementation of the necessary resilience and adaptation plans in 2022. These long-term trends include the transformation of working methods with remote working becoming the norm. The impact of this transformation is likely to pose new risks in terms of both IT security and attractiveness and talent retention, mental health and well-being at work, issues for which risk mitigation actions have been 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 in 2020 and 2021, and given the gradual return to normal conditions, the risk factor was not considered specific in 2022.

In connection with the conflict in Ukraine, and due to the impacts on the world economy (inflation, tension on credit markets), a specific risk factor is once again presented below.

Where possible, Wendel has also endeavored to describe the impacts on its portfolio companies, in section 1.4 – Portfolio companies.

Risk factors fall into four 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	Impact
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 Risks related to equity market fluctuations	High
3.1.3 External risks	3.1.3.1 Risks related to the conflict in Ukraine and geopolitical tensions	Medium
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 portfolio companies are presented in section 3.1.5 for each of the fully consolidated companies. Risk factors related to Bureau Veritas are presented in more detail in its own Universal Registration Document. Please also refer to the financial communications 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 give rise to significant economic risks for the portfolio in the event of a downturn in those regions or sectors. Wendel aims to diversify the geographical exposure of its assets.

By increasing the regional diversification of its assets, the Wendel Group 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 45% of the Company's gross asset value at December 31, 2022. Any significant decrease in Bureau Veritas' share price would have a considerable impact on Wendel's Net Asset Value (NAV).

IHS operates in different 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, albeit limited, could be disrupted given the current conflict and its (direct or indirect) consequences.

Risk management

The Wendel Group seeks to reduce the sensitivity to these 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 Group's geographical or sectoral profile.

Conversely, acquisitions such as Crisis Prevention Institute, Tarkett and ACAMS have the opposite effect and contribute to reducing risk. Though modest in terms of NAV, the development of Wendel Growth is part of this diversification process.

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 developments in the situation related to the conflict in Ukraine, and in particular 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: as of December 31, 2022, Wendel's gross assets consisted of 50.3% of listed assets (Bureau Veritas, IHS and Tarkett), 38.8% of unlisted assets (four companies) and 11% 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 investments, and optimize financing and refinancing depends on how well it is able to assess the quality and resilience of the business models of its portfolio companies, from when those companies are acquired through to when they are divested.

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 commodity prices, rapid growth and execution, key people;
- financial risks: risk related to leverage, cash flow stability, and ability to service its debts, liquidity and ability to meet banking covenants;
- external risks: risks 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 social and environmental standards and the capacity to seize opportunities around CSR themes;
- risks related to governance especially for minority stakes: risks related to the ability to influence the strategy and the external growth appetite.

Risk management

The risk evaluation is carried out prior to acquiring shares 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 prepared post-acquisition as well as quarterly monitoring via business reviews. The teams include operating partners within the investment team that are in permanent contact with the companies on operational or strategic matters.

Wendel pays special attention to the quality of the senior executives of its portfolio companies and regularly evaluates their performance and their succession plans.

Appropriate financing is set up or renegotiated often with favorable conditions for borrowers despite recent tougher market conditions.

In the context of the Covid-19 pandemic, Wendel remained particularly attentive to the cash forecasts of its portfolio companies and assisted the senior executives of its companies in adopting solutions that are best adapted to their circumstances. Wendel continues to be vigilant as the impact of the health crisis subsides.

In the current inflationary context related to the conflict in Ukraine, Wendel has closely monitored the exposure of its companies to the Ukrainian and Russian markets, as well as the more indirect consequences (increase in energy or commodity prices, disruption in the market supply chains, staff turnover and inflation, ability to increase their own prices). Overall, Wendel continues to pay close attention to its portfolio companies' ability to increase their own prices.

Lastly, financing is 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 interest is acquired in a company, in that the target'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 the due diligence, and this information might not be entirely accurate or complete. Due diligence processes may also be shorter 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, in particular, in the context of rising credit costs.

Risk management

Wendel's due diligence is reviewed particularly by the Investment Committee. They are thorough and must, when possible, meet predetermined investment criteria. Identified risks can, on a case-by-case basis, be covered by a seller's warranty. These due diligence processes are updated regularly and include CSR and digitalization considerations, as well as compliance or internal control aspects. During this due diligence, Wendel also relies on expert advice provided by renowned service providers.

Wendel aims to limit as much as possible the amount and duration of any earnout clauses and representations and warranties granted during divestments.

Wendel also 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.

With Wendel Growth, Wendel is gradually strengthening its teams to acquire the necessary specific skills (notably by working with senior advisors with longstanding experience), and is defining 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 are evaluated on a regular basis. These evaluations are used to calculate NAV, but they do not necessarily reflect ultimate disposal or listing value (no discount for listing, for minority or control premium is used in our valuation methodology). In addition, controlled private companies are less liquid and are generally of a smaller size than listed companies. High volatility in the financial markets or weaker economic performances amplified by leverage from the debt of portfolio companies could cause significant fluctuations in the NAV.

There is no guarantee that portfolio companies can be sold at a value at least equal to that used to calculate Wendel's NAV. Moreover, the sale of equity investments can be facilitated or hindered by market conditions.

Conversely, some portfolio companies may find buyers at a significantly higher price than the one set for NAV purposes, particularly in the event of a change of control resulting in a strategic premium.

Risk management

Wendel's NAV is calculated four times a year, using a precise, stable methodology (see section 5.3). It is determined by the Executive Board, reviewed by the Audit, Risks 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 can be adjusted to obtain a better estimate. Prior to each NAV publication date, the Statutory Auditors verify that the calculation methodology used complies with the Group's methodology and confirm its consistency with accounting data as well as the acceptable 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 investments are also approved by the Boards of Directors of their parent companies in Luxembourg. Independent directors sit on these Boards.

In addition, Wendel's business model does not have any time constraints for completing sales. The risk of a 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 errors in calculating the valuation of these assets (which are valued based on 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 6 "Financial risk management" to the consolidated financial statements in this document.

3.1.2.1 Risk related to equity market fluctuations

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 portfolio companies (and as a consequence the value of the Wendel Group) is related in particular to their economic and financial performance, their growth and profitability prospects as well as 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 performance monitoring, there is a risk that the financial results of investments are not in line with Wendel's expectations.

Moreover, the financial structure and levels of debt of certain unlisted portfolio companies may increase the risk concerning the value of these associates. Indeed, reliance on debt may increase financial difficulties in the event of a significant reduction in business levels restricting the ability to access cash and subjecting these companies to a risk that their debt will become due early as a result of financial covenants. In the current context, tensions on credit markets and, more broadly, credit crunch are likely 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 its 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 the long-term viability of the companies' financing structure and to create value. Wendel and its portfolio companies 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 the conflict in Ukraine and geopolitical tensions

Presentation of risk

The conflict and Russia's invasion of Ukraine, in addition to the local destruction they have caused and the displacement of populations to neighboring countries, have resulted in the implementation of successive packages of economic sanctions against Russia. Operating in Ukraine and Russia has become increasingly difficult, or even impossible (sanctions limiting imports and exports, impossibility to have access to financial means to obtain payments or to pay suppliers, transportation or supply difficulties). In this context, the subsidiaries or businesses of Wendel's portfolio companies could see their activity impacted, both in terms of sales and earnings. Wendel's NAV could be affected as a result.

Beyond the direct consequences on these two countries, the global economy (and above all, the European economy) has been affected by the significant increase in the cost of energy (oil, gas, electricity), high prices or unavailability of commodities, impact on logistics chains, lower consumption, higher interest rates. The continued impact of these disruptions could have an adverse impact on the economic and financial performance of Wendel's portfolio companies.

In a context of confrontation and in response to European sanctions beyond the military sphere, 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.

Similar tensions could also arise in the future in other parts of the world where Wendel's portfolio companies are directly exposed (Asia and Africa in particular). The ensuing disruptions could have an impact on the sales, earnings and, more generally, the financial health of these companies.

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 2022 in these countries of a maximum of around 5%. Only Tarkett has a higher 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, more generally, earnings). 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 its portfolio companies and management teams to monitor their respective situations.

With regard to indirect exposure (increase in energy and commodity costs, supply chain difficulties at the level of suppliers, disruption of its customers' operations, etc.), particular attention is paid to portfolio companies' ability to pass on these cost increases to customers in their sales prices so as to limit the impact on their performance as much as possible. As part of the regular monitoring of the performance of its companies, Wendel is attentive to changes in the situation of each of them and, where necessary, supports management in defining the necessary adjustments.

In terms of cybersecurity, 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 their governance bodies (Boards of Directors).

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 a family-type shareholder (39.6% of its share capital was owned by Wendel-Participations and related parties as of December 31, 2022), with the ability to sell its shares, which could have an adverse effect on Wendel's share 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 Member, one of whose missions is to prevent, analyze and manage potential conflicts with the controlling shareholder. The Supervisory Board's committees are also chaired by independent directors.

Wendel also respects and implements the principles and recommendations of the Afep-Medef Code.

See also Chapter 2 of the Universal Registration Document for a more detailed description of the Group's governance rules.

3.1.5 Risks specific to portfolio companies

This section presents the risks specific to the fully-consolidated companies in the Wendel Group's portfolio. For portfolio companies listed on the financial markets (Bureau Veritas, IHS and Tarkett), please refer to these companies' financial publications.

Bureau Veritas

The main specific risks identified by Bureau Veritas fall into three categories. They are listed below for each category in reverse order: (i) risks related to the Group's activities and operations, in particular cybersecurity risk, the risk arising from legislation and changes thereto, risks related to the non-renewal, withdrawal or loss of certain authorizations, ethical risk, risks related to litigation and prelitigation proceedings and risks related to the issue of false certificates, (ii) human risks with risks related to human resources, (iii) risks related to acquisitions with the risk of impairment 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 that of the French financial markets authority (*Autorité des marchés financiers* – AMF) (www.amf-france.org).

Stahl

The main risks identified by Stahl include disruption in the automobile industry; competitive pressure; the concentration of suppliers of certain raw materials; changes to the macroeconomic and financial environment, particularly changes in energy and commodity prices; sectoral innovation and leather substitution by other materials; industrial risks; environmental risks (certain materials used or products manufactured could prove 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); risks related to debt refinancing; the risk related to IT security and the risk related to the execution and consolidation of acquisitions. Stahl's global operations are also exposed to country risks (political and macroeconomic) given the internationalization of its revenue.

The Stahl management team is in charge of managing these risks.

Constantia Flexibles

The main risks identified by Constantia Flexibles are regulatory changes (in public health, environmental or security matters); the volatility of commodity prices; availability of raw materials and energy, as well as risks related to inflation; 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 and quality requirements; the availability and cost of refinancing; and risks related to data processing and IT security. The packaging industry is subject to a number of regulatory requirements that also expose Constantia Flexibles to product liability-related risks. Changing expectations of end-consumers and customers in terms of more environmentally-friendly packaging (recyclability in particular) expose Constantia Flexibles to risks of substitution. 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 integration risks.

The Constantia Flexibles management team is in charge of managing these risks.

Crisis Prevention Institute

The main risks identified by CPI are risks of liquidity related to the financing 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; cyber risk given the increased reliance on e-learning and hybrid training formats; risks related to CPI's growth and the capacity to adapt its organizational model and operations; the competitive environment; and the risk of departure of key individuals, in particular given the modest size of the organization.

The CPI management team is in charge of managing these risks.

ACAMS

The main risks identified by ACAMS are the risks associated with the separation from its previous parent company, particularly its ability to migrate to its own systems (operational, financial, human resources, etc.) and to put in place autonomous, robust and effective processes. ACAMS is also exposed to geopolitical risks; risks related to its financing and liquidity; reputational risks, due to the nature of its business; risks related to the quality of the training and certifications it delivers; risks related to the competitive environment and the company's ability to attract and retain key talent.

The ACAMS management team is in charge of managing these risks

3.2 Litigation, 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 16-1 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-consolidated 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 section 4.4 – Administrative, judicial and arbitration procedures and investigations of its 2022 Universal Registration Document (available on the Bureau Veritas website (www.bureauveritas.fr) and 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 misconduct 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 portfolio companies, and persons considered *de facto* or *de jure* executives, who may be held liable for professional misconduct 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, see section 4.3 – Insurance of the Bureau Veritas 2022 Universal Registration Document (available on the Bureau Veritas website (www.bureauveritas.fr) as well as on the AMF website (www.amf-france.org)).

Stahl

Stahl has taken out the following main centralized insurance policies:

- direct property damage and business interruption;
- product liability insurance, including a guarantee for third parties in the event of a product recall; and
- general liability insurance for senior 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 senior 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.

ACAMS

ACAMS has taken out the following main insurance policies:

- professional 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 set up in the form of Venture Capital Investment Companies (SICARs) and transformed at the end of 2019 into Reserved Alternative Investment Funds (RAIFs), in accordance with the Luxembourg law of July 23, 2016. The RAIFs are held and managed by Wendel Luxembourg, which was approved as an alternative investment fund manager by the CSSF on June 4, 2015. Wendel Luxembourg manages the portfolio, and is responsible for risk management, compliance and the central administration of the RAIFs, in accordance with the Luxembourg law of July 12, 2013. The functions of internal audit, depository bank, registrar and transfer agent, as well as the information systems, have been delegated in accordance with the provisions of CSSF circular 18/698. It has implemented detailed procedures and is subject to strict obligations, under the supervision of the CSSF.

Wendel North America, which studies the Group's investment opportunities in North America, is registered with the Securities and Exchange Commission (SEC) as an Exempt reporting Adviser.

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, which are subject to unfavorable developments.

To date, the Company is not aware of any administrative, economic, budgetary, monetary or political measure or factor 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 conflict in Ukraine and geopolitical tensions.

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 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 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 within the scope comply with the EU Seveso directive and EU REACH regulation.

Constantia Flexibles

Constantia Flexibles has production plants in 15 countries on four continents. It has obtained the required permits and is not aware of any regulatory developments 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 expenditure, increase production costs or prohibit the use of certain materials.

The activities of Constantia Flexibles are not primarily related to intellectual property, although Constantia Flexibles does own patents and licenses. The number of patents filed is constantly increasing, but 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 has Continuing Education Units (CEU) accreditation in the various sectors and countries in which it operates. It also has IACET (International Association for Continuing Education & Training) accreditation.

CPI is active mainly in the education, health, human services and retail sectors. It has set up an active legislative and regulatory watch in each of these sectors and in each country in which it operates. CPI has procedures in place to identify any legal or regulatory changes that may impact its business.

With regard to the education sector, in the United States of America – CPI's main market – several states have passed legislation in the last 12 months to remove or reduce restraint and seclusion of students. Additional legislation was passed to train teachers in violence de-escalation techniques. These new requirements create opportunities for the development of CPI's activities.

In the healthcare sector, a legal framework governing workplace violence has been put in place. This system is a source of potential opportunities for CPI to develop its activities.

ACAMS

ACAMS is an international organization subject to the data protection laws of the various countries in which it operates.

As a training and certification provider, it may be required to register with regulatory authorities in certain countries. ACAMS has set up a legislative and regulatory watch concerning its activity and is accompanied by a dedicated counsel for China.

ACAMS is also a service provider to the federal government of the United States of America, as well as to other government entities around the world. Some of the contracts entered into with these governmental entities provide for various compliance measures (e.g., reporting requirements).

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, Risks and Compliance Committee is tasked 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 internal control and risk management approach and procedures. Wendel also takes into account best practices taken from other commonly used reference systems 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 ensure 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 their 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 meet 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, with 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 meeting its objectives;
- the dissemination within the Company of relevant, reliable information that lets each employee carry out their 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 deemed 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 on 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.

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 form 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, overseen by its senior executives, is responsible for designing and implementing its own risk management and internal control systems, taking into account Wendel SE's guidelines, 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 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 the Wendel Group's ability to meet 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 support 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 oversees the Executive Board's management of Wendel SE on an ongoing basis. To this end, it conducts any controls and verifications it deems appropriate, at any time during the year, and can obtain access to all information required for this purpose.

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 the Group 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 indebtedness and liquidity.

In accordance with Article L. 823-19 of the French Commercial Code (*Code de commerce*), the Supervisory Board's Audit, Risks and Compliance Committee is responsible for ascertaining the quality and reliability of the 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, Risks and Compliance Committee's tasks are described in detail in section 2.1.2.1 of this document.

The Governance and Sustainability 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 ensures that compensation arrangements align the interests of the members of the Executive Board with those of Wendel. In addition, the Governance and Sustainability Committee proposes the co-investment policy intended for senior executives to the Supervisory Board. The Governance and Sustainability 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 disposals, 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 Board 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.

The Executive Board and its committees

The Executive Board has two members. It met 22 times in 2022 (generally once every two weeks and as often as required by Wendel's interests). Its decisions are made collectively. The Executive Vice-Presidents and the Executive Board Secretary and Advisor are invited to join the meetings of the Executive Board in order to contribute to the discussions.

The Executive Board has organized Wendel SE's procedures by setting up five committees: the Investment Committee, the Wendel Growth Investment Committee, the Management Committee, the Coordination Committee and the ESG Steering Committee. Their organization and modus operandi are described in detail in section 2.1.6.

Holding companies, investment companies and directly-controlled advisory companies

The governing bodies of the Group's holding companies, investment companies 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 to Wendel SE periodically on operational and financial matters. Wendel also takes part in the governing bodies of its subsidiaries and thereby 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 companies, investment companies, foreign offices, and operating subsidiaries, as well as for regularly checking those systems and making recommendations for improving them. It is also responsible for promoting continuous improvement of 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, Risks and Compliance Committee, the department provides support to senior management that is independent of the operations and functions that it audits. The team, composed of two 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, Risks 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 entitled "Persons involved in internal control at Wendel SE" relating to the Supervisory Board and its committees.

Because Wendel's five Management Committees meet on a regular basis, 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 identify 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 review Wendel's position and its environment, and to encourage each person to express their expectations about Wendel's operations and the related risks;
- the dissemination of procedures and rules to all personnel – such as expense commitment procedures, the Market Confidentiality and Ethics Code (see below), the Code of Ethics (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 Group's internal control 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 endeavors to preserve the utmost confidentiality when sharing sensitive information:

- the Market Confidentiality and Ethics Code is presented to all employees and forms part of the internal regulations. It applies to all employees in France and abroad, and to members of the Executive Board and Supervisory Board;
- 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 regularly updated login and password combination. The access rights of each employee are limited to their responsibilities or department. Wendel pays close attention to IT security and employee awareness on cybersecurity issues in order to take into account the increase in 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 followed a dedicated e-learning training on data protection. Wendel continues to regularly update and refine its GDPR-related processes in order to keep abreast of and apply any changes to regulations;
- a video-surveillance system has been implemented and security guards are assigned to the building at all times, securing all building access points.

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's internal regulations and applies to employees of Wendel and its international offices, and to members of the Executive Board and Supervisory Board.

This Code explains the rules of confidentiality to be observed by persons in possession of confidential or inside information. It explains the obligation to abstain from stock market transactions when in possession of inside 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 infringements. The Code also includes the provisions applicable to stock options and performance shares and details the AMF disclosure obligations incumbent on senior 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 Board and Supervisory Board members, employees and their relatives to register their Wendel shares and restricts transactions in 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 senior executives from holding, buying or selling shares of listed Group portfolio companies 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 dealing, 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 Ethics Officer is in charge of creating and updating the lists. Specific compliance rules applicable to the members of the Executive Board and Supervisory Board are detailed in section 2.1.8.

Code of Ethics

The Executive Board of Wendel SE adopted a Code of Ethics in March 2015, which was last updated in 2021. This Code embodies the values of the Company and its employees and represents the reference framework for Wendel SE's role as a long-term investor. It applies to all employees and senior 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 anti-money 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 responsible corporate citizenship. The Code is updated as needed to reflect changes in legislation and the implementation of improved control measures.

Compliance with the provisions of the Code of Ethics is the responsibility of the General Counsel of Wendel SE.

Anti-money laundering and anti-corruption policies

Wendel has adopted a Group-wide anti-money 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 SA and its subsidiaries follow an e-learning module to keep abreast of changes in regulations in Luxembourg.

Wendel SE has introduced several initiatives to comply with the new requirements under France's Sapin II law on transparency, combating bribery, and modernizing the economy, which came into effect on June 1, 2017. The Group deployed processes around the eight pillars of Sapin II and regularly follows up on the implementation of these requirements in its portfolio companies using the AFA's (*Agence Française Anticorruption*) published Guidelines and questionnaire. All Wendel SE employees follow specific training each year on the prevention of bribery. Wendel continues to update its processes and to upgrade the online platform supporting them, which is open to all employees.

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 meet 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 they are given to meet 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 has conducted the performance reviews using a 360° feedback system 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 include security mechanisms for protecting the data they store (access protection, backup procedures). Wendel has decided to use cloud-based systems and a global solution (Microsoft Office 365) to maximize data security. As part of efforts to enhance data security and automate internal controls, in 2020, Wendel deployed an ambitious program for the roll-out of an integrated Finance and HR ERP using the Workday platform. Additionally, it improved its IT security, with the help of an external provider, in order to consolidate its strength and readiness to resist cybersecurity attacks. Increased reliance on remote work over the past few years has also made it necessary to roll out cybersecurity dedicated employee awareness campaigns. The addition of an outsourced CISO (Chief Information Security Officer) and SOC (Security Operations Center) further contributed to the improvement of IT systems. Efforts remain strong, including penetration testing conducted by specialized firms.

3.3.3 Periodic assessments of the main risks

Wendel

Note 16-1 to the consolidated financial statements as of December 31, 2022 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 hedged.

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 the performance of portfolio companies on a monthly basis, the operational risks specific to each of them and the acquisition and disposal process. It is also responsible for valuation risk on Wendel's assets with the support of the Finance department;
- the Executive Board and the Investment Team also ensure that the management team of each associated company is organized in such a way as to manage its risks properly and meet its objectives;
- the Finance department monitors Wendel SE's financial risks (financial leverage, liquidity, interest rates, foreign exchange), cash management, and the quality of Wendel SE's 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 all possible measures 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 holding companies and foreign offices, and its operating subsidiaries (portfolio companies);
- the Legal department is responsible for Wendel's legal security and ensuring that Wendel SE's 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 SE's obligations *vis-à-vis* the tax authorities 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 Communications 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 holding companies and foreign offices;
- the Human Resources department is in charge of managing human resources risks; and
- the international offices in Luxembourg and New York provide the Group with business and investment advice for their respective regions.

To the extent necessary, each department may be assisted by specialized experts with the 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, Risks 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, approved by the Executive Board and presented to the Audit, Risks 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, Risks and Compliance Committee. In addition, the Audit, Risks and Compliance Committee examines risk management at certain portfolio companies. The Chairman of the Audit, Risks and Compliance Committee presents a summary of the committee's findings to the Supervisory Board.

Portfolio companies

The 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 SE's 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 (if any), and on the 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, save exceptions, they are part of the same networks as Wendel SE's 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 the relevant 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 disposals and to explore new opportunities. The Executive Board sets up 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 has been approved by the Board of Directors of Wendel Luxembourg and the Executive Board, and by the Supervisory Board if the by-laws so require, the investment decision is made by the companies concerned. The presentation of the opportunity includes an analysis of the impact of the transaction on Wendel SE's financial position and NAV and its exposure, 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. Representations and warranties granted or received are presented to the Audit, Risks 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 support divisions join the investment teams and the Executive Board to review business performance and other cross-functional topics;
- 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 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 that 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 gives Wendel SE and its representatives insight into whether risk management and internal control procedures are functioning properly.

Wendel SE's 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 entitled "An appropriate organization with clearly-defined responsibilities and powers."

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 it has an incentive effect. Wendel SE also thereby aims to align the interests of the senior 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 by Moody's since September 2018;
- 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 below in the section entitled "Control activities to ensure reliable accounting and financial information."

Arranging financing

Financing terms of Wendel SE and their implementation are approved by the Executive Board after an in-depth review of various solutions and an analysis of Wendel SE's financial position prepared by the Chief Financial Officer. After the Legal department has reviewed the related contracts and legal documentation, financing transactions are executed under delegations of power and/or signature authority granted by the Group CEO 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 the Wendel Group'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;
- all expenditure is subject to a formal authorization procedure. Depending on the amount, it must be authorized by the Management Committee member in charge of the expenditure, by an Executive Board member, and/or by the Group CEO. Funding requests are compared with the budget, and invoices are approved after comparison with funding requests;
- only the Finance department can issue checks and transfer orders, backed up by supporting documentation, and it informs the Group CEO when the amount exceeds a certain threshold.

IT tools used in order to improve visibility on its commitments and better manage and track expenditure were migrated in 2020 to the Finance ERP.

For the Group's foreign offices, the Chief Financial Officer issued a procedure in 2018 for managing their finances and business administration. The Audit department carries out a formal audit of Wendel's foreign offices at least every two 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 regarding data conservation and storage systems. Continued efforts focus 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. The scope of IT security monitoring, which started in 2020 with the implementation of an outsourced Security Operations Center (SOC), has been further extended. Regular penetration tests 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 of December 31, 2022), 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 half-yearly 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 of reporting and preparing the financial statements. Because of the diversity of the subsidiaries' activities, Wendel SE leaves it up to each subsidiary to propose the appropriate accounting processes for its business. The Finance department and the head of consolidation at Wendel ensure 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 the preparation of Wendel's consolidated financial statements;
- Wendel SE's Chief Financial Officer meets with the Finance department of each subsidiary to prepare the closing and to review the significant events of the period as well as any significant or exceptional transactions;
- accounting information from subsidiaries is reviewed in detail and checked for consistency against the financial information compiled by the investment team based on the 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 the financial statements of the 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 include their ability to audit all directly- and indirectly-held subsidiaries throughout the world and to obtain audit findings and any misstatement reported by 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 matters identified 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 the portfolio companies.

At Wendel SE level:

- the Group Chief Financial Officer 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 findings of any such audits. He regularly holds pre-closing meetings with the Statutory Auditors to follow-up on issues raised in previous fiscal periods and to explain how they were resolved. He also discusses transactions carried out during the fiscal 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 material. The Chief Financial Officer also reviews all of Wendel's financial communications and is informed of any subject likely to impact them;
- the Audit, Risks 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 opinion on 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, and 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, Risks and Compliance Committee meetings before being presented to the Supervisory Board and published.

Internal control procedures related to financial information

Once the parent company and consolidated statements have been approved and the NAV calculated, the Audit, Risks 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 for review by the Statutory Auditors (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 within 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 been extensively updated in 2019 to better adapt it to the Wendel Group's specific features and activities, i.e., by identifying specific risk areas, such as financial risks.

The Wendel Group completes the questionnaire once a year and distributes it to its principal, fully-consolidated portfolio companies. Since 2019, it is deployed on 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, etc.;
- process level controls, both operational and related to the preparation of accounting and financial information, such as purchase to pay and inventories, human resources management, order to cash, financial statement closing process and consolidation, or the 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 collected make it possible to prepare and track improvement plans for the control points that require remedial action. The findings of the questionnaires are communicated each year to Wendel's Audit, Risks and Compliance Committee.

3.3.6 Achievements in 2022

In 2022, Wendel continued to follow up and develop its compliance-related measures in the context of Sapin II and GDPR. More specifically, it conducted audits of these compliance processes and further fine-tuned its action plans as necessary. In the controlled companies portfolio subject to Sapin II, Wendel continued to monitor progress through Audit, Risks 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 2022 to raising awareness on risks associated with compliance with international sanctions. The dedicated policy was also updated. A practical "Golden Rules of GDPR" was also published and communicated to employees to help them better understand their roles and responsibilities on the topic.

Process standardization on the Finance and Human Resources ERP, initiated in 2020, continued to be an important driver of process improvement, transparency in operations and related transactions. When it comes to HR processes in particular, information transfer processes with our foreign offices and data confidentiality were improved in 2022.

The internal control evaluation process at Wendel and in its portfolio companies was redesigned in 2019. The scope of evaluation was similar in 2022 to measure the progress of not only Wendel SE but also its portfolio companies. The year also saw ACAMS conduct this evaluation for the first time since joining Wendel.

Lastly, with remote work now the norm, the projects launched in 2019 to reinforce IT governance and security continued apace. Raising employee awareness on cybersecurity issues and reinforcing IT security globally continued to be a strong focus with the performance of penetration testing and regular phishing simulations. A cyber crisis simulation exercise was also conducted to test the response mechanism to potential cyber threats against Wendel SE. The same focus was applied in the portfolio companies, notably with regular reviews of their progress with respect to the National Institute of Standards and Technology (NIST) cybersecurity framework.

4

NON-FINANCIAL INFORMATION

FOREWORD 175

4.1 WENDEL GROUP 175

- 4.1.1 Business model 175
- 4.1.2 Highlights of Wendel's ESG commitment 178
- 4.1.3 Summary of Wendel's non-financial ratings 179
- 4.1.4 Wendel's main non-financial issues 180
- 4.1.5 Wendel Group's ESG strategy 183

4.2 ESG PERFORMANCE OF CONTROLLED PORTFOLIO COMPANIES 201

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

4.3 ISSUES SPECIFIC TO WENDEL SE 249

- 4.3.1 HR performance: fostering commitment, well-being, support, employability and inclusion 250
- 4.3.2 Measuring and managing our environmental footprint 260
- 4.3.3 Governance and business ethics 262

4.4 EUROPEAN GREEN TAXONOMY 267

- 4.4.1 Taxonomy alignment of consolidated turnover 268
- 4.4.2 Taxonomy alignment of consolidated CapEx 271
- 4.4.3 OpEx scope exemptions 271
- 4.4.4 Taxonomy-related regulatory information tables 272

4.5 DUTY OF CARE PLANS 275

- Wendel SE 275
- Stahl 276
- Constantia Flexibles 279
- Crisis Prevention Institute 283
- ACAMS 284

4.6 CROSS-REFERENCE TABLE AND REPORTING METHODOLOGY 285

- 4.6.1 Cross-reference table 285
- 4.6.2 Methodological information 286

4.7 REPORT OF ONE OF THE STATUTORY AUDITORS, APPOINTED AS INDEPENDENT THIRD PARTY 287

Foreword

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

The aim is to highlight Wendel's role and actions as a long-term investor in relation to its ESG issues. This Chapter has therefore been refocused around the Group's strategy and the main ESG issues of the consolidated portfolio companies. In addition, with a view to enhancing its non-financial information, Wendel voluntarily submitted four consolidated KPIs to a reasonable assurance assessment: percentage of women in management positions, Scope 1 and 2 CO_2 emissions, frequency rate of workplace accidents and percentage of women on boards of directors where Wendel has the power to make proposals.

This Chapter presents:

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

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

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

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

4.1 Wendel Group

4.1.1 Business model

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

Mission

Engaging with entrepreneurial teams to build sustainable leading companies

Values

Engagement
Excellence
Entrepreneurial spirit

Governance

Supervisory Board [1]

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

40% independent members [2]

40% women [3]

Audit, Risks and Compliance Committee

Governance and Sustainability Committee

Executive Board

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

Committees

Management Committee

Investment and Development Committee

Wendel Growth Committee

Coordination Committee

ESG Steering Committee

ESG strategy

Building sustainable companies

Wendel as an investor

100% of controlled companies have formalized an ESG roadmap

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

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

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

Empowering excellence and engagement

Wendel as a company

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

90% of employees trained in ESG in 2022

96% of employees trained in business ethics

40% women in management positions

Sponsorships

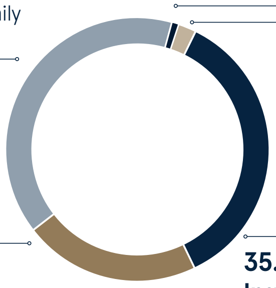
The Wendel Cares endowment fund has continued its commitments in the fields of culture and education, with the Centre Pompidou-Metz and Insead, and expanded its scope with three new pillars: equal opportunity and professional integration, medical research and health, and environmental protection

Resources

Permanent capital

39.6%
Family shareholding
of the share capital held by Wendel-Participations SE and related parties [5] (reference family shareholder)

1.1%
Employee shareholding
of the capital held by more than one hundred current and former employees of the Group



2.2%
Treasury shares

21.6%
Individual investors
of share capital held by more than 30,315 individuals

35.5%
Institutional investors
in over 30 countries

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

Human capital

89
employees located in Paris, Luxembourg and New York

82%
of employee shareholders

Total workforce gender split

40.5% Men

59.5% Women

(1) The composition of the Supervisory Board is as of December 31, 2022.
(2) Percentage excluding members representing employees. Beyond the requirements of the Afep-Medef Code.
(3) Percentage excluding members representing employees: including these members, the percentage rises to 50%. Beyond legal requirements and those of the Afep-Medef Code.
(4) Present throughout the year.
(5) In accordance with Article L. 233-10 of the French Commercial Code (*Code de commerce*), the data include Wendel-Participations SE, its Chairwoman, Priscilla de Moustier, and Société Privée d'Investissement Mobiliers (SPIM).

Our investments

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

Controlled companies

—

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

Bureau Veritas
Conformity assessment and certification services
Since 1995

Constantia Flexibles
Flexible packaging
Since 2015

Crisis Prevention Institute
Training services
Since 2019

Stahl
Specialty coatings and surface treatments for flexible materials
Since 2006

Non-controlled companies

—

IHS Towers
Telecom infrastructure
Since 2013

Tarkett
Flooring and sports surface solutions
Since 2021

—

Wendel Growth
Growth investments
Since 2013

—

Other
Cash, treasury shares, etc.

Value created with and for stakeholders

Measurement of value creation

Nearly €9 billion of gross assets

Nearly €4 billion in market capitalization

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

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

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

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

—

Support for companies and value sharing

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

Representation on the companies' Boards of Directors and key Committees

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

—

Shareholder dialogue

Institutional investors: **280 meetings**

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

Letter to shareholders: **2 editions**

Governance roadshows

Independent lead director

—

Employee development and value sharing

95.5% of employees [8] trained over the year

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

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

Reimbursement of nursery expenses

Supplemental insurance, contingency benefits

(6) Adjusted for the €3 dividend per share paid in June 2022, NAV is down 9.2% over the year. In reported figures, NAV is down 10.8%.
(7) The overall yield is as of December 31, 2022.
(8) Present as of December 31, 2022.

4.1.2 Highlights of Wendel's ESG commitment

2011
Wendel's Sustainable Development department is established

2013 (for 2012)
Wendel publishes its first CSR report under Grenelle II

2019 (for 2018)
Wendel publishes its first non-financial performance statement (NFPS) and identifies its ESG risks and levers for action

2020
Wendel publishes its first **ESG Roadmap** (2020-2023)

2011 — 2013 — 2019 — 2020

March 2020
Wendel signs France Invest's Gender Equality charter

May 2020
Wendel signs the UN's PRI

November 2020
Wendel joins the Dow Jones Sustainability Europe and World indices

Member of Dow Jones Sustainability Indices
Powered by the S&P Global CSA

December 2020
Wendel becomes the first French issuer to present its ESG strategy to the French Society of Financial Analysts (SFAF).
Wendel receives a B rating in response to the Carbon Disclosure Project's (CDP) Climate Change 2020 questionnaire.

2021

January 2021
Wendel scores 69/100 in the Gaïa Rating non-financial questionnaire
Wendel begins an analysis of climate change risks and opportunities within its portfolio companies.

February 2021
Wendel joins the United Nations Global Compact

September 2021
Wendel wins the Diversity in management bodies prize at Agefi's Corporate Governance Awards.

October 2021
Wendel wins the overall Transparency Award at the *Grand Prix de la Transparence* 2021

Grands Prix de la Transparence 2021

2022

November 2021
Wendel improves its score in the Dow Jones Sustainability (DJSI) World and Europe indices, with a score of 76/100 in the Diversified Financials category.

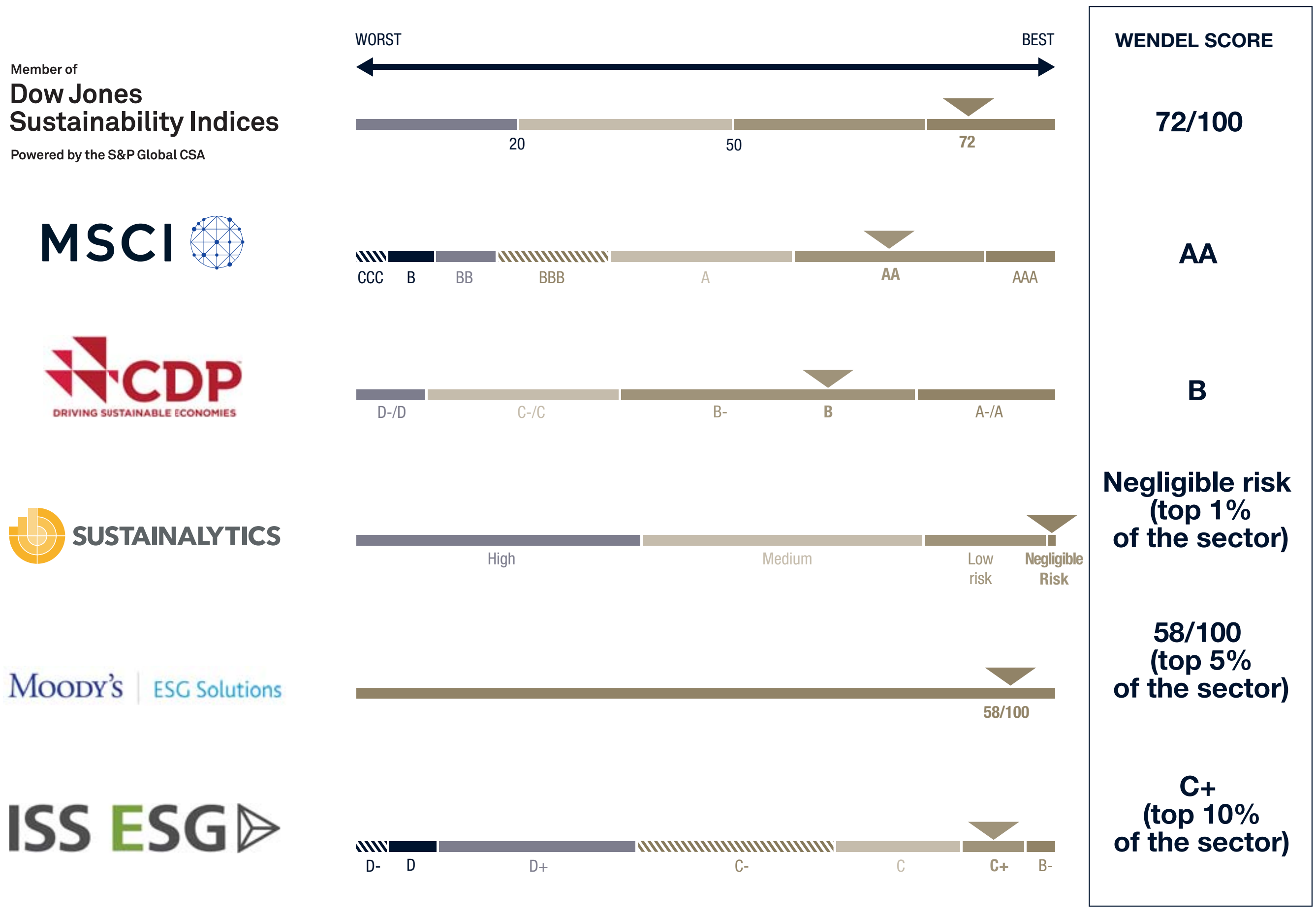
January 2022
Wendel improves its score on the Gaïa Rating non-financial questionnaire from 69/100 to 75/100.
Wendel participates in the Financial Times Stock Exchange (FTSE) non-financial rating exercise for the first time and obtains a score of 3.4/5, above the average of 2.4 for its sector.

February 2022
55% of portfolio emissions come from companies with SBTi-approved pathways

2022
Wendel confirms its inclusion in the DJSI World and Europe and rises in the CDP, earning a B rating for "Climate Change Management"

4.1.3 Summary of Wendel's non-financial ratings

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



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

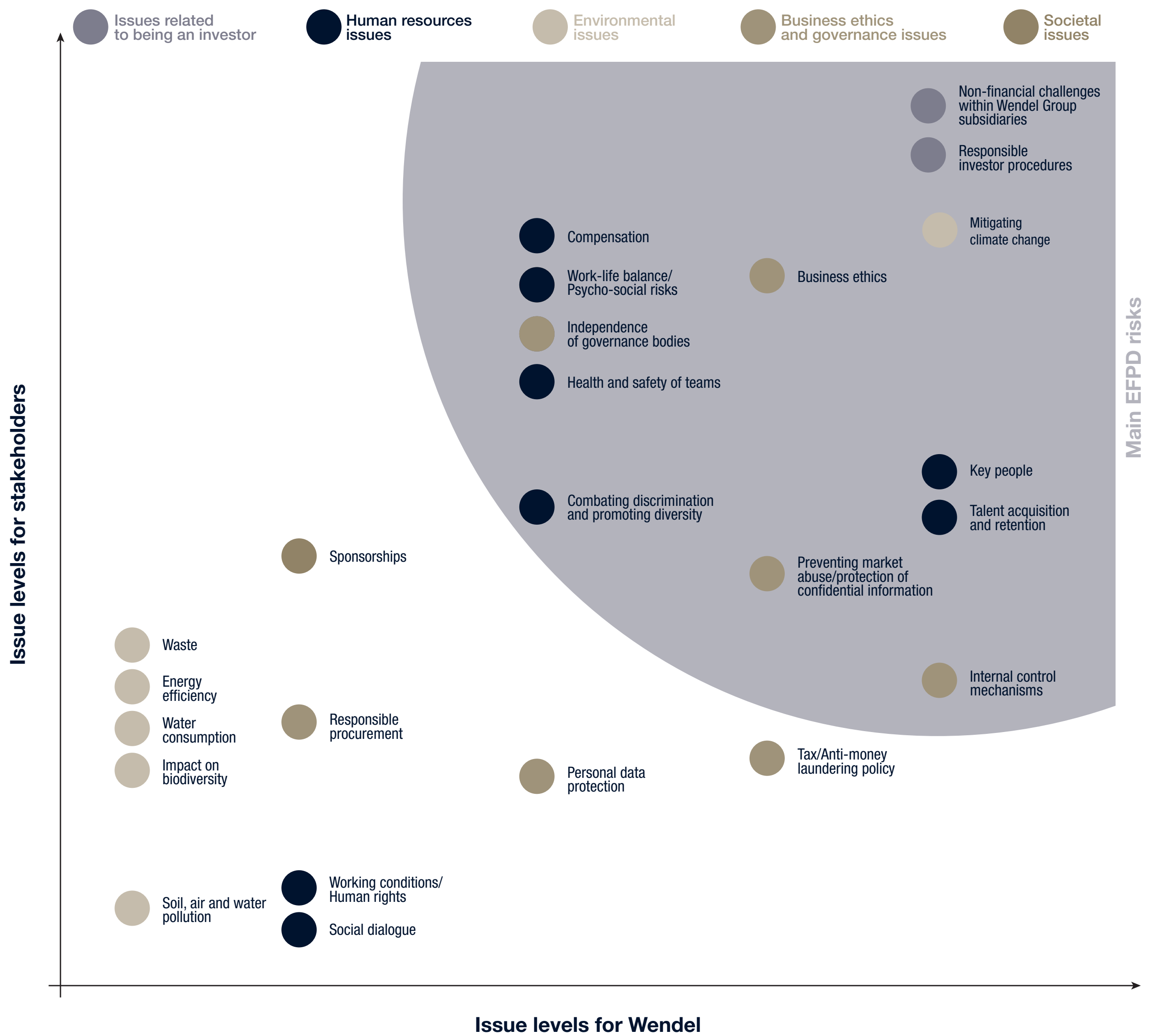
4.1.4 Wendel's main non-financial issues

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

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

Section 4.1.5.5 – Climate Plan is dedicated to this subject.

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



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

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

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

Main risks related to Wendel's business

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

Non-financial issues within Wendel Group subsidiaries

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

(1) The financial statements of these companies are all fully consolidated by the Group. The non-financial performance statement (NFPS) covers Wendel's scope of consolidation and is reviewed by an independent third-party (ITP), in accordance with the provisions of Article L. 225-102-1 of the French Commercial Code.
(2) As a listed company, Bureau Veritas must issue a NFPS.
(3) Listed on Euronext Paris and part of the Next 20 index (Compartment A, ISIN Code, FR0006174348, ticker symbol: BVI).

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

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

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

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

(2) **its behavior as a company, and its commitment to its employees and communities**.

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

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

4.1.5 Wendel Group's ESG strategy

4.1.5.1 Organization of ESG governance

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

ESG issues are addressed at all levels of governance.

For Wendel

Executive Governance – Executive Board

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

Key figures

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

Non-executive governance – Supervisory Board

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

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

Inclusion of non-financial performance criteria in compensation arrangements

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

For Wendel's portfolio companies

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

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

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

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

4.1.5.2 Sustaining dialogue with stakeholders

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

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, finance teams, etc.)

FINANCIAL AND MEDIA COMMUNITY

- Analyst conferences and regular press updates on the day on which annual results are published
- Annual Investor Day
- Conference calls/webcasts for half-yearly and quarterly results and other ad hoc strategic events
- Credit, equity, Governance and ESG roadshows
- Shareholders' Meeting
- Publication of communication materials relating to our business (press releases, brochures, letters to shareholders, website, social media, etc.)
- Shareholder Advisory Committee
- Perception studies

NON-EXECUTIVE EMPLOYEES

- Surveys on quality of life at work
- Social dialogue with employee representative bodies (if applicable under local regulations)
- Staff meetings
- Annual 360° assessments
- Corporate seminars

SUPPLIERS AND SERVICE-PROVIDERS

- Third-party assessment process
- Call for tenders or competitive bidding for larger service-providers

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

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

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

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

Lobbying activities

Wendel SE does not use any lobbying agencies.

Trade associations

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

Think tanks

Wendel is a partner of Institut Montaigne.

4.1.5.3 2023 ESG Roadmap

Building sustainable businesses

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

		2023 objective	2020	2021	2022	Achievement
INVESTMENT	**Pre-investment phase**	100% of investment opportunities screened through Wendel's exclusion list	100%	100%	**100%**	
		100% of investment opportunities reviewed through identification of the most material ESG risks and opportunities	100%	100%	**100%**	
		Annual review of Wendel's exclusion list and business model resilience test criteria at Investment Committee and Supervisory Board levels	No	Yes	**Yes**	
		100% of ESG investment opportunities assessed (in-depth due diligence)	100%	100%	**100%**	
	Ownership phase (Governance)	100% of controlled portfolio companies to have formalized an ESG transformation roadmap aligned with their global strategy	100%	100%	**100%**	
		100% of controlled portfolio companies for which progress in relation to this roadmap is reviewed at Company Board level for each company annually	80%	100%	**100%**	
		100% of controlled portfolio companies that have had a committee or Board of Directors review an ESG topic	80%	100%	**100%**	
		100% of ESG roadmaps reviewed each year by Wendel's Executive Board	80%	100%	**100%**	
		ESG roadmaps reviewed each year by Wendel's Governance and Sustainability Committee and/or Supervisory Board	Yes	Yes	**Yes**	
		100% of controlled portfolio companies have identified priorities for offering sustainable products and services	100%	100%	**100%**	
	Ownership phase (Environment)	% of net sales associated with products with environmental added value (see section 4.1.5.4)	*28%*	*53%*	**55%**	N/A
		100% of controlled portfolio companies monitoring their carbon footprint (Scopes 1, 2 and 3)	60%	100%	**100%**	
		100% of controlled portfolio companies committed to reducing their emissions	60%	100%	**80%**	Integration of ACAMS in 2022
		Of which the pathway has been committed to or approved by the SBTi	*60%*	*75%*	***60%***	
		100% of controlled portfolio companies to have assessed their exposure to physical and transition climate change risks and opportunities	100%	100%	**80%**	Integration of ACAMS in 2022
		Of which controlled companies that have implemented climate change risk resilience plans	*0%*	*0%*	***80%***	Integration of ACAMS in 2022
		100% of controlled portfolio companies that have an environmental management system (in particular via ISO 14001 certification) for all or part of their activities	80%	75%	**60%**	Not material for ACAMS and CPI
	Ownership phase (social)	100% of controlled portfolio companies to have adopted a continuous improvement approach to health and safety in the workplace	80%	100%	**80%**	Deployment in progress for ACAMS
		Of which certified management systems (OHSAS 18001 or ISO 45001)	*80%*	*75%*	***60%***	Not material for ACAMS and CPI
		100% of controlled portfolio companies that organize health and safety training	100%	100%	**80%**	Integration of ACAMS in 2022
		30% women among all people appointed directly or indirectly by Wendel to the relevant boards (boards of directors or equivalent) in the portfolio	21%	26%	**29.8%**	
		100% of controlled portfolio companies to be committed to improving gender balance in their workforce	80%	100%	**100%**	
		% of women in the total workforce of controlled companies	*29.2%*	*29.1%*	***29.3%***	N/A
		% of women in management positions	*24%*	*23%*	***25%***	N/A
		% of women in shareholder governance bodies	*23%*	*26%*	***29%***	
		% of women in operational governance bodies	*22%*	*21%*	***27%***	

Building sustainable businesses

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

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

4.1.5.4 Responsible investment strategy

Integration of non-financial performance throughout the investment cycle

Risks and opportunities

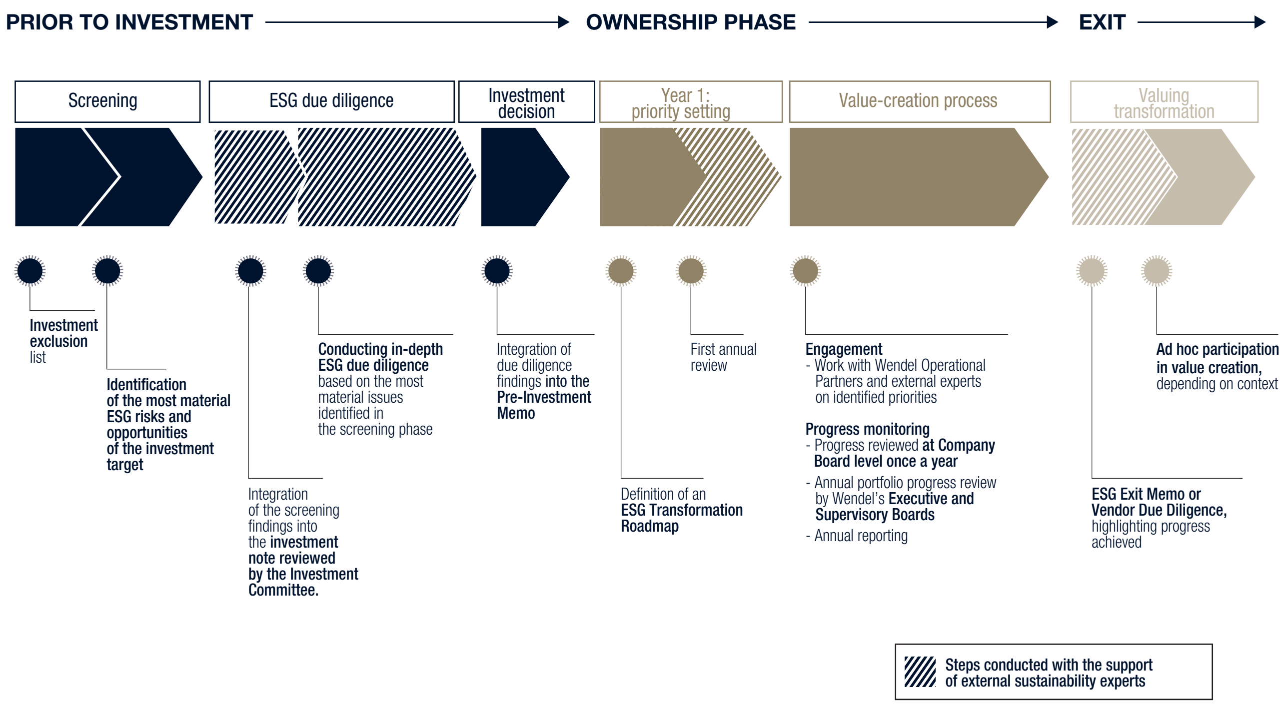
By investing for the long term, Wendel is committed to working with entrepreneurial teams to build sustainable leaders. Wendel believes it is essential for the companies in which it invests to take into account non-financial issues, both in terms of the risks they may involve and the sustainable value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

Wendel makes sure that management in its portfolio companies takes the appropriate measures to prevent and/or mitigate non-financial risks and seize every opportunity to create value over the long term. For Wendel, this is a matter of strengthening its positive impact – in strict compliance with its role as a shareholder and with rules of governance – on the companies in its portfolio by encouraging them to take non-financial issues into account in a tangible way.

Policies and outcomes

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

Responsible investment procedure



Prior to the investment

Exclusion policy

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

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

1. tobacco;
2. pornography;
3. controversial weapons, as defined by the following treaties:
   - the Treaty on the Non-Proliferation of Nuclear Weapons (1968),
   - the Biological Weapons Convention (1975),
   - the Chemical Weapons Convention (1997),
   - the Ottawa Treaty (1997) on anti-personnel mines,
   - the Convention on Cluster Munitions (2008);
4. firearms;
5. gambling facilities or products;
6. coal mining and coal-based power generation;
7. narcotics;
8. fur;
9. asbestos.

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

ESG due diligence

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

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

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

Ownership phase

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

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

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

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

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

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

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

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

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

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

As a shareholder, the Wendel Group is not involved in the operational management of its subsidiaries. It does however ensure, mainly through close communication with their management and the Boards of Directors, that these companies gradually integrate ESG issues into their risk management and strategies.

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

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

Priority topics defined by Wendel in the ownership phase

Employee health and safety	Climate change mitigation	Gender balance and diversity	Products and services with added environmental value

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

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

		BUREAU VERITAS	Constantia Flexibles	stahl	CPI	ACAMS (integration 2022)	WENDEL PORTFOLIO - CONTROLLED ASSETS	CHANGE 2021/2022
EMPLOYEE HEALTH AND SAFETY	Frequency rate of work-related accidents(1)	0.16	2.08	1.64	1.56	Not available (100% remote-work organization)	**0.95**	**-17%**
	Health and safety management system (OHSAS 18001 or ISO 45001)	YES	YES	YES	NO Non-material	NO Non-material		
CLIMATE CHANGE MITIGATION	Emissions (Scopes 1 to 3)	729,264 tCO_2	1,592,750 tCO_2	701,910 tCO_2	3,055 tCO_2	371 tCO_2	**347 tCO_2/€m of net sales**	**-17% in tCO_2/€m of net sales**
	Weight of emissions in the controlled portfolio	24%	53%	23%	0.1%	0.01%		
	Reduction targets	YES	YES	YES	YES	NO		
	SBTi status	Committed in 2022	2°C Approved	Committed in 2022	NO	NO	**3 companies submitted their SBTi targets, representing 99.7% of emissions of controlled companies**	
	Targets	-42% Scopes 1 and 2 2030 -25% Scope 3 2030(2)	-24% 2030 -49% 2050 Scopes 1, 2 and 3	-42% Scopes 1 and 2 2030 -25% Scope 3 2030(2)	-10% 2024 Scopes 1, 2 and 3	NO		
GENDER BALANCE AND DIVERSITY	% of Board members who are women	42%	13%	18%	29%	43%	**29%**	**+3%**
	% of women in management positions	26%	20%	25%	53%	49%	**25%**	**+2%**
	Targets to enhance gender balance	35% women in management positions	Action plan to increase the proportion of women managers	25% of women in management positions by end-2023	45% to 50% women on the Board of Directors by 2024	Maintain the current parity (49% of women managers)		
PRODUCTS AND SERVICES WITH ADDED ENVIRON-MENTAL VALUE	% of net sales from products or services with environmental value added	55%	59%(3)	57%	Not applicable Services with societal added value see 4) below		**55%**	**+2%**
	Action plan	BV's Green Line (sustainable services and solutions)	Recyclable flexible packaging solution	Water-based products eligible for the Taxonomy under the category "Other low carbon manufacturing technologies"				

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

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

(3) Estimated figures as of end-2022.

1. **Climate change mitigation**

See Climate Plan presented in section 4.1.5.5.

2. **Employee health and safety**

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

3. **Promotion of diversity and gender parity**

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

4. **Innovation and products or services with environmental added value**

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

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

- Bureau Veritas' "Green Line" certification services offering, which represents 55% of its net sales, was up 3% compared to 2021. The associated share of net sales has been calculated on the basis of this sales ratio (see section 4.2.1 – Bureau Veritas' ESG performance);
- Constantia Flexibles' recyclable flexible packaging offering, which represented an estimated 59% of its net sales in 2022 see section 4.2.2 – Constantia Flexibles' ESG performance[1];
- Stahl's water-based products, eligible for the EU Green Taxonomy under the category "Other low-carbon manufacturing technologies", accounted for 57% of the company's sales in 2022. The composition of these products (high water content and low solvent content) results in a significant reduction in CO_2 emissions generated over the product life cycle. An emissions reduction target has been set; it is monitored on the basis of life cycle analyses carried out in accordance with ISO 14040/44 (see 4.2.3 on Stahl's ESG performance);

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

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

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

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

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

4.4 by 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship;

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

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

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

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

4.1.5.5 Climate Plan

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

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

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

Key figures

- 100% of controlled companies **measure their carbon footprint** every year, at Wendel's request within 18 months of their acquisition.
- **100%** of the controlled companies that have identified risks related to climate change adaptation (Constantia Flexibles, Stahl, Bureau Veritas) have developed a **climate resilience plan** approved by their boards of directors.
- **347 tCO_2 eq/€m of sales** on the consolidated scope (Scopes 1, 2 and 3).
- **17.2%** reduction in carbon intensity (Scopes 1, 2 and 3) relative to consolidated sales compared to 2021.
- **55% of the portfolio's emissions** are attributable to companies with **SBTi-approved pathways**.
- **94% of the portfolio's emissions** are attributable to portfolio companies (controlled and non-controlled) that have at least committed to submitting their **targets to the SBTi**.

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

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

In tCO_2eq	Total emissions – equity share approach 2022[(1)]	Total emissions – equity share approach 2021[(2)]	2022/2021 change
Scope 1	313,913	314,521	-0.2%
Scope 2[(3)]	107,662	116,296	-7.4%
Scope 3[(4)]	1,919,738	1,967,503	-2.4%
TOTAL	**2,341,313**	**2,398,321**	**-2.4%**

(1) IHS Towers' Scope 1, 2 and 3 emissions and Constantia Flexibles' Scope 3 emissions 2022 will be available after the publication of the URD. We have used the 2021 data. IHS Towers' Scope 3 emissions are not available.
(2) Stahl's and Bureau Veritas' 2021 Scope 3 emissions were reassessed in 2022 (see sections 4.2.1 and 4.2.3). Tarkett's Scope 3 emissions were reassessed in 2022. The reassessed 2022 Scope 3 emissions are used in the 2021 consolidated emissions.
Constantia Flexibles' 2020 Scope 3 emissions have been used for comparability purposes.
(3) Scope 2 emissions are calculated and consolidated on a market-based basis as soon as the emission factor data is available.
(4) The emission items included in the controlled portfolio companies' Scope 3 emissions are listed in 4.2 ESG performance of controlled portfolio companies. Downstream and/or upstream emissions are included depending on their materiality by business sector.

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

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

In tCO_2eq	Total emissions - financial control approach 2022[(1)]	Total emissions – financial control approach 2021[(2)]	2022/2021 change
Scope 1	203,699	205,070	-0.7%
Scope 2[(3)]	167,224	177,184	-5.6%
Scope 3[(4)]	3,290,557	3,376,266	-2.5%
TOTAL	**3,661,480**	**3,758,520**	**-2.6%**

(1) IHS Towers' Scope 1, 2 and 3 emissions and Constantia Flexibles' Scope 3 emissions 2022 will be available after the publication of the URD. We have used the 2021 data. IHS Towers' Scope 3 emissions are not available.
(2) Stahl's and Bureau Veritas' 2021 Scope 3 emissions were reassessed in 2022 (see sections 4.2.1 and 4.2.3). Tarkett's Scope 3 emissions were reassessed in 2022. The reassessed 2022 Scope 3 emissions are used in the 2021 consolidated emissions. Constantia Flexibles' 2020 Scope 3 emissions have been used for comparability purposes.
(3) Scope 2 emissions are calculated and consolidated on a market-based basis as soon as the emission factor data is available.
(4) The emission items included in the controlled portfolio companies' Scope 3 emissions are listed in 4.2 ESG performance of controlled portfolio companies. Downstream and/or upstream emissions are included depending on their materiality by business sector.

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

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

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

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

- Bureau Veritas: -42% on Scopes 1 and 2 and -25% on Scope 3 by 2030 – *baseline year 2021*;
- Constantia Flexibles: -24% on Scopes 1, 2 and 3 by 2030 and -49% on Scopes 1, 2 and 3 by 2050 – *baseline year 2015;*
- Stahl: -42% on Scopes 1 and 2 by 2030 and -25% on Scope 3 by 2030 – *baseline year 2021;*
- CPI: -10% on Scopes 1, 2 and 3 by the end of 2024 – *baseline year* 2022;
- ACAMS: a specialist in training to combat financial crime, ACAMS joined the Group in 2022 and has already completed its first carbon assessment with Wendel's support. Its objectives will be defined at a later date.

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

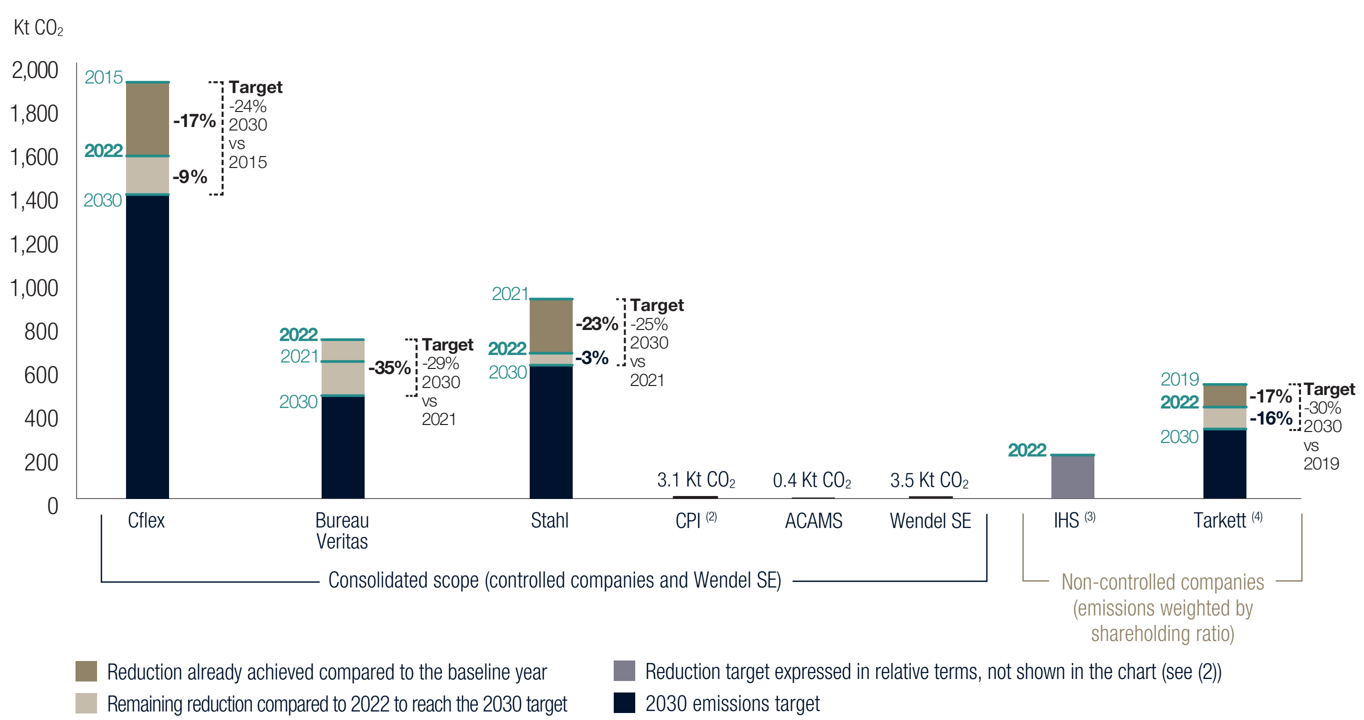
In the **non-controlled companies scope**, Tarkett has committed to reducing its Scope 1 and 2 emissions by 50% and its Scope 3 emissions by 27.5% by 2030 (baseline year 2019). The Company aims to reduce its overall emissions by 30% by 2030. IHS Towers is committed to reducing the kWh intensity of its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

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

SBTi approved companies	SBTi - committed companies
Constantia Flexibles (below 2°C)	**Bureau Veritas** (approval expected in 2023)
Tarkett (1.5°C)	**Stahl** (approval expected in 2023)

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

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



(1) Scope 1, 2 and 3 emissions of the portfolio calculated according to the financial control approach of the GHG Protocol.
(2) CPI has defined an absolute yearly reduction target of 10% by the end of 2024.
(3) IHS Towers' emissions are weighted based on the holding ratio. IHS emissions include Scopes 1 and 2 for 2021, as 2022 data was not yet available at the time of publication. The IHS Towers reduction pathway is not shown in the chart because it is expressed in relative terms (-50% on Scope 1 and 2 kWh intensity compared to 2021).
(4) Tarkett's emissions are weighted based on the holding ratio at December 31, 2022.

The portfolio's total absolute emissions reduction targets for 2030 represent 1,491.3 ktCO_2 eq, or the equivalent of 41% of the portfolio's current total emissions.

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

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

TCFD reporting

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

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

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

The conclusions of the analysis conducted enabled Wendel to establish:

(i) its alignment with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD);

(ii) a table of transition risks and physical risks to which Wendel and its controlled portfolio companies are exposed;

(iii) a short- and medium-term action plan to improve the climate resilience of controlled portfolio companies. Action plans were approved in 2022 by the governance bodies of companies for which significant risks have been identified.

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

Wendel's alignment with the TCFD recommendations

TCFD pillar	TCFD recommendations	Wendel positioning
Climate governance	Description of the roles of Management and the Board of Directors in assessing and managing climate-related risks and opportunities.	**The responsibility for managing the effects of climate change is borne at all levels of the Company.** The variable compensation of the Executive Board is determined by a criterion related to the management of climate change, as is the stock option plan for employee beneficiaries of the Company (see paragraph "Options granted in 2022" in section 2.2.2.2). The Supervisory Board receives dedicated presentations on ESG progress observed within the controlled portfolio, including efforts to reduce emissions. In 2022, all CEOs of controlled portfolio companies saw a portion of their variable compensation tied to the achievement of climate-related objectives (except for ACAMS, which joined Wendel's consolidated scope in 2022). The achievement of this objective is recorded by the Board of Directors of the controlled company. In 2022, for example, the climate resilience plans of the portfolio's controlled companies were approved by the boards of directors of each of the portfolio companies. 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 climate-related risks and opportunities identified over the short, medium and long term, and their impacts on the Company's businesses, strategy and financial planning. Alignment of the Company's strategy with a low-carbon pathway.	Wendel's approach as a long-term investor, strongly oriented towards value creation through ESG leverage, demonstrates that sustainability issues are at the heart of its strategy. Climate change management is positioned as one of the four ESG priorities established by the Company. Wendel's ESG team and the operating partners ensure that climate issues are integrated into the strategy of the portfolio companies. The climate strategy of controlled companies is reflected in the ESG objectives of the CEOs of controlled companies. As such, the portfolio companies (except ACAMS, which joined Wendel's consolidated scope in 2022) have all defined low-carbon products and services: ■ Bureau Veritas' Green Line segment on energy efficiency and low-carbon transition; ■ Constantia Flexibles' recyclable packaging offering; ■ Stahl's development of water-based products (with a better carbon footprint than solvent-based products); ■ digitalization of CPI's training courses.
Risk management	Description of the processes for identifying and managing climate-related risks, and integrating them into the Company's overall risk management process.	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. Physical and transition risk analyses have been presented to the governance bodies of each of the portfolio companies. Wendel, as an investor, also develops methodologies to fine-tune the consideration of the financial impacts on companies' valuations.
Metrics and targets	Having indicators to assess the Company's performance with respect to its climate-related commitments, in particular information on the Company's carbon footprint across all scopes, and setting reduction targets.	100% of the controlled portfolio companies offer a complete and public measurement of their carbon footprint, according to the GHG Protocol standards, and all of these companies, with the exception of ACAMS (which joined the Group in 2022), have a reduction target covering all their Scope 1, 2 and 3 emissions. Today, three of the five controlled portfolio companies (Constantia Flexibles, Bureau Veritas, and Stahl), representing **99.7% of emissions** within the scope of controlled companies, have defined **reduction targets** and have publicly committed to having them approved by the Science-Based Targets initiative. At the consolidated level, based on public commitments that had already been made by the controlled companies as of the date of publication of the URD, the reduction targets expressed in absolute terms represent 1,295.8 ktCO_2 eq, i.e., the equivalent of 35% of the portfolio's current total emissions. In 2023, Wendel aims to define a pathway for reducing its GHG emissions, approved by the SBTi. This initiative will be accompanied by a methodological review to take into account the specificities of Wendel's investment activity.

Exposure to physical hazards and transition risks (controlled scope)

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

Transition risks and opportunities				
Transition risk/ opportunity	**Risk/opportunity category as presented in the TCFD classification**	**Description**	**Exposure level**	**Measures in place or recommended**
Transition risk	Carbon price increase	Estimates from the International Energy Agency anticipate a 250% increase in the price per metric ton of carbon by 2050, assuming a low-carbon transition[1]. With the exception of Constantia Flexibles, no other company in the portfolio has facilities subject to the emissions trading scheme. This increase will mainly have indirect effects in the value chain of the portfolio companies (transportation, energy, commodities, etc.).	****	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 EU taxonomy and the future European Fit for 55 package demonstrate the strongly evolving nature of the regulations related to low-carbon alignment and emissions reduction. These new regulations generate direct costs (internal and external resources mobilized to verify compliance) as well as indirect costs over the long term (operational transformations necessary for compliance).	**	As a listed company, Wendel monitors changes in European and international regulations on climate impact reduction. It also encourages the controlled companies to respect the best standards in terms of reducing their emissions (e.g., reduction pathway currently awaiting approval from the SBTi for Bureau Veritas and Stahl, and already established for Constantia Flexibles). 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 commodities costs	The energy transition requires a rapid increase in renewable energy production capacity. The supply of certain metals, such as aluminum, which is essential to the manufacture of wind turbines, will be affected. This metal represents a significant proportion of the raw materials used by Constantia Flexibles. Nevertheless, this transition to renewable energy will automatically reduce the current costs of renewable energy. Wendel and its portfolio companies are all committed to significantly increasing the share of renewable energies in their total consumption. Renewables currently account for 24% of the Group's total consumption.	***	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 commodities.

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

Transition risks and opportunities				
Transition risk/ opportunity	**Risk/opportunity category as presented in the TCFD classification**	**Description**	**Exposure level**	**Measures in place or recommended**
Transition opportunity	Substitution of existing products and services in favor of low-carbon solutions.	The transition to a low-carbon economy requires the transformation or discontinuation of certain products and services, the manufacture and consumption of which will become difficult to reconcile with the emission levels to be respected.	***	Wendel encourages its portfolio companies to monitor emerging trends and the risks of substitution in their respective products. The share of sales linked to products or services with environmental added value illustrates Wendel's determination to seize transition opportunities and bring portfolio companies on board. As such, the portfolio companies (except ACAMS, which joined Wendel's consolidated scope in 2022) have all defined low-carbon products and services: - Bureau Veritas' Green Line segment on energy efficiency and low-carbon transition; - Constantia Flexibles' recyclable packaging offering; -Stahl's development of water-based products (with a better carbon footprint than solvent-based products); - digitalization of CPI's training courses. Wendel and its controlled portfolio companies are working to increase the share of these products and services.
Transition opportunity	Changes in consumer expectations	The transition to a low-carbon society is transforming the needs and consumption habits of society as a whole. While some products may be abandoned, new needs may emerge. The main examples within the Wendel portfolio are: ■ the gradual shift to recyclable flexible packaging solutions deployed by Constantia Flexibles, in order to limit life cycle emissions from single-use plastics; ■ the management and support of trauma related to natural disasters or severe weather events; ■ the development of needs related to corporate social responsibility, eco-efficiency, emissions reduction and climate change adaptation, as expressed by Bureau Veritas Group customers.	**	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 involved in the management of people who have survived severe climate events, as clients receiving its training include emergency care workers and hospitals. 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.). Lastly, Stahl is actively involved in the Zero Discharge of Hazardous Chemicals (ZDHC) program, which is designed to promote the sustainable management of chemicals in the fashion industry. It is also a founding member of the Renewable Carbon Initiative.

Physical hazards and opportunities – moderate or severe risks
At the Wendel Group level, nine of the Stahl and Constantia Flexibles sites have been identified as sites that are vulnerable to potentially moderate or severe physical hazards by 2050. Stahl's and Constantia Flexibles' climate resilience plans set out short-, medium- and long-term measures to address potential vulnerabilities. Their plans were approved by the companies' boards of directors in 2022. Bureau Veritas' climate plan does not present the number of sites subject to moderate or severe physical risks but nevertheless establishes that these physical risks could have a total financial impact of up to €500 million by 2050[1]. No sites at risk of moderate or severe hazards have been identified for Wendel SE and CPI. The identification of sites at risk of hazards is based exclusively on the RCP 8.5 scenario projections for 2050. This process does not therefore include the existence of protection measures put in place by the Company or by third parties (such as the local authority where the Company is located). This assessment of actual and effective risks at the most vulnerable sites was prepared in 2022 as part of the climate resilience plans of the relevant portfolio companies.

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

Wendel's 2023 Climate Plan targets

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

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

4.2 ESG performance of controlled portfolio companies

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

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

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

i) Brief overview of the business and key figures

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

iii) Main material ESG issue related to the business model

iv) Climate change adaptation and mitigation plan

v) Key ESG achievements in 2022

vi) Reporting methodology

4.2.1 Bureau Veritas

4.2.1.1 Business overview and key figures

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

4.2.1.2 ESG Roadmap

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

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

	2022	2021	2020	2019	2025 target	2022 *vs.* 2025 pathway
Total Accident Rate (TAR)	0.26	0.27	0.26	0.38	0.26	
Proportion of women in leadership positions (senior/executive management roles from the Executive Committee to Band II)	29.1%	26.5%	27.5%	24.4%	35%	
Number of training hours per employee (per year)	32.5	29.9	23.9	19.0	35.0	
CO_2 emissions per employee (tons per year)	2.32	2.49	2.44	2.85	2.00	
Proportion of employees trained to the Code of Ethics	97.1%	95.8%	98.5%	97.1%	99%	
Share of Green Line sales	55%	52%	-	-	-	

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

The BV Green Line comprises CSR services and solutions, including both services specifically addressing sustainability (e.g., energy performance diagnostics and certification of energy management systems), and traditional services geared towards sustainability-oriented assets (e.g., construction inspections of wind turbines or electric vehicle charging systems).

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

The BV Green Line has five main focuses:

RESOURCES & PRODUCTION

RENEWABLES & ALTERNATIVE ENERGIES

ENERGY TRANSITION

Onshore and offshore Wind Farms, Solar Power Plants from Project to Asset Management, Biofuel and Hydrogen certifications

INDUSTRY CARBON FOOTPRINT

Carbon footprint monitoring, energy saving verification, industrial environmental control and testing and emissions control

SUSTAINABLE USE OF NATURAL RESOURCES

Agribusiness harvest monitoring and Precision Farming, Responsible Fishing, Forest Certification and Maritime Pollution Prevention

CONSUMPTION & TRACEABILITY

SUSTAINABLE SUPPLY CHAINS, FOOD CERTIFICATION

Product component testing, organic certification, supply chain resilience audit, circular economy verifications and ESG supply chain audits

BUILDINGS & INFRASTRUCTURE

CONSTRUCTION & REFURBISHMENT

Green building certification, project management for infrastructure improvement in developing countries and infrastructure lifecycle asset management in mature countries

NEW MOBILITY

E-MOBILITY, ALTERNATIVE PROPULSION

Batteries, charging station, connectivity testing, LNG ship inspection (new build, conversion)

SOCIAL, ETHICS & GOVERNANCE

SOCIAL PRACTICES

Social audits, health, safety, hygiene and inclusion protocols

CSR STRATEGY

Policy monitoring, Management systems improvement, Reporting verification

ETHICS & BUSINESS PRACTICES

Human rights assessment, supplier assessment, anti-bribery certification, Data Privacy and Cybersecurity certifications

Action plan to develop the Green Line

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

- develop service offerings that meet market needs for environmental, energy and social transitions;
- provide training about the group's CSR services to client-facing employees;
- present the CSR offering to the group's main clients;
- set up a reporting system for determining and monitoring the proportion of revenue generated by these services.

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

4.2.1.4 Climate change adaptation and mitigation

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

Climate change mitigation policies and outcomes

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

Scope	2022	2021	Year-on-year change (%)
Scope 1 (tCO_2 eq.)	71,561	71,732	+0.2%
Scope 2 (tCO_2 eq.)	79,856	87,133	-8.4%
Scope 3 (tCO_2 eq.)	577,847	509,217	+13.5%
TOTAL (TCO_2 EQ./€M OF REVENUE)[1]	**33.37**	**38.07**	**-12.3%**

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

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

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

Methodology

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

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

Governance

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

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

Strategy

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

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

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

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

Environmental materiality

Seven pathways for CO_2 emissions reduction

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

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

CLARITY
BY BUREAU VERITAS

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

1) Employee mobilization

During the Earth Day celebrations on April 22, the company organized a communication campaign targeting all employees in our 160 countries and territories with the goal of raising awareness about climate change and the impact of human activity on our planet. The ultimate goal of this initiative was to influence the behavior of our employees. We can make a difference in every gesture we take and in every product we buy. At the end of the event, the participants embarked on a challenge to calculate their individual footprint and make real life efforts to emit less CO_2.

2) Reduction of energy consumption in laboratories

One of the key indicators that impacts CO_2 emissions is energy consumption. **In 2022, energy use represented 49% of the group's total emissions**. This represents a 2% drop versus last year. Energy consumption is driven mostly by laboratories that have deployed a list of critical actions to reduce consumption and access renewable energy through green tariffs, the installation of solar panels or the establishment of PPAs.

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

3) Purchase of renewable energy

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

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

4) Reduction of business travel

The other key indicator is the CO_2 emissions generated by work-related travel. **In 2022, it accounted for 47% of the group´s total emissions**, which represents an increase of 5% *versus* the previous year.

As governments lifted travel bans, the company continued to maintain air travel for essential purposes only, for environmental reasons. In October 2021, we updated our eco-policy in order to formalize the requirements outlined above. The crisis has proved that there are many activities that can be performed remotely, and our workforce was able to adjust to a new normal. This year, we successfully organized several events, that typically would be in-person, using digital technologies. With that, we were able to save CO_2 emissions and set an example for the various levels of the organization on how to be frugal and energy efficient.

5) Electrification of the vehicle fleet

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

- starting in January 2022 all newly acquired or leased vehicles for executive levels (bands I-III) will have to emit less than 60 g of CO_2 per kilometer;
- all other new passenger vehicles must comply with an emissions limit of <130 g of CO_2 per kilometer;

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

6) Selection of green buildings and IT equipment

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

Bureau Veritas encourages its entities to use green energy in order to reduce CO_2 emissions, and to opt for low-energy buildings. Choosing energy-efficient buildings is recommended whenever leases are up for renewal. At the end of 2022, 43 Bureau Veritas buildings obtained LEED, HQE, Greenstart or Effinergie + certifications/labels, across the globe.

In France, for example, using virtual servers has reduced the number of physical servers by 1,300, helping to save several hundreds of tons of CO_2. Similar projects have also been undertaken in other geographies.

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

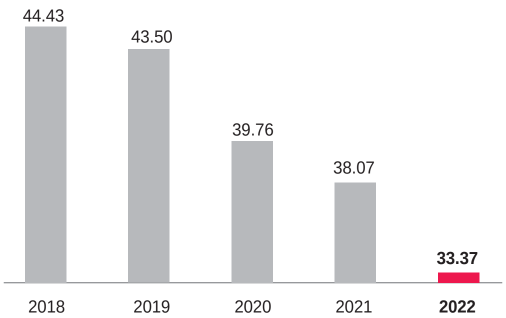
- reducing energy used by data centers;
- reducing energy used by computer equipment;
- creation of innovative solutions to reduce work-related travel.

7) Supplier mobilization

Bureau Veritas engages with all suppliers to encourage them to reduce their CO_2 emissions.

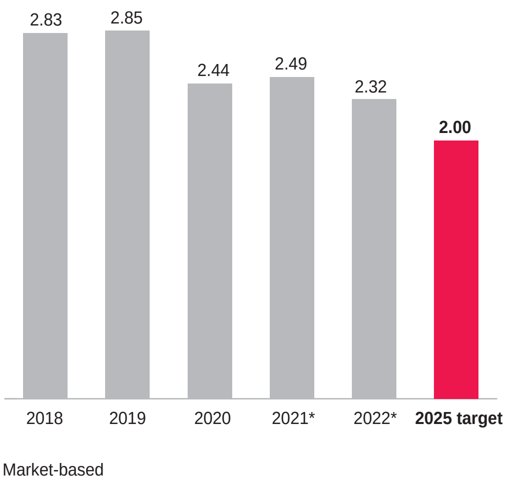
The targets and outcomes relating to implemented decarbonization actions are presented in the graphs below:

Tons of CO_2 equivalent per million euros of revenue – Scopes 1, 2, 3 (business travel only)



In the past few years, CO_2 emissions per revenue have improved significantly. In 2022, the carbon intensity per million euros of revenue decreased by 12% compared to 2021.

Tons of CO_2 equivalent per employee (Scope 3 business travel only, with offsets)



Bureau Veritas has set a target of 2.0 tons of CO_2 per employee in 2025, which is 32% less than in 2018. Thanks to the significant increase in renewable energy consumption, Bureau Veritas closed 2022 with **2.32 tons per employee**, placing the group on the right track to achieve its 2025 target. In 2022, Bureau Veritas also defined new reduction targets for 2030:

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

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

Adaptation – Climate risks and opportunities assessment

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

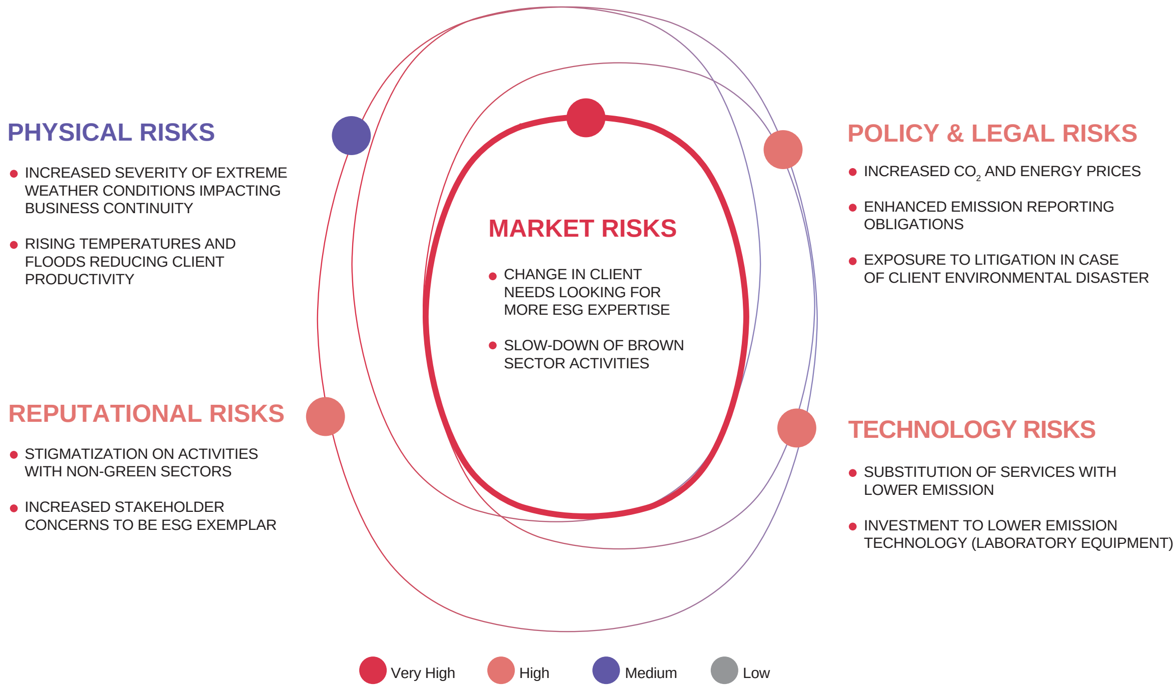
Risk and opportunities linked to climate change are assessed by Bureau Veritas' Climate and Sustainability Task Force with the support of the Global Service Lines. The assessment covers the short, medium and long term.

The table below shows the risks and opportunities map:

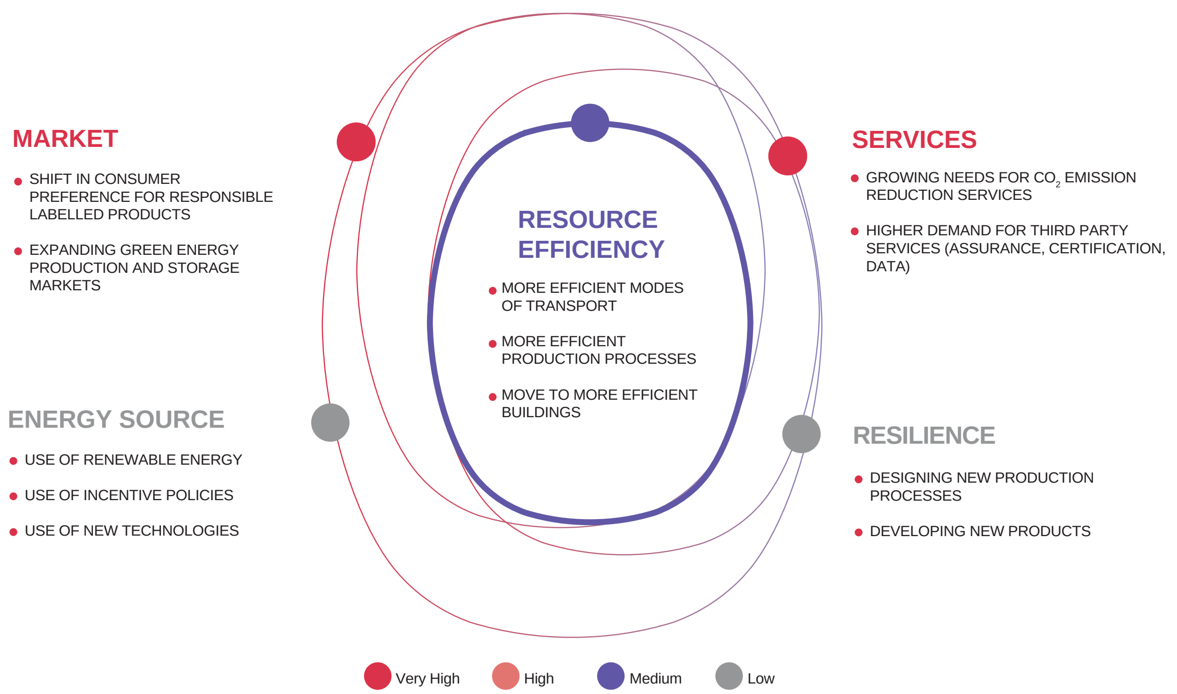
	RISKS						OPPORTUNITIES				
	Transition Risks				Physical Risks						
	Policy & Legal	Technology	Market	Reputation	Acute	Chronic	Resource efficiency	Energy source	Products and services	Markets	Resilience
Corporate	High	High	Very High	High	Medium	Medium	Medium	Low	Very High	Very High	Low
Marine & Offshore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

Very High > €1,000 million; High €500-1,000 million; Medium €101-500 million; Low < €100 million

Transition and physical risks



Opportunities



Financial materiality

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

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

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

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

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

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

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

Very high > €1,000 million *High €500-1,000 million* *Medium €101-500 million* *Low < €100 million*

Risk management

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

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

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

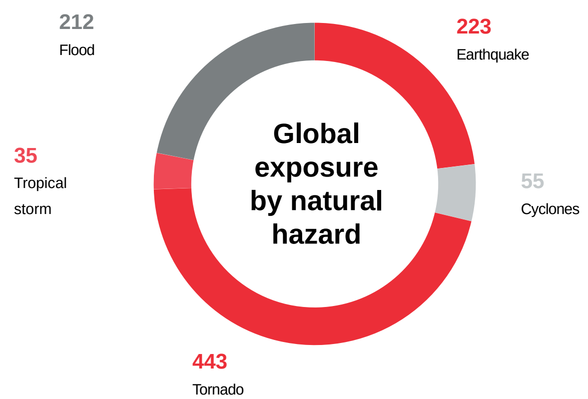
Acute events such as earthquakes, cyclones, tornados, tropical storms, flash floods or mega fires may impact Bureau Veritas assets and business continuity.

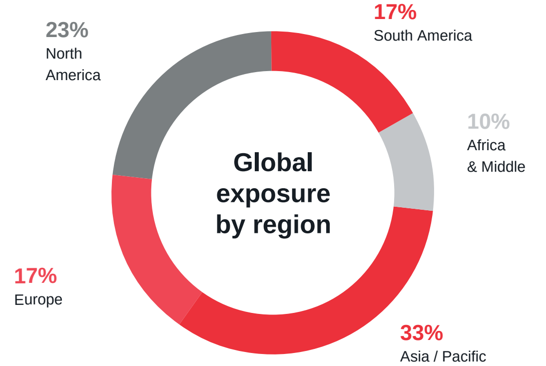
Bureau Veritas used an assessment conducted by Munich-Re based on historical data on past accident rates and their evolution. The assessment analyzed the level of risk of each Bureau Veritas premises according to their geographical location for each type of climate physical risk. Among the 1,597 Bureau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

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

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

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





Metrics and targets

The key indicators in the climate plan are:

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

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

The climate plan sets the following targets for carbon emissions:

- Short-term (2025):
  - reduce annual emissions per employee to 2 tons,
  - reduce net CO_2 Scope 1 and 2 emissions by 30% compared to 2019 (market-based method),
  - increase sales of services involved in combating climate change;
- Long-term (2030-2050):
  - zero net emissions.

4.2.1.5 Key achievements in 2022

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

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

Results for the 19 strategic indicators

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

Indicators	2022	2021	Change 2021 *vs.* 2022
SOCIAL CAPITAL			
Total Accident Rate (TAR)	0.26	0.27	
Lost Time Rate (LTR)	0.16	0.19	
ISO 45001 certification rate[(1)]	93%	92%	
Number of human rights infringements	0	0	
HUMAN CAPITAL			
Women in executive management roles (EC-II)	29.1%	26.5%	
Women in senior management roles (EC-III)	25.7%	21.5%	
Overall proportion of women	30%	30%	
Gender pay equity ratio (excluding leadership positions)	0.97	0.95	
Number of training hours per employee	32.5	29.9	
Proportion of employees receiving a performance assessment	57%	55%	
Proportion of employees receiving a career development assessment	21%	19%	
Employee engagement rate	69	70	
NATURAL CAPITAL			
CO_2 emissions per employee (tons per year)[(2)]	2.32	2.49	
ISO 14001 certification rate[(1)]	90%	89%	
GOVERNANCE			
Proportion of employees trained to the Code of Ethics	97.1%	95.8%	
Number of Code of Ethics infringements	51	59	
ISO 9001 certification rate[(1)]	92%	92%	
Net Promoter Score (NPS)	50.8%	49.9%	
Percentage of acceptance of the BPCC	55%	60%	

(1) Proportion of the global headcount belonging to certified entities.
(2) Net CO_2 emissions corresponding to Scopes 1, 2 and 3 for business travel.

4.2.1.6 Reporting methodology

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

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

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

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

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

4.2.2 Constantia Flexibles

4.2.2.1 Business overview

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

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

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

ESG key figures:

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

4.2.2.2 Constantia Flexibles ESG roadmap

Theme		Targets	KPIs	Unit	2022	2021	Change	Trend
Environment	Climate Change: GHG emissions	Reduce absolute Scope 1, 2 and 3 greenhouse gas emissions to 24% by 2030 and 49% by 2050 from a 2015 base-year - SBTi approved.	GHG-emissions Scopes 1, 2 (market based), and 3	ktCO_2eq	1,592.75[(1)]	1,577.25[(1)]	1.0%	→
	Circular Economy: Recyclability of products	Take all measures to ensure that 100% of our packaging is designed for recycling.	Recyclability of product portfolio	%	59[(2)]	55	7%	↗
	Sustainability and collaboration along the value chain	Increase the number of suppliers audited, covering ESG topics.	Number of supplier audits	Nb	51	30	70.0%	↗
		Train procurement personnel on sustainable procurement issues.	% of strategic buyers across all locations who have received training on sustainable procurement	%	90	88	2.3%	↗
Social	Health & Safety at work	Achieve the goal of "ZERO LOSS – NO HARM".	Lost Time Injury Frequency Rate (LTIFR)	Rate	2.2[(3)]	2.8	-34.6%	↘
			Unsafe Conditions/ Behavior Reporting Ratio	Rate	1.7/1	1/1	70%	↗
	Health & Safety of consumers: safe products	Ensure that all production sites have at least one relevant product safety or quality certification.	% of production sites with at least one certification in relation to product safety and quality	%	100	100	-	→
	Diversity & equal opportunity	Support female employees in advancing their careers at any managerial level. The goal is to develop female employees' leadership skills as well as to increase the focus on hiring female employees in management positions.	% of female managers in top management (Constantia Grade 1-6)	%	10.5	9.5	11%	↗
	Talent attraction, development and retention	Increase the number of employees trained for at least one day per year.	% of employees trained for minimum 1 day	%	70.2	68.1	3%	↗
Governance	Business ethics	Audit our plants on business ethics issues on a regular basis.	Internal corruption risk assessment conducted	yes/no	yes	yes	-	→
		Train employees on the Code of Conduct (including Anti-Bribery and Competition Law), with a minimum objective of at least 80% of employees trained each year.	% of employees trained at least once per year	%	83.6	73.4	14%	↗
		Continuously perform compliance checks on business partners.	Business partner compliance check conducted	yes/no	yes	yes	-	→

(1) Scope 3 emissions are calculated with a one-year lag.
(2) Estimated value for 2022.
(3) Frequency rate taking into account actual hours worked.

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

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

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

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

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

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

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

Constantia Flexibles continuously evaluates the recyclability status of its product portfolio and tracks progress towards this goal. Currently (data estimate for 2022), about 59% of the product portfolio is designed for recycling (projected % recyclable output [m2] of sold output [m2] in 2022). Additionally, in order to pave the way towards full recyclability, Constantia Flexibles already ensures that 85% of its current product offering is either designed for recycling or has a recyclable alternative.

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

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

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

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

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

Monitoring and improving product sustainability through Life Cycle Assessments

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

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

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

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

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

Creating an eco-product range: the Ecolutions portfolio

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

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

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

Participating and steering initiatives throughout the value chain

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

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

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

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

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

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

Key figures:

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

23% of products covered by an LCA

4.2.2.4 Climate change adaptation and mitigation

Carbon footprint (Scopes 1, 2 and 3)

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

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

Constantia Flexibles group carbon footprint	2022	2021	Change [%]
Scope 1 (ktCO_2 eq)	120.27	119.32	0.80%
Scope 2 (ktCO_2 eq) market-based	81.60	82.76(1)	-1.40%
GHG intensity (Scope 1+2) (in ktCO_2 eq/Mio.m^2 produced)	0.037	0.041	-9.76%
Scope 3 (ktCO_2 eq)	1,390.88(2)	1,375.07(2)	+1.1%
TOTAL SCOPES 1, 2 AND 3 (KTCO_2 EQ)	**1,592.75**	**1,577.25**	**+1.0%**

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

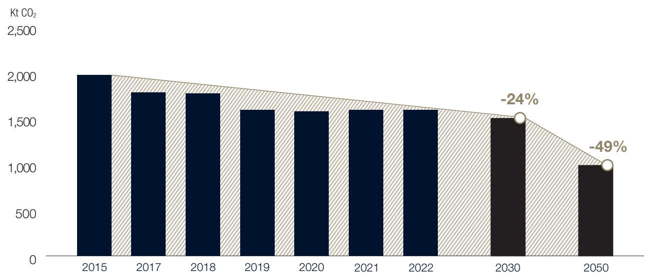
Carbon footprint intensity

Scope	2022 ktCO_2 eq/Mio m^2	2021 ktCO_2 eq/Mio m^2	Change (%)
Scope 1	0.022	0.024	-9%
Scope 2	0.015	0.017	-11%

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

Mitigation: GHG emissions reduction pathway

CO_2 emissions (Scopes 1, 2 and 3) and steps to reduce them



Identified leverage to achieve the pathway above and implement the action plan

Scope 1:

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

Scope 2:

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

Scope 3:

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

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

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

Approval of the GHG emissions reduction pathway by the SBTi

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

Absolute targets approved by the SBTi	Constantia Flexibles commits to a 24% reduction in absolute Scope 1, 2 and 3 GHG emissions by 2030 versus 2015.
	Constantia Flexibles commits to a 49% reduction in absolute Scope 1, 2 and 3 GHG emissions by 2050 versus 2015.

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

Key figures:

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

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

CDP Score: A-

Adaptation – Climate risks and opportunities assessment

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

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

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

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

Constantia Flexibles' transition risks

Risk/ Opportunity	Description	Actions implemented
Political/ legal risks	European sustainability-based regulations could result in lower demand for non-recyclable packaging. Stricter legal environmental requirements increase the risk of non-compliance.	■ Constantia Flexibles' portfolio includes recyclable structures as well as a dedicated more sustainable product range, the Ecolutions family. By designing flexible packaging to be recyclable, Constantia Flexibles supports the circular economy by decreasing the use of virgin materials and contributes to a reduction in carbon emissions. ■ Furthermore, several sites have ISO-certified environmental and energy management systems in place. Constantia Flexibles also fosters the development of the packaging industry towards greater sustainability through its active engagement and collaboration with the entire value chain.
Reputational risks	Misunderstandings on the key functions of (flexible) packaging, perception of packaging as waste only and subsequent regulations could preclude flexible packaging from being considered a relevant and acceptable packaging solution by a biased consumer base, leading to a decrease in business opportunities.	■ Constantia Flexibles meets this challenge through close coordination with international research institutes, constant evaluation of the latest scientific findings and continuous analysis of consumer initiatives and requirements at national and international levels. ■ The company also invests heavily in continuous R&D efforts to develop sustainable product alternatives (designed for recycling and ready for customer approval) for its entire product portfolio: the Ecolutions product family. ■ Constantia Flexibles' sustainability communication aims to inform and educate the target audience about the function of packaging in general. ■ Furthermore, Constantia Flexibles is part of multiple working groups, industry associations, and consumer platforms. Through these combined efforts, the company ensures an aligned representation of the benefits of (flexible) packaging and provides a stage where all stakeholders' views can be heard.
Technology risks	Changing requirements, standards, or emission limits of some countries or customers might require plants to switch to different technologies in order to stay below these prescribed limits or to match customer and market demands.	■ Constantia Flexibles works closely with suppliers and customers and continuously evaluates market trends and new technologies. ■ The group invests in new technologies and partnerships and focuses on automation/digitalization. New machines are assessed against energy consumption/efficiency criteria, set-up times and waste.

Constantia Flexibles’ physical risks

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

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

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

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

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

4.2.2.5 2022 ESG highlights

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

- Environment:
  - In line with the TCFD, Constantia Flexibles performed a Climate Change Risk and Opportunity Assessment, verifying the company’s transitional and physical risks due to climate change. In 2022, the company prepared a detailed Climate Change Resilience Plan including a detailed concept for necessary mitigation initiatives and next steps,
  - Constantia Flexibles achieved the Carbon Disclosure Project’s (CDP) Climate Change Leadership level for the fifth consecutive year. This rating was awarded for the above average scores the company obtained in relation to climate change reporting and climate protection efforts,
  - For the fifth time in a row, Constantia Flexibles was awarded the EcoVadis gold medal in recognition of its CSR achievements. This result places Constantia Flexibles among the top 2% of companies assessed by EcoVadis in this industry on their respect for the environment, human rights and labor law, ethics, and responsible purchasing,
  - In 2022, Constantia Flexibles’ largest production site (C. Teich) started an intensive biodiversity monitoring and intervention program including animal monitoring (birds, bats, butterflies, bees), insect hotels, mowing plans and deadwood components;
- Innovation and recyclability:
  - Constantia Flexibles is part of the Digital Watermarks Initiative HolyGrail 2.0. leadership team, a pilot project which aims to prove the viability of digital watermarking technologies for accurate sorting and consequently higher-quality recycling in the EU. This year saw the successful completion of Phase 2 semi-industrial testing and further advancements in Phase 3, dedicated to full-scale validation in dedicated testing locations,
  - Constantia Flexibles continues to successfully advance its Ecolutions product range: the EcoPressoLid received the TÜV certification “OK Compostable Industrial”. Other product innovations included the EcoVerLidding for PP cups, the CompressSeal technology helping to reduce packaging weight, and the launch of the high chemical resistance Pharma product innovation PERPETUA ALTA, which is the first flexible PP mono-material ever certified with the Letter of Approval by RecyClass. The Ecolutions family also won multiple awards, such as the DOW Innovation Awards, the IFCA India, and the South African Gold Pack Awards.

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

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

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

4.2.2.6 Reporting methodology

Reporting period

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

Reporting scope

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

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

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

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

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

Reporting standards and choice of indicators

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

Employment

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

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

Health and safety

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

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

Energy

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

Scope 1, 2 and 3 GHG emissions

The 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 GHG-emissions inventory.

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

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

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

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

Recyclability of product portfolio

Recyclability of product portfolio is calculated using the following formula: Recyclability of product portfolio (%) = Recyclable output [m^2]/sold output [m^2].

4.2.3 Stahl

4.2.3.1 Business overview

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

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

4.2.3.2 ESG Roadmap

ESG issue	ESG Roadmap Topic	Target	KPIs	Unit	2022	2021	Change	Remarks on 2022 achievement in relation to the target
Climate Change	Reduce Scope 1 and 2 CO_2 emissions	Absolute CO_2 reduction in Scope 1 and 2 emissions of 42% (2021 vs 2031)	Scope 1 and 2 CO_2 emissions	tCO_2 eq	16,469	19,999	-18%	See 4.2.3.4
	Reduce Scope 3 CO_2 emissions	Absolute CO_2 reduction in Scope 3 category 1 purchased goods and services of 25% (2021 vs 2031)	Scope 3 CO_2 emissions	tCO_2 eq	685,441	888,639	-23%	See 4.2.3.3 and 4.2.3.4
	Renewable energy located at or near Stahl factories	Three sites using on-site renewable sources (solar panels) (minimum 20% of total energy on site) by 2023 & six sites by 2030	Number of sites using on-site renewable sources (solar panels) (minimum 20% of total energy on site)	Number of sites	3	1	200%	42% of Stahl's global energy consumption is renewable (solar panel, renewable electricity, agri briquettes). In Mexico (2022), India (2022) and Brazil (2018), energy from solar panels is used for electricity.
	Climate resilience and adaption	Implement a Climate resilience and adaption plan	Implementation of the resilience plan and approval by the Board	Yes/no	Yes (validated at Board level)	Not yet set		The climate resilience plan was approved by Stahl's Board in December 2021 and December 2022
Sustainable products	Safe chemistry (ZDHC) and improved water footprint	80% of Stahl portfolio for the footwear, garment & accessories segment to be ZDHC certified by 2023	Number of Stahl products (% of total portfolio) at Level 3 ZDHC Gateway Conformance	Number of products	72.96%	62.56%	10.40%	Ongoing external testing of portfolio products & raw materials, and auditing of our manufacturing sites, to maintain and grow the % of products registered at ZDHC level 3 Gateway conformity.
	Environmental footprint - Measuring: Environmental Impact data via Life Cycle Assessment (LCA) methodology	ISO 14044 LCA data for minimum 50 strategic products	Number of strategic products with available LCA/LCI data	Number of products	160	50	220%	In 2022, the company surpassed its target by collecting and publishing LCA data for 160 products (24% of sales revenue). The 2023 LCA product data target has been raised to 300 products, based on strong market demand.
	Environmental certification: ISO 14001 certification (environment)	ISO 14001 for all Stahl sites by 2030	Number of sites with ISO 14001 certification	Number of sites certified	8 out of 11 sites	8 out of 11 sites	-	94% of Stahl's production volume is produced at ISO 14001 certified manufacturing sites.
ESG issues in the supply chain	ESG performance in the supply chain: Supplier performance & external EcoVadis rating for Stahl	By 2023: external rating for top 10 suppliers in EcoVadis: minimum rating of 60/100	Average score in EcoVadis rating of Top 10 suppliers (based on spend/€)	Average score	65.7	62.3	+3.4	Continuous progress on encouraging suppliers to improve their Ecovadis ratings.
		Maintain Platinum EcoVadis rating	EcoVadis rating Stahl	Medal rating (score out of 100)	Platinum rating (77/100)	Gold rating (70/100)	+7	Platinum EcoVadis rating was achieved in 2022. The focus now is on maintaining this level. The EcoVadis performance bar is continuously rising.

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

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

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

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

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

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

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

- Water-based products – low impact chemistry

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

A typical water-based polyurethane coating has a lower carbon footprint, as measured by Life Cycle Assessment, than an equivalent fossil-based solvent alternative. However, replacing solvents with water in chemicals and coatings is not a simple task, it requires years of advanced research and development and a long-term commitment. Replacing solvent is not the only way to reduce the environmental impact; there are other options, like high solids technology and biobased solvents, both of which can also reduce an environmental footprint while maintaining the high performance of products. Stahl continues to research and collaborate along the value chain to develop low impact technology for its products.

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

Key figures:

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

- Chemical compliance, REACh

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

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

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

Key figure:

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

- Raw Material substitution

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

- Renewable feedstock for chemicals – towards lower carbon technologies

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

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

Key figure:

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

- Life Cycle Assessment (LCA): measuring environmental impact

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

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

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

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

Key figure:

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

4.2.3.4 Climate change adaptation and mitigation

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

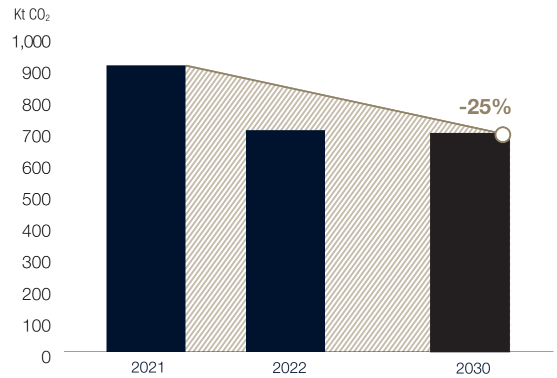
Key figures:

GHG reduction targets compared to a 2021 baseline year:

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

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

- replace fossil-fuel based raw materials with lower carbon alternatives, like renewable carbon-based feedstocks;
- ensure that all new product development uses available low carbon raw materials;
- establish Raw Material Working Groups, per material or category, in which low-carbon alternatives are introduced to replace higher carbon versions;
- measure indirect raw material CO_2 emissions based on LCA data from suppliers and the Ecoivent/Simapro database;
- focus on the top raw material categories, and top individual products, according to their GHG impact (i.e., purchased volume x emission factor).



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

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

Key figures:

42% of global energy is from renewable sources

100% of European factories purchase renewable electricity

Scope	2022	2021	Change (%)	Remarks
Scope 1 (tCO_2 eq)	11,852	13,898	-15%	The decrease is linked to lower production volumes and improved energy efficiencies
Scope 2 (tCO_2 eq)	4,617	6,101	-31%	The decrease is linked to investment in solar panels
Scope 3* (tCO_2 eq)	685,441	888,639	-23%	Stahl's largest Scope 3 category is purchased goods and services (category 1), which includes everything that the company buys. The drop in Scope 3 emissions in 2022 (-23% versus 2021) is due to reduced purchased goods and services, improved LCA data quality, and sourcing raw materials with a lower carbon footprint. It is likely that absolute Scope 3 emissions will increase in 2023, reflecting the impact of Stahl's acquisition of ISG, a unit of the ICP group.
CO_2 intensity Scopes 1 and 2 (tCO_2 eq/ton produced)	0.0849	0.0871	-3%	

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

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

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

Adaptation – Climate risks and opportunities assessment

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

Climate change – Transition risks

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

Climate change transition risks and opportunities

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

Climate change – Physical risks

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

4.2.3.5 Other material issue: employee health & safety

Although the chemical industry is highly regulated, there are safety risks associated with the manufacturing, handling and end use of chemicals. Safety does not only apply to workers at manufacturing sites: it includes the safety of people throughout the value chain. In Stahl's particular case, this means that the priority of safeguarding the safety and health of its employees, and of the communities near its factories, also extends to anyone who handles Stahl products, including consumers who may come into contact with them in a car or by wearing shoes or garments. Stahl's commitment to safety is therefore focused on the safe handling of chemicals (occupational safety), minimizing exposure to chemicals (by inhaling, skin, eyes, or other body parts), and on the prevention of restricted substances in its products, to mitigate the risk of exposure to the end consumer.

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

Core Safety Principles:

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

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

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

4.2.3.6 2022 ESG Highlights

- **Health and Safety:** Improvements were observed in 2022 *vs.* 2021 in Stahl's critical safety KPIs: total recorded injuries, lost time injuries and severity rate of accidents. This is considered to be the result of increased awareness throughout the company and better reporting practices, partly stemming from the results of the OCDI survey, which identified weak spots and translated into concrete action.
- **External ESG ratings (EcoVadis):** Stahl was awarded the EcoVadis Platinum rating in 2022. This lifts the company into the top 1% of companies evaluated. EcoVadis provides a holistic sustainability rating service for companies, delivered via a global cloud-based SaaS platform. The EcoVadis Rating covers a broad range of non-financial management systems including Environmental, Labor & Human Rights, Ethics and Sustainable Procurement impacts.
- **ESG team expansion:** Stahl added two new people to the team in 2022, which now consists of five dedicated ESG staff, focused on global governance & compliance legislation, ESG ratings, Life Cycle Assessment, Chemical compliance, Environmental management, Climate change and supply chain transparency. More staff are expected to join in the coming years to support Stahl's ambitious targets and to ensure its continued ESG leadership.
- **Energy:** 42% of Stahl's global energy consumption is renewable. Solar panels installed in Mexico, Brazil and India supply electricity at those sites.
- **DEI (Diversity, Equity and Inclusion):** In 2022, Stahl prioritized strengthening its DEI culture and governance by defining and introducing local Diversity, Equity and Inclusion plans in each of Stahl's legal entities worldwide. The company appointed local DEI committees for each of its entities, which are responsible for implementing company-wide DEI guidance, defining local DEI action plans, and providing local information on DEI to support Stahl's company-wide KPIs. To address the need for a clear company-wide DEI strategy, Stahl also appointed a global DEI Steering Committee, with the following responsibilities:
  - defining Stahl's DEI Strategy and guidance,
  - establishing and monitoring DEI targets and KPIs,
  - defining global actions to foster DEI,
  - identifying, training, and supporting regional representatives,
  - facilitating and stimulating local DEI committees,
  - sharing DEI best practices between countries.

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

4.2.3.7 Reporting methodology

Reporting period

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

Reporting scope

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

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

Social indicators

Total workforce

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

Safety indicators

Population considered

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

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

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

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

Total reported injuries frequency rate

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

Lost-time injury frequency rate

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

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

Severity rate

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

Environmental indicators

Energy

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

Water

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

Waste

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

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

Consolidation and internal controls

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

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

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

Guidelines on calculation and reporting of indirect Scope 1, 2 and 3 CO_2 emissions

All Scope 1, 2 and 3 CO_2 emissions reported by Stahl are calculated, verified and communicated in accordance with the recommendations of the GHG protocol.

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

Process-based data

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

Consistency

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

Uncertainties

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

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

4.2.4 Crisis Prevention Institute

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

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

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

4.2.4.1 Business overview and key figures

GENERAL INFORMATION	
Company activity	De-escalation and physical intervention training for health and education professionals, worldwide
Sales	€114.2 million
Sales by region	North America: 88% EMEA: 9% Asia-Pacific: 3%
Sales by market	100% B2B ■ Education: 43% ■ Healthcare: 23% ■ Human and Social Services: 16% ■ Mental Health Facilities: 9% ■ All Other (e.g., Retail, Long-term Care): 9%
HEADCOUNT	
Number of employees	376
Headcount by region	North America: 72% "Rest of World": 28%
Female to Male %	58% female, 42% male
OFFICE LOCATIONS	
North America	Milwaukee, WI (2), Gurnee, IL
Rest of World	Reading, UK (new location) Newcastle-Under-Lyme, UK Sale, UK Sydney, AU

4.2.4.2 ESG roadmap

ESG issue	ESG Risk/ Opportunity	Key policies	KPIs	Unit	2022	2021	2020	Change (2021/ 2022)	Target 2024
Health and safety	Health and safety of employees	■ Safety policy (for example, Workplace Violence, Work from Home, and Operation of Vehicles) ■ Well-being at work (for example, Health and Wellness Days, Break-Time for Nursing Employees, and Employee Assistance Program) ■ Training on an annual basis on safety, health and well-being ■ Monitor employee engagement (2 surveys a year) and track planned vs. unplanned churn	Hours of Personal Time off per employee (CPI North America scope) - including Health and Wellness days leave	h	25.1			N/A	-
			Lost time injury frequency rate (LTIFR)	Rate	1.56	1.64	1.56	-5%	0
			Health and Safety incidents	Nb	0	3	5	N/A	-
			Departure rate	Rate	21%	28%	21%	-24%	-
Climate change	Climate change	Employee travel and energy consumption generate carbon emissions. CPI, as a responsible company, must demonstrate that it is making efforts to participate in the fight against climate change. Key policies are: ■ Carbon footprint monitoring; ■ Carbon footprint of workbooks; ■ Mandatory remote work day/week; ■ Implementing virtual training to reduce air travel and hotel days; ■ Use of LED light bulbs.	CO_2 footprint/ employee	tCO_2 eq./ employee	8.1	7.7		5%	7.3
			Catalog page count (2020 baseline year)	pages	582,144.00	832,000.00	1,280,800.00	-30%	-20% compared to 2019
			% of increase in digital revenue (year on year)	%	+26%	141%; Covid-19 impacted	203%; Covid-19 impacted	N/A	+25% per year
			% of CPI's m² using LEDs	%	93%	87%		6%	-
Social	Training	As a professional services firm, CPI makes employee learning and development a priority. Key policies are: ■ Attendance tracking in all mandatory training; ■ All employees trained on cyber security.	Number of hours of mandatory training per employee	h/ employee	6.63	23.49	11.72	-72%	-
			Number of Cyber Incidents per employee	Nb/ employee	0.00	0.98	0.04	-100%	-
			% CPI staff with cyber security training	%	100%	100%	98%	0%	100%
	Discrimination and equal treatment	■ Applicant Tracking System (ATS) to manage the recruiting and hiring process ■ Affirmative Action Plan (AAP) which details our efforts to provide equal employment opportunities that reflect the gender and racial profile of the labor pools from which we recruit and select.	Percentage of women Board directors	%	29%	25%	25%	14%	-
			Percentage of women managers	%	53%	54%	50%	-2%	45% -50%
	Local employment and development	■ Implementing a Volunteer Time Off Program to support volunteer activities that enhance and serve the communities in which we live and work. ■ Consideration of accessibility of public transportation in making the business decision to close the Kings Langley office in the UK and open a new location in Reading.	% of offices accessible with public transportation	%	100%	100%		0%	-
			Total paid Volunteer Time Off (VTO) hours per employee (only CPI US)	h/ employee	3.58			N/A	-

ESG issue	ESG Risk/ Opportunity	Key policies	KPIs	Unit	2022	2021	2020	Change (2021/ 2022)	Target 2024
Corruption and bribery	Corruption and bribery	■ CPI maintains audited approved segregation of duties and open transactions/contracting (via on-line contracting and DocuSign) ■ Full training on anti-bribery and corruption (ABC)	% of identified CPI staff trained and passed on Foreign Corrupt Practices Act (FCPA)	%	100%	100%	100%	0%	-
			Number of lost contracts due to ethics	Nb	0	0	0	N/A	-
ESG perfor-mance of products	ESG performance of products and services	■ Regulatory authorities certify the quality of training ■ Verification scheme to guarantee confidence in training delivery for future certified ■ External instructors' acknowledgment of CPI's quality training	Total number of active Certified Instructors/number of learners	Nb	39,224/ 1,400,000	35,954/ 1,400,000	35,032/ 945,000	N/A	40,000 over 1,400,000
			NPS	Nb	76	70		9%	50

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

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

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

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

4.2.4.4 Climate approach

Climate change mitigation

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

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

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

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

CPI's carbon footprint

Scope	2022	2021	Change (%)
Scope 1 (tCO_2 eq)	0(1)	0(1)	-
Scope 2 (tCO_2 eq)	995	1,049	-5%
Scope 3 (tCO_2 eq)	2,060	1,354	+52%
Intensity of Scope 1, 2 and 3 emissions per employee (tCO_2 eq/employee)	8.1	7.7	+5%

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

Scope 2 (indirect)	Scope 3 (indirect)
Purchased electricity: 100%	Business travel: 43%
	Inbound freight and distribution (transportation of workbooks): 26%
	Commuting: 20%
	Other items (waste, end of life of workbooks, etc.): 12%

The increase in Scope 3 emissions in 2022 is mainly due to an increase in business travel with in-person training resumed on a large scale following the Covid pandemic. In 2022, CPI performed an analysis of projects that will help manage CO_2 consumption and set a goal of decreasing CO_2 consumption per employee by 10% (as measured in December 2024).

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

Adaptation – Climate risks and opportunities assessment

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

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

4.2.4.5 2022 highlights

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

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

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

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

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

4.2.4.6 Reporting methodology

Reporting period

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

Reporting scope

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

Reporting standards and choice of indicators

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

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

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

Specific scope

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

Specific indicators' definitions

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

Estimated data for the carbon footprint

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

4.2.5 ACAMS

4.2.5.1 Presentation of the company's activity

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

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

(1) Unaudited figures.

4.2.5.2 ESG Roadmap

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

ESG Risk/ opportunity	Non-financial risks related to the company's activity	Key policies	KPIs	Unit	2022
Health & Safety	As a fully remote organization, there is a risk of employee morale, engagement, productivity, and mental health being impacted if appropriate steps are not taken	■ Develop and execute a comprehensive people strategy to address risks related to a fully remote working environment ■ Organize and execute team building and engagement activities, with a focus on the leadership team meeting with their global teams ■ Provide Mental Health Support & access to wellness resources e.g., gyms and counseling ■ Engagement Committees to be supported and encouraged to continue facilitating in-person events	% of employees covered by the annual pulse and engagement surveys to gauge engagement levels	%	80%
			Monitor % of employees that feel satisfied or very satisfied at work during the annual employee survey (%)	%	60%
Diversity & Gender Parity	While ACAMS is currently well-represented and diverse, there is a need for adequate policies/practices to be in place to maintain the diversity profile of the talent pool	■ Maintain a good gender balance	Proportion of women among Board members (%)	%	43%
			Proportion of women among managers (%)	%	49%
Climate change	Employee travel generates carbon emissions (Scope 3). ACAMS must demonstrate that it is making efforts to contribute positively to reducing carbon emissions	■ Measure its carbon footprint ■ Define a reduction target after this first year of carbon reporting	Intensity of GHG emissions over the year (Scopes 1, 2, 3)	tCO_2 eq/ employee	1.22
Business Ethics	ACAMS transacts directly with governmental agencies and state-owned enterprises that may represent corruption risks. ACAMS' corporate clients and vendors could also represent an external corruption risk during sales processes.	■ Risk assessment interviews ■ Issue of a Code of Conduct ■ Launch of ACAMS values - Purpose, Integrity and Partnership – to reinforce the importance of integrity at the workplace	Percentage of employees having followed training on Anti-Bribery and Corruption	%	100%
			Proportion of employees who signed the Code of Conduct	%	100%
ESG Performance of products and services	The ACAMS ecosystem and ESG programs share a common goal of improving the quality of financial flows	■ Conduct a regular review of all products and services to ensure these are up-to-date and help improve the quality of financial flows ■ Ensure the products reflect legislative and regulatory changes ■ Maintain best-in-class Global Faculty for conferences and training ■ Ensure the examination process is robust with guidelines in place to monitor leaks ■ Develop social impact training	Net Promoter Score	Nb	48
			Number of ACAMS members	Nb	100,620
			Number of AFC professionals certified during the year	Nb	62,927
			Number of jurisdictions covered	Nb	194
			Number of people enrolled in free social training - "Ending Illegal Wildlife Trade"	Nb	6,606
			Number of people enrolled in free social training - "Fighting Modern Slavery and Human Trafficking"	Nb	14,442
			Number of products updated over the year	%	45%

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

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

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

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

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

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

Operating and partnering with purpose to strengthen global financial ecosystems

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

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

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

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

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

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

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

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

Empowering individuals to protect and transform communities

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4.2.5.4 Climate-related issues

- **Climate change mitigation**

In 2022, under the guidance of Wendel, ACAMS completed its first carbon footprint. This first exercise confirms that ACAMS' activity is very low carbon intensive, with **just 1.22 tons of CO_2 emissions per employee.**

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

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

Scope	2022	Comment
Scope 1 (tCO_2 eq)	0	In 2022, ACAMS was a fully remote organization
Scope 2 (tCO_2 eq)	0	-
Scope 3 (tCO_2 eq)	371	81% related to business travel (cat. 6) 17% related to employee commuting (cat. 7) 1% related to purchased goods and services (cat. 1)
Intensity of Scope 1, 2, 3 emissions per employee (tCO_2 eq/employee)	1.22	

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

- **Climate change adaptation**

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

4.2.5.5 2022 highlights

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

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

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

4.2.5.6 Reporting methodology

Reporting period

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

Reporting scope

The reporting scope covers 100% of ACAMS employees.

Reporting standards and choice of indicators

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

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

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

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

Specific indicator definitions

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

4.3 Issues specific to Wendel SE

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

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

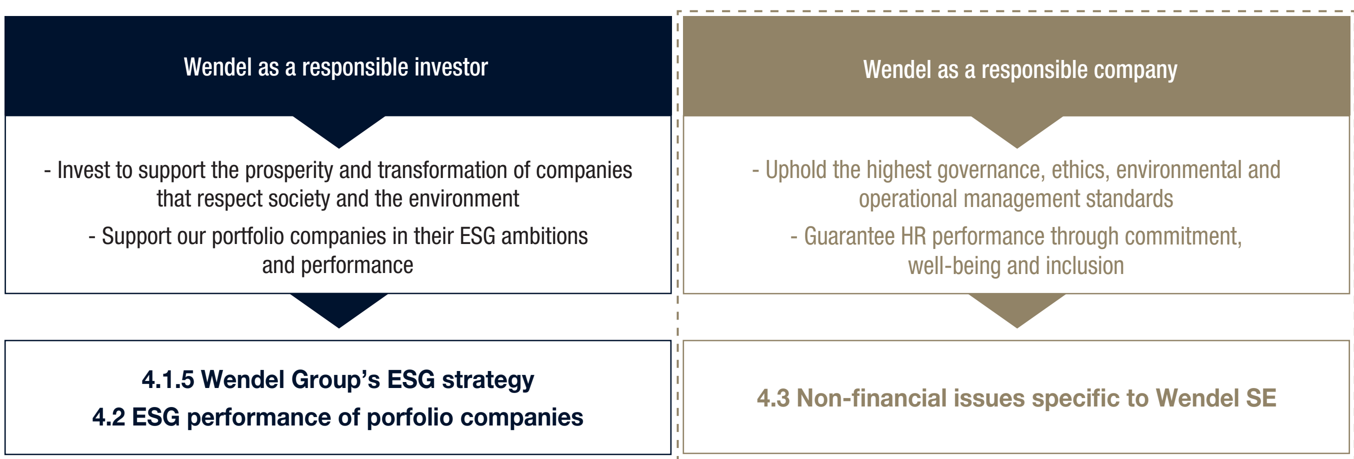
- risks relating to human resources: Section 4.3.1 – HR performance: fostering commitment, well-being, support, employability and inclusion;
- risks relating to the non-independence of governance bodies and control mechanisms and risks relating to business ethics: Section 4.3.3 – Governance and business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

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

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

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

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



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

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

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

1. Main risks related to human resources and policies

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

Risks related to Wendel's human resources

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

Risk description

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

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

2. Composition of Wendel's workforce

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

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

In France

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

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

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

Outside France

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

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

3. Talent management

Key people – Talent acquisition, development and retention

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

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

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

Training

Professional training and skills development

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

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

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

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

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

Strengthening ESG training in 2022:

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

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

2022 key figures

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

** Workforce excluding long-term absences.*

Tracking of training hours

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

Compensation

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

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

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

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

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

Employee shareholding

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

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

The Group savings plan

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

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

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

Allocation of stock options and performance shares

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

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

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

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

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

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

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

Offering additional pension benefits

"Perecol" pension plan

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

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

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

4. Well-being at work

Work-life balance, working conditions and mental health risks

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

In France

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

Family policy

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

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

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

Other benefits

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

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

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

Outside France

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

In line with what has been done in France, the Company has initiated a process to review and improve the benefits offered in the United States and Luxembourg. The pension plans of both countries have therefore been completely revised and are now much more beneficial to the employees who subscribe to these plans. In the United States, a Health Equity program has been deployed and is open to all employees. This program allows for the harmonization of health and welfare benefits offered by Wendel under very advantageous conditions.

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

Surveys on quality of life at work

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

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

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

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

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

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

Indicators

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

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

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

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

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

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

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

Globally, the average seniority of employees is 7.6 years.

5. Diversity, inclusion and human rights

Combating discrimination and promoting diversity

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

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

Gender equality

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

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

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

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

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

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

Key figures:

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

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

(1) In 2021 and 2022: France scope: permanent and fixed-term employees in France/International scope: employees with a permanent or temporary employment contract outside France.
(2) Women employees within the investment teams, excluding assistants and office managers.
(3) Line manager of at least one employee (excluding the Group CEO).
(4) Including the Group CEO.
(5) Excluding members representing employees.

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

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

Disability

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

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

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

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

Youth and senior employment

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

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

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

Promotion and respect of the ILO fundamental conventions and human rights

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

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

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

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

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

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

6. Supporting and strengthening our commitments to civil society

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

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

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

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

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

Long-term commitments

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

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

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

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

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

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

Medical research and health

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

- For more information: www.helebor.fr

Equal opportunities and professional integration

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

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

Environmental protection

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

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

- For more information: plasticodyssey.org

Additional commitments in 2022

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

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

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

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

Support for the victims of the war in Ukraine

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

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

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

Support for health and/or education organizations

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

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

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

A day of skills sponsorship offered to all Wendel employees

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

4.3.2 Measuring and managing our environmental footprint

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

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

Carbon impact and climate change management

Risk description

The Wendel Group is conscious of the climate emergency and the importance of everyone involved in mitigating its effects. Managing climate change and the risks and opportunities it generates is a priority in the Group's action as a responsible shareholder. While Wendel focuses primarily on reducing the 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 (89 employees as of December 31, 2022) and its activity (investment) make its carbon footprint marginal compared to the emissions generated indirectly by the companies in which it invests. Wendel SE accounts for 0.1% of the Wendel Group's emissions, including the portfolio companies.

Policies and outcomes

Annual carbon reporting for Wendel SE

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

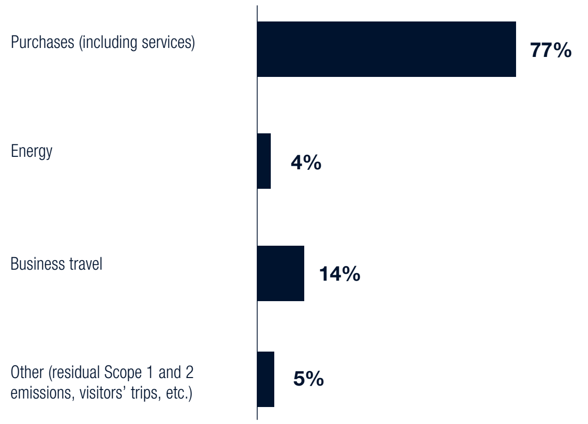
At December 31, 2022, Wendel's carbon footprint was as follows:

Emissions by category (in tCO_2 eq.)	2021	2022	2021/2022 change
Scope 1	21	15	(29)%
Scope 2	140	158	13%
Scope 3	3,034	3,362	11%
TOTAL (SCOPES 1, 2 AND 3)	**3,195**	**3,535**	**11%**
Intensity of Scope 1, 2 and 3 emissions per employee	**38.03**	**39.71**	**4.2%**

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

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

Breakdown of Wendel SE Scopes 1, 2 and 3 emissions



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

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

Waste management

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

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

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

4.3.3 Governance and business ethics

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

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

Ensuring balanced governance

Independence of governing bodies

Risk description

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

Policies and outcomes

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

Robustness of internal control mechanisms

Risk description

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

Policies and outcomes

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

Strengthening and upholding business ethics within the Group

Management of main risks as defined by the NFPS

Risk description

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

- corruption;
- market abuse.

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

Anti-corruption

Risk description

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

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

Policies and outcomes

For Wendel

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

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

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

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

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

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

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

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

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

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

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

For controlled portfolio companies

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

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

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

Preventing market abuse

Risk description

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

Policies and outcomes

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

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

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

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

Managing other business ethics risks

Other initiatives supported by Wendel's compliance program

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

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

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

Code of Ethics

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

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

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

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

Protection of confidential information

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

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

Compliance with economic sanctions

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

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

Anti-money laundering

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

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

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

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

Tax policy

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

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

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

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

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

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

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

Whistleblowing procedure

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

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

Personal data protection

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

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

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

Distribution to employees

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

(1) According to the list of non-cooperative jurisdictions for tax purposes issued by order of February 3, 2023.
(2) Referred to in section 20 of Act No. 2018-898 of October 23, 2018, relating to the fight against fraud.

4.4 European Green Taxonomy

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

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

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

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

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

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

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

4.4.1 Taxonomy alignment of consolidated turnover

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

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

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

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

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

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

Eligible and aligned activities are described in the next pages.

Bureau Veritas – testing, inspection and certification services

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

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

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

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

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

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

This is the case for the following two activities:

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

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

Stahl – Manufacturing of water-based products

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

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

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

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

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

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

4.4.2 Taxonomy alignment of consolidated CapEx

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

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

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

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

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

4.4.3 OpEx scope exemptions

The OpEx covered by the Delegated Act (EU) 2021/2178 of July 6, 2021 of the Taxonomy Regulation (R&D, building renovation, short-term leases, maintenance and repairs) represent €216.3 million, i.e., less than 3% of current expenditure at the consolidated level. For portfolio companies, operating expenses as defined by the Taxonomy are therefore not significant in comparison to other operating expenses. In accordance with the exemption mentioned in point 1.1.3.2 of the above mentioned Delegated Act, the eligible and aligned OpEx are not included below.

4.4.4 Taxonomy-related regulatory information tables

Turnover

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

CapEx

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

OpEx

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

4.5 Duty of care plans

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

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

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

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

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

Wendel SE

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

- signature of the Code of Ethics by all employees and new hires. The Code of Ethics includes a reminder of Wendel's strict compliance with international human rights conventions, and proposes a set of rules and measures to ensure a safer working environment (respect in the workplace, whistleblowing procedure in the event of non-compliance, etc.). It is shared with all third parties and partners with which the Group enters into a transactional relationship. Wendel requires the portfolio companies in which it invests to adopt similar standards;
- adoption of remote working rules in compliance with the regulations applicable to on-site and remote working in the countries where the Group operates, when required by local authorities. Wendel's teams also maintain a constant dialogue with the management teams of the companies within its portfolio in order to support and advise them on the management of the various waves of the Covid-19 pandemic, so that the best measures can be taken to protect employees, while ensuring business continuity;
- reinforcement of the internal Wendel Protect tool in early 2022 through the development of an ESG assessment module, which evaluates third parties on the basis of sustainability criteria when a threshold amount is exceeded during the year. This module aims to select and give preference to third parties who are concerned about taking environmental and social criteria into account in their own value chains, for example by setting up a Responsible Purchasing Charter or obtaining third-party labels.

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

Stahl

Risk assessment

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

Duty of Care Team

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

Duty of care plan

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

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

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

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

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

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

- Gross risk: The risks in this category range from injuries to employees due to slips or falls, to more significant accidents involving chemical spills, machinery operations or exposure to dangerous substances. These are commonplace in the (heavily regulated) chemical industry and Stahl holds itself to the highest health and safety standards in this respect.
- Mitigation actions including:
  - strict legislation & auditing: Stahl is audited by external organizations, including governmental bodies (like ISO, accountancy firms (including NFRD compliance), industry initiatives (e.g., on ZDHC by Eurofins/Chemmap) and local authorities on environmental permits) on a regular basis. Stahl's policy is to adopt the highest regulatory standards and apply them throughout its operations globally;
  - effective SHE policies with clear rules, guidelines and KPIs. Stahl has a zero-tolerance policy towards unsafe acts;
  - auditing and reporting on health and safety, including accidents and incidents. This is performed monthly and annually by Stahl;
  - training: Courses on general SHE (Safety, Health and Environment) topics, chemical management including safe handling (for Stahl employees, contractors and visitors of Stahl sites);
  - identify and act on health and safety risks at the sites of customers who use Stahl chemicals;
  - create, encourage and promote an open culture (e.g., Stahl People Experience Survey, webinars, training, employee newsletter, etc.);
  - 2022: New SHE management system developed by a recognized external partner, to further develop a digital toolkit for risk assessments and easy reporting by app. on any digital device;
  - 2022: Material increase in CapEx spend related to Safety, Health and Environment in working conditions, process safety and eliminating smaller risks in slip/trip/falls and cuts. Spend increased from €1.5 million to €5 million;
  - 2022: Key projects in underground tank storage, overflow protections, protective PPE for all employees globally;
  - 2022: Executed safety improvement program at all sites;
  - 2022: Running SafeAlign workshops supported by Dekra at most sites.

Risks linked to the protection of the environment

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

- proactive participation in environmental stewardship projects in the supply chain;
- long-term ESG targets (ESG Roadmap to 2030) for climate change (mainly through CO_2 and energy reduction);
- Stahl also takes into account potential health and safety risks for customers who use its chemicals, and this also requires mitigation actions. Indeed, many of its customers work in environments that are not as highly regulated as the chemical industry. Stahl has taken action, either alone or in conjunction with other peer companies and non-governmental organizations, to train users in these cases on (1) the safe use of chemicals, (2) the correct use of personal protective equipment, and (3) communicating clear rules on exposure prevention for potentially harmful chemicals. In addition to this, Stahl itself regularly hosts seminars around the world, for example in India, Pakistan and Bangladesh, which are attended by large groups of customers, which focus on safety, health, environmental stewardship and sustainability in general;
- 2022: Scope 3 target set, on top of the existing Scope 1 and 2 targets, pending SBTi approval for the full carbon footprint (Scope 1, 2 and 3 target on absolute emissions);
- 2022: Formation of a Carbon Steering Committee and Carbon working groups to speed up and streamline the Carbon reduction possibilities and plans;
- 2022: Introduction of a global waste policy based on ISO 14001 and circular economy principles;
- 2022: Implemented a wastewater treatment plant at the Waalwijk site (Netherlands);
- 2022: Implemented zero discharge wastewater treatment at the Suzhou site (China);
- 2022: Implemented condensors, reducing emissions to air materially at a European site;
- 2022: Implemented three solar panel projects in India, Mexico and Singapore.

Monitoring the policies and activities in place and measuring their effectiveness

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

Constantia Flexibles

Risk mapping

Risks related to Constantia Flexibles' own operations

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

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

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

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

Risks related to the environment

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

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

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

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

Risks related to human rights and fundamental freedoms

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

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

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

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

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

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

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

Risks related to Constantia Flexibles' purchasing

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

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

The second stage of the mapping process involved ranking the CSR risks – split again into three main categories: "human rights and fundamental freedoms", "health and safety" and "environment" – and linking and assessing the respective risks to the countries where the suppliers produce the required goods and raw materials.

For this assessment, the "Global Risk Profiles" (www.globalriskprofile.com) risk assessment was used.

Steered by group Procurement, Constantia Flexibles monitors the main suppliers of raw materials in their non-financial performance using standardized forms. As part of its supplier-selection process, a self-evaluation form to be filled by the potential supplier addresses core topics related to environmental, social and ethical risks that may arise from manufacturing and is based on the Constantia Flexibles' Code of Conduct. Further supplier audits performed by Constantia Flexibles at the supplier production facility follow a standardized set of questions to ensure adherence to the required standard.

Regular assessment procedures and mitigation measures

Risks related to Constantia Flexibles' own operations

Constantia Flexibles implemented its Risk and Opportunity Framework with a bottom-up approach using a group-wide standardized risk-catalogue. On a group level, risks are consolidated and reassessed twice a year.

In the course of this process, certain risks need to be dealt with by the group's Human Resources, Sustainability/Environment and Health and Safety departments. Moreover core business-risks from all operating sites (plants) globally will also be collected, assessed and reviewed.

The analysis of these risks takes into account appropriate mitigation measures and their potential effects at the current stage, and subsequently describes the level of residual risk.

Constantia Flexibles determines ownership by naming risk-owners, who are the persons responsible for implementing the specified mitigation actions. This includes respective risk ownership on a Group as well as on a plant level.

Constantia Flexibles holds Risk Committee meetings and also Safety Committee meetings. The Audit Committee (meeting as part of the Supervisory Board), examines all the aspects of Internal Audit covering financial processes, statutory audits, etc. The social risks or degradation of Human Rights (working hours, data privacy, labor conditions, etc.), Health and Safety (accident reports, sick-leave/workers' compensation), Environment (waste management, potential areas of pollution, etc.) are also handled by the Audit Committee. Constantia Flexibles experts from other Group functions are consulted each time, as necessary.

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

These risks are mainly derived from the "List of Main Risks" which can be applied here.

Constantia Flexibles treats Safety as a top priority, especially at the manufacturing sites, where people who work for and with Constantia Flexibles are exposed to the hazards attached to its operations. Therefore, with regard to the personal protection, Constantia Flexibles does not distinguish between prevention and workplace safety rules in their contracts (for employees, leased personnel/temporary workers, contractors). Moreover, the constant development and maintaining of safe and sustainable working conditions are supported by:

- Group Standards such as the group HSE Policy and underlying HSE Standards applicable for all subsidiaries;

- the group reporting process for accidents, including standardized templates;
- defined group Terms & Definitions which underpin the need for a common understanding and a set of performance figures throughout all countries where Constantia Flexibles operates, regardless of individual, national requirements;
- a minimum number of HSE-related topics integrated into the site visits/audits performed by HSE and group Internal Audit.

For all Constantia Flexibles group standards set out as group-wide procedures, an Internal Document Control System provides the latest version on the Constantia Flexibles Intranet-pages. Beside this database, ongoing training has to be attended online by all management functions on core business-policies, for example the Code of Conduct.

Additional Group departments, such as the Operations Development as part of the Global Operations department, ensure the constant implementation of technical improvements considering technical safety alongside efficiency and operational excellence (for example, in the field of fire safety).

Risks related to the environment

Constantia Flexibles has a comprehensive sustainability policy in place, which includes an appendix that details actions and measures implemented to work towards the company's commitments and core targets. Furthermore, the Code of Conduct and the Code of Conduct for Suppliers include clauses on the environment and responsible sourcing, reflecting and outlining the importance of sustainability in the company's written principles to internal and external stakeholders.

All mitigation actions on the environmental aspects are presented in section 4.2.2 – Constantia's ESG Performance, including:

- GHG emissions mitigation plan (approved SBTi targets by 2030 and 2030 and 2050), including the actions implemented to mitigate the risk of air pollution and Scope 3 emissions (downstream and upstream);
- participating and steering initiatives throughout the value chain (Aluminium Stewardship Initiative, A Circular Economy for Flexible Packaging, New Plastics Economy led by the Ellen MacArthur Foundation).

Risks related to human rights and fundamental freedoms

The largest risk category is covered in this section and could impact people working with and for Constantia Flexibles at all organizational levels and in all countries where the group operates manufacturing sites.

The sub-categories for which the country-related risks were assessed were identified mainly based on the principles of the UN's Universal Declaration of Human Rights and the ETI Base Codes.

Due to established regulations and applied standards, all countries belonging to the European Union could receive lower ratings for their inherent exposure to risks in the above-mentioned categories.

Nevertheless, Constantia Flexibles has implemented Group-wide internal standards and built up specific reporting lines for key performance indicators, which are compiled with at Group level.

As one of the key documents, the Code of Conduct covers most of the topics within the group as a whole. However, during the assessments performed for the Duty of Care framework, the potential of further improvements were identified with regard to the minimum standards regarding excessive working hours and unequal salaries.

Risks related to Constantia Flexibles' purchasing

To fulfill duty of care requirements and describe the different kinds of assessment procedures, Constantia Flexibles has identified the following fields of activities and procedures. All purchase categories were summarized to be classified commonly as "industrial manufacturing" (B2B only):

- potential risks related to "Human Rights and Fundamental freedoms", "Health and Safety" as well as "Environment" are effectively covered by the CSR-related purchasing charter named "Code of Conduct for Suppliers", which Constantia Flexibles requires all suppliers to adhere to in principle;
- integration of mandatory minimum requirements of CSR terms and conditions included in contracts and purchase orders; furthermore, group Procurement performs supplier audits at their production sites and requests them to fill in a self-assessment form named "pre-audit questionnaire".

Alert mechanism

In 2008, Constantia Flexibles set up a whistleblower hotline. It is outsourced to a dedicated external legal service provider, which deals as the first point of contact for all incoming e-mails and calls. The external legal service provider is held to strict confidentiality obligations and is able to answer in most languages spoken within the Constantia Flexibles group and its affiliates worldwide. Every alert is then forwarded (depending on the whistleblower's request) to Constantia Flexibles' compliance team.

This system in place aims to encourage employees and leased personnel/temporary workers to report any concerns regarding unethical behavior, or any human rights violations, environmental damage or any other concern relating to the Code of Conduct, Anti-corruption and Compliance Policy, Antitrust Policy, HR and Health and Safety policies.

Also covering the French Sapin II law on corruption and anti-bribery aspects, Constantia Flexibles provides a description of this whistleblowing system, which is available on the intranet and also in the above-mentioned Code of Conduct (available to all employees or leased personnel/temporary workers). Via the "Ethical Sourcing Policy" and the "Code of Conduct for Suppliers", which are available on the corporate website and contain contact details for the whistleblowing hotline, Constantia Flexibles ensures this information is available to external stakeholders (e.g., suppliers, customers and their employees).

Monitoring system of implemented measures and assessment of their effectiveness

Constantia Flexibles has implemented several systems and standardized their monitoring throughout all operating facilities.

Training and awareness-raising campaigns were identified by Constantia Flexibles as useful tools. For example, with regard to the document seen as a basis for the "Duty of Care" framework, namely the Code of Conduct, Constantia Flexibles provides annual web-based trainings on the requirements including a (anonymous) test which needs to be passed with at least 80% correct answers to successfully complete the online training session.

To ensure the effectiveness of Constantia Flexibles' duty of care framework, some group functions have introduced specific measures:

- group Procurement conducts on-site supplier audits based on defined criteria and recurring internal risk assessments on the defined purchase-categories (aluminum, chemicals, film, etc.);
- the group Sustainability team collects and monitors all key environmental indicators for Constantia Flexibles and tracks performance throughout the Group;
- the group-wide consolidation platform used as a database provides and includes consistency checks and requests to upload supporting documents for reported data from the operating units;
- the group Human Resources department, as well as other disciplines like HSE, benefit from the participation of several operating units in Sedex, which is one of the world's largest collaborative platforms for sharing responsible sourcing data on supply chains, used by more than 50,000 members in over 150 countries. Third-party auditing companies perform so-called Smeta (Sedex Members Ethical Trade Audits) at the production sites on behalf of Sedex, which are set up as four pillar audits covering labor standards, health and safety, business ethics and the environment;
- the group HSE department implements group standards to fulfill the targeted management system based on Constantia Flexibles' vision of Zero Loss – No Harm. Moreover, the group-wide KPIs to be monitored on monthly basis include, as well the opportunity to share lessons learned via events (accidents like Lost Time Injuries (LTI)), detailed audits on site and cross-checks with observations and findings identified by the group Internal Audit department on site. This department provides an internal self-assessment matrix which needs to be completed by the operating units and performs frequent site visits as part of the activities for ensuring internal compliance with the standards of Constantia Flexibles, which are set out in the Code of Conduct and its human rights, health and safety and environmental aspects.

Auditing against the required standards performed by independent parties allows Constantia Flexibles to close the cycle and constantly learn. These audits performed for Sedex, which are necessary to obtain any certificate based on ISO-standards or for any other customer-related packaging-requirements like BRC (British Retail Consortium), give Constantia Flexibles the opportunity to continuously improve globally while ensuring the reliability of its Duty of Care framework.

Crisis Prevention Institute

Risk mapping

The following stakeholders have been integrated in the risk mapping: Tier 1 suppliers, subsidiaries in the United Kingdom and Australia, employees, and clients.

The risk mapping is conducted annually and consists in identifying and ranking the main risks for each stakeholder. This evaluation is based on criteria such as the geographical location of each stakeholder, its industry, and its weight within CPI's value chain. International frameworks such as Global Risk Profile and SASB are used as a basis for the criteria evaluation.

The main risks identified within the subsidiaries are:

- risks relating to the environment, such as greenhouse gas emissions;
- the risk of insufficient health and safety of employees;
- risks relating to the non-respect of human rights and principles of the International Labor Organization, and to discrimination.

The main risks identified for the upstream supply chain are:

- the risk of insufficient health and safety and non-respect of human rights and principles of the International Labor Organization, and discrimination for suppliers' employees;
- the risk of lack of personal data security among online storage suppliers;
- risks relating to the environment, such as raw material consumption.

The main risks identified for the downstream supply chain are:

- risks relating to the health and safety of people trained directly by CPI.

Evaluation procedures

The risks within the subsidiaries are evaluated through internal evaluation questionnaires covering cybersecurity risks, which are completed at site level on a yearly basis.

The risks relating to the downstream supply chain are assessed through surveys sent to every participant who completes a CPI training program. These surveys are administrated through SurveyMonkey and the responses are reviewed by CPI every week. Trainers have the opportunity to report any incident or risk relating to the clients during meetings organized at regional level on a weekly basis.

The implementation of evaluation procedures for Tier 1 suppliers is taken into consideration.

Actions to mitigate risks

To reduce risks, CPI has implemented the following procedures:

- integration of diversity and anti-discrimination and safety in the workplace policies in the Employee Handbook, which is signed by all employees upon their arrival and subject to an annual review of acknowledgment;
- addition of sustainability criteria in the tender documents for all suppliers and for all group entities, with the exception of Australia. This formalizes the sustainability standards required by CPI for purchases in the US and the UK; Australian operations will also be covered going forward as from 2022;
- onboarding, covering risks relating to human rights and diversity, in all subsidiaries;
- training on health and safety offered to key employees, in all subsidiaries;
- certifications such as IACET, CQC, BILD/RNN, and ASQA, obtained by CPI at country level. Each CPI entity has at least one of the listed certifications. They cover issues relating to human rights and health and safety.

Alert mechanism

In 2020, CPI implemented a whistleblowing system enabling employees and other individuals to anonymously report a concern to a reporting office, by sending an email to whistleblower@crisisprevention.com. This aims to identify suspected illegal or unethical conduct or practices or violations of CPI's policies. This alert mechanism is referenced in the Employee Handbook and is available on the company's website. The alert is received and processed by the Chief Compliance Officer and, if needed, by an external legal partner.

In 2022, the group received one alert through the whistleblowing mechanism, reporting a CPI staff on staff bullying matter, which was resolved within a month.

System to monitor implemented measures

The risk mapping and the implementation of the Vigilance Plan relies on the CEO, the VP HR and the Chief Compliance Officer who meet on a quarterly basis.

Key performance indicators (KPIs) are monitored internally and reported to the Audit Committee and/or to the Board on a yearly basis, to evaluate efficiency of mitigating actions. The KPIs are as follows:

- 100% of sites covered by the internal evaluation questionnaire over the year;
- 100% of employees had signed the Employee Handbook at the year-end;
- 100% of tender documents include a sustainability criteria;
- 100% of CPI entities covered by at least one multi-year certification (IACET, BILD/RNN, ASQA) at the year-end;
- 100% of 'at-risk' employees trained on anti-bribery and anti-corruption practices over the year.

ACAMS

Given the integration by Wendel in 2022, this investee has not yet formalized a due diligence plan within the meaning of Article R. 225-105-1 of the French Commercial Code. The analysis of non-financial risks carried out jointly by ACAMS and Wendel has not highlighted any risk to date with regard to human rights and fundamental freedoms, health and safety or the environment. As ACAMS is a US-based training company, the vast majority of its employees work from home.

4.6 Cross-reference table and reporting methodology

4.6.1 Cross-reference table

Risk description

EFPD

Policies and outcomes

The cross-reference table below links the non-financial information required in the non-financial performance statement (NFPS) with the other parts of the Wendel Universal Registration Document, where relevant to the Company's main risks or policies, in accordance with Article L. 225-102-1 of the French Commercial Code.

Topic	Section
Business model	
Description of the main businesses (business segments and/or divisions), products or services, including key figures (i.e., business volumes, headcount, financial results) by business/division and/or geographical area	Introductory guide and section 4.1.1 – Business model
Interactions within its subsidiaries/business segments (i.e., customer categories, potential partnerships, use of subcontracting, competitive positioning, relations with stakeholders, etc.)	Section 1.2 – Business
Challenges and outlook for the entity and its businesses (i.e., market trends, ongoing transformations, sectoral sustainable development issues, etc.)	Section 1.3 – Investment model: Strategy and objectives
Information relating to value creation and its distribution among stakeholders	Introductory guide and section 4.1.1 – Business model Section 8.1.2 – Dividend Section 4.3.1 – HR performance: fostering commitment, well-being, support, employability and inclusion
Vision and objectives of the entity (i.e., values, strategy, transformation or investment plan)	Section 1.3 – Investment model: Strategy and objectives
Main risks related to Wendel's business	
Wendel Group's ESG issues and responsible investment procedures	Section 4.1.5 – Wendel Group's ESG strategy
Portfolio companies' ESG issues	Section 4.2 – ESG performance of controlled portfolio companies
Risks related to climate change	Sections 4.1.5 and 4.2 (integrated in Wendel's ESG risks and the portfolio companies' ESG performance)
Risks related to Wendel's human resources	Section 4.3.1 – HR performance: fostering commitment, well-being, support, employability and inclusion
Risk of non-independence of governance bodies and control mechanisms and risks related to business ethics	Section 4.3.3 – Governance and business ethics

Topic	Section
Other information mentioned in Article L. 225-102-1 of the French Commercial Code	
The business' social impact, particularly with regard to collective agreements and their effects, combating discrimination and fostering diversity, societal commitments, promoting the practice of sport, disability	Section 4.3.1 – HR performance: fostering commitment, well-being, support, employability and inclusion
The business' environmental impact, in particular with regard to climate change, the circular economy, food waste, the fight against food insecurity, respect for animal welfare and responsible, equitable and sustainable food	Climate issues relating to Wendel's business are among the main risks facing the Group. The risks, opportunities, policies and KPIs related to climate change are presented in sections 4.1.5, 4.2 and 4.3.2 The circular economy approach implemented within Wendel SE is presented in section 4.3.2 – Measuring and managing our environmental footprint. Issues relating to the circular economy specific to Constantia Flexibles are presented in section 4.2.2 Other environmental risks have not been identified as relevant to Wendel's activity as an investor (apart from specific risks related to the activities of controlled companies mentioned in section 4.2 – ESG performance of controlled portfolio companies)
The impact of the business on respect for human rights	Section 4.3.1 – HR performance: fostering commitment, well-being, support, employability and inclusion Section 4.5 – Duty of care plans
The impact of the business on the fight against corruption	Section 4.3.3 – Governance and business ethics

4.6.2 Methodological information

Details of methodologies and specificities (e.g., scope limitations, specific considerations in the consolidation of certain indicators, etc.) are presented in the various consolidated indicators published in sections 4.1.5 and 4.3 or in the methodological notes for each investment in section 4.2.

4.7 Report of one of the Statutory Auditors, appointed as independent third party, on the verification of the consolidated non-financial performance statement

Year ended December 31, 2022

This is a free English translation of the report by one of the Statutory Auditors issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders' Meeting,

In our capacity as Statutory Auditor of Wendel SE (hereinafter the "Company"), appointed as independent third party ("third party") and accredited by the French Accreditation Committee (Cofrac), under number 3-1886 rev. 0 (Cofrac Inspection Accreditation, scope available at www.cofrac.fr), we have conducted procedures to express a limited assurance conclusion on the historical information (observed or extrapolated) in the consolidated non-financial performance statement, prepared in accordance with the Company's procedures (hereinafter the "Guidelines"), for the year ended December 31, 2022 (hereinafter the "Information" and the "Statement", respectively), presented in the Group management report pursuant to the legal and regulatory provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (*code de commerce*).

Further to your request and beyond the scope of our accreditation by COFRAC, we also have conducted procedures to express a reasonable assurance conclusion on the fact that some information, selected by the Company, has been prepared, in all material respects, in accordance with the Guidelines.

Limited assurance conclusion on the Statement pursuant to article L225-102-1 of the French Commercial Code (Code de Commerce)

Based on our procedures as described in the section "Nature and scope of procedures" and the evidence we have obtained, no material misstatements have come to our attention that cause us to believe that the non-financial performance statement does not comply with the applicable regulatory provisions and that the Information, taken as a whole, is not fairly presented in accordance with the Guidelines.

Reasonable assurance conclusion on selected information included in the Statement

In our opinion, the following information, selected by the Company, has been prepared, in all material respects, in accordance with the Guidelines:

- CO_2 emissions from scope 1+2 – Financial control (kT CO_2 eq);
- Frequency rate of work accidents with time off (per 1,000,000 hours worked);
- Women in management positions (number and%);
- Percentage of women among the aggregate number of all the individuals actually nominated directly or indirectly by Wendel in the relevant boards (boards of directors or equivalent) of the portfolio.

Preparation of the non-financial performance statement

The absence of a generally accepted and commonly used reference framework or established practices on which to base the assessment and measurement of the Information enables the use of different but acceptable measurement techniques that may impact comparability between entities and over time.

Accordingly, the Information must be read and interpreted with reference to the Guidelines, summarised in the Statement and available on the Company's website or on request from its headquarters.

Limits inherent in the preparation of the information relating to the Statement

The Information may be subject to uncertainty inherent to the state of scientific and economic knowledge and the quality of external data used. Some information is sensitive to the choice of methodology and the assumptions or estimates used for its preparation and presented in the Statement.

Responsibility of the Company

The Executive Board is responsible for:

- selecting or determining the appropriate criteria for the preparation of the Information;

- preparing a Statement pursuant to legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies implemented with respect to these risks as well as the outcomes of these policies, including key performance indicators and the information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy);
- implementing such internal control as it determines is necessary to enable the preparation of Information that is free from material misstatement, whether due to fraud or error.

The Statement has been prepared by applying the Company's Guidelines as referred to above.

Responsibility of the Statutory Auditor appointed as independent third party

Based on our work, our responsibility is to express a limited assurance conclusion on:

- the compliance of the Statement with the requirements of Article R. 225-105 of the French Commercial Code;
- the fairness of the information provided pursuant to part 3 of sections I and II of Article R. 225-105 of the French Commercial Code, i.e. the outcomes of policies, including key performance indicators, and measures relating to the main risks, hereinafter the "Information."

As it is our responsibility to issue an independent conclusion on the information prepared by management, we are not authorised to participate in the preparation of the Information, as this could compromise our independence.

It is not our responsibility to provide a conclusion on:

- the Company's compliance with other applicable legal and regulatory provisions (particularly with regard to the information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy), the duty of vigilance and the fight against corruption and tax evasion);
- the fairness of information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy);
- the compliance of products and services with the applicable regulations.

Applicable regulatory provisions and professional guidance

We performed the work described below in accordance with our audit verification programme in application of Articles A. 225-1 *et seq*. of the French Commercial Code, the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement and with the international standard ISAE 3000 (revised - Assurance engagements other than audits or reviews of historical financial information).

Independence and quality control

Our independence is defined by Article L. 822-11-3 of the French Commercial Code and French Code of Ethics for Statutory Auditors (*Code de déontologie*). In addition, we have implemented a system of quality control including documented policies and procedures aimed at ensuring compliance with applicable legal and regulatory requirements, ethical requirements and the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement.

Means and resources

Our work engaged the skills of 6 people between September 2022 and March 2023 and took a total of 20 weeks.

To assist us in conducting our work, we referred to our corporate social responsibility and sustainable development experts. We conducted around thirty interviews with people responsible for preparing the Statement.

This work involved the use of information and communication technologies allowing the work and interviews to be carried out remotely, without hindering the good execution of the verification process.

Nature and scope of procedures

We planned and performed our work taking account of the risk of material misstatement of the Information.

We consider that the procedures conducted in exercising our professional judgement enable us to express a limited assurance conclusion:

- We familiarized ourselves with the activities of all companies in the consolidation scope and the description of the principal risks.
- We assessed the suitability of the Guidelines with respect to their relevance, completeness, reliability, neutrality and clarity, taking into account, where appropriate, best practices within the sector.
- We verified that the Statement covers each category of information stipulated in section III of Article L. 225-102-1 governing social and environmental affairs, respect for human rights and the fight against corruption and tax evasion.
- We verified that the Statement provides the information required under Article R.225-105 II of the French Commercial Code where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the information required under Article L.225-102-1 III, paragraph 2 of the French Commercial Code.
- We verified that the Statement presents the business model and a description of the principal risks associated with the activities of all the consolidated entities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks.

- We referred to documentary sources and conducted interviews to:
  - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented; and
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important and listed in Appendix; for certain information our work was carried out on the consolidating entity, while for other information, our work was carried out on the consolidating entity and on a selection of entities.
- We verified that the Statement covers the consolidated scope, i.e. all companies within the consolidation scope in accordance with Article L. 233-16, with the limits specified in the Statement.
- We obtained an understanding of internal control and risk management procedures implemented by the Company and assessed the data collection process aimed at ensuring the completeness and fairness of the Information.
- For the key performance indicators and other quantitative outcomes that we considered to be the most important and listed in Appendix, we implemented:
  - analytical procedures that consisted in verifying the correct consolidation of collected data as well as the consistency of changes thereto.
  - substantive tests, on a sample basis and using other selection methods, that consisted in verifying the proper application of definitions and procedures and reconciling data with supporting documents. These procedures were conducted for a selection of contributing entities[(1)] and covered:
    - For Stahl, between 17% and 81% of the information selected for this subsidiary;
    - For Constantia Flexibles, between 22% and 41% of the information selected for this subsidiary;
    - For CPI, 100% of the information selected for this subsidiary;
    - For Wendel SE, 100% of the information selected for this entity.
- We assessed the overall consistency of the Statement in relation to our knowledge of the entire Company.

The procedures conducted in a limited assurance review are substantially less in scope than those required to issue a reasonable assurance opinion in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*); a higher level of assurance would have required us to carry out more extensive procedures.

At the request of the Company, we have conducted additional work to enable us to form a reasonable assurance conclusion on the following information:

- CO_2 equivalent emissions from scope 1+2 – financial control (kT CO_2 eq);
- Frequency rate of work accidents with time off (per 1,000,000 hours worked);
- Women in management positions (number and%);
- Percentage of women among the aggregate number of all the individuals actually nominated directly or indirectly by Wendel in the relevant boards (boards of directors or equivalent) of the portfolio.

The work carried out was of the same nature as that described in the section above relating to limited assurance, but more in-depth, particularly regarding:

- Analytical procedures to verify the correct consolidation of the collected data and the consistency of their trends;
- Detailed tests performed on a sample basis to verify the correct application of definitions and procedures and to reconcile data with supporting documents.

Paris-La Défense, March 16, 2023

One of the Statutory Auditors,

Deloitte & Associés

Mansour Belhiba	Julien Rivals
Partner, Audit	Partner, Sustainability Services

(1) Wendel SE ; Stahl : Parets (Spain), Kanchipuram (India), Suzhou (China) ; Constantia Flexibles : C-Teich (Poland), Asas Turkey (Turkey), Pirk (Germany) ; CPI

Appendix: Information considered to be the most important

Qualitative information

Information at Wendel level

- Actions carried out as part of the Climate Plan
- Actions carried out as part of responsible investment procedures.

Information at Stahl, Constantia Flexibles, CPI level

- Policies and measures implemented to improve health and safety of employees at work
- Policies and measures implemented to mitigate and adapt to climate change
- Measures implemented to promote a better gender balance on the workforce
- Priorities identified for offering sustainable products and services and related action plans defined.

Quantitative information

Consolidated information at Wendel group level

- Percentage of the Investment Opportunities screened with the Exclusion List
- Percentage of the Investment Opportunities subject to the ESG Due Diligence
- Percentage of controlled portfolio companies with an ESG roadmap aligned with their strategy
- Percentage of CEOs in the controlled portfolio whose variable compensation is contingent on progress on their ESG roadmaps
- Percentage of controlled portfolio companies for which a carbon footprint assessment has been realized (scope 1, 2, 3)
- CO_2 eq emissions of scopes 1+2 – financial control
- Energy consumed (of which renewable energy),
- Percentage of controlled portfolio companies that are committed to an emission reduction plan
- Percentage of portfolio companies that have assessed their exposure to physical and transition climate change risks and opportunities
- Percentage of controlled portfolio companies with a climate change resilience plan
- Percentage of controlled portfolio companies that have an environmental management system (in particular via ISO 14001 certification) for all or part of their activities
- Percentage of controlled portfolio companies have adopted a continuous improvement approach to health and safety in the workplace
- Lost-time accident frequency rate (per 1,000,000 hours worked)
- Percentage of controlled portfolio companies with a health and safety management system (in particular OHSAS 18001/ISO 45001) for all or part of their scope of activity
- Percentage of controlled portfolio companies committed to improving gender balance in their workforce
- Percentage of women in the total headcount
- Percentage of women in management positions
- Percentage of women in shareholder governance bodies
- Percentage of women in operational governance bodies
- Percentage of women among the aggregate number of all the individuals actually nominated directly or indirectly by Wendel in the relevant boards (boards of directors or equivalent) of the portfolio
- Percentage of controlled portfolio companies that have identified priorities for offering sustainable products and services
- Percentage of consolidated revenue related to products and services with environmental added value

Information at Wendel SE level

- Headcount (by gender and category),
- Hires and Departures,
- Percentage of women among employees in management position and at Supervisory Board level
- Percentage of members of the Coordination Committee that have followed an ESG training during the year
- Direct GHG emissions scope 3

Information at Stahl level

- Headcount
- Severity rate
- Percentage of revenue associated with products with life cycle
- ZDHC products (% of total portfolio turnover)

Information at Constantia Flexibles level

- Headcount
- Percentage of recyclability of product portfolio
- Number of suppliers audits carried out during the year

Information at CPI level

- Headcount
- Total number of active certified instructors

5 COMMENTS ON FISCAL YEAR 2022

5.1 ANALYSIS OF THE CONSOLIDATED FINANCIAL STATEMENTS 292

5.1.1 Consolidated income statement – accounting presentation 292

5.1.2 Consolidated income statement – economic presentation 293

5.1.3 Business overview 294

5.1.4 Consolidated balance sheet 295

5.1.5 Breakdown of principal changes in the consolidated balance sheet 296

5.2 ANALYSIS OF THE PARENT COMPANY FINANCIAL STATEMENTS 298

5.2.1 Income statement 298

5.2.2 Balance sheet 299

5.3 NET ASSET VALUE (NAV) 300

5.3.1 NAV as of December 31, 2022 300

5.4 SIMPLIFIED ORGANIZATION CHART AS OF DECEMBER 31, 2022 305

5.1 Analysis of the consolidated financial statements

5.1.1 Consolidated income statement – accounting presentation

The Wendel Group consolidates:

- using the full consolidation method: the holding companies and subsidiaries over which Wendel has exclusive control, namely Bureau Veritas (conformity assessment and certification services), Constantia Flexibles (flexible packaging), Stahl (high-performance coatings and leather-finishing products), CPI (training services) and ACAMS (anti-money laundering training and certification);
- using the equity method: companies over which Wendel has significant influence or joint control, namely Tarkett (innovative flooring and sports surface solutions).

The contribution of companies sold or held for sale is presented, in accordance with IFRS, on 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 and operations held for sale" mainly represents the contribution of Constantia Flexibles' Indian operations and proceeds from the sale of Cromology in 2022.

In millions of euros	2022	2021	2020
Net sales	8,700.4	7,503.9	6,831.7
Operating income	1,092.5	807.6	262.4
Net financial expense	(206.2)	(156.4)	(221.4)
Tax expense	(275.0)	(232.0)	(115.6)
Net income (loss) from equity-method investments	(174.4)	919.5	(63.3)
NET INCOME (LOSS) BEFORE INCOME FROM DISCONTINUED OPERATIONS AND OPERATIONS HELD FOR SALE	**436.9**	**1,338.6**	**(137.9)**
Net income (loss) from discontinued operations and operations held for sale	585.1	37.7	(93.1)
NET INCOME (LOSS)	**1,022.1**	**1,376.4**	**(231.0)**
Net income – non-controlling interests	365.7	329.5	33.1
NET INCOME (LOSS) – GROUP SHARE	**656.3**	**1,046.9**	**(264.1)**

Consolidated net sales

In millions of euros	2022	2021	Δ	Organic Δ(1)
Bureau Veritas	5,650.6	4,981.1	13.4%	7.8%
Constantia Flexibles(1)	1,954.5	1,603.4	21.9%	23.6%
Stahl	914.9	831.3	10.1%	6.3%
CPI	114.2	88.2	29.5%	17%
ACAMS(2)	66.2	N/A	N/A	N/A
Consolidated net sales	**8,700.4**	**7,503.9**	**15.9%**	**10.7%**

(1) The organic growth of Constantia Flexibles' sales is calculated on the basis of a comparable scope of consolidation excluding India, which was classified in 2022 as an asset held for sale in accordance with IFRS 5.
(2) ACAMS' financial statements have been consolidated since March 11, 2022 (€78.8 million excluding the impact of the restatement for the purchase price allocation).

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 a result, 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 7 "Segment information" to the consolidated financial statements.

In millions of euros	2022	2021	2020
Bureau Veritas	561.3	509.2	302.8
Constantia Flexibles	91.4	50.9	49.5
Stahl	118.3	113.9	78.3
CPI	19.6	7.8	(2.6)
ACAMS	(1.4)	N/A	N/A
Cromology	N/A	52.4	15.6
Tarkett (equity method)	0.1	3.0	N/A
IHS (equity method)	N/A	27.7	(5.3)
Tsebo	N/A	N/A	(7.6)
Total contribution from Group companies	**789.3**	**765.0**	**430.7**
of which Group share	*341.8*	*367.4*	*191.5*
Operating expenses, management fees and taxes	(68.1)	(62.7)	(55.1)
Amortization, provisions and stock option expenses	(22.6)	(11.1)	(9.7)
Total operating expenses	**(90.7)**	**(73.8)**	**(64.8)**
Total financial expenses	**(28)**	**(37.5)**	**(49.4)**
Net income from operations	**670.6**	**653.7**	**316.4**
of which Group share	*223.2*	*256.2*	*77.3*
Non-recurring income (loss)	**493.8**	**833.9**	**(376.5)**
Goodwill impact	**(142.2)**	**(111.2)**	**(171)**
Total net income (loss)	**1,022.1**	**1,376.4**	**(231.0)**
Net income – non-controlling interests	365.7	329.5	33.1
NET INCOME (LOSS) – GROUP SHARE	**656.3**	**1,046.9**	**(264.1)**

5.1.3 Business overview

Wendel Group's consolidated net sales totaled €8,700.4 million, up +15.9% overall and up +10.7% organically. FX contribution is positive, up +4.6% and scope effect is 0.6% including the effect of Constantia Flexibles' Indian operations being classified as discontinued operations in accordance with IFRS 5.

The overall contribution of Group companies to net income from operations amounted to €670.6 million, up +2.6% year on year. This contribution is affected by the sale of Cromology in 2022 and the discontinuation of the equity method consolidation of IHS in 2021. Adjusted for these scope effects, net income from operations was up +17.2% in 2022.

Financial expenses, operating expenses and taxes at Wendel SE level totaled €118.7 million, up +6.6% from the €111.3 million reported in 2021. The increase in operating expenses was partially offset by a decrease in financial expenses.

Non-recurring income came in at €610.6 million, compared to €846.3 million in 2021. This change is largely due to the accounting treatment in 2021 of the deconsolidation of IHS Towers following its IPO, which generated a €913 million capital gain (corresponding to the difference between the IPO value and the net book value in Wendel's consolidated financial statements). 2022 non-recurring income was boosted by the €589.9 million gain on the sale of Cromology and the €115.5 million gain on the sale of the rue Taitbout building. In addition, the investment in Tarkett Participation was written down by €162.3 million based on the drop in the Tarkett SA share price.

As a result of the above, consolidated net income reached €1,022.1 million in 2022 (€1,376.4 million in 2021) and net income Group share €656.3 million (€1,046.9 million in 2021).

2022 activity for each of the Group's portfolio companies is provided in section 1.4 of this document.

2022 highlights

Sale of Cromology completed

After obtaining the necessary authorizations, Wendel completed on January 21, 2022, the sale of Cromology to DuluxGroup, a subsidiary of Nippon Paint Holdings Co., Ltd. For Wendel, the transaction generated net proceeds of €896 million.

Wendel acquires ACAMS, the world's largest membership organization dedicated to fighting financial crime

Announced on January 24, 2022, Wendel completed the acquisition of the Association of Certified Anti-Money Laundering Specialists ("ACAMS") from Adtalem Global Education (NYSE: ATGE) on March 10, 2022. Wendel invested c.$338 million of equity for a c. 98% interest in ACAMS, 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 a large, global membership base with more than 100,000 members in 185 jurisdictions, including some 55,000 professionals who have obtained their CAMS certification – an industry-recognized AML qualification – that promotes ongoing education through participation in conferences, webinars, and other training opportunities.

ACAMS has 303 employees primarily located in the US, the UK and Hong Kong that serve its global customers.

Amendment to extend Wendel's undrawn €750 million syndicated credit facility to 2027

Wendel signed on July 27, 2022, an amendment to its undrawn €750 million syndicated credit facility maturing in October 2024 to extend it to July 2027. Wendel has two options to extend it further by one year (1+1), pending banks approval for each additional extension. This syndicated credit facility integrates Environmental, Social and Governance (ESG) criteria. Measurable aspects of the non-financial performance of Wendel and the companies in its portfolio are taken into account in the calculation of the financing cost of this syndicated credit. They are in line with certain quantitative ESG targets set by the Group in its ESG 2023 roadmap.

Wendel sold its headquarters building

The Company has sold its headquarters on rue Taitbout.

Strong financial structure

The average maturity of the Company's debt was 6.4 years and interest amounted to 1.7% on average. In addition, the Loan-to-Value (LTV) ratio was 5.8% at December 31, 2022 and total liquidity amounted to €1.7 billion (€961 million in available cash and €750 million in undrawn credit lines). Finally, the level of leverage of the portfolio companies was generally low.

5.1.4 Consolidated balance sheet

The following table shows the principal changes to the consolidated balance sheet in 2022. For the purposes of this analysis and to clarify the readability of aggregates, certain line items of a similar nature have been combined at 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)	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2020
Goodwill, net	3,929	3,511	3,489
Intangible assets and property, plant and equipment	2,800	2,629	2,801
Property, plant and equipment under operating leases	477	428	530
Equity-method investments	82	216	225
Net working capital requirement	420	412	356
Net discontinued operations and operations held for sale	50	342	8
TOTAL	**7,758**	**7,538**	**7,410**

Equity and liabilities (in millions of euros)	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2020
Equity – Group share	2,789	2,601	2,004
Non-controlling interests	1,848	1,587	1,284
Provisions	316	378	460
Net financial debt	2,254	2,950	2,779
Operating lease liabilities	510	472	583
Net financial assets and liabilities	(183)	(630)	11
Net deferred tax liabilities	225	179	190
TOTAL	**7,758**	**7,538**	**7,410**

5.1.5 Breakdown of principal changes in the consolidated balance sheet

In millions of euros

GOODWILL AS OF DECEMBER 31, 2021	**3,511**
Changes in scope of consolidation of Group companies	35
Acquisition of ACAMS	305
Currency fluctuations and other	78
GOODWILL AS OF DECEMBER 31, 2022	**3,929**

INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT AS OF DECEMBER 31, 2021	**2,629**
Investments	268
Divestments	(13)
Depreciation/Amortization and provisions recognized during the year	(342)
Reclassification under "Discontinued operations and operations held for sale"	(38)
Changes in scope of consolidation	65
Currency fluctuations and other	232
INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT AS OF DECEMBER 31, 2022	**2,800**

EQUITY-METHOD INVESTMENTS AS OF DECEMBER 31, 2021	**216**
Net income (loss) for the period of Tarkett Participation	(12)
Impairment of the investment in Tarkett Participation	(162)
Currency fluctuations and other	41
EQUITY-METHOD INVESTMENTS AS OF DECEMBER 31, 2022	**82**

ASSETS AND LIABILITIES HELD FOR SALE AS OF DECEMBER 31, 2021	**342**
Sale of Cromology	(337)
Reclassification of the Indian operations of Constantia Flexibles	45
Currency fluctuations and other	(1)
ASSETS HELD FOR SALE AS OF DECEMBER 31, 2022	**50**

CONSOLIDATED EQUITY – GROUP SHARE – AS OF DECEMBER 31, 2021	**2,601**
Net income for the year	656
Items of comprehensive income*	(385)
Capital increase	2
Dividend paid by Wendel	(130)
Net share buybacks	(23)
Currency translation reserves	55
Share-based payments	36
Other	(25)
CONSOLIDATED EQUITY – GROUP SHARE – AS OF DECEMBER 31, 2022	**2,789**

* *Including a €422 million negative change in the fair value of the investment in IHS.*

In millions of euros	
NET FINANCIAL ASSETS AND LIABILITIES AS OF DECEMBER 31, 2021	**630**
Minority puts and liabilities related to liquidity commitments	(54)
Minority puts in investees	(34)
Maturity of the BASF put	142
Change in fair value of the investment in IHS	(422)
Change in fair value of the investment in Wendel Growth	21
Cash pledged by Constantia Flexibles	(53)
Currency fluctuations and other	(47)
NET FINANCIAL ASSETS AND LIABILITIES AS OF DECEMBER 31, 2022	**183**

In millions of euros	Wendel & holding companies	Subsidiaries	Total Group
NET FINANCIAL DEBT AS OF DECEMBER 31, 2021	**961**	**1,989**	**2,950**
Main cash flows of Wendel and its holding companies:			
"Recurring" operating expenses, management fees, and tax	68		
"Recurring" financial expenses (excluding accounting effects) of Wendel and its holding companies	28		
Dividends paid to non-controlling shareholders	130		
Acquisition of ACAMS	304		
Sale of Cromology	(896)		
Main cash flows of subsidiaries			
Net cash from (used in) operating activities		(1,561)	
Net finance costs		111	
Net cash flows related to taxes		299	
Net acquisition of property, plant and equipment and intangible assets		403	
Other cash flows			
Net buybacks of treasury shares	23	50	
Early redemption premium for the 2024 bond	34		
Sale of the Taitbout building	(119)		
Dividends paid to non-controlling shareholders		173	
Bureau Veritas dividends	(85)	85	
Pledged cash from investees		(53)	
Impact of changes in scope of consolidation		231	
Currency fluctuations and other	(2)	79	
NET FINANCIAL DEBT AS OF DECEMBER 31, 2022	**448**	**1,807**	**2,254**

5.2 Analysis of the parent company financial statements

5.2.1 Income statement

In millions of euros	2022	2021	2020
Income from investments in portfolio companies	7	263	200
Other financial income and expenses	(26)	16	(55)
NET FINANCIAL INCOME	**(19)**	**279**	**145**
Operating income/(loss)	(25)	(31)	(27)
NET INCOME BEFORE NON-RECURRING ITEMS AND TAX	**(44)**	**248**	**118**
Non-recurring items	(130)	422	(144)
Tax expense	0	0	0
NET INCOME/(LOSS)	**(174)**	**669**	**(27)**

The net loss for 2022 is mainly made up of net operating expenses of €25 million, net financial expenses of €26 million, the capital gain on the sale of the building of €119 million, the impairment of €189 million on Wendel Luxembourg, which indirectly holds the Group's portfolio of assets (excluding Bureau Veritas), and the premium on the early redemption of the 2024 bond of €34 million.

5.2.2 Balance sheet

ASSETS (in millions of euros)	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2020
Intangible assets and property, plant and equipment	7	2	2
Equity investments	7,755	7,993	7,525
Wendel Luxembourg	3,871	4,060	3,755
Eufor (Bureau Veritas)	3,789	3,789	3,599
Oranje-Nassau Group	1	17	71
Wendel shares	89	123	98
Others	5	4	2
Net intra-Group receivables	(63)	575	67
Net WCR	(6)	(10)	2
Cash and marketable securities	942	628	1,046
Cash instruments	0	0	65
TOTAL	**8,636**	**9,188**	**8,707**

EQUITY AND LIABILITIES (in millions of euros)	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2020
Equity	7,196	7,537	6,992
Provisions	20	30	28
Financial debt	1,420	1,621	1,622
Valuation differences on treasury instruments	0	0	65
TOTAL	**8,636**	**9,188**	**8,707**

The €238 million change in long-term investments was mainly due to the write-down of the Wendel Luxembourg shares.

The negative change in net receivables from subsidiaries of €638 million is mainly due to the proceeds from the sale of Cromology (€896 million) lent by Wendel Luxembourg, the loan made to this same investment for the €304 million investment in ACAMS, and the €85 million dividend received by Eufor from Bureau Veritas, the proceeds of which were loaned to the Company in a current account.

The €314 million positive change in cash and cash equivalents over the 2022/2021 period is mainly due to cash movements related to the portfolio (see paragraph above on net receivables from subsidiaries) and to the Wendel dividend paid in 2022 for an amount of €130 million.

Equity totaled €7,196 million as of December 31, 2022 versus €7,537 million as of December 31, 2021. Changes during the year were mainly due to the dividend paid in respect of 2022 (negative €130 million), loss for the period (negative €174 million) and corporate actions (negative €37 million).

5.3 Net Asset Value (NAV)

5.3.1 NAV as of December 31, 2022

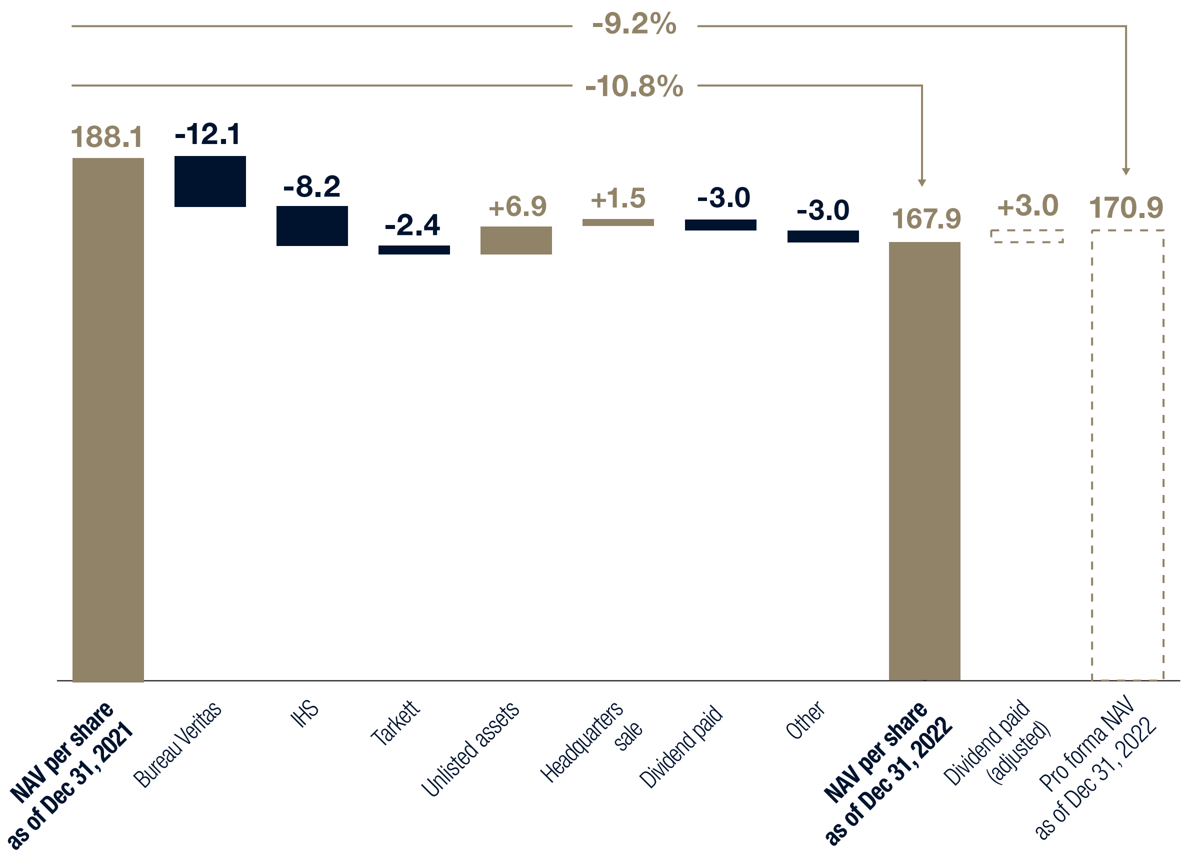
NAV as at December 31, 2022, December 31, 2021 and December 31, 2020 breaks down as follows:

In millions of euros			Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2020
Listed investments	**Number of shares**	**Share price[(1)]**	4,460	5,559	3,600
■ Bureau Veritas	160.8/160.8/160.8 million	€24.8/€28.7/€22.4	3,990	4,616	3,599
■ IHS	63.0/63.0 million	$6.5/$13.5	382	748	-
■ Tarkett		€11.9/€18.6	88	195	-
Unlisted investments[(2)]			3,440	3,732	3,910
Other assets and liabilities of Wendel and holding companies[(3)]			15	97	74
Net cash position and financial assets[(4)]			961	650	1,079
GROSS ASSET VALUE			**8,876**	**10,038**	**8,662**
Wendel bond debt			(1,420)	(1,619)	(1,548)
NET ASSET VALUE			**7,456**	**8,419**	**7,114**
Of which net debt			(459)	(969)	(468)
Number of shares			44,407,677	44,747,943	44,719,119
Net Asset Value per share			**€167.9**	**€188.1**	**€159.1**
Average of 20 most recent Wendel share prices			€88.2	€102.3	€97.9
PREMIUM (DISCOUNT) ON NAV			**-47.5%**	**-45.6%**	**-38.5%**

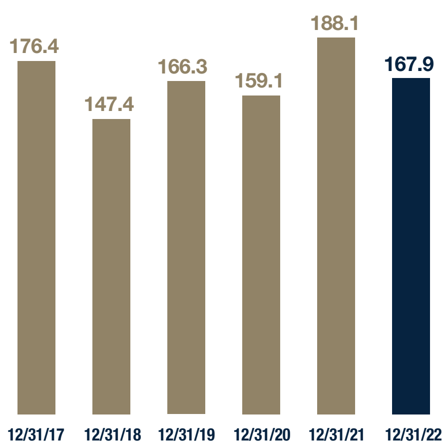
(1) Last 20 trading days average as of December 31, 2022, December 31, 2021 and December 31, 2020.
(2) Investments in unlisted companies (Cromology, Stahl, IHS, Constantia Flexibles, CPI, Wendel Growth at December 31, 2020; Cromology, Stahl, Constantia Flexibles, CPI, Wendel Growth at December 31, 2021; Stahl, Constantia Flexibles, CPI, ACAMS, Wendel Growth at December 31, 2022). Aggregates used for the calculation exclude the impact of IFRS 16.
(3) Of which 983,315 treasury shares as of December 31, 2022, 1,116,456 as of December 31, 2021 and 900,665 as of December 31, 2020.
(4) Cash position and financial assets of Wendel & holdings.

If co-investment conditions are met, 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 332.

Change in NAV in 2022



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 its consistency with accounting data.

The Audit Committee reviews each published NAV and compares Wendel's valuation of unlisted investments with a valuation performed by an independent expert.

5.3.1.2 Presentation of NAV

Presentation format (publication at the level of detail indicated)	Comments
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 its holding companies	*Includes Wendel shares held in treasury*
Cash and marketable securities	*Pledged & unpledged cash of Wendel and its holding companies*
Wendel's bond debt and syndicated credit line	*Face value and 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 investments are not adjusted for potential additional costs arising from a stock market listing.

5.3.1.2.1 Listed investments

Listed investments are valued on the basis of the average closing price for 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 acquisition and valuation by listed peer-Group multiples (see next section of the methodology) over a period of 18 months.

On the first NAV following the acquisition, the valuation is weighted at 100% on acquisition multiples and 0% on listed peer-Group multiples.

The relative weighting of the acquisition multiples decreases on a linear basis to 0% over 18 months. The relative weighting of the listed peer-Group multiples increases on a linear basis to 100% over 18 months.

Valuation by listed peer-Group multiples

The preferred method for valuing unlisted investments is by comparison with the multiples of comparable listed companies.

The value of the 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 provisions for pensions booked in the balance sheet less cash) appearing in the most recent financial statements.

If net debt exceeds the enterprise value, the value of 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 the Group, non-controlling interests and co-investor managers, if any (see note 5 "Participation of management teams in the Group's 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 for 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 coming year being available, the calculation is based on the latest estimate for the year just ended (or actual data if available) and the budget for the coming 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.

The 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 the balance sheet less cash) at the same (or a 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 portfolio companies, and research carried out by Wendel's investment team. Certain peer-Group companies can be more heavily weighted if their characteristics are more similar to those of the company being valued than 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 during public tender offers or any other exceptional circumstance affecting the measures of income or the share price, or when reliable information is not available.

The data, analyses, forecasts or consensus values used are based on information available as of the date of the NAV calculation. If actual data are available when the calculation is made, then they are used as a priority. For portfolio companies, as for peers, the 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 the 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 similar to those of the company being valued. In this case, reliable information must be available on the transaction, with sufficient and explicit details, so that there is a minimum of ambiguity regarding the transaction implied multiples. In some cases, the multiple used to value an investment will be an average, either weighted or not, 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, as well as a high probability of being accepted. In this case, Wendel uses the average, either weighted or not, 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 expiration date of the offer. A purchase offer is considered if it is received prior to the date of the Executive Board's approval of the NAV.

Price of dilutive or accretive capital transactions

To the extent that it is justified by the circumstances, the price of a corporate action that has a significant dilutive or accretive effect, overall or for certain shareholders, can be used to value the entire related investment. In this case, the methodology used is the same as for recent investments made by Wendel (see "Valuation following an acquisition" section of this methodology).

The principle of valuation at the price paid is not applied in the event that Wendel, or any other shareholder, exercises an option to purchase 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 and cash equivalents of Wendel and its holding companies include 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) 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 carrying amount 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 recognized for stock subscription option plans when the share price exceeds the strike price.

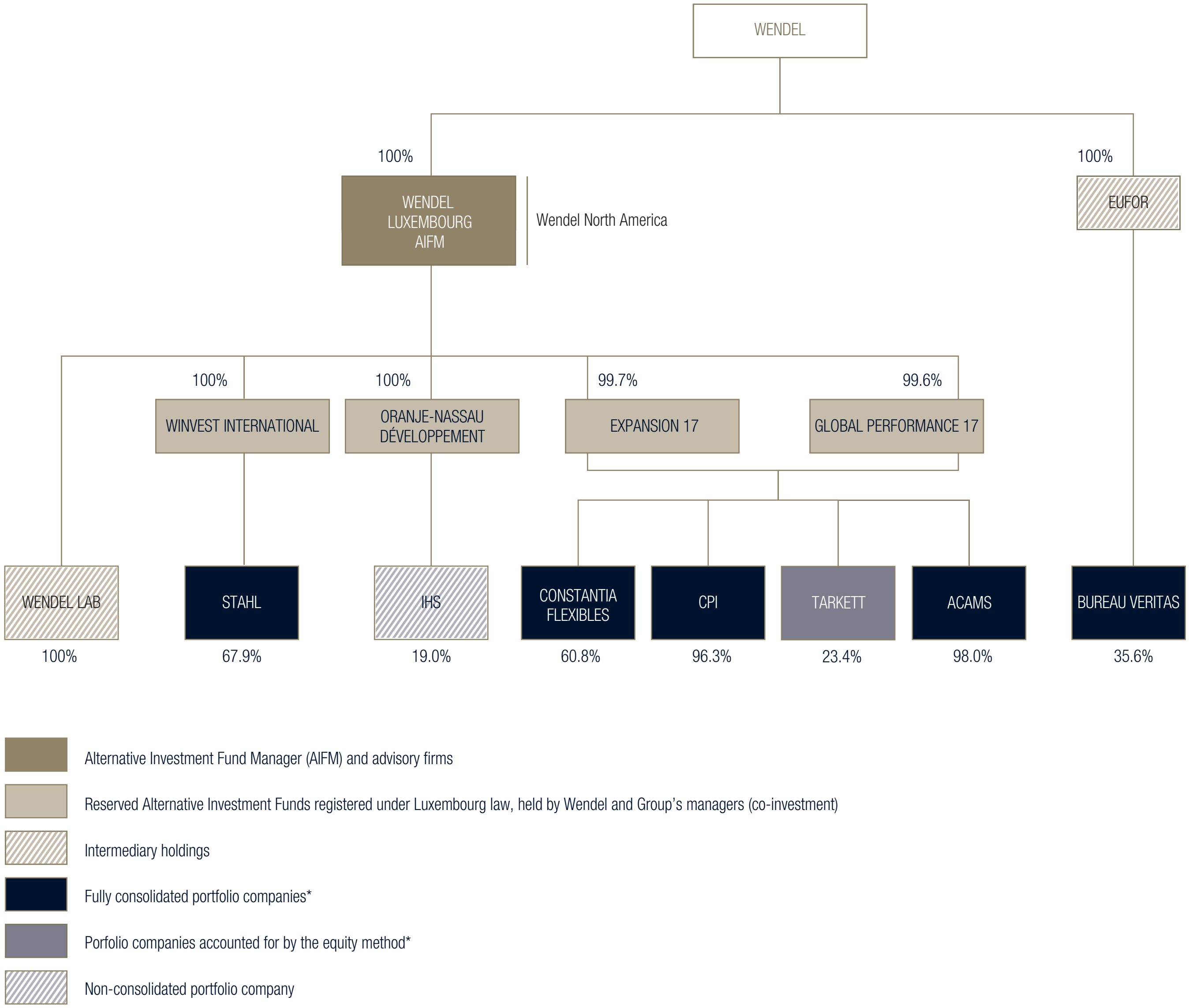
As NAV is a short-term valuation of the Group's assets, Wendel's future operating expenses do not enter into the calculation. Similarly, future tax effects are not included provided both the sale price of an investment and the form of the sale (in particular the tax consequences) are neither known nor certain.

The number of Wendel shares taken into account for the calculation of NAV per share is the total number of shares making up Wendel's equity at the valuation date.

Assets and liabilities denominated in a foreign currency are translated at the exchange rate prevailing on the date of the NAV calculation. If there are several exchange rates, the exchange rate used for 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 organization chart as of December 31, 2022



* Percentage interest net of treasury shares. For Tarkett, data are also pro forma of the capitalization of the sums temporarily invested by Wendel in shareholder loans.

6

CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2022

6.1 BALANCE SHEET – CONSOLIDATED STATEMENT OF FINANCIAL POSITION 308

6.2 CONSOLIDATED INCOME STATEMENT 310

6.3 STATEMENT OF COMPREHENSIVE INCOME 311

6.4 STATEMENT OF CHANGES IN EQUITY 312

6.5 CONSOLIDATED CASH FLOW STATEMENT 313

6.6 GENERAL PRINCIPLES 314

6.7 NOTES TO THE FINANCIAL STATEMENTS 315

6.8 NOTES TO THE BALANCE SHEET 347

6.9 NOTES TO THE INCOME STATEMENT 366

6.10 NOTES ON CHANGES IN CASH POSITION 371

6.11 OTHER NOTES 373

6.12 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS 382

6.1 Balance sheet – Consolidated statement of financial position

Assets

In millions of euros	Note	Dec. 31, 2022	Dec. 31, 2021
Goodwill, net	7 and 8	3,929.1	3,510.6
Intangible assets, net	7 and 9	1,710.6	1,536.4
Property, plant and equipment, net	7 and 10	1,089.7	1,092.4
Property, plant and equipment under operating leases	7 and 10	476.8	428.0
Non-current financial assets	7 and 14	716.8	1,184.8
Pledged cash and cash equivalents	7 and 13	0.7	0.5
Equity-method investments	7 and 11	82.1	215.8
Deferred tax assets	7 and 23	165.7	167.5
NON-CURRENT ASSETS		**8,171.5**	**8,136.0**
Discontinued operations and operations held for sale	**18**	**83.6**	**834.0**
Inventories	7	514.2	480.7
Trade receivables	7 and 12	1,606.9	1,519.5
Contract assets	7	310.3	307.9
Other current assets	7	299.3	305.7
Current tax assets	7	60.0	52.8
Other current financial assets	7 and 14	67.5	314.6
Cash and cash equivalents	7 and 13	3,264.6	2,231.8
CURRENT ASSETS		**6,122.9**	**5,213.1**
TOTAL ASSETS		**14,378.0**	**14,183.1**

The accompanying notes are an integral part of the consolidated financial statements.

In accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", the Indian operations of the Constantia Flexibles group were reclassified within discontinued operations and operations held for sale as of December 31, 2022 (see note 18 "Discontinued operations and operations held for sale").

Equity and liabilities

In millions of euros	Note	Dec. 31, 2022	Dec. 31, 2021
Share capital		177.6	179.0
Share premiums		22.2	57.5
Retained earnings and other reserves		1,932.5	1,317.9
Net income for the period – Group share		656.3	1,046.9
EQUITY – GROUP SHARE		**2,788.6**	**2,601.4**
Non-controlling interests		1,847.7	1,587.5
TOTAL EQUITY	**15**	**4,636.2**	**4,188.9**
Provisions	7 and 16	303.7	372.7
Financial debt	7 and 17	4,621.6	5,261.8
Operating lease liabilities	7 and 17	398.8	353.6
Other non-current financial liabilities	7 and 14	422.1	364.7
Deferred tax liabilities	7 and 23	390.7	346.8
TOTAL NON-CURRENT LIABILITIES		**6,137.0**	**6,699.6**
Liabilities related to discontinued operations and operations held for sale	**18**	**33.8**	**491.6**
Provisions	7 and 16	12.0	5.1
Financial debt	7 and 17	931.7	201.3
Operating lease liabilities	7 and 17	111.6	118.2
Other current financial liabilities	7 and 14	145.2	223.8
Trade payables	7	1,074.4	1,012.1
Contract liabilities	7	40.8	33.6
Other current liabilities	7	1,124.8	1,090.2
Current tax liabilities	7	130.5	119.0
TOTAL CURRENT LIABILITIES		**3,571.0**	**2,803.2**
TOTAL EQUITY AND LIABILITIES		**14,378.0**	**14,183.1**

The accompanying notes are an integral part of the consolidated financial statements.

In accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", the Indian operations of the Constantia Flexibles group were reclassified within discontinued operations and operations held for sale as of December 31, 2022 (see note 18 "Discontinued operations and operations held for sale").

6.2 Consolidated income statement

In millions of euros	Note	2022	2021
Net sales	7 and 19	8,700.4	7,503.9
Other income from operations		7.4	9.6
Operating expenses		(7,736.2)	(6,708.7)
Gains (losses) on divestments		122.2	4.3
Asset impairment		(4.6)	(0.7)
Other income and expense		3.2	(0.8)
Operating income	**7 and 20**	**1,092.5**	**807.6**
Income from cash and cash equivalents		22.4	8.2
Finance costs, gross		(187.9)	(174.0)
Finance costs, net	**7 and 21**	**(165.5)**	**(165.8)**
Other financial income and expense	7 and 22	(40.7)	9.4
Tax expense	7 and 23	(275.0)	(232.0)
Net income (loss) from equity-method investments	7 and 24	(174.4)	919.5
Net income before income from discontinued operations and operations held for sale		**436.9**	**1,338.6**
Net income from discontinued operations and operations held for sale	18	585.1	37.7
NET INCOME		**1,022.1**	**1,376.4**
Net income – non-controlling interests		365.7	329.5
NET INCOME – GROUP SHARE		**656.3**	**1,046.9**

In euros	Note	2022	2021
Basic earnings (loss) per share	25	15.15	23.93
Diluted earnings (loss) per share	25	14.93	23.78
Basic earnings (loss) per share from continuing operations	25	1.60	23.11
Diluted earnings (loss) per share from continuing operations	25	1.51	22.97
Basic earnings (loss) per share from discontinued operations	25	13.55	0.81
Diluted earnings (loss) per share from discontinued operations	25	13.42	0.81

The accompanying notes are an integral part of the consolidated financial statements.

In accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", the contribution of Constantia Flexibles' Indian operations to the 2022 net loss was reclassified on a separate line in the income statement, "Net income (loss) from discontinued operations and operations held for sale" (see note 18 "Discontinued operations and operations held for sale").

6.3 Statement of comprehensive income

In millions of euros	2022 Gross amounts	2022 Tax effect	2022 Net amounts	2021 Gross amounts	2021 Tax effect	2021 Net amounts
Items to be reclassified to net income						
Currency translation reserves(1)	64.6	-	64.6	198.4	-	198.4
Gains and losses on derivatives qualifying as hedges(2)	18.1	(0.5)	17.6	(3.6)	(4.1)	(7.7)
Reclassification to income of items previously recorded within equity(3)	(2.9)	0.9	(2.0)	(14.9)	4.3	(10.5)
Items not to be reclassified to net income						
Gains and losses on financial assets through other comprehensive income(4)	(422.0)	-	(422.0)	(356.9)	-	(356.9)
Actuarial gains and losses	48.9	(12.0)	37.0	21.2	(4.3)	16.9
INCOME AND EXPENSES RECOGNIZED DIRECTLY IN EQUITY (A)	**(293.2)**	**(11.5)**	**(304.6)**	**(155.8)**	**(4.1)**	**(159.8)**
Net income for the period (B)			1,022.1			1,376.4
TOTAL INCOME AND EXPENSES RECOGNIZED FOR THE PERIOD (A) + (B)			**717.4**			**1,216.7**
Attributable to:						
■ Wendel shareholders			326.6			784.6
■ Non-controlling interests			390.7			432.1

(1) This item includes in particular the contributions of Bureau Veritas for €12.4 million, CPI for €23.4 million and ACAMS for €12.3 million.
(2) This item includes changes in the fair value of Constantia Flexibles' operating derivatives for €1.3 million and a share in the changes in fair value of Tarkett Participation's hedging instruments for €17.7 million.
(3) This item includes the €2.9 million impact of the recycling of operating derivatives at Constantia Flexibles.
(4) This item corresponds to the change in fair value of the investment in IHS (see note 14 "Financial assets and liabilities").

The accompanying notes are an integral part of the consolidated financial statements.

6.4 Statement of changes in equity

In millions of euros	Number of outstanding shares	Share capital	Share premiums	Treasury shares	Retained earnings and other reserves	Cumulative translation adjustments	Equity - Group share	Non-controlling interests	Total equity
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 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)
Share capital increase	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[5]					(57.8)		(57.8)	(72.8)	(130.5)
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**
Income and expenses recognized directly in equity (A)		-	-	-	(384.5)	54.8	(329.7)	25.0	(304.7)
Net income for the period (B)					656.3		656.3	365.7	1,022.1
TOTAL INCOME AND EXPENSES RECOGNIZED FOR THE PERIOD (A) + (B)[1]		**-**	**-**	**-**	**271.9**	**54.8**	**326.6**	**390.7**	**717.4**
Dividends paid[2]					(130.1)		(130.1)	(172.7)	(302.8)
Movements in treasury shares	133,141			(23.2)			(23.2)		(23.2)
Cancellation of treasury shares[3]	(377,323)	(1.5)	(37.3)	38.8			-		-
Share capital increase[4]	37,057	0.1	2.0				2.2		2.2
Share-based payments					36.4		36.4	16.5	52.9
Changes in scope of consolidation					(14.6)	(0.8)	(15.3)	(42.3)	(57.6)
Other[5]					(9.4)		(9.4)	68.0	58.7
EQUITY AS OF DECEMBER 31, 2022	**43,424,362**	**177.7**	**22.3**	**(554.1)**	**3,323.6**	**(180.7)**	**2,788.6**	**1,847.7**	**4,636.2**

(1) See the "Statement of comprehensive income".
(2) The dividend paid by Wendel in 2022 amounted to €3.0 per share, representing a total of €130.1 million. In 2021, Wendel paid a dividend of €2.9 per share, representing a total of €126.6 million.
(3) In 2022, Wendel reduced its capital by canceling treasury shares for a total amount of €38.8 million.
(4) See note 15 "Equity".
(5) Other changes notably include the impact of changes in value of puts held by non-controlling interests.

The accompanying notes are an integral part of the consolidated financial statements.

6.5 Consolidated cash flow statement

In millions of euros	Note	2022	2021
Net income		1,022.1	1,376.4
Share of net income (loss) from equity-method investments		174.4	(919.6)
Net income (loss) from discontinued operations and operations held for sale		(585.1)	(1.0)
Depreciation, amortization, provisions and other non-cash items		532.4	558.7
Investment, financing and tax income		373.2	402.9
Operating cash flow from consolidated companies before tax		**1,516.9**	**1,417.5**
Change in working capital requirement related to operating activities		(23.6)	6.2
NET CASH FROM OPERATING ACTIVITIES, EXCLUDING TAX	**7**	**1,493.3**	**1,423.7**
Acquisitions of property, plant and equipment and intangible assets	26	(269.4)	(249.2)
Disposals of property, plant and equipment and intangible assets	27	128.3	18.7
Acquisitions of equity investments	28	(431.3)	(400.3)
Disposals of equity investments	29	897.5	1.6
Impact of changes in scope of consolidation and of operations held for sale	18 and 30	32.9	(72.6)
Dividends received from equity-method investments and unconsolidated companies		1.2	0.4
Change in other financial assets and liabilities and other items	31	233.9	(45.8)
Change in working capital requirements related to investing activities		24.4	(3.7)
NET CASH FROM (USED IN) INVESTING ACTIVITIES, EXCLUDING TAX	**7**	**617.5**	**(751.0)**
Share capital increase		2.2	2.3
Contribution of non-controlling shareholders		8.7	21.1
Movements in treasury shares		**(73.2)**	**(0.5)**
■ Wendel		(23.2)	(24.7)
■ Subsidiaries		(49.9)	24.2
Dividends paid by Wendel		(130.1)	(126.6)
Dividends paid to non-controlling shareholders of subsidiaries		(172.8)	(118.1)
New borrowings	32	729.5	1,082.5
Repayment of borrowings	32	(870.7)	(1,547.3)
Repayment of lease liabilities and interest	32	(155.8)	(152.3)
Net finance costs		(139.2)	(156.3)
Other financial income and expense	33	(42.9)	(75.0)
Change in working capital requirements related to financing activities		41.1	(18.8)
NET CASH FROM (USED IN) FINANCING ACTIVITIES, EXCLUDING TAX	**7**	**(803.0)**	**(1,089.0)**
Current tax expense		(310.5)	(262.5)
Change in tax assets and liabilities (excl. deferred taxes)		11.6	(5.3)
NET CASH FLOWS RELATED TO TAXES	**7**	**(299.0)**	**(267.8)**
Effect of currency fluctuations		24.3	15.6
NET CHANGE IN CASH AND CASH EQUIVALENTS		**1,033.0**	**(668.5)**
Cash and cash equivalents at the beginning of the period		2,232.2	2,900.8
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**13**	**3,265.3**	**2,232.2**

The accompanying notes are an integral part of the consolidated financial statements.

The principal components of the consolidated cash flow statement are detailed in notes 26 *et seq*.

Details of cash and cash equivalent accounts and how they are classified in the consolidated balance sheet are shown in note 13 “Cash and cash equivalents”.

In accordance with IFRS 5 “Non-current Assets Held for Sale and Discontinued Operations”, cash flows relating to companies sold continue to be reported in each of the cash flow categories until the reclassification of these companies as “Discontinued operations and operations held for sale”. In 2022, the cash and cash equivalents of Constantia Flexibles’ Indian operations at the date of reclassification were recorded within “Impact of changes in scope of consolidation and of operations held for sale”.

6.6 General principles

Wendel is a European company with an Executive Board and a Supervisory Board, governed by current and future European and French laws and regulations. The Company is registered in the Paris Trade and Company Register (*Registre du commerce et des sociétés*) under number 572 174 035. At the reporting date, its registered office is located at 89 rue Taitbout, 75009 Paris, France. The registered office will be transferred to 2-4 rue Paul Cézanne, 75008 Paris in the first half of 2023.

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, 2022, the Wendel Group was primarily comprised of:

- fully consolidated operating companies: Bureau Veritas (35.5% net of treasury shares), Stahl (67.9%), Constantia Flexibles (60.8%), Crisis Prevention Institute (CPI) (96.3%) and Association of Certified Anti-Money Laundering Specialists (ACAMS) (98.0%, see note 3 "Changes in scope of consolidation");
- an operating company accounted for under the equity method: Tarkett Participation (25.8%); and
- Wendel and its fully consolidated holding companies.

The investment in IHS is recognized within financial assets because the Group does not exercise significant influence over this company.

The consolidated financial statements of the Wendel Group cover the 12-month period from January 1 to December 31, 2022 and are expressed in millions of euros. They include:

- balance sheet (statement of financial position);
- income statement and statement of comprehensive income;
- statement of changes in 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 investees is managed independently under the responsibility of its own executive management. It is therefore important to analyze the entities' individual performances using aggregate accounting data that are relevant for their respective business activities. Aggregate data for each fully-consolidated subsidiary are presented in note 7 "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 11 "Equity-method investments". An analysis of the Group's overall performance by business activity is provided in note 7 "Segment information", which details recurring net income by business activity and non-recurring net income. There is no financial recourse between the different operating entities or between the operating entities and Wendel or its holding companies (see note 6-2.2 "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 6-2.1 "Liquidity risk of Wendel and its holding companies".

These financial statements were adopted by Wendel's Executive Board on March 8, 2023 and will be submitted for shareholders' approval at the Shareholders' Meeting.

6.7 Notes to the financial statements

NOTE 1	Accounting principles	316
NOTE 2	Context of the 2022 accounts close	324
NOTE 3	Changes in scope of consolidation	325
NOTE 4	Related parties	327
NOTE 5	Participation of management teams in the Group's investments	328
NOTE 6	Financial risk management	333
NOTE 7	Segment information	341
NOTE 8	Goodwill	347
NOTE 9	Intangible assets	350
NOTE 10	Property, plant and equipment	351
NOTE 11	Equity-method investments	353
NOTE 12	Trade receivables	355
NOTE 13	Cash and cash equivalents	355
NOTE 14	Financial assets and liabilities (excluding financial debt and operating receivables and payables)	356
NOTE 15	Equity	358
NOTE 16	Provisions	359
NOTE 17	Financial debt	363
NOTE 18	Discontinued operations and operations held for sale	365
NOTE 19	Net sales	366
NOTE 20	Operating income	366
NOTE 21	Finance costs, net	367
NOTE 22	Other financial income and expense	367
NOTE 23	Taxes	368
NOTE 24	Net income (loss) from equity-method investments	369
NOTE 25	Earnings per share	370
NOTE 26	Acquisitions of property, plant and equipment and intangible assets	371
NOTE 27	Disposals of property, plant and equipment and intangible assets	371
NOTE 28	Acquisitions of equity investments	371
NOTE 29	Disposals of equity investments	371
NOTE 30	Impact of changes in scope of consolidation and of operations held for sale	372
NOTE 31	Changes in other financial assets and liabilities	372
NOTE 32	Net change in borrowings and other financial debt	372
NOTE 33	Other financial income and expense	372
NOTE 34	Off-balance sheet commitments	373
NOTE 35	Stock options, free shares and performance shares	376
NOTE 36	Fees paid by the Group to the Statutory Auditors and members of their networks	379
NOTE 37	Subsequent events	380
NOTE 38	List of main consolidated companies as of December 31, 2022	381

NOTE 1 Accounting principles

Wendel's consolidated financial statements for the year ended December 31, 2022 have been prepared in accordance with IFRS (International Financial reporting Standards) principles and methods as adopted by the European Union on December 31, 2022, 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 year ended December 31, 2022 have been prepared using the same accounting methods as those used for the year ended December 31, 2021.

The following amendments and interpretations, which entered into force on January 1, 2022, were adopted by the Group. The adoption of these amendments did not have a material impact on the consolidated financial statements:

- amendment to IFRS 3 relating to the update of references to the Conceptual Framework;
- amendment to IAS 16 relating to the accounting for proceeds before an asset's intended use;
- amendment to IAS 37 relating to the costs to be taken into account when recognizing a provision for onerous contracts; and
- annual improvements – 2018-2020 cycle.

The new standards, amendments or IFRIC interpretations mandatorily applicable for reporting periods beginning on or after January 1, 2023 were not early adopted as of December 31, 2022.

Note 1-1 Basis of consolidation

Companies over which Wendel has exclusive control are fully consolidated. Companies over which Wendel exercises significant influence or joint control are accounted for using the equity method. Earnings of acquired subsidiaries are consolidated as from their acquisition date, while those of subsidiaries sold are 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 of Bureau Veritas, Constantia Flexibles, Stahl, CPI and Tarkett for the year ended December 31, 2022;
- the individual financial statements of all other companies for the year ended December 31, 2022.

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 in 2022 are presented in note 3 "Changes in scope of consolidation". The main consolidated subsidiaries are presented in note 38 "List of main consolidated companies as of December 31, 2022".

Note 1-3 Business combinations

The revised IFRS 3 "Business Combinations" and IAS 27 "Separate Financial Statements" affect the accounting for acquisitions that result in control and for partial disposals that result in a loss of control:

- ancillary transaction costs are recognized in operating income for the period; contingent consideration is initially recognized at fair value, with subsequent changes in fair value recognized in operating income;
- when control is acquired, non-controlling interests are recognized either based on the holders' proportionate share of the fair value of the assets and liabilities of the acquired entity, or at their fair value. A percentage 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 a loss of control are recognized as transfers between the Group share of equity and non-controlling interests, without any impact on net income;
- non-controlling interests can have a negative balance as a subsidiary's net income or loss is allocated between the Group share of equity and non-controlling interests based on their respective interests; and
- in the event control is acquired of an entity in which the Group already holds an interest, the transaction is accounted for as (i) a disposal of the entire investment previously held with recognition of the consolidated gain on disposal as well as (ii) an acquisition of all the shares with recognition of goodwill on the entire investment. In the event of a partial divestment resulting in a loss of control (but where the Group retains a non-controlling interest), the transaction is also accounted for as both a divestment and an acquisition: disposal of the entire investment and calculation of a consolidated gain on disposal along with 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 purchase shares held by non-controlling shareholders in consolidated subsidiaries (minority puts), a financial liability is recognized in an amount corresponding to the estimated present value of the purchase price.

As of December 31, 2022, in the absence of any specific IFRS guidance, this financial liability was offset:

- firstly, by eliminating the carrying amount of the corresponding non-controlling interests; and
- secondly, by reducing the Group's share of equity as follows: the difference between the estimated exercise price of the put options granted and the carrying amount of the non-controlling interests is deducted from consolidated retained earnings and other reserves (Group share). This balance is adjusted at the end of each accounting period to reflect changes in the estimated exercise price of the put options 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 Intragroup asset sales and transfers

Gains and losses on the sale or transfer of assets between consolidated companies have been eliminated from earnings and the assets continue to be reported at their value on initial recognition, except in the event of losses deemed permanent, for which an impairment charge is recognized in 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 are converted into euros at the closing exchange rate, while income statement items are converted at the average exchange rate for the 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 under "Translation adjustments" in consolidated retained earnings and reserves until the assets and liabilities and all related foreign currency transactions have been sold or unwound. In this case, currency translation differences are either written back to income if the transaction leads to a loss of control, or directly impact equity in the event of a change in non-controlling interests that does not result in a loss of control.

The principal exchange rates used in the consolidated financial statements are as follows:

	Closing rate		Average rate	
	2022	2021	2022	2021
€/$	1.0666	1.1326	1.0516	1.1829

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 those financial statements. These estimates and assumptions are based on Wendel's and its subsidiaries' appreciation of the facts and circumstances existing at the reporting date, as well as on information available on the date the financial statements were adopted. 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. Prevailing uncertainty makes forecasting difficult, and actual amounts could therefore differ from the forecasts.

Estimates and assessments made in order to prepare these financial statements mainly concern goodwill, impairment tests on goodwill and equity-method investments, provisions, deferred taxes, derivatives, valuation of put options granted to non-controlling interests, and the treatment of co-investments.

The Group's exposure to the impacts of the war in Ukraine and the effects of the sanctions and restrictions imposed on Russia and Belarus is low; the conflict did not have a significant impact on the estimates and valuations as of December 31, 2022. The Group, through its investments and holding companies, has taken this risk into account in the various sensitivity tests and more specifically in the impairment tests (see note 8-1 "Goodwill impairment tests").

Similarly, through its investments and holding companies, the Group has taken the economic, social and environmental impacts of the current macroeconomic environment into account in the assumptions used in its estimates and valuations. The Group regularly ensures that the impacts of climate change, significant fluctuations in interest rates and wage and raw material inflation are factored into its various sensitivity tests and more specifically, into its impairment tests (see note 8-1 "Goodwill impairment tests").

Note 1-8 Bases of measurement

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 at the acquisition date. The identifiable assets and liabilities of the acquired company that meet the IFRS recognition criteria are recognized at their fair value as of the acquisition date. 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 retrospective adjustments to goodwill if they occur within 12 months of the acquisition date. Any subsequent adjustments are recognized directly in the income statement unless they are made to correct an accounting error. Under the revised IFRS 3 "Business combinations", the Group may choose to recognize goodwill on non-controlling interests. 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 earnings compared with the budget or a deterioration in the industry environment in which a company operates. For impairment tests, goodwill is allocated to cash-generating units (CGUs). Each operating subsidiary (Bureau Veritas, Constantia Flexibles, Stahl, CPI and ACAMS) corresponds to a CGU. Goodwill impairment losses are recognized in 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 reporting scope (and not at the level of the Wendel Group), this loss is also reported in Wendel's consolidated financial statements, even if the analysis conducted by Wendel on the investee's goodwill does not show any such loss. This stance has been taken to allow Wendel to recognize unrealized losses as soon as they appear, as the losses would evidently have to be recognized if the subsidiary were to sell the impaired CGUs.

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", paragraph 23). Accordingly, the goodwill is not tested separately for impairment, as the value of equity-method investments is tested including goodwill. In the event of an improvement in the value of equity-method investments justifying an impairment writeback, the portion of the impairment pertaining to goodwill is also written back. Impairment losses along with disposal and dilution gains and losses 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 8 "Goodwill" and 11 "Equity-method investments".

Note 1-8.2 Intangible assets

1. Bureau Veritas, CPI and ACAMS group brands

The Bureau Veritas and CPI group brands have been valued using the relief-from-royalty approach, which consists in discounting royalties to perpetuity at a theoretical rate based on net sales 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 Bureau Veritas subsidiaries are amortized over a period of 5 to 15 years. Only those brands identified at the level of the Wendel Group when Wendel acquired control of Bureau Veritas are considered to have an indefinite life.

The ACAMS group brand is amortized over 12 years.

2. Bureau Veritas, Constantia Flexibles, Stahl, CPI and ACAMS group contracts and customer relationships

The value of these contracts and customer relationships represents 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 (5 to 23 years, depending on the contract and subsidiary).

Note 1-8.3 Other intangible assets

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.

The costs of initially configuring software hosted by an external service provider, particularly in "Software as a Service" (SaaS) arrangements, must be expensed, except in two cases:

- when the configuration work results in the creation of an identifiable additional code that is separable from the software and controlled by the entity, in which case the entity must assess whether such costs meet the definition of an intangible asset within the meaning of IAS 38 "Intangible Assets"; or
- when the configuration work and the ongoing provision of access to the software fall under the responsibility of a single service provider and are not distinct, in which case the expense should be recognized over the term of the contract within the meaning of IFRS 15 "Revenue from Contracts with Customers".

Note 1-8.4 Property, plant and equipment

Property, plant and 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, including borrowing costs that are directly attributable to the acquisition or production of the property, plant and equipment during the reporting period prior to being brought into service.

Property, plant and 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 and equipment is historical cost less residual value, *i.e.*, the estimated amount that the entity would obtain at the end of the asset's useful life, less any estimated costs of disposal.

The useful life is 10 to 50 years for buildings, and 3 to 10 years for industrial facilities as well equipment and tooling.

Note 1-8.5 Leases

IFRS 16 "Leases" requires lessees to recognize leases in their balance sheets in the form of an asset (representing the right to use the underlying asset during the lease term) and a corresponding liability (representing the obligation to make fixed lease payments). The standard eliminates the distinction between operating leases and finance leases.

In accordance with the expedient provided for in IFRS 16, the Group applied IFRS 16 to leases identified in accordance with the standards previously in force, IAS 17 and IFRIC 4, without reassessing the classification of leases in progress at January 1, 2019.

The lease liability represents the present value of remaining lease payments. Future lease payments were discounted using the lessee's incremental borrowing rate based on the residual term of their leases.

The Group opted to apply the IFRS 16 exemption for short-term and low-value leases (assets with a unit value of less than €5,000). Payments under these leases therefore continue to be recognized as operating expenses.

In assessing the lease term, the Group has taken the non-cancelable period of each lease plus any option to extend the lease that the Group is reasonably certain to exercise and any option to terminate the lease 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", property, plant and equipment and intangible assets are tested for impairment whenever there is an indication of a loss in value. These tests are performed either when there is an indication of a loss of value, or yearly for assets with indefinite useful lives, *i.e.*, only goodwill and brands for Wendel. Impairment losses are recognized in the income statement under "Impairment of assets". Impairment losses may be reversed, but only to the extent of the carrying amount of the asset had no impairment been recognized.

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 34-5 "Shareholder agreements and co-investment mechanisms").

In accordance with 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. 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

Under IFRS 9, entities may make an irrevocable election to present changes in the fair value of an equity instrument not held for trading through other comprehensive income. Entities may make that election for each new instrument and acquisition, depending on the Group's management objective.

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 cost. At the end of each reporting period, the fair value of listed instruments is determined based on the share price at the reporting date. For unlisted securities, fair value is measured using valuation models based primarily on 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 consolidated retained earnings and other reserves and is not reclassified to 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 subsequently 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 34-5 "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 in a fair value, cash flow or net investment hedge:

- fair value hedges are used to offset changes in the fair value of a recognized asset or liability due to fluctuations in exchange rates, interest rates or other benchmarks;
- cash flow hedges are used to hedge changes in future cash flows from an existing or future asset or liability. Wendel and its subsidiaries use cash flow hedges to offset fluctuations in foreign exchange rates, interest rates and commodity prices; and
- hedges of net investments in foreign operations 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 functional currency of the hedged investment can be designated as a net 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 inception; and
- 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 in 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 designated as cash flow hedges is recognized directly in equity. The gain or loss from the ineffective portion is recognized in the income statement. Amounts carried in equity are transferred to 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. The gains and losses carried in equity are recognized in the income statement when the foreign operation is sold.

Derivatives are measured using the Group's mathematical models, as well as by independent appraisers and/or by the Group's counterparties.

Note 1-8.8 Fair value measurement

In accordance with the amendment to IFRS 7 "Financial Instruments: Disclosures" (March 2009), the tables in note 14 "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 based on another price); and
- level 3: fair values that are not determined on the basis of observable market data.

In 2022, there were no transfers of financial instrument fair value measurements between levels 1 and 2, or to or from level 3.

Note 1-8.9 Inventories

Inventories are stated at the lower of cost and net realizable value. Production cost includes the costs of commodities, direct labor, and any operating expenses 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 to known amounts of cash, subject to an insignificant risk of changes in value and used to meet short-term cash needs. Cash equivalents include euro-denominated, money-market mutual funds (Sicav) and deposit accounts with initial maturities of three months or less. They are measured at their fair value at the reporting 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 in return. 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 reporting date, and the related adjustment is recognized in 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 reporting date taking into account the age of the Company's employees, their seniority, 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 provision corresponds to the difference between the total benefit obligation as calculated above and any assets invested with insurance companies to fund these obligations.

Actuarial gains and losses are recorded in equity as soon as they are incurred.

Note 1-8.13 Deferred taxes

In accordance with IAS 12 "Income Taxes", deferred taxes are recognized for temporary 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 against 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 in the balance sheet.

Regarding subsidiaries and equity-method investments, a deferred tax liability is recognized for all temporary differences between the carrying amount of the related shares and their tax base, unless:

- the Group is able to control the timing of the reversal of the temporary difference; and
- it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred taxes are recorded using the liability method. According to this method deferred tax assets and liabilities are recognized according to their estimated future tax impact resulting from discrepancies between the carrying amount of the assets and liabilities in the consolidated financial statements and their respective tax base. Deferred tax assets and liabilities are valued by applying the tax rates 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 net 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 equity. Proceeds from any sales of treasury shares are credited directly to equity: any capital gains and losses on disposal do not therefore impact income for the period.

Note 1-8.15 Discontinued operations and operations held for sale

Assets, groups of assets held for sale, and discontinued operations are classified as such if their carrying amount will be recovered mainly through a sale transaction rather than through continuing use, and when their sale is highly probable. Depreciation on these assets ceases when they meet the conditions for classification as held for sale, and impairment is recognized if the asset's residual carrying amount exceeds its likely realizable value, less the costs of disposal.

Assets and liabilities of these businesses are presented on a separate line in the balance sheet of the current period, while their earnings are presented on a separate line in the income statement (including for comparative periods). Where applicable, net income or loss from discontinued operations includes any disposal gains or losses or any impairment losses recognized in relation to the businesses.

Note 1-8.16 Revenue recognition

The recognition of revenue (net sales) from contracts with customers reflects both the pattern in which performance obligations are satisfied by transferring control of a good or service to the customer, and the amount that the entity expects to receive as consideration for those goods or services.

The majority of the Bureau Veritas group's contracts give rise to a large number of very short-term projects in a single contract. Revenue from these contracts is recognized at the date on which each project is completed. Other contracts cover longer-term projects, especially in the Marine & Offshore and Buildings & Infrastructure businesses. These contracts meet the condition that another entity would not need to re-perform the work already completed, and some such contracts contain an enforceable right to payment, as defined by IFRS 15. For these contracts, the group uses the percentage-of-completion method based on the costs incurred in satisfying the related performance obligations. The percentage of completion is determined for each performance obligation in a contract by reference to the costs incurred up to the end of the reporting period as a percentage of the estimated total costs. The increment of this percentage, applied to the total forecast contract revenue, represents the profit margin recognized in the period.

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 transaction date. Receivables and payables in foreign currencies are translated into euros at the exchange rate prevailing at the reporting date. Forex gains and losses resulting from the translation of receivables and payables in currencies other than euros are recognized in the income statement under "Other financial income and expense".

In the event of hedges of a net investment in a foreign operation (see the "Derivatives" section above), the portion of the gain or loss on an instrument hedging a net investment in a foreign operation that is considered to be an effective hedge is recognized directly in equity. The ineffective portion is recognized immediately in the income statement.

Note 1-8.18 Stock subscription and purchase option plans

In accordance with IFRS 2 "Share-based Payment", the Group recognizes an expense corresponding to the fair value of employee stock subscription and purchase options, free shares, and performance shares at the grant date, with the corresponding offsetting entry under consolidated equity. The expense is recognized over the options' vesting period.

In 2022, as in previous periods, the fair value of Wendel's plans was estimated 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 5 "Participation of management teams in the Group's investments" take the form of ownership by managers of various financial instruments such as ordinary shares, index-based or preferred shares or share warrants.

These mechanisms are settled upon divestments or IPOs, or after a predetermined period of time. At this time, any gains relating to the investment are shared on the basis of whether or not Wendel's annual performance and cumulative profitability objectives have been met.

These mechanisms are measured and accounted for based on the manner in which they will be settled, *i.e.*, either as equity instruments in a divestment or an IPO, or in cash as part of Wendel's liquidity commitments, after a predetermined period of time.

Until the settlement method has been finalized, the investments are accounted for based on the most likely form of settlement.

When it is estimated that settlement is most likely to take the form of equity instruments, management's initial investment is accounted for as non-controlling interests in proportion to their share of the total investment. On settlement, the dilution created by the value sharing 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 recorded as an expense against equity in the income statement. The expense is recognized over the options' vesting period.

When it is estimated that settlement is most likely to take the form of cash as part of Wendel's liquidity commitments after a predetermined period of time, management's initial investment is recognized as debt. This debt is subsequently restated at its fair value until payment is made. Any changes in fair value are recognized in the income statement. When the mechanism is unwound, the debt is paid off in cash. These co-investors are not considered non-controlling shareholders for accounting purposes; their investment is consolidated within the Group's net income and consolidated reserves.

The most likely method of settlement is determined at each reporting date, until the mechanisms are actually settled. Should the most likely method change, the impacts of the change are recognized in the income statement on a prospective basis. If, for example, the most likely method of settlement were to be changed to cash, the amount recognized in 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 as of December 31, 2022 – with the exception of the first third of the automatic liquidity relating to Wendel managers' co-investment in Constantia Flexibles – the most likely settlement will take the form of a sale of the relevant investments or an initial public offering (IPO) of those investments. Liquidity commitments in connection with co-investments, as well as the corresponding amounts recorded in financial liabilities, are set out in note 34-5 "Shareholder agreements and co-investment mechanisms".

Note 1-9. Bases of presentation

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 reporting date; or
- the asset is cash or a cash equivalent carrying no restriction on exchange or use in settlement of a liability for at least 12 months after the reporting date.

When the asset is a pledged cash account or cash equivalent, 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 reporting date; or
- the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting 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 operations, assets 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 investments, 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: treatment of CVAE tax on value added

Based on Wendel's analysis, CVAE tax on value added in France meets the definition of an income tax as defined in IAS 12.2. The IFRS Interpretations Committee 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 that this net amount may differ from net income for accounting purposes. Wendel considers that CVAE has the characteristics indicated in this conclusion, as the value added represents the intermediate level of profit systematically used under French tax rules to determine the CVAE amount due.

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. Under this method, it is assumed that the cash received following the exercise of dilutive instruments will be used to buy back the shares and partially neutralize the resulting dilution. The potential dilution therefore represents the net impact. Dilutive instruments issued by subsidiaries are also included in determining the Group's 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 2022 accounts close

Note 2-1 Exposure to the war in Ukraine

Wendel is paying close attention to the evolution of the situation in Ukraine and its consequences, as one of the direct financial impacts could stem from an increase in our companies' cost structures, commodity prices, supply chain and wage inflation, if these impacts are not passed on sufficiently quickly in sales prices, as our companies have been able to do so far.

The industrial companies in our portfolio use a variety of energy sources, including gas and electricity and also use their derivatives as raw materials. The impact on profitability in the coming months will depend on availability, pass-through to customers, the ability to realize process efficiencies both at suppliers and within our companies.

The Group's direct exposure to Russia and Ukraine was limited to approximately 2% of its revenue in 2022.

In 2022, the Group's direct exposure to Russia and Ukraine through its companies was as follows:

- for Bureau Veritas: revenue generated in these countries represented less than 1% of total revenue;
- for Constantia Flexibles: revenue generated in these countries represented less than 5% of total revenue; and
- for Stahl: revenue generated in these countries represented around 0.5% of total revenue.

The consequences of the conflict on Tarkett are presented in note 11 "Equity-method investments".

The impacts of the conflict on impairment tests are very limited.

Note 2-2 Effects of the Covid-19 pandemic on the financial statements as of December 31, 2022

In 2022, health restrictions in the form of lockdowns were implemented in Asia and especially in China owing to its "zero-Covid policy". These restrictions did not have a significant impact on the Group and did not require a revision of the usual assumptions and estimates, despite the sharp rise in Covid cases in China.

The Group is remaining vigilant as to the development of the crisis and its effects on its portfolio companies and employees.

Note 2-3 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. Wendel is particularly committed to monitoring its carbon footprint and those of its investees, and to setting reduction targets where material. The portfolio companies' exposure to climate risk was reviewed in 2021. In 2022, the companies for which long-term risks were identified had their Climate Resilience and Adaptation Plan approved at the governance level. The short-term effects have been factored into the strategic plans of the Group's operating subsidiaries, which are used as a basis for testing intangible assets with indefinite useful lives for impairment. The long-term effects of these changes are not quantifiable at this stage.

NOTE 3 Changes in scope of consolidation

Note 3-1 Changes in scope of consolidation in 2022

The Wendel Group's scope of consolidation is set out in note 38 "List of main consolidated companies as of December 31, 2022".

1. Completion of the sale of Cromology

On January 20, 2022, Wendel completed the sale of Cromology for an enterprise value of €1,262 million. The net proceeds from the sale amounted to €896 million for Wendel; this amount is net of the share of capital held by Cromology's co-investor managers.

The net proceeds from the sale represent approximately 1.6 times Wendel's total investment in the Materis group since 2006.

The capital gain on the sale of Cromology was recognized for €590 million within "Net income (loss) from discontinued operations and operations held for sale". In addition, in accordance with IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations", Cromology's contribution to net income for 2021 presented for the purposes of comparison is reclassified to this line. The net income generated by Cromology over the first 20 days of the year was not recognized in Wendel's 2022 consolidated financial statements because the impact was not deemed material.

For information purposes, the revenue generated by Cromology in 2021 amounted to €692 million and its recurring EBITDA was €112.5 million.

2. Acquisition of ACAMS

On March 11, 2022, Wendel completed the acquisition of ACAMS (Association of Certified Anti-Money Laundering Specialists) from Adtalem Global Education. ACAMS is the world leader in anti-money laundering and financial crime prevention training and certification.

Its annual consolidated revenue and adjusted *pro forma* EBITDA amounted to $98.4 million and $19.4 million respectively in 2022.

Wendel invested $338 million in equity and holds 98.4% of the company's share capital alongside its management and a minority shareholder. The Wendel Group therefore exercises exclusive control over this company, which has been fully consolidated in its financial statements since the acquisition date.

The amounts presented in the table below are taken from the financial statements of ACAMS as of the takeover date. They are prepared and presented in accordance with the accounting principles applied by Wendel. The carrying amount of the investment at the date of the takeover includes the impact of foreign exchange hedges put in place prior to the acquisition for an amount of €3.6 million. The acquisition costs were recorded in "Other non-recurring operating income and expenses" and amounted to $11.6 million.

Trade names (amortized over 12 years)	$72.5 million
Customer relationships (amortized over 12 years)	$112.5 million
Contractual customer relationships (amortized over 3 years)	$4.5 million
Technologies developed in-house (amortized over 3 years)	$0.5 million
Training content (amortized over 3 years)	$18.0 million
Deferred revenue (12 months)	$(11.0 million)
Deferred taxes related to these revaluations	$(59.0 million)
Residual goodwill	$339.6 million
Net debt	$(147.2 million)
Fixed assets	$9.0 million
Other	$4.1 million
Acquisition price of shares (100% of share capital)	**$343.5 million**

In accordance with IFRS, this allocation is provisional and will be finalized within 12 months of the acquisition.

Note 3-2 Changes in scope of consolidation of subsidiaries and associates

Note 3-2.1 Changes in scope of consolidation of the Bureau Veritas group

In 2022, the group made the following main acquisitions:

- 100% of Advanced Testing Laboratory, a US company specializing in scientific sourcing services for the North American consumer healthcare, cosmetics and personal care, and medical equipment markets;
- 100% of AMS Fashion, a Spanish company specializing in sustainability, quality and compliance services for the Southern European and African fashion industry markets;
- 100% of Galbraith Laboratories, a US expert in Healthcare analytical testing solutions; and
- 80% of CAP Government, Inc. a US company specializing in construction management services in Florida.

The acquisition cost of its activities was €95.6 million and the goodwill generated on the acquisitions was valued at €26.6 million. In 2022, these activities generated annual net sales of approximately €74.1 million and operating income before the amortization of intangible assets from the business combination of approximately €10.4 million.

Note 3-2.2 Changes in scope of consolidation of the Constantia Flexibles group

In 2022, the group invested €23.3 million to acquire 100% of FFP Packaging Solutions, a leading UK-based sustainable, flexible packaging converter with sales of €31.0 million in 2022. This acquisition generated €8.8 million in provisional goodwill prior to allocation.

Note 3-3 Changes in scope of consolidation in 2021

The principal changes in scope of consolidation during 2021 were as follows:

- investment in Tarkett;
- signature of the agreement to sell Cromology for an enterprise value of €1,262 million; and
- deconsolidation of IHS following its IPO.

NOTE 4 Related parties

Related parties for the Wendel Group 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 4-1 Members of the Supervisory Board and Executive Board

Compensation awarded by the Wendel Group for 2022 to (i) André François-Poncet, Group CEO up to December 1, 2022 inclusive, (ii) Laurent Mignon, Group CEO as from December 2, 2022, and (iii) David Darmon, member of the Executive Board, amounted to €5,797 thousand.

The IFRS value of the options and performance shares granted to Laurent Mignon and David Darmon in 2022 amounted to €3,340 thousand at the grant date. No grants were made to André François-Poncet for 2022.

Compensation paid to members of the Supervisory Board in 2022 totaled €1,209 thousand, including €1,119 thousand by Wendel SE (i) in consideration of services by members of the Supervisory Board, (ii) as compensation of the Chairman of the Supervisory Board and (iii) as compensation of the Lead Member of the Supervisory Board; and €90 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 directors' fees.

As of December 31, 2022, the commitments made by the Company to Laurent Mignon, the Group CEO, in the event of his removal from office, were as follows:

- in the event of his removal from office not prompted by poor performance, provided that performance conditions are met, an indemnity equal to his monthly average compensation multiplied by the number of months he served as Group CEO (capped at 18 months). The monthly average compensation is determined as follows: the sum of (i) his fixed average monthly compensation at the time of departure, and (ii) one-twelfth of his variable compensation actually paid in respect of the last fiscal year preceding his departure.

Note that André François-Poncet did not receive any indemnities on the termination of his duties at the end of 2022.

As of December 31, 2022, the commitments made by the Company to Executive Board member David Darmon, in the event of his removal from office, were as follows:

- in the event of termination of his term of office not prompted by poor performance, an indemnity equal to 18 months of his fixed monthly average compensation at the time of his departure;
- in the event of termination of his employment contract, the legal and contractual indemnities due under that employment contract; and
- it being specified that the total amount of indemnities paid to David Darmon in respect of his corporate office and employment contract may not exceed 18 months of his monthly average compensation determined as follows: the sum of (i) his fixed monthly average compensation at the time of his departure, and (ii) one-twelfth of the variable compensation actually paid in respect of the last fiscal year preceding his departure.

In accordance with Wendel's policy of associating management with the Group's investments, the members of the Executive Board participate in the co-investment mechanisms described in note 5 "Participation of management teams in the Group's investments".

Note 4-2 Wendel-Participations

Wendel-Participations SE is owned by around 1,200 Wendel family members and legal entities. Wendel-Participations investors together held a 39.59% stake in Wendel SE as of December 31, 2022, representing 51.81% of theoretical voting rights and 52.57% of the exercisable voting rights as of that date.

As of December 31, 2022, there were 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 II Law on the prevention of corruption and for the implementation of CbC 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 5 Participation of management teams in the Group's 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 5-1 Participation of Wendel's teams in the Group's 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 generally concurrent with Wendel's 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 and obligations (carried interest). In the latter case, if Wendel achieves a predefined return, the managers are entitled to a greater share of the gain than their shareholding;

iii) a liquidity event is defined, as per the different programs, as a full divestment of a portfolio company, a change in control, a divestment or redemption 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 vested at their original value and, in certain cases, the co-investor has the option or the obligation to sell their vested rights under predefined financial conditions; and

vi) co-investments are made in euros. In the case of foreign currency investments, the euro exchange rate is adjusted to that applicable on the day of the share 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) were 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 was invested under the same terms and conditions as Wendel (*pari passu* co-investment);

ii) the remaining 70% conferred a right, if a liquidity event occurred, to 7% of the capital gain (carried interest), provided that Wendel had obtained a minimum return of 7% *per annum* and a cumulative return of 40% on its investment; otherwise, the co-investors lost any right to a capital gain, as well as the amount invested, on this fraction of co-investment;

iii) if the company concerned was not sold outright or listed on the stock exchange, the co-investors had 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 was then recognized on one-third of the sums invested by the co-investors; the same applied after 10 years, and then 12 years, if no sale or listing of the company occurred in the meantime;

iv) the rights of co-investors vested gradually over a period of four years, in five tranches of 20% *per annum*, of which 20% at the investment date.

In 2022, the only co-investment still in force in application of these principles was in IHS, through the Luxembourg fund Oranje-Nassau Développement SCA FIAR. A first liquidity deadline occurred in 2021, on the eighth anniversary of the initial investment, on one-third of the co-investment. 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 securities during this transaction, the capital gain was calculated on the basis of the average price of IHS shares over the six-month period following the IPO. On the *pari passu* portion (representing 30% of the total co-investment in IHS), the total amount was €91,370 (less than the co-investors' investment), including €9,537 for David Darmon, member of the Executive Board. This amount was paid in July 2022. On the carried interest portion (70% of the co-investment), the minimum return was not reached and no amounts were paid to the co-investors, including David Darmon, who therefore made a loss. Note that André François-Poncet, Group CEO until December 1, 2022, did not co-invest in IHS.

The 2011-2012 co-investment program is no longer in effect.

2013-2017 program

The co-investment mechanism was amended in 2013 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-year term of the Executive Board at that time. 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 on the basis of an amount calculated by an independent expert is offered to co-investors 8, 10 and 12 years after Wendel's initial investment in the absence of a total sale or IPO;
- 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, also 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 residual investments 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 co-investment of the Executive Board at that time was fixed at one-third of the total co-investment, comprising 60% for the Group CEO and 40% for the member of the Executive Board at that time.

In accordance with these principles, the Wendel employees concerned 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 there are 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 disposal of these companies between 2018 and 2020.

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.

The only deal-by-deal co-investment still in force at the reporting date is the one made in Constantia Flexibles. In accordance with the principle referred to in point (iii) above, a first liquidity deadline will occur on March 26, 2023, on the eighth anniversary of the initial investment, on one-third of the co-investment on a deal-by-deal basis, and an independent multi-criteria appraisal will be carried out before September 26, 2023. In accordance with the Group's accounting policies, a provision for this commitment has been accrued in the 2022 consolidated financial statements.

2018-2021 program

In the absence of any investment made after April 2017, and on the occasion of the arrival of a new Group CEO 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 introduction 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 a repayment of the contributions and to 2% of the capital gain generated on each of the investments made during the period, provided that the return on Wendel's 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 a repayment of the contributions and 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 and if the minimum return is not reached, the co-investors are treated *pari passu* with Wendel;

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 of 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 share price, 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 meet their commitment to co-invest in the pooled portion can invest the same amount on a deal-by-deal basis, without any 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.

In application of these principles, the members of the Executive Board at the time invested in a personal capacity alongside the Group and other Wendel employees in Crisis Prevention Institute (CPI) in December 2019 and November 2020, representing 4% for André François-Poncet and 6.7% for David Darmon, with 90% invested on a pooled basis and 10% deal by deal.

In December 2022:

- Laurent Mignon, new Group CEO as of December 2, 2022, co-invested in CPI at a rate of 8% of the total co-investment, by acquiring shares in the pooled program for €194,828 and shares in the deal-by-deal program for €21,634; and
- David Darmon increased his exposure to CPI and raised his co-investment from 6.7% to 8% by acquiring additional shares in the pooled program for €31,660 and shares in the deal-by-deal program for €3,515.

These transactions were carried out at the higher of the initial value and the last net asset value.

The difference between the fair value of the managers' co-investments and its subscription price amounts to €2.2 million. In accordance with Group accounting principles, this amount is recognized in the income statement over the vesting period.

André François-Poncet retained his co-investment shares in CPI after his departure from the Group on December 1, 2022.

2021-2025 program

Upon renewal of the Executive Board's term of office for the period April 2021 to April 2025, a new co-investment program was defined for investments made in new companies during this period (and for any later re-investments made by the Wendel Group in these companies).

This program is governed by the following principles:

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) below) occurs affecting one of the companies initially acquired during the period, the co-investors are (a) entitled to the repayment of their contributions and to the share of the capital gain referred to in iii) or iv) below, provided that the minimum return is achieved, or (b) if that return is not achieved, treated *pari passu* with Wendel;

iii) if a liquidity event (as defined in v) below) 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 (deal-by-deal carried interest), 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 minimum return is decreased by 0.75% per year for the next five years and then remains constant at its last level; 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 minimum 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, a divestment or a redemption 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, as of 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 2021-2025 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 meet their commitment to co-invest in the pooled portion can invest the same amount on a deal-by-deal basis, without any 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 share of the Executive Board's co-investment in this program is 16%, *i.e.*, 8% for each Executive Board member, divided equally between co-investment on a deal-by-deal basis and pooled co-investment.

In application of these principles, the co-investors invested in a personal capacity alongside the Group in Tarkett in 2021. In March 2022, the co-investors invested in a personal capacity alongside the Group in ACAMS for an amount of €1.3 million. In this context, André François-Poncet and David Darmon, respectively Group CEO and member of the Executive Board, co-invested €146,132 each.

In December 2022, Laurent Mignon, the new Group CEO as of December 2, 2022, co-invested at a rate of 8% in Tarkett and ACAMS by acquiring shares for €127,008 in the pooled program, €53,942 in the deal-by-deal program for Tarkett and €243,522 in the deal-by-deal program for ACAMS. These transactions were made at the higher of the initial value and the last net asset value.

The difference between the fair value of the managers' co-investments, including the Executive Board members, 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.

Note 5-2 Participation of investees' management in the performance of their companies

Various mechanisms exist in Wendel Group subsidiaries (Bureau Veritas, Constantia Flexibles, Stahl, CPI, IHS, Tarkett and direct investments via Wendel Growth [formerly Wendel lab]) to allow management to participate in the performance of each entity.

The participation of management is based, depending on the case, on stock subscription or purchase option plans and/or performance share plans, or on co-investment systems whereby the managers of these various subsidiaries co-invest significant amounts alongside Wendel. These investments present a risk for the co-investor managers in that they may lose all or part of the significant sums they have invested, depending on the value of the investment on settlement.

These co-investment mechanisms are generally composed of (i) a *pari passu* investment with a return profile identical to that achieved by Wendel, and (ii) a ratchet investment, which offers variable capital gains 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 co-investor managers take the form of various financial instruments held by Wendel and the co-investor managers. These instruments include ordinary shares, index-based or preferred shares and fixed-rate bonds. The ratchet portions may also be structured as bonuses linked to the relevant entity's performance, or to the profitability of the investment made in the entity.

These investments are settled either when a liquidity event occurs (divestment or IPO) or, for certain investments if no such liquidity event takes place, at a specific point in time (depending on the Company, between 6 and 12 years after the initial investment by Wendel).

Note 5-3 Impact of co-investment mechanisms for Wendel

As of December 31, 2022, the impact of these co-investment mechanisms is to reduce Wendel's shareholdings in the investments concerned by between 0% and 2%. This calculation is based on the value of the investments as calculated in order to determine the Group's Net Asset Value (NAV, as defined in the annual financial report) as of December 31, 2022.

NOTE 6 Financial risk management

Note 6-1 Equity market risk

Note 6-1.1 Value of investments

Wendel Group assets are mainly investments over which Wendel has control or significant influence. These assets are listed (Bureau Veritas, IHS and Tarkett) or unlisted (Constantia Flexibles, Stahl, CPI and ACAMS).

The value of these investments is based mainly on:

- their economic and financial performance;
- their growth and profitability outlook;
- 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 NAV depends on management's capacity to select, buy, develop and then resell companies able to stand out 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 companies' management, during regular in-depth operational review meetings or meetings of these companies' governance entities. Alongside these meetings, knowledge sharing with the management team makes it possible to develop true industry expertise and therefore 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 Group level through an overall analysis of the breakdown of Wendel's subsidiaries' businesses and investments by industry, in order to ensure sufficient diversification, not only in industry terms but also from the point of view of their competitive positioning and the companies' ability to withstand a deterioration in the economic climate.

Nevertheless, there is a risk that the investee's economic results will not meet Wendel's expectations.

Moreover, the financial structure and levels of debt of certain operating subsidiaries (CPI, IHS Tarkett, ACAMS) 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 business or an external event which unfavorably impacts the companies' 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 6-2 "Liquidity risk"). Furthermore, banks' access to liquidity and their own prudential ratios can sometimes make refinancing the debt of these companies more difficult. To prevent and manage the risk related to the financial structure of these companies, cash flow and financial covenant forecasts are prepared regularly based on various scenarios in order to establish, where appropriate, targeted solutions to ensure their long-term survival and to create value. Wendel and its subsidiaries are also 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 growth and profitability outlook are affected by difficulties related to their organization, financial structure, forex exposure, industry sector and global economic environment and/or to risks as sudden and significant as a cyber-attack, a geopolitical crisis or the crisis linked with the global pandemic. 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 6-1.2 Equity market risk

As of December 31, 2022, equity market risk related chiefly to:

- consolidated and equity-method shares, whose recoverable values used for impairment tests are based on market parameters including, as appropriate, the discount rate used in calculating value in use or the market price used in calculating fair value (see impairment tests in note 8 "Goodwill" and note 11 "Equity-method investments");

- the investment in IHS recorded in non-current financial assets at fair value, *i.e.*, at the market price (see note 14 "Financial assets and liabilities"); changes in this value are recorded in other comprehensive income in accordance with Group accounting principles. At December 31, 2022, the investment was valued at €363 million, after a loss of €422 million recognized in other comprehensive income corresponding to the change in fair value for the period. Excluding the change in value of the US dollar (the company's quoted currency), a +/-5% change in the market price would lead to a positive or negative impact of €18 million in other comprehensive income;
- investments by Wendel Growth (formerly Wendel Lab), whose total value was €157 million as of December 31, 2022. These investments are recognized at fair value, with changes recognized through profit or loss. A 5% increase or decrease in their value would therefore result in a positive or negative impact of approximately €7.8 million in net financial expense (see note 14 "Financial assets and liabilities");
- puts granted to non-controlling interests (minority puts) and liquidity commitments of co-investments granted by Wendel and its holding companies, which are recognized as financial liabilities. Their value is determined using a contractual formula based on a fixed multiple of operating margin less net debt, or using the fair value of the relevant investment. When the buy-out price is based on fair value, it is most often estimated using the calculation method used for NAV (as described in the Group's annual financial report), *i.e.*, peer multiples are applied 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. As of December 31, 2022, the total of these financial liabilities amounted to €233 million, mainly corresponding to the minority put granted to the H. Turnauer Foundation (see note 14 "Financial assets and liabilities" and note 34 "off-balance sheet commitments"). In the event of a +5% increase in the operating margins of the investments 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 would increase by around €22 million. This change would mainly be recognized in consolidated reserves. Other Group investees also granted minority puts (see note 14 "Financial assets and liabilities");
- the Wendel syndicated loan covenants, which are based on ratios of financial debt to asset value, are described in note 6-2.4 "Financing agreements and covenants of Wendel and its holding companies". As of December 31, 2022, this loan was not drawn and Wendel was in compliance with these covenants; and
- the financial leverage of Wendel and its holding companies (*i.e.*, net debt/assets), which represents a key indicator of the cost of bond and bank financing for Wendel. This indicator is also tracked by Moody's and Standard & Poor's rating agencies, which Wendel has contracted 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 while maintaining a solid financial structure.

Note 6-2 Liquidity risk

Note 6-2.1 Liquidity risk of Wendel and its holding companies

Wendel's cash requirements are related to investments (including the commitments described in note 34 "off-balance sheet commitments", in particular the minority puts and the commitments of Wendel Growth), debt servicing, operating expenses, 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 associates.

As regards asset turnover, certain agreements, notably shareholder agreements, may temporarily limit Wendel's ability to sell certain of its assets; as of December 31, 2022, the main asset subject to this restriction is the investment in IHS, which is in fact subject to a mandatory holding requirement expiring gradually after the company's IPO (see note 34-5 "Shareholder agreements and co-investment mechanisms"). The shareholders' agreement for the investment in Tarkett also includes a commitment by the Group not to sell the shares during the first years of its investment. An unfavorable environment for the equity market (public or private) or a non-controlling shareholder position without a shareholder agreement permitting 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, dividends paid by investees may be limited by their operating and financial position (see note 6-2.2 "Liquidity risk of operating subsidiaries") and any restrictions set out in their financing documentation (see note 6-2.5 "Financial debt of operating subsidiaries – Documentation and covenants"). Furthermore, a non-controlling shareholder cannot decide to pay dividends without the agreement of the other shareholders.

1. Cash and short-term financial investment position

As of December 31, 2022, cash and short-term financial investments of Wendel and its holding companies (excluding operating subsidiaries) amounted to €960.5 million and consisted mainly of €671.3 million in euro money market funds, €33.8 million in financial institution funds and €255.4 million in bank accounts and deposits denominated chiefly in euros.

2. Monitoring cash and short-term financial investments

Every month, cash and cash equivalents (including short-term financial investments) and cash flows 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 January 2022, a new €300 million bond maturing in January 2034 was issued with a coupon of 1.375%. Following this transaction, the €500 million bond maturing in 2024 was redeemed early for an amount of €534.4 million, determined in accordance with the prospectus of this bond and including the impact of the interest rate hedge (the difference between the amount redeemed and the nominal amount was recognized in financial expenses). Thus, at the reporting date, the maturities of the bonds were spread between April 2026 and January 2034 for a nominal amount of €1.4 billion and the average maturity was 6.4 years.

Wendel also has an undrawn €750 million syndicated loan maturing in July 2027. Wendel has the option of requesting two one-year maturity extensions from the lenders, who may either accept or refuse its request. Wendel was in compliance with its financial covenants as of December 31, 2022. The margin level on this loan is indexed to Wendel achieving its ESG targets; should these targets not be met, the margin would be increased but there would be no impact on the availability of this facility; however, if the targets were to be met, the margin would be reduced. As the 2021 targets were met, the margin on the loan was reduced slightly in 2022. This undrawn line of credit notably gives Wendel enough flexibility to take advantage of investment opportunities.

At the reporting date for the consolidated financial statements, Wendel had a long-term rating of BBB with a stable outlook and a short-term rating of A-2 from Standard & Poor's. Similarly, Moody's assigned Wendel a rating of Baa2 with a stable outlook.

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 turnover or new financing. New financing may be limited by:

- the availability of bank and bond lending sources, which can be restricted by financial market volatility, banks' access to liquidity, and pressure from financial institution regulators;
- the 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 6-2.4 "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 6-1 "Equity market risk"). It also depends on investments and divestments, which increase and decrease leverage, respectively. It should be noted that in this regard, the Group has granted buyback commitments described in note 34-5 "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 financial leverage (net debt/assets ratio).

Note 6-2.2 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. The subsidiaries' liquidity risk therefore only affects Wendel when the Group so decides or accepts such risk. 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 restrictions to which Wendel is subject, including returns on investment, Wendel's own liquidity, additional investments in other subsidiaries and new investments.

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. 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 6-1.2 "Equity market risk").

Note 6-2.3 Wendel's liquidity outlook

Wendel's next significant financial deadline is the €300 million bond, due to be redeemed in April 2026. 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 6-2.4 Financing agreements and covenants of Wendel and its holding companies

1. Wendel bonds – 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 syndicated loan – documentation and covenants (undrawn as of December 31, 2022)

The syndicated loan is subject to financial covenants, 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. Accordingly, the net debt taken into account corresponds to Wendel bonds and the syndicated loan, when drawn, reduced by cash.

Net debt of Group subsidiaries is deducted from the gross revalued assets of these subsidiaries as it is without recourse to Wendel.

These covenants are as follows:

- net financial debt of Wendel and the financial holding companies compared to the gross asset value 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 treated as unsecured debt, less their available cash (not pledged or in escrow), to
  - the sum of 75% of the value of 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 covenants are tested half-yearly when there are drawdowns under the syndicated loan. As of December 31, 2022 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 6-2.5 Financial debt of operating subsidiaries – Documentation and covenants

1. Bureau Veritas financial debt

This debt is without recourse to Wendel.

As of December 31, 2022, Bureau Veritas' gross financial debt amounted to €2,637.4 million (excluding financial liabilities related to the application of IFRS 16) and its cash balance to €1,662.1 million. At the end of 2022, Bureau Veritas also had a confirmed undrawn credit line of €600 million.

Certain Bureau Veritas group financing is subject to compliance with contractually defined ratios applicable to the test periods of December 31 and June 30.

As of December 31, 2022, all these commitments were met. They can be summarized as follows:

- the first ratio is defined as the ratio of adjusted net financial debt and adjusted consolidated EBITDA (earnings before interest, taxes, depreciation, amortization and provisions), adjusted for any entity acquired over the last 12 months. The ratio should be less than 3.5. As of December 31, 2022, it was 0.97; and
- the second ratio represents consolidated EBITDA (earnings before interest, taxes, depreciation, amortization and provisions), adjusted for any entity acquired over the last 12 months for net financial expenses. This ratio should be greater than 5.5. As of December 31, 2022, it was 18.25.

2. Constantia Flexibles financial debt

This debt is without recourse to Wendel.

As of December 31, 2022, the nominal amount of Constantia Flexibles' gross financial debt was €715.3 million (including accrued interest and excluding issuance costs and financial liabilities related to the application of IFRS 16), and its cash balance €366.2 million (plus €82 million in deposits given as collateral to certain lenders which are classified as financial assets).

At the end of 2022, Constantia Flexibles had a revolving credit facility of €200 million maturing in February 2027, which remains undrawn and available. This facility is subject to the following financial covenant: the ratio of net financial debt to EBITDA over the last 12 months has to be less than 4.00 (this threshold could be temporarily raised to 4.50 in the event of acquisitions). This covenant was met at the end of 2022 with a ratio of 1.2.

As of December 31, 2022, factoring resulting in deconsolidation amounted to €165.5 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 financial debt

This debt is without recourse to Wendel.

As of December 31, 2022, Stahl's gross bank debt was €362.5 million (including accrued interest, and excluding issue costs and financial liabilities related to the application of IFRS 16). Its cash balance was €281.5 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 as of December 31, 2022. This covenant was met, with a ratio of 0.42 at the end of 2022.

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.

Stahl has secured a new $580 million financing with a group of partner banks, extending its maturities to 2028. It will be used to refinance its existing credit lines, to finance ICP's acquisition and finance any future external growth operations.

4. ACAMS financial debt

This debt is without recourse to Wendel.

As of December 31, 2022, the nominal amount of ACAMS' gross financial debt was $166.7 million (including accrued interest and excluding issue costs and financial liabilities related to the application of IFRS 16). Its cash balance was $22.5 million. A large portion of this cash is held by foreign subsidiaries, and the transfer of part of this cash to the ACAMS group is subject to certain limitations. The revolving credit facility amounted to $20 million, of which $2.5 million was drawn down at December 31, 2022.

The financial covenant relates to the ratio of net financial debt to recurring EBITDA over the last 12 months (defined in the lending documentation), which must be less than 12 at December 31, 2022 (the maximum limit will be progressively reduced to 9.5 in September 2024). This covenant was met, with a ratio of 5.9 at the end of 2022.

The documentation related to ACAMS' debt contains the standard restrictions for this type of credit facility. Certain transactions, such as mergers, dissolutions, asset divestments, granting of collateral, acquisitions, additional debt, payment of dividends, share buybacks or changes in ownership structure are prohibited, restricted or require prior approval of the lenders.

5. CPI financial debt

This debt is without recourse to Wendel.

As of December 31, 2022, the nominal amount of CPI gross financial debt was $302.4 million (including accrued interest and excluding issue costs and financial liabilities related to the application of IFRS 16). Its cash balance was $5.6 million. An amount of $2 million has been drawn down on the $30 million revolving credit facility.

As of December 31, 2022, the ratio of net financial debt to recurring EBITDA over the last 12 months (as defined in the lending documentation) was 4.86. This is below the maximum leverage of 12 required by the lenders when more than 40% of the revolving facility has been drawn down (not the case at end-December 2022).

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 of collateral, acquisitions, additional debt, payment of dividends, share buybacks or changes in ownership structure are prohibited, restricted or require prior approval of the lenders.

Note 6-3 Interest rate risk

As of December 31, 2022, the exposure of the Wendel Group (Wendel, its holding companies and its fully consolidated operating subsidiaries) to interest rates was limited.

In billions of euros	Fixed rate	Capped rate	Floating rate
Gross debt	4.0		1.5
Cash and short-term financial investments	0.0		(3.4)
Impact of derivatives	0.2	0.2	(0.4)
INTEREST RATE EXPOSURE	**4.2**	**0.2**	**(2.2)**
	191%	9%	-101%

The notional amount of derivative instruments was weighted by the period of 12 months following December 31, 2022 during which they will hedge interest rate risk.

A +100 basis-point increase in the interest rates on which the interest rate exposure of the consolidated Group is indexed would increase financial income before tax by around €20.0 million over the 12 months after December 31, 2022, based on net financial debt as of December 31, 2022, interest rates on that date, and the maturities of existing interest rate hedging derivatives. This positive impact of a rate increase reflects the Group’s very significant cash position (exposed to floating rates) and the interest rate hedges implemented within the Group.

Note 6-4 Credit risk

Each operating subsidiary has set up a policy to monitor its customer credit risk. Receivables for which a risk of non-payment exists are written down. As of the reporting date, owing to the Group’s geographical and sector diversification, there was no significant concentration of credit risk in trade receivables. The war in Ukraine has not had a significant impact at the Group scale on the impairment of customer receivables recognized as of December 31, 2022 (in particular on the level of expected credit losses).

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, 2022, significant amounts may be invested with the same financial institution. Derivative contracts are entered into with top-ranking financial institutions.

Note 6-5 Currency risk

Note 6-5.1 Wendel

Most of the Group’s 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, 2022, the operating subsidiaries with the greatest exposure to the US dollar or whose reporting currency is the US dollar are Bureau Veritas, Constantia Flexibles, Stahl, CPI and ACAMS.

In addition, the IHS share price is denominated in US dollars. As this investment is recognized at fair value under financial assets, a change in the euro/dollar exchange rate would have an impact on the change in this fair value, which is recognized in other comprehensive income (see note 14 “Financial assets and liabilities”).

In February 2023 (after the reporting date), the Group hedged a portion of the currency risk arising on the value of its investments denominated in US dollars. It contracted:

- a two-year $400 million collar protecting it against a decline in the US dollar, which kicks in when the exchange rate exceeds 1.25 and results in it losing any upside if the rise in the US dollar leads to an exchange rate below 0.9151; and
- a three-year $360 million collar protecting it against a decline in the US dollar, which kicks in when the exchange rate exceeds 1.25 and results in it losing any upside if the rise in the US dollar leads to an exchange rate below 0.9471.

These instruments will qualify as hedging instruments of a net investment in a foreign operation under IFRS. They will therefore be recognized in the balance sheet at fair value, with changes in fair value recognized in other comprehensive income for the effective portion and in income for the ineffective portion. The fair value recognized in other comprehensive income will be released to the income statement when the hedged asset is disposed of or if control of the asset is lost.

Note 6-5.2 Bureau Veritas

Bureau Veritas operates internationally and is therefore exposed to the risk of fluctuations in several currencies. This risk is incurred both on transactions carried out by group entities in currencies other than their functional currency (currency risk on operations), as well as on assets and liabilities denominated in foreign currencies other than the presentation currency for the consolidated financial statements, *i.e.*, euros (translation risk).

Operational currency risk

For Bureau Veritas businesses present in local markets, income and expenses are mainly expressed in local currencies. For Bureau Veritas businesses relating to international markets, a portion of revenue is denominated in US dollars. The proportion of Bureau Veritas' US dollar-denominated consolidated revenue generated in countries with different functional currencies or currencies linked to the US dollar was 7% in 2022. The impact of a 1% rise or fall in the US dollar against all other currencies would have an impact of 0.07% on Bureau Veritas' consolidated revenue.

Translation risk

Since the presentation currency of the financial statements is the euro, Bureau Veritas translates any foreign currency income and expenses into euros when preparing its financial statements, using the average exchange rate for the period. As a result, changes in the value of the euro against other currencies affect the amounts reported in the consolidated financial statements, even though the value of the items concerned remains unchanged in their original currencies. In 2022, over 72% of Bureau Veritas' revenue resulted from the consolidation of financial statements of entities with functional currencies other than the euro:

- 19.8% of revenue was generated by entities whose functional currency is the US dollar or a currency linked to it (including the Hong Kong dollar);
- 11.5% of revenue was generated by entities whose functional currency is the Chinese yuan renminbi;
- 4.3% of revenue was generated by entities whose functional currency is the Australian dollar;
- 4.1% of revenue was generated by entities whose functional currency is the Canadian dollar;
- 3.6% of revenue was generated by entities whose functional currency is the Brazilian real;
- 3.2% of revenue was generated by entities whose functional currency is the pound sterling.

Other currencies taken individually did not account for more than 3% of Bureau Veritas revenue. A 1% rise or fall in the euro against the US dollar and other linked currencies would have had an impact of 0.198% on 2022 consolidated revenue and on 2022 operating profit.

Note 6-5.3 Constantia Flexibles

In 2022, 31% of Constantia Flexibles' revenue was generated in currencies other than the euro, including 12% in US dollars. A 5% rise or fall in the US dollar or in currencies linked to it against the euro would have had a positive or negative impact of around 1.6% on Constantia Flexibles' recurring operating income before depreciation, amortization and impairment (excluding goodwill allocation and non-recurring expenses), representing a positive or negative impact of around €3.4 million.

Note 6-5.4 Stahl

In 2022, 57% of Stahl's revenue was generated in currencies other than the euro, including 31% in US dollars, 14% in Chinese yuan, 5% in Indian rupees and 4% in Brazilian real. A 5% rise or fall in the US dollar against the euro would have had a positive or negative impact of around 4% on Stahl's 2022 recurring operating income before depreciation, amortization and impairment (excluding goodwill allocation and non-recurring expenses), representing a positive or negative impact of around €8 million.

In addition, Stahl has financial debt of €362.5 million denominated in US dollars and carried by a company whose functional currency is the euro. Therefore, a 5% increase or decrease in the US dollar against the euro would result in the recognition of a positive or negative currency impact of around €18 million in financial income and expense. In 2022, the currency effect relating to this debt was a negative €24.1 million, recognized in other financial expenses.

Note 6-5.5 CPI

CPI operates chiefly in the United States and its functional currency is the US dollar. In 2022, 20% of CPI's revenue was generated in currencies other than the US dollar, including 8% in Canadian dollars and 7% in pounds sterling. A 5% rise or fall in the value of these currencies against the US dollar would have had a positive or negative impact of around 1% on EBITDA for the period (excluding goodwill allocation and non-recurring expenses), representing a positive or negative impact of around €0.6 million. In addition, a 5% rise or fall in the value of the dollar against the euro would have a positive or negative impact of around €2.3 million on the EBITDA generated by this investment, expressed in euros in Wendel's consolidated financial statements.

Note 6-5.6 ACAMS

ACAMS is a US-based company with international operations. Its functional currency is the US dollar. In 2022, 11% of its revenue was generated in currencies other than the US dollar, including 7% in Chinese yuan and 4% in Canadian dollars. A 5% rise or fall in the value of these currencies against the US dollar would have had a positive or negative impact of around 2.3% on EBITDA for the year (excluding goodwill allocation and non-recurring expenses), representing a positive or negative impact of around €0.5 million. In addition, a 5% rise or fall in the value of the dollar against the euro would have a positive or negative impact of around €6.5 million on the EBITDA generated by this investment, expressed in euros in Wendel's consolidated financial statements.

Note 6-6 Commodity risk

The Group's investments with the greatest exposure to the risk of changes in commodity prices are Stahl and Constantia Flexibles.

Stahl's commodity purchases represented approximately €428 million in 2022, reflecting a 13% increase in commodity 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 commodities of around €42.8 million on a full-year basis. The increase in ocean freight costs had an impact of €1 million on the group, with a reported 13% decrease in shipping volumes. The volatility of commodity prices and the continued increase in ocean freight costs have led Stahl to raise its sales prices in 2022. Stahl considers that, circumstances permitting, a continued short-term increase in the sales price of its products would offset the overall effect of such commodity price increases.

Constantia Flexibles purchased around €1,366 million of commodities in 2022. A 10% increase in the price of the commodities used by Constantia Flexibles would have led to a theoretical increase in the cost of these commodities of around €136.6 million on a full-year basis. Constantia Flexibles has a policy of protecting itself against fluctuations in aluminum prices through hedging contracts. In 2022, commodity prices increased significantly. The Group believes it has offset these price hikes by increasing its sales prices.

NOTE 7 Segment information

Business sectors correspond to Wendel's shareholdings:

- Bureau Veritas – testing, inspection and certification services;
- Constantia Flexibles – flexible packaging;
- Stahl – coating layers and surface treatments for flexible materials;
- Crisis Prevention Institute (CPI) – training services;
- Tarkett – equity-accounted – flooring and sports surfaces; and
- Association of Certified Anti-Money Laundering Specialists (ACAMS).

The analysis of the income statement by business sector is split between net income from operations, non-recurring items and the impact of 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 operations 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:

- net income from investments is defined as the net income of companies controlled by the Group (fully consolidated: Bureau Veritas, Constantia Flexibles, Stahl, CPI and ACAMS) and Wendel's share in the net income of equity-method investments (Tarkett) before non-recurring items and the impact of goodwill allocations;
- net income from holding companies includes the operating expenses of Wendel and its holding companies, the cost of net debt put in place to finance Wendel and its holding companies, and the tax expense and income relating to these items. The amounts shown are those recognized at the level of Wendel and all of its consolidated holding companies (excluding acquisition holding companies and operating subsidiaries).

Non-recurring items

Non-recurring items correspond, for the entire scope of consolidation, to 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;
- non-recurring restructuring costs;
- non-recurring legal disputes, notably those that are not linked to operating activities;
- changes in fair value;
- impairment losses on assets, and in particular goodwill;
- currency impact on financial debt;
- financial restructuring expenses and the income and expenses related to extinguishing debt; and
- any other material item unconnected with the Group's recurring operations.

Goodwill impact

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 and 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 (the accounting entries relate to the companies' acquisition prices and not their business activities).

Note 7-1 Income statement by business segment for 2022

In millions of euros	Bureau Veritas	Constantia Flexibles	Stahl	CPI	ACAMS	Equity-method investments Tarkett	Wendel and holding companies	Total Group
Net income from operations								-
Net sales	**5,650.6**	**1,954.5**	**914.9**	**114.2**	**66.2**			**8,700.4**
EBITDA[1]	**N/A**	**256.4**	**194.3**	**58.9**	**17.3**			
Adjusted operating income[1]	**902.1**	**118.0**	**165.8**	**51.1**	**13.6**			**1,250.8**
Other recurring operating items		2.0	2.0	0.5	0.3			
Operating income (loss)	**902.1**	**120.0**	**167.8**	**51.6**	**13.9**		**(89.6)**	**1,165.9**
Finance costs, net	(68.3)	(13.8)	(17.8)	(25.9)	(11.7)		(26.9)	(164.5)
Other financial income and expense	(13.1)	1.8	10.5	(1.1)	(0.1)		(1.1)	(3.0)
Tax expense	(259.5)	(13.8)	(42.2)	(5.1)	(3.5)		(1.1)	(325.2)
Share in net income (loss) of equity-method investments	0.1	-	-	-	-	0.1	-	0.2
Net income (loss) from discontinued operations and operations held for sale	-	(2.8)	-	-	-		-	(2.8)
RECURRING NET INCOME (LOSS) FROM OPERATIONS	**561.3**	**91.4**	**118.3**	**19.6**	**(1.4)**	**0.1**	**(118.7)**	**670.6**
Recurring net income (loss) from operations – Non-controlling interests	371.5	37.5	37.8	0.7	0.0		(0.1)	447.4
RECURRING NET INCOME (LOSS) FROM OPERATIONS – GROUP SHARE	**189.8**	**53.9**	**80.5**	**18.9**	**(1.4)**	**0.1**	**(118.7)**	**223.2**
Non-recurring income (loss)								-
Operating income (loss)	(102.9)	(49.6)	(26.6)	40.4	(55.4)		121.3[3]	(72.8)
Net financial expense	-	(1.7)	(23.7)	(1.5)	2.0		(16.6)[4]	(41.5)
Tax expense	26.2	10.9	12.7	(9.6)	12.1		-	52.4
Share in net income (loss) of equity-method investments	-	-	-	-	-	(12.2)	(162.3)[5]	(174.5)
Net income (loss) from discontinued operations and operations held for sale	-	(1.6)	(0.3)	-	-		589.9[6]	588.0
NON-RECURRING NET INCOME (LOSS)	**(76.7)**	**(42.0)**	**(37.8)**	**29.3**	**(41.3)**	**(12.2)**	**532.3**	**351.5**
of which:								-
■ Nonrecurring items	(18.7)	(14.3)	(23.2)[2]	(1.4)	(16.8)[7]	(9.5)	694.6	610.6
■ Goodwill impact	(50.4)	(33.4)	(14.6)	(16.7)	(24.5)	(2.7)	-	(142.2)
■ Asset impairment	(7.6)	5.7	-	47.4[8]	-	-	(162.3)	(116.8)
Non-recurring net income (loss) – non-controlling interests	(52.7)	(16.5)	(12.1)	1.1	(0.8)	-	(0.6)	(81.7)
NON-RECURRING NET INCOME (LOSS) – GROUP SHARE	**(23.9)**	**(25.6)**	**(25.7)**	**28.2**	**(40.4)**	**(12.2)**	**532.9**	**433.2**
CONSOLIDATED NET INCOME (LOSS)	**484.6**	**49.4**	**80.5**	**48.8**	**(42.7)**	**(12.2)**	**413.6**	**1,022.1**
Consolidated net income (loss) – non-controlling interests	318.7	21.0	25.7	1.8	(0.9)	0.0	(0.7)	365.7
CONSOLIDATED NET INCOME (LOSS) – GROUP SHARE	**165.9**	**28.4**	**54.8**	**47.0**	**(41.8)**	**(12.2)**	**414.3**	**656.3**

(1) Before the impact of goodwill allocations, non-recurring items and management fees.
(2) This item mainly corresponds to the foreign exchange impact during the period on debt denominated in US dollars.
(3) It includes proceeds from the sale of the rue Taitbout building by Wendel SE for €115.5 million.
(4) This item includes the net-of-tax impact of the positive change in the fair value of Wendel Growth (formerly Wendel Lab) financial assets for €17.7 million. It also includes the early redemption premium of the 2024 bond for a negative €34.4 million (see "Financial maturities and debt" in note 6-2.1 "Liquidity risk of Wendel and its holding companies").
(5) This item corresponds to the impairment of Tarkett Participation's investments (see note 11 "Equity-method investments").
(6) This item corresponds to the net gain on the sale of Cromology (see note 3 "Changes in scope of consolidation").
(7) This item includes a negative €11.2 million of buyers' fees related to the acquisition of ACAMS, a negative €10.9 million of fees related to the implementation of the new structure and a €2 million positive change in the fair value of hedging derivatives.
(8) This item corresponds to the reversal of the impairment on CPI's intangible assets recognized during the Covid crisis.

Note 7-2 Income statement by business segment for 2021

In millions of euros	Bureau Veritas	Constantia Flexibles	Cromology	Stahl	CPI	Equity-method investments IHS	Equity-method investments Tarkett	Wendel and holding companies	Total Group
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 (loss)	**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 expense	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 (loss) of equity-method investments	-	-	-	-	-	27.7	3.0	-	30.7
Net income (loss) from discontinued operations and operations held for sale	-	-	52.4	-	-			-	52.4
RECURRING NET INCOME (LOSS) FROM OPERATIONS	**509.2**	**50.9**	**52.4**	**113.9**	**7.8**	**27.7**	**3.0**	**(111.3)**	**653.7**
Recurring net income (loss) from operations – Non-controlling interests	337.9	20.2	2.7	36.5	0.3	-	-	-	397.5
RECURRING NET INCOME (LOSS) 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 (loss)									
Operating income (loss)	(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 (loss) of equity-method investments	-	-	-	-	-	(18.8)	(5.9)	913.5[4]	888.9
Net income (loss) from discontinued operations and operations held for sale	-	-	(17.5)	0.6	-			-	(16.9)
NON-RECURRING NET INCOME (LOSS)	**(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
■ Goodwill impact	(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 (loss) – non-controlling interests	(41.7)	(15.8)	(0.9)	(12.7)	(0.5)		-	3.5	(68.0)
NON-RECURRING NET INCOME (LOSS) – GROUP SHARE	**(21.3)**	**(24.5)**	**(16.6)**	**(26.9)**	**(11.9)**	**(18.8)**	**(5.9)**	**916.4**	**790.6**
CONSOLIDATED NET INCOME (LOSS)	**446.2**	**10.6**	**34.9**	**74.4**	**(4.6)**	**8.9**	**(2.9)**	**808.8**	**1,376.4**
Consolidated net income (loss) – non-controlling interests	296.1	4.4	1.8	23.8	(0.2)	-	-	3.5	329.5
CONSOLIDATED NET INCOME (LOSS) – 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 allocations, non-recurring items and management fees.
(2) This item included the negative €8.8 million impact of liquidity linked to IHS co-investment mechanisms.
(3) This item included the impact of the positive change in fair value and the disposal of Wendel Growth (formerly Wendel Lab) financial assets net of tax for €44.5 million. It also includes the early redemption premium of the 2023 bond for a negative €8 million as well as the change in fair value related to foreign exchange hedges implemented by Wendel for a negative €6 million.
(4) This item included the impact of deconsolidation of IHS.
(5) This item included the negative foreign exchange impact for the period of €32 million.

Note 7-3 Balance sheet by operating segment as of December 31, 2022

In millions of euros	Bureau Veritas	Constantia Flexibles	Stahl	CPI	ACAMS	Tarkett	Wendel and holding companies	Total Group
Goodwill, net	2,515.7	492.5	130.5	472.0	318.4	-	-	3,929.1
Intangible assets, net	590.0	392.3	199.7	348.8	179.6	-	0.2	1,710.6
Property, plant and equipment, net	374.8	571.6	126.9	2.4	0.0	-	14.0	1,089.7
Property, plant and equipment under operating leases	381.4	43.0	14.6	3.0	-	-	34.9	476.8
Non-current financial assets	107.3	87.5	0.5	0.2	2.0	-	519.4	716.8
Pledged cash and cash equivalents	-	-	-	-	-	-	0.7	0.7
Equity-method investments	0.9	-	-	-	-	81.3[(1)]	-	82.1
Deferred tax assets	122.6	27.9	15.2	-	-	-	-	165.7
Non-current assets	**4,092.5**	**1,614.8**	**487.5**	**826.3**	**500.0**	**81.3**	**569.2**	**8,171.5**
Discontinued operations and operations held for sale	**-**	**81.8**	**1.8**	**-**	**-**	**-**	**-**	**83.6**
Inventories	53.9	318.3	141.2	0.8	-	-	-	514.2
Trade receivables	1,263.4	167.2	163.5	11.6	1.1	-	-	1,606.9
Contract assets	310.3	-	-	-	-	-	-	310.3
Other current assets	235.8	35.3	19.5	3.2	2.6	-	2.8	299.3
Current tax assets	42.2	10.5	7.2	0.1	-	-	0.0	60.0
Other current financial assets	28.3	4.0	0.2	-	-	-	35.0	67.5
Cash and cash equivalents	1,662.1	366.2	281.5	5.3	21.5	-	928.0	3,264.6
Current assets	**3,596.2**	**901.5**	**613.1**	**21.0**	**25.2**	**-**	**965.9**	**6,122.9**
TOTAL ASSETS								**14,378.0**
Equity – Group share								2,788.6
Non-controlling interests								1,847.7
Total equity								**4,636.2**
Provisions	214.6	56.6	18.6	-	-	-	13.9	303.7
Financial debt	2,102.0	703.4	-	274.9	151.0	-	1,390.3	4,621.6
Operating lease liabilities	308.4	37.4	14.4	2.7	-	-	35.9	398.8
Other non-current financial liabilities	99.1	49.6	-	38.8	2.1	-	232.4	422.1
Deferred tax liabilities	139.1	111.4	28.5	60.5	44.3	-	6.9	390.7
Total non-current liabilities	**2,863.2**	**958.5**	**61.5**	**376.8**	**197.4**	**-**	**1,679.5**	**6,137.0**
Liabilities related to discontinued operations and operations held for sale	**-**	**33.6**	**0.2**	**-**	**-**	**-**	**-**	**33.8**
Provisions	-	10.8	0.8	0.5	-	-	-	12.0
Financial debt	535.4	10.1	361.0	3.8	1.5	-	19.8	931.7
Operating lease liabilities	99.4	8.6	2.3	0.9	-	-	0.5	111.6
Other current financial liabilities	118.1	25.2	-	-	-	-	1.8	145.2
Trade payables	557.6	411.4	84.4	2.4	11.4	-	7.4	1,074.4
Contract liabilities	28.3	12.5	-	-	-	-	-	40.8
Other current liabilities	936.6	79.5	54.0	5.0	29.7	-	20.0	1,124.8
Current tax liabilities	103.7	18.0	5.2	1.1	2.1	-	0.3	130.5
Total current liabilities	**2,379.1**	**576.2**	**507.8**	**13.5**	**44.7**	**-**	**49.8**	**3,571.0**
TOTAL EQUITY AND LIABILITIES								**14,378.0**

(1) *As of December 31, 2022, this item includes the impairment of Tarkett Participation's shares for negative €162.3 million (see note 11 "Equity-method investments").*

Note 7-4 Balance sheet by operating segment as of December 31, 2021

In millions of euros	Bureau Veritas	Constantia Flexibles	Cromology	Stahl	CPI	Tarkett	Wendel and 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 and 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	0.0	-	-	-	215.0	-	215.8
Deferred tax assets	128.5	21.4	-	17.6	0.0	-	-	167.5
Non-current assets	**4,027.6**	**1,707.4**	**0.0**	**506.0**	**739.9**	**215.0**	**940.1**	**8,136.0**
Discontinued operations 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	307.9	-	-	-	-	-	-	307.9
Other current assets	251.9	30.2	-	18.9	1.3	-	3.4	305.7
Current 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**	**0.0**	**550.6**	**19.8**	**-**	**658.1**	**5,213.1**
TOTAL ASSETS								**14,183.1**
Equity – Group share								2,601.4
Non-controlling interests								1,587.5
Total 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**	**-**	**410.9**	**360.1**	**-**	**1,797.9**	**6,699.6**
Liabilities related to discontinued operations and operations 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	24.9	8.8	-	-	-	-	-	33.6
Other current liabilities	941.8	68.1	-	53.4	6.6	-	20.5	1,090.2
Current tax liabilities	101.8	12.6	-	4.5	0.1	-	0.0	119.0
Total current liabilities	**1,896.0**	**480.6**	**0.0**	**344.5**	**14.3**	**-**	**67.7**	**2,803.2**
TOTAL EQUITY AND LIABILITIES								**14,183.1**

Note 7-5 Cash flow statement by business segment for 2022

In millions of euros	Bureau Veritas	Constantia Flexibles	Stahl	CPI	ACAMS	Wendel and holding companies	Total Group
Net cash from (used in) operating activities, excluding tax	1,074.6	241.5	171.5	56.2	16.9	(67.3)	1,493.3
Net cash from (used in) investing activities, excluding tax	(216.9)	(108.9)	(28.2)	(2.2)	16.2	957.5	617.5
Net cash from (used in) financing activities, excluding tax	(396.8)	45.1	(54.3)	(49.7)	(12.0)	(335.3)	(803.0)
Net cash related to taxes	(241.7)	(16.5)	(33.8)	(6.1)	(1.1)	0.2	(299.0)

Note 7-6 Cash flow statement by business segment for 2021

In millions of euros	Bureau Veritas	Constantia Flexibles	Cromology	Stahl	CPI	Wendel and holding companies	Total Group
Net cash from (used in) operating activities, excluding tax	993.8	223.4	58.5	162.2	44.2	(58.3)	1,423.7
Net cash from (used in) investing activities, excluding tax	(171.6)	(212.1)	(91.0)	(14.0)	(1.0)	(261.4)	(751.0)
Net cash from (used in) financing activities, excluding tax	(799.2)	43.5	(131.6)	(49.1)	(43.0)	(109.5)	(1,089.0)
Net cash related to taxes	(207.9)	(16.2)	(4.0)	(37.0)	(4.8)	2.0	(267.8)

6.8 Notes to 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 8 Goodwill

The accounting principles applied to goodwill are described in note 1-8.1 "Goodwill".

	Dec. 31, 2022		
In millions of euros	Gross amount	Impairment	Net amount
Bureau Veritas	2,659.7	(144.0)	2,515.7
Constantia Flexibles	492.5	-	492.5
ACAMS	318.4	-	318.4
Stahl	130.5	-	130.5
CPI	498.2	(26.2)	472.0
TOTAL	**4,099.3**	**(170.3)**	**3,929.1**

	Dec. 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**

The main changes during the year were as follows:

In millions of euros	2022	2021
Net amount at beginning of period	**3,510.6**	**3,488.6**
Acquisition by the Group entities(1)	35.4	56.9
Acquisition of ACAMS(2)	305.3	
Reclassification under "Discontinued operations and operations held for sale"	-	(177.1)
Impact of changes in currency translation adjustments and other	77.8	142.3
NET AMOUNT AT END OF PERIOD	**3,929.1**	**3,510.6**

(1) This item corresponds to goodwill accounted for by Bureau Veritas and Constantia Flexibles related to acquisitions realized over the period (see note 3 "Changes in scope of consolidation").
(2) See note 3 "Changes in scope of consolidation".

Note 8-1 Goodwill impairment tests

In accordance with accounting standards, goodwill for each cash-generating unit (CGU) 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 its fully consolidated investments as of December 31, 2022: Bureau Veritas, Constantia Flexibles, Stahl, CPI and ACAMS.

The tests described below are based on Wendel's assessment of the facts and circumstances existing at the reporting date, and on information available at the date on which the financial statements were adopted with regard to the positions existing as of December 31, 2022. Forecasts are inherently uncertain and actual amounts could therefore be significantly different from the forecasts made under these tests. Accordingly, values in use could also differ from those determined on the basis of the assumptions and estimates used at the end-December 2022 reporting date.

The tests are performed in accordance with IAS 36 "Impairment of Assets". They consist in comparing the carrying amount of subsidiaries and associates with their recoverable amount (*i.e.*, the higher of fair value and value in use).

Investees performed impairment tests on their own CGUs. In accordance with the Group's accounting principles, these losses have been maintained in Wendel's consolidated financial statements. CPI reversed €62.5 million (before deferred tax) of impairment losses that it had recognized against intangible assets in 2020 in connection with the Covid-19 crisis, representing the carrying amount of these assets if they had been amortized at the normal rate (the impairment recognized in 2020 against goodwill cannot be reversed in accordance with applicable accounting principles).

As regards Bureau Veritas, which is listed, the carrying amount at the end of 2022 (€6.5 per share, *i.e.*, €1,043 million for the shares held) remains well below the fair value (closing stock market price: €24.6 per share, *i.e.*, €3,956 million for the shares held). Value in use does not therefore need to be adopted and no impairment is recognized.

For the tests performed by Wendel on unlisted investments, the values in use as determined for the purpose of 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 investees and using the latest information available regarding the underlying markets. For each of the subsidiaries, the value of Wendel's share in the capital is compared to the carrying amount.

No losses were recognized by Wendel in addition to those already recognized by the investees on their own CGUs.

A description of the tests carried out by Wendel on its unlisted investments is as follows:

	Stahl	Constantia Flexibles	CPI	ACAMS
Net carrying amount before test (Group share)	360	533	450	277
Impairment	-	-	-	-
Net carrying amount after test (Group share)	360	533	450	277
Length of business plan (years)	5 years	5 years	5 years	5 years
Discount rate				
Rate at Dec. 31, 2022	9.0%	7.5%	10.0%	11.0%
Rate at Dec. 31, 2021	9.0%	7.5%	9.0%	N/A
Change in impairment recognized in the event of a 1.0% increase	-	-	(9)	-
Change in impairment recognized in the event of a 1.0% decrease	-	-	-	-
Threshold at which value in use falls below the carrying amount	24.9%	13.0%	10.9%	12.4%
Perpetual growth				
Rate at Dec. 31, 2022	+2.0%	+2.0%	+3.0%	+3.0%
Rate at Dec. 31, 2021	+2.0%	+1.5%	+3.0%	N/A
Change in impairment recognized in the event of a 0.5% decrease	-	-	-	-
Change in impairment recognized in the event of a 0.5% increase	-	-	-	-
Threshold at which value in use falls below the carrying amount	-47.6%	-6.1%	+1.8%	+1.3%
Impact on central case value in case of a 1.0% decrease in operating margin	-	-	-	-

CPI

The business plan is identical to that used by CPI for its own impairment tests. Having caught up with the initial business plan used at the time of the acquisition, this new plan is very similar in terms of revenue and margin objectives. The plan assumes double-digit revenue growth through to 2027.

Stahl

The business plan used for this test assumes moderate growth, with revenues exceeding €1 billion in 2027. The plan also assumes a return to the group's historical average in 2026.

Constantia Flexibles

The business plan used for this test takes into account the difficulties associated with the group's operations in Russia. It assumes average annual revenue growth of 4.0% per year through to 2027. The EBITDA margin gradually increases to its historical level as a percentage of sales in 2025 and to the industry standard in 2027.

ACAMS

The business plan is identical to that used by ACAMS for its own impairment tests. It is similar to the acquisition business plan but is adjusted to take into account the better than expected performance in 2022. It assumes double-digit revenue growth through to 2027.

NOTE 9 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 and equipment and intangible assets".

A breakdown by subsidiary is presented in note 7 "Segment information".

Intangible assets consist of:

	Dec. 31, 2022							
In millions of euros	Opening	Acquisitions	Disposals	Amortization and impairment(1)	Changes in scope of con-solidation	Impact of currency translation adjustments and other	Changes due to operations held for sale	Closing
Software	21.4	3.8	(0.1)	(9.9)	0.1	5.2	-	20.5
Concessions, patents and similar rights	89.8	1.0	-	4.3	-	6.2	-	101.3
Leasehold rights	0.5	-	-	(0.1)	-	-	-	0.5
Customer relationships	961.4	-	-	(105.7)	54.1	125.0	-	1,034.8
Brands	305.3	-	-	4.8	-	74.2	-	384.3
Intangible assets in progress	18.8	22.3	-	-	-	(19.7)	-	21.3
Other intangible assets	139.1	18.7	(0.3)	(44.2)	0.8	33.5	-	147.7
TOTAL	**1,536.4**	**45.8**	**(0.4)**	**(150.8)**	**55.0**	**224.4**	**-**	**1,710.6**
of which gross	**3,679.0**							**3,956.5**
of which amortization	**(2,142.6)**							**(2,246.0)**

(1) An impairment reversal of €62.5 million was recognized by CPI (see note 8-1 "Goodwill impairment tests").

	Dec. 31, 2021							
In millions of euros	Opening	Acquisitions	Disposals	Amortization and impairment	Changes in scope of con-solidation	Impact of currency translation adjustments and other	Changes due to discontinued operations and 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
Intangible assets in progress	22.3	20.1	-	-	(0.1)	(21.9)	(1.7)	18.8
Other intangible assets	165.0	16.9	(0.1)	(34.3)	-	(1.6)	(6.9)	139.1
TOTAL	**1,692.3**	**44.8**	**(0.3)**	**(186.9)**	**118.8**	**36.9**	**(169.2)**	**1,536.4**
of which gross	**3,777.1**							**3,679.0**
of which amortization	**(2,084.9)**							**(2,142.6)**

(1) In 2021, these amounts corresponded to the reclassification of Cromology's intangible assets as discontinued operations and operations held for sale.

NOTE 10 Property, plant and equipment

The accounting principles applied to property, plant and equipment are described in notes 1-8.4 "Property, plant and equipment", 1-8.6 "Impairment of property, plant and equipment and intangible assets" and 1-8.5 "Leases".

A breakdown by subsidiary is presented in note 7 "Segment information".

Property, plant and equipment excluding right-of-use assets consist of:

	Dec. 31, 2022							
In millions of euros	Opening	Acquisitions	Disposals	Depreciation and impairment	Changes in scope of consolidation	Impact of currency translation adjustments and other	Changes due to operations held for sale	Closing
Land	89.4	-	(0.7)	(0.2)	-	(0.9)	(2.4)	85.2
Buildings	259.4	3.9	(3.4)	(17.2)	0.8	16.8	(8.1)	252.2
Plant, equipment, and tooling	604.2	87.2	(7.7)	(144.5)	9.1	70.7	(24.9)	594.1
Property, plant and equipment in progress	63.6	107.5	-	-	0.1	(88.2)	-	82.9
Other property, plant and equipment	75.8	23.7	(0.8)	(29.6)	-	8.8	(2.7)	75.2
TOTAL	**1,092.4**	**222.3**	**(12.6)**	**(191.5)**	**10.0**	**7.2**	**(38.1)**	**1,089.7**
of which gross	**2,734.2**							**2,733.7**
of which depreciation	**(1,641.8)**							**(1,644.0)**

	Dec. 31, 2021							
In millions of euros	Opening	Acquisitions	Disposals	Depreciation and impairment	Changes in scope of consolidation	Impact of currency translation adjustments and other	Changes due to operations held for sale	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 and 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	**(1,781.3)**							**(1,641.8)**

Right-of-use assets arising from the application of IFRS 16 consist of:

	Dec. 31, 2022		
In millions of euros	Gross amount	Depreciation and impairment	Net amount
Buildings	674.0	(294.9)	379.1
Plant, equipment, and tooling	2.6	(1.5)	1.1
Other property, plant and equipment	208.8	(112.2)	96.7
TOTAL	**885.4**	**(408.6)**	**476.8**

	Dec. 31, 2021		
In millions of euros	Gross amount	Depreciation and impairment	Net amount
Buildings	560.2	(229.7)	330.5
Plant, equipment, and tooling	2.5	(1.3)	1.2
Other property, plant and equipment	171.5	(75.2)	96.3
TOTAL	**734.1**	**(306.1)**	**428.0**

NOTE 11 Equity-method investments

The accounting principles applied to equity-method investments are described in note 1-1 "Basis of consolidation".

In millions of euros	Dec. 31, 2022	Dec. 31, 2021
Bureau Veritas investees	0.9	0.8
Tarkett Participation	81.2	215.0
TOTAL EQUITY-METHOD INVESTMENTS	**82.1**	**215.8**

The change in equity-method investments breaks down as follows:

In millions of euros	2022
Amount at beginning of period	**215.8**
Share in net income (loss) for the period	
Tarkett Participation	(12.2)
Other	0.1
Impairment on Tarkett investment	(162.3)
Impact of changes in currency translation adjustments and other	40.7
AMOUNT AT END OF PERIOD	**82.1**

Equity-method investments mainly correspond to Tarkett Participation: €81.2 million at end-2022 compared to €215 million at end-2021. This company is controlled by the Deconinck family and Wendel holds 25.8% of the share capital. Tarkett Participation holds 90.4% of the share capital of the Tarkett group.

Note 11-1 Additional information on Tarkett Participation

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	Dec. 31, 2022	Dec. 31, 2021
Carrying amounts at 100%		
Total non-current assets	1,465.3	1,359.3
Total current assets	1,206.0	1,120.9
Goodwill adjustment (Wendel)[(1)]	442.3	441.0
TOTAL ASSETS	**3,113.5**	**2,921.2**
Non-controlling interests	88.9	80.9
Total non-current liabilities	1,330.9	1,193.6
Total current liabilities	751.7	791.6
TOTAL EQUITY AND LIABILITIES	**2,171.5**	**2,066.1**
including cash and cash equivalents	**237.0**	**249.0**
including financial debt	**1,259.5**	**1,074.2**

(1) As of Dec. 31, 2022, Tarkett's Goodwill allocation is definitive.

In millions of euros	2022	2021
Net sales	3,358.9	1,530.9
Operating income (loss)	43.3	6.6
Net financial expense	(68.6)	(27.4)
Net income (loss) – Group share	(44.3)	(11.8)
Wendel adjustment	(5.1)	(4.5)

Exposure of the Tarkett group to the war in Ukraine and sanctions against Russia

The war in Ukraine makes it difficult to assess changes in demand on the Russian and Ukrainian markets.

In Russia, the decrease in volumes (down by around 25% compared to 2021) was offset by increases in selling prices and a positive currency effect related to the appreciation of the ruble against the euro. Russia represents around 9% of the Tarkett group's total revenue.

Tarkett has continued doing business in the country in strict compliance with international and local regulations but has frozen all significant new investments.

Ukraine represents just under 0.5% of Tarkett's total revenue. Sales activity in recovered progressively in 2022, but in a very limited way, and the production site, located in the west of the country, is currently able to maintain its activity. In view of the ongoing conflict, an impairment loss of €7.3 million was recognized against inventories and trade receivables.

Commodity risk

Oil-based raw material prices and transportation costs rose sharply during the year. These increases, combined with production disruptions and supply difficulties at several major suppliers, have resulted in €268 million in additional costs compared to 2021. Tarkett increased sales prices by €327 million, enabling it to achieve a positive inflation balance for the year.

Note 11-2 Impairment tests on equity-method investments

Tarkett SA's share price fell significantly in 2022, down from €19.50/share at the end of 2021 to €11.50/share at the end of 2022. This decline indicates a loss in value of the investment in Tarkett Participation, which holds 90.4% of the share capital of Tarkett SA. In this context, an impairment loss of €162.3 million was recognized in "Net income (loss) of equity-method investments". This amount corresponds to the difference between the recoverable amount of Tarkett Participation and its carrying amount. The recoverable amount used as of December 31, 2022 is based on Tarkett SA's last share price in 2022; this represents the most objective estimate of the recoverable amount of the Company at that date.

In accordance with applicable accounting principles (see note 1-8.1 "Goodwill" to the 2021 consolidated financial statements), this impairment may be reversed in future years if the recoverable amount of this investment exceeds its carrying amount.

NOTE 12 Trade receivables

In millions of euros	Dec. 31, 2022 Gross amount	Dec. 31, 2022 Impairment	Dec. 31, 2022 Net amount	Dec. 31, 2021 Net amount
Bureau Veritas	1,333.0	(69.5)	1,263.4	1,194.6
Constantia Flexibles	170.9	(3.8)	167.2	160.6
ACAMS	1.1	-	1.1	-
Stahl	169.2	(5.7)	163.5	154.4
CPI	11.8	(0.2)	11.6	9.9
TOTAL TRADE RECEIVABLES	**1,686.1**	**(79.1)**	**1,606.9**	**1,519.5**

Regarding the most significant subsidiaries, overdue trade receivables and related receivables not written down can be analyzed as follows:

- Bureau Veritas: a total of €347.1 million as of December 31, 2022 compared to €258.6 million at December 31, 2021, of which respectively €81.7 million and €64.7 million more than three months past due;
- Constantia Flexibles: a total of €12.7 million as of December 31, 2022 compared to €19.1 million as of December 31, 2021, of which respectively €0.7 million and €1.7 million more than three months past due; and
- Stahl: a total of €19.8 million as of December 31, 2022 compared to €14.2 million as of December 31, 2021, of which respectively €0.9 million and €0.4 million more than three months past due;
- CPI: a total of €8.6 million as of December 31, 2022 compared to €9.9 million as of December 31, 2021, of which respectively €2.8 million and €1.0 million more than three months past due.

NOTE 13 Cash and cash equivalents

The accounting principles applied to cash and cash equivalents are described in note 1-8.10 "Cash and cash equivalents and pledged cash and cash equivalents".

In millions of euros	Dec. 31, 2022	Dec. 31, 2021
Cash and cash equivalents of Wendel and holding companies pledged as collateral, classified as non-current assets	0.7	0.5
Unpledged cash and cash equivalents of Wendel and its holding companies, classified as current assets	928.0	372.2
Cash and cash equivalents of Wendel and its holding companies(1)	**928.7**	**372.7**
Bureau Veritas	1,662.1	1,420.7
Constantia Flexibles	366.2	204.7
ACAMS	21.5	0.0
Stahl	281.5	227.5
CPI	5.3	6.7
Total cash and cash equivalents of investees	**2,336.6**	**1,859.6**
TOTAL CASH AND CASH EQUIVALENTS	**3,265.3**	**2,232.2**
of which non-current assets	***0.7***	***0.5***
of which current assets	***3,264.6***	***2,231.8***

(1) In addition to this cash, €33.8 million in short-term financial investments was recognized under financial assets as of December 31, 2022 (€281.3 million at end-2021).

NOTE 14 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 "Fair value measurement".

Note 14-1 Financial assets

In millions of euros	FV method	Level	Dec. 31, 2022	Dec. 31, 2021
Pledged cash and cash equivalents of Wendel and holding companies	PL	1	0.7	0.5
Unpledged cash and cash equivalents of Wendel and holding companies	PL	1	928.0	372.2
Wendel short-term financial investments	PL	1	33.8	281.3
Cash and short-term financial investments of Wendel and holding companies			**962.4**	**654.0**
Cash and cash equivalents of subsidiaries	PL	1	2,336.6	1,859.6
Financial assets at fair value through equity – A	E	1	364.2	786.2
Financial assets at fair value through profit or loss – B	PL	3	155.3	145.1
Deposits and guarantees	Amortized cost	N/A	89.5	90.5
Derivatives – F	PL and E	3	13.7	8.7
Other – C			127.8	187.5
TOTAL			**4,049.6**	**3,731.6**
of which non-current financial assets, including pledged cash and cash equivalents			***717.5***	***1,185.3***
of which current financial assets, including cash and cash equivalents			***3,332.1***	***2,546.4***

(PL) Change in fair value through profit and loss.
(E) Change in fair value through equity.

Note 14-2 Financial liabilities

In millions of euros	FV method	Level	Dec. 31, 2022	Dec. 31, 2021
Derivatives – F	PL and E	3	9.4	6.5
Minority puts, earn-outs and other financial liabilities of subsidiaries – D	PL and E	3	323.5	395.7
Minority puts, earn-outs and other financial liabilities of Wendel and holding companies – E	PL and E	3	234.3	186.2
TOTAL			**567.2**	**588.5**
of which non-current financial liabilities			***422.1***	***364.7***
of which current financial liabilities			***145.2***	***223.8***

(PL) Change in fair value through profit and loss.
(E) Change in fair value through equity.

Note 14-3 Breakdown of financial assets and liabilities

A As of December 31, 2022, this item corresponds mainly to the investment in **IHS**, which is listed for €363 million. In accordance with the Group's accounting principles, the decrease in fair value (market price) recorded over the period is recognized in other comprehensive income for €422 million.

B As of December 31, 2022, this item includes the fair value of **Wendel Growth (formerly Wendel Lab)** for €155.2 million (based on the latest valuations provided by the fund managers, most of which date from September 30, 2022). The positive change in fair value of €20.6 million is recognized in financial income.

C This item includes the **cash of Constantia Flexibles pledged with its lenders** for €82 million.

D **Minority puts, earn-outs and other financial liabilities of subsidiaries:** As of December 31, 2022, this item mainly corresponds to other financial liabilities and minority puts relating to Bureau Veritas, Constantia Flexibles and CPI. The minority put granted by Stahl to BASF expired in the first half of 2022 and was not exercised, the financial liability recognized at the beginning of the year (€142.2 million) was therefore canceled against shareholders' equity.

E **Minority puts and other financial liabilities of Wendel and its holding companies:** As of December 31, 2022, this amount included:

- the liquidity commitment granted by Wendel to the H. Turnauer Foundation for 50% of its stake in Constantia Flexibles; and
- liabilities related to certain liquidities granted as part of co-investments. See note 5 "Participation of management teams in the Group's investments" and 34-5 "Shareholder agreements and co-investment mechanisms".

F Derivative instruments correspond in particular to interest rate hedges of investees (see note 6-3 "Interest rate risk").

NOTE 15 Equity

Note 15-1 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 12/31/2021	€4	44,747,943	1,116,456	43,631,487
As of 12/31/2022	€4	44,407,677	983,315	43,424,362

The decrease of 340,266 shares comprising the 2022 share capital reflects subscriptions by Group employees to the Company savings plan (37,057 shares) and a capital reduction by canceling 377,323 shares.

The number of treasury shares held under the liquidity agreement was 61,832 as of December 31, 2022 (57,724 treasury shares as of December 31, 2021).

As of December 31, 2022, Wendel held 921,483 of its treasury shares outside the scope of its liquidity agreement (1,058,732 as of December 31, 2021).

In total, treasury shares represented 2.21% of the share capital as of December 31, 2022.

Note 15-2 Non-controlling interests

In millions of euros	% interest of non-controlling interests as of December 31, 2022	Dec. 31, 2022	Dec. 31, 2021
Bureau Veritas group	64.5%	1,404.1	1,262.9
Constantia Flexibles group	39.2%	257.9	245.2
Cromology group	5.2%	-	18.1
ACAMS group	2.0%	4.6	-
Stahl group	32.1%	169.1	48.3
CPI group	3.7%	4.9	4.1
Other		7.0	8.9
TOTAL		**1,847.7**	**1,587.5**

NOTE 16 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	Dec. 31, 2022	Dec. 31, 2021
Provisions for contingencies and expenses	98.6	99.1
Employee benefits	217.2	278.6
TOTAL	**315.8**	**377.7**
of which non-current	*303.7*	*372.7*
of which current	*12.0*	*5.1*

Note 16-1 Provisions for contingencies and expenses

	Dec. 31, 2022							
In millions of euros	Opening	Additions	Reversals: used	Reversals: unused	Impact of discounting	Changes in scope of consolidation	Currency translation adjustments, reclassifications and other	Closing
Bureau Veritas								
Disputes and litigation	39.8	8.5	(5.5)	(7.8)	0.9	-	0.0	35.9
Other	40.5	14.1	(9.8)	(8.1)	-	-	0.3	37.0
Stahl	1.6	0.0	0.0	-	-	-	-	1.5
Constantia Flexibles	4.2	7.0	(0.2)	-	-	-	(0.1)	10.8
CPI	0.3	-	0.1	-	-	-	-	0.5
Wendel and holding companies	12.8	2.6	(0.5)	(2.9)	-	(0.3)	1.2	12.9
TOTAL	**99.1**	**32.1**	**(15.9)**	**(18.9)**	**0.9**	**(0.3)**	**1.5**	**98.6**
of which current	*5.1*							*12.0*

	Dec. 31, 2021							
In millions of euros	Opening	Additions	Reversals: used	Reversals: unused	Impact of discounting	Changes in scope of consolidation	Currency translation adjustments, reclassifications 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	1.1	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
CPI	0.2	-	0.1	-	-	-	-	0.3
Wendel and holding companies	15.2	0.9	(0.4)	(2.9)	-	-	0.1	12.8
TOTAL	**130.5**	**44.5**	**(25.4)**	**(26.0)**	**1.5**	**0.1**	**(25.9)**	**99.1**
of which current	*6.1*							*5.1*

Note 16-1.1 Provisions for contingencies and expenses – Bureau Veritas

1. Legal, administrative, judicial and arbitration procedures and investigations

In the normal course of its business, Bureau Veritas is involved in a large number of legal proceedings notably seeking to establish its professional liability. Although Bureau Veritas pays careful attention to managing risks and the quality of the services it provides, some services may result in financial penalties.

Provisions may be set aside to cover expenses resulting from such proceedings. The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the reporting date. The costs Bureau Veritas ultimately incurs may exceed the amounts set aside to such provisions due to a variety of factors such as the uncertain nature of the outcome of disputes.

2. Dispute concerning 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 relating to the construction of a hotel and business complex in respect of which the parties entered into an agreement in 2003.

At the current stage of proceedings, the outcome of this dispute is uncertain, even though BVG's legal counsel are optimistic. Based on the provisions set aside by Bureau Veritas, and on the information currently available, and after considering the opinion of its legal counsel, Bureau Veritas considers that this claim will not have a material adverse impact on its consolidated financial statements.

3. Uncertain tax positions

Bureau Veritas SA and some of its subsidiaries are currently being audited or have received proposed tax adjustments that have led to discussions with the competent local authorities. Talks are currently at the litigation or prelitigation stage.

Given the current status of the pending matters and based on the information available to date, Bureau Veritas believes that the tax contingencies and positions reported in its consolidated financial statements in respect of these risks, audits and adjustments are appropriate.

There are no other legal, administrative, government and arbitration procedures or investigations (including any proceedings of which Bureau Veritas is aware that are pending or with which it is threatened) that could have, or have had over the last six months, a material impact on the financial position or profitability of Bureau Veritas.

4. Other provisions for contingencies and expenses

These include provisions for restructuring (€10.4 million as of December 31, 2022), provisions for losses on completion (€4.6 million as of December 31, 2022), and other provisions totaling €22.0 million as of December 31, 2022.

Note 16-1.2 Tax risk of Stahl's Indian subsidiary

Stahl's Indian subsidiary was subject to a tax reassessment involving tax and penalties of around €17 million. This reassessment has been contested by Stahl, which expects its position to prevail in the dispute and has made no provision for the corresponding risk.

Note 16-1.3 Provisions for contingencies and expenses – 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 previously belonged to a Group subsidiary whose operations were discontinued in 1967;
- labor disputes for which a provision has been made; and
- two legal proceedings brought by former Wendel executives as a result of the unwinding of a mechanism for involving them more closely with the Group's performance, for which no provision has been made.

Note 16-2 Employee benefits

The breakdown by subsidiary is as follows:

In millions of euros	Dec. 31, 2022	Dec. 31, 2021
Bureau Veritas	141.7	185.8
Constantia Flexibles	56.5	67.7
Stahl	17.9	24.1
Wendel and holding companies	1.1	1.0
TOTAL	**217.2**	**278.6**

Changes in provisions for employee benefits break down as follows for 2022:

	Dec. 31, 2022							
In millions of euros	Opening	Service cost	Actuarial gains and losses	Benefits paid	Interest cost	Curtailments and settlements	Currency impacts and other	Closing
Benefit obligation								
Defined-benefit plans	264.7	1.8	10.9	(2.8)	0.0	-	(103.0)	171.7
Statutory retirement benefits	116.1	8.4	(19.3)	(7.3)	1.7	-	(9.3)	90.3
Other	52.9	9.1	(3.1)	(7.4)	(2.6)	-	(2.4)	46.5
TOTAL	**433.6**	**19.3**	**(11.4)**	**(17.6)**	**(0.8)**	**-**	**(114.7)**	**308.4**

	Dec. 31, 2022							
In millions of euros	Opening	Return on plan assets	Contributions paid by the employer	Actuarial gains and losses	Amounts used	Changes in scope	Currency impacts and other	Closing
Partially-funded plan assets								
Defined-benefit plans	156.1	1.9	1.8	(37.9)	(1.3)	-	(27.7)	93.0
Statutory retirement benefits	-	-	-	-	-	-	-	-
Fair value of plan assets	-	-	-	-	-	-	-	-
TOTAL	**156.1**	**1.9**	**1.8**	**(37.9)**	**(1.3)**	**-**	**(27.7)**	**93.0**

Changes in provisions for employee benefits break down as follows for 2021:

	Dec. 31, 2021							
In millions of euros	Opening	Service cost	Actuarial gains and losses	Benefits paid	Interest cost	Curtailments and settlements	Currency impacts and other	Closing
Benefit obligation								
Defined-benefit plans	293.6	6.1	(15.9)	(9.2)	1.6	-	(11.5)	264.6
Statutory retirement benefits	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)	-	(2.4)	52.9
TOTAL	**516.5**	**25.7**	**(23.2)**	**(24.3)**	**1.4**	**-**	**(62.5)**	**433.6**

	Dec. 31, 2021							
In millions of euros	Opening	Return on plan assets	Contributions paid by the employer	Actuarial gains and losses	Amounts used	Changes in scope	Currency impacts and other	Closing
Partially-funded plan assets								
Defined-benefit plans	167.0	1.4	2.7	(1.4)	(1.3)	-	(12.4)	156.1
Statutory retirement benefits	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**

Obligations under defined-benefit plans break down as follows:

In millions of euros	Dec. 31, 2022	Dec. 31, 2021
Unfunded obligations	211.9	272.0
Partially or fully-funded obligations	96.5	161.6
TOTAL	**308.4**	**433.6**

Defined-benefit plan assets break down as follows:

In millions of euros	Dec. 31, 2022	Dec. 31, 2021
Equity instruments	36%	23%
Debt instruments	17%	16%
Cash and other	48%	61%

Expenses recognized in the income statement break down as follows:

In millions of euros	Dec. 31, 2022	Dec. 31, 2021
Current service cost	21.6	21.2
Interest costs	0.3	1.2
Expected return on plan assets	(1.8)	(1.4)
Past service cost	(2.0)	0.1
Actuarial gains and losses	-	1.8
Impact of plan curtailments or settlements	(31.5)	0.5
TOTAL	**(13.5)**	**23.4**

1. Description of benefit obligations and actuarial assumptions applied at Bureau Veritas

Employee benefits at Bureau Veritas include the following defined-benefit plans:

- pension plans, most of which have been closed for several years, and statutory retirement benefits. 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;
- other long-term obligations include long-service awards and other employee benefits.

Most long-term benefit obligations relate to France.

The main actuarial assumptions used to calculate these obligations are a discount rate of 3.8% and an average salary increase rate of 3.2%.

2. Description of benefit obligations 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);
- statutory retirement benefits; and
- long-service awards.

The main actuarial assumptions used are discount rates of between 1.3% and 9.75%, salary increase rates of between 2.3% and 5.5%, inflation rates of between 2.0% and 4.0% and a rate of return on assets of between 0.9% and 7.7%.

3. Description of benefit obligations 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;
- statutory retirement benefits; and
- long-service awards.

The main actuarial assumptions were a discount rate of 4.2%, an inflation rate of 2.03%, a salary increase rate of 0.98%, and a return on assets of 4.2%.

4. Wendel benefit obligations

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 retired 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 plus variable excluding 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 transferred the assets needed to service pension benefits to an insurance company, which makes payments to the beneficiaries.

NOTE 17 Financial debt

Principal changes in 2022 are described in note 6-2 "Liquidity risk".

In millions of euros	Currency	Interest rate – Coupon	Effective interest rate[1]	Maturity	Repayment	Total facilities	Dec. 31, 2022	Dec. 31, 2021
Wendel and holding companies								
2024 bonds	€	2.750%	2.686%	10-2024	at maturity		-	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	300.0
2034 bonds	€	1.375%	1.477%	01-2034	at maturity		300.0	
Syndicated loan	€	Euribor + margin		07-2027	revolving	€750 million		-
Amortized cost of bonds and syndicated loan							(9.7)	(5.0)
Other borrowings and accrued interest							19.8	19.4
Bureau Veritas								
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
2030 bonds	$	3.210%		01-2030	at maturity		187.5	
2032 bonds	€	3.630%		09-2032	at maturity		200.0	
Liquidity credit line						€600 million	-	-
Borrowings and debt from lending institutions – fixed rate							543.4	760.7
Borrowings and debt from lending institutions – floating rate							6.4	13.3

In millions of euros	Currency	Interest rate – Coupon	Effective interest rate[1]	Maturity	Repayment	Total facilities	Dec. 31, 2022	Dec. 31, 2021
Constantia Flexibles								
Bank borrowings	€						702.7	684.5
Other borrowings and accrued interest							9.3	17.9
Finance lease liabilities							3.2	2.9
Deferred issue costs							(1.6)	(1.1)
Revolving credit facility	€		Euribor + margin	02-2027	revolving	€200 million	-	-
Stahl								
Bank borrowings	$	Libor + margin		09-2023		in instalments	51.4	90.4
Bank borrowings	$	Libor + margin		12-2023	at maturity		310.9	292.8
Bank borrowings	INR		floating rate	2022		in instalments	-	5.5
Revolving credit facility	€					€27 million		
Deferred issue costs							(1.2)	(1.3)
CPI								
Bank borrowings	$	Libor + margin		12-2026		in instalments	281.5	285.3
Revolving credit facility	$	Libor + margin		12-2025	revolving	USD 30 million	1.9	2.6
Deferred issue costs							(4.7)	(4.8)
ACAMS								
Bank borrowings	$		SOFR + margin	03-2027		in instalments	153.9	
Revolving credit facility	$		SOFR + margin	03-2028	revolving	USD 20 million	2.3	
Deferred issue costs							(3.7)	
TOTAL							**5,553.3**	**5,463.1**
of which non-current portion							***4,621.6***	***5,261.8***
of which current portion							***931.7***	***201.3***

(1) The effective interest rate is calculated inclusive of issue premiums/discounts and bank issue fees. For bonds issued in several tranches, the effective interest rate corresponds to the average weighted by the nominal amount issued.

Note 17-1 Operating lease liabilities

The accounting principles applied to operating lease liabilities are described in note 1-8.5 “Leases”.

Liabilities related to operating leases are broken down among the Group’s subsidiaries as follows:

In millions of euros	Dec. 31, 2022	Dec. 31, 2021
Bureau Veritas	407.9	415.1
Constantia Flexibles	46.0	37.1
Stahl	16.7	15.0
CPI	3.5	3.6
Wendel and holding companies[1]	36.4	1.0
TOTAL	**510.5**	**471.7**
of which non-current portion	*398.8*	*353.6*
of which current portion	*111.6*	*118.2*

(1) The increase in the lease liabilities of Wendel and of its holding companies is attributable to the leases of the new offices in Paris and New York.

Note 17-2. 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 and holding companies				
▪ nominal	-	(800.0)	(600.0)	(1,400.0)
▪ interest(1)	(23.8)	(90.9)	(36.8)	(151.4)
Investees				
▪ nominal	(911.8)	(2,107.1)	(1,132.3)	(4,151.3)
▪ interest(1)	(156.6)	(380.8)	(61.8)	(599.2)
TOTAL	**(1,092.2)**	**(3,378.8)**	**(1,830.8)**	**(6,301.9)**

(1) Interest is calculated on the basis of the yield curve as of December 31, 2022. Interest on debt and interest rate hedges does not reflect interest earned on invested cash.

Note 17-3 Market value of gross financial debt

The fair value of bond debt is the market price on December 31, 2022.

In millions of euros	Dec. 31, 2022	Dec. 31, 2021
Wendel and holding companies	1,189.2	1,720.1
Operating subsidiaries	3,943.6	3,932.6
TOTAL	**5,132.8**	**5,652.7**

NOTE 18 Discontinued operations and operations held for sale

The accounting principles applied to discontinued operations and operations held for sale are described in note 1-8.15 “Discontinued operations and operations held for sale”.

Net income (loss) from discontinued operations and operations held for sale

In millions of euros	2022	2021
Constantia Flexibles	(4.5)	-
Cromology	-	36.7
Stahl	(0.3)	0.6
Wendel and holding companies(1)	589.9	-
TOTAL	**585.1**	**37.7**

(1) Corresponds to the proceeds from the sale of Cromology, including €0.8 million of recycled translation reserves.

Assets and liabilities held for sale recorded in the balance sheet as of December 31, 2022 correspond mainly to the assets and liabilities of Constantia Flexibles’ Indian operations.

6.9 Notes to the income statement

The accounting principles applied to income statement items are described in note 1-9.2 "Presentation of the income statement".

NOTE 19 Net sales

The accounting principles applied to net sales (revenue) are described in note 1-8.16 "Revenue recognition".

In millions of euros	2022	2021	% change
Bureau Veritas	5,650.6	4,981.1	13.4%
Constantia Flexibles	1,954.5	1,603.4	21.9%
ACAMS	66.2	-	n/a
Stahl	914.9	831.3	10.1%
CPI	114.2	88.2	29.5%
TOTAL	**8,700.4**	**7,503.9**	**15.9%**

Consolidated net sales break down as follows:

In millions of euros	2022	2021
Sales of goods	2,936.8	2,497.1
Sales of services	5,763.6	5,006.8
TOTAL	**8,700.4**	**7,503.9**

NOTE 20 Operating income

In millions of euros	2022	2021
Bureau Veritas	799.3	718.8
Constantia Flexibles	70.4	33.4
ACAMS	(41.6)	-
Stahl	141.3	131.5
CPI(1)	92.0	17.7
Wendel and holding companies(2)	31.1	(93.8)
TOTAL	**1,092.5**	**807.6**

(1) This item includes in particular the reversal of impairment on intangible assets (see note 8.1 "Impairment tests on goodwill").
(2) The item includes in particular the capital gain of €115.5 million on the building.

Note 20-1 Average number of employees at consolidated companies

	2022	2021
Bureau Veritas	82,589	79,704
Constantia Flexibles	7,284	8,383
ACAMS	313	n/a
Stahl	1,795	1,785
CPI	343	311
Wendel and holding companies	86	83
TOTAL	**92,410**	**90,266**

NOTE 21 Finance costs, net

In millions of euros	2022	2021
Income from cash and cash equivalents[(1)]	**22.4**	**8.2**
Finance costs, gross		
Interest expense	(158.8)	(145.5)
Deferral of debt issue costs and premiums/discounts (calculated according to the effective interest method)	(8.0)	(9.5)
Interest expense on operating leases	(21.1)	(19.0)
Total finance costs, gross	**(187.9)**	**(174.0)**
TOTAL	**(165.5)**	**(165.8)**

(1) *This item includes €0.5 million for Wendel and its holding companies, plus €21.9 million of returns on investments of subsidiaries, representing total income of €22.4 million in 2022 (€8.2 million in 2021).*

NOTE 22 Other financial income and expense

In millions of euros	2022	2021
Dividends received from unconsolidated companies	1.0	0.3
Gains (losses) on interest rate, currency and equity derivatives	(3.3)	37.3
Forex gains and losses	(13.8)	(12.5)
Impact of discounting	(0.9)	(1.5)
Other[(1)]	(23.6)	(14.2)
TOTAL	**(40.7)**	**9.4**

(1) *In 2022, this item includes the early redemption premium on the 2024 bond for €34.4 million (see note 6-2.1 "Liquidity risk of Wendel and its holding companies"), the change in the fair value of Wendel Growth (formerly Wendel Lab) representing a positive impact of €20.6 million and other financial expenses of Bureau Veritas for a negative €9 million.*

NOTE 23 Taxes

The accounting principles applied to deferred taxes are described in note 1-8.13 “Deferred taxes”.

In millions of euros	2022	2021
Current taxes	(310.5)	(259.1)
Deferred taxes	35.5	27.1
TOTAL	**(275.0)**	**(232.0)**

CVAE tax on value added is recognized as an income tax in accordance with IAS 12 and with the position statement of the CNC (French National Accounting Board) 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 in the balance sheet and break down as follows:

In millions of euros	2022	2021
Origin of deferred taxes		
Post-employment benefits	60.7	71.2
Intangible assets	(470.4)	(362.9)
Recognized tax-loss carryforwards	67.4	52.2
Other items	117.2	60.2
TOTAL	**(224.9)**	**(179.3)**
of which deferred tax assets	***165.7***	***167.5***
of which deferred tax liabilities	***390.7***	***346.8***

Uncapitalized tax losses amounted to €4,963 million for the Group as a whole, of which €4,332 million for Wendel and its holding companies.

In millions of euros	2022	2021
Amount at beginning of period	**(179.3)**	**(190.1)**
Income and expenses recognized in the income statement	35.5	27.1
Income and expenses recognized in other comprehensive income	(4.5)	(3.0)
Income and expenses recognized in reserves	(9.1)	0.5
Reclassification as held for sale	0.0	26.4
Changes in scope of consolidation[(1)]	(57.5)	(27.9)
Currency translation adjustments and other	(10.0)	(12.2)
AMOUNT AT END OF PERIOD	**(224.9)**	**(179.3)**

(1) This item includes the deferred taxes of ACAMS at the acquisition date (see note 3 “Changes in scope of consolidation”).

The difference between the theoretical tax based on the statutory rate of 25.83% 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 and holding companies	Operating subsidiaries	Total
Income (loss) before tax expense, net income (loss) from equity-method subsidiaries, and net income (loss) from discontinued operations and operations held for sale	(10.6)	897.0	886.3
Theoretical tax expense calculated on the basis of a rate of -25.83%	**2.7**	**(231.7)**	**(228.9)**
Impact of:			
Uncapitalized tax losses of Wendel and its holding companies and transactions subject to reduced tax rates at the holding company level	(6.1)		
Uncapitalized tax losses at the operating subsidiary level		(1.1)	
Reduced tax rates and foreign tax rates at the operating subsidiary level		19.7	
Permanent differences		(27.8)	
CVAE tax paid by operating subsidiaries		(6.2)	
Tax on dividends received from consolidated subsidiaries		(15.8)	
Other		(8.8)	
ACTUAL TAX EXPENSE	**(3.3)**	**(271.7)**	**(275.0)**

NOTE 24 Net income (loss) from equity-method investments

In millions of euros	2022	2021
IHS net income(1)	-	922.3
Tarkett net income	(12.2)	(2.9)
Impairment on Tarkett investment	(162.3)	-
Other companies	0.1	0.0
TOTAL	**(174.4)**	**919.5**

(1) *In 2021, this item included €901 million in income on the deconsolidation of IHS, the reclassification of translation reserves for €11 million, and net income for the period of €10 million.*

NOTE 25 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	2022	2021
Net income (loss) – Group share	656.3	1,046.9
Impact of dilutive instruments on subsidiaries	(3.3)	(2.9)
Diluted net income (loss)	**653.0**	**1,044.0**
Average number of shares, net of treasury shares	43,322,522	43,752,806
Potential dilution due to Wendel stock options(1)	408,354	144,352
Diluted number of shares	**43,730,875**	**43,897,158**
Basic earnings (loss) per share (in euros)	15.15	23.93
Diluted earnings (loss) per share (in euros)	14.93	23.78
Basic earnings (loss) per share from continuing operations (in euros)	1.60	23.11
Diluted earnings (loss) per share from continuing operations (in euros)	1.51	22.97
Basic earnings (loss) per share from discontinued operations (in euros)	13.55	0.81
Diluted earnings (loss) per share from discontinued operations (in euros)	13.42	0.81

(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 therefore represents the net impact.*

6.10 Notes on changes in cash position

NOTE 26 Acquisitions of property, plant and equipment and intangible assets

In millions of euros	2022	2021
By Bureau Veritas	132.0	122.3
By Constantia Flexibles	97.7	92.0
By Cromology	-	11.8
By Stahl	26.4	21.8
By ACAMS	1.8	-
By CPI	2.3	1.0
By Wendel and holding companies	9.2	0.3
TOTAL	**269.4**	**249.2**

NOTE 27 Disposals of property, plant and equipment and intangible assets

Disposals of property, plant and equipment and intangible assets mainly include the sale of the rue Taitbout building by Wendel SE for €118.5 million, and the disposals made by Bureau Veritas for €4.7 million.

NOTE 28 Acquisitions of equity investments

In millions of euros	2022	2021
By Bureau Veritas	95.6	53.6
By Constantia Flexibles	23.3	122.0
By Wendel and its holding companies(1)	312.4	224.7
TOTAL	**431.3**	**400.3**

(1) In 2022, this item includes the investment in ACAMS for €304.3 million (see note 3 "Changes in scope of consolidation").

NOTE 29 Disposals of equity investments

In 2022, this item mainly includes the sale of Wendel's interest in Cromology for €895.7 million (see note 3 "Changes in scope of consolidation").

NOTE 30 Impact of changes in scope of consolidation and of operations held for sale

In 2022, this item corresponds essentially to cash and cash equivalents of ACAMS for €28.7 million.

NOTE 31 Changes in other financial assets and liabilities

In 2022, this amount is mainly due to the sale by Wendel SE of funds managed by financial institutions for €249.6 million.

NOTE 32 Net change in borrowings and other financial debt

A breakdown of financial debt is presented in note 17 "Financial debt".

In millions of euros	2022	2021
New borrowings by:		
Bureau Veritas	197.8	48.8
Constantia Flexibles	225.7	733.6
Cromology	-	0.1
CPI	0.4	-
ACAMS	-	-
Wendel and holding companies	300.0	300.0
	729.5	**1,082.5**
Borrowings repaid by[1]:		
Bureau Veritas	221.9	626.1
Constantia Flexibles	215.1	592.0
Cromology	-	123.6
Stahl	59.4	36.9
CPI	25.8	20.3
ACAMS	0.8	
Wendel and holding companies	501.5	300.7
	1,024.5	**1,699.5**
TOTAL	**(295.0)**	**(617.1)**

(1) Including repayments of operating lease liabilities following the application of IFRS 16 "Leases."

NOTE 33 Other financial income and expense

In 2022, other financial income and expense correspond mainly to:

- disbursements of puts held by minority interests; and
- the redemption premium on the 2024 bond redeemed early in the first half of 2022 for €34.4 million (see note 6-2.1 "Liquidity risk of Wendel and its holding companies").

6.11 Other notes

NOTE 34 Off-balance sheet commitments

As of December 31, 2022, no commitment was likely to have a significant impact on the Group's financial position other than those mentioned.

Note 34-1 Collateral and other security given in connection with financing

In millions of euros	Dec. 31, 2022	Dec. 31, 2021
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 debt owed by the Constantia Flexibles group.	712.0	702.4
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.	362.3	388.6
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 debt owed by the CPI group.	283.4	288.0
Pledge by ACAMS group entities of shares of the principal companies and of certain bank accounts and trade receivables as collateral for the repayment of debt owed by the ACAMS group.	156.3	
TOTAL	**1,513.9**	**1,379.0**

Note 34-2 Guarantees given and received in connection with asset acquisitions

In connection with the disposals of Cromology, PlaYce and Tsebo, the Group issued the usual representations and guarantees (fundamental guarantees as to the existence, capacity and ownership of securities) up to certain specified amounts. Some of these may still be called as of December 31, 2022. No claims are outstanding in respect of guarantees received.

Note 34-3 Off-balance sheet commitments given and received in connection with operating activities

In millions of euros	Dec. 31, 2022	Dec. 31, 2021
Counter-guarantees on contracts and other commitments given		
by Bureau Veritas(1)	392.9	393.3
by Stahl	6.1	6.3
TOTAL COMMITMENTS GIVEN	**399.0**	**399.6**

(1) Commitments given by Bureau Veritas included guarantees such as bank and parent-company guarantees.

Note 34-4 Subscription commitments

As of December 31, 2022, in connection with its investments in private equity funds, the Group (Wendel Growth [formerly Wendel Lab]) is committed to investing approximately €163.0 million, of which €107.9 million has already been called.

As of end-2022, as part of its direct investments, Wendel Growth (formerly Wendel Lab) has also committed to investing a total amount of approximately €15 million in Tadaweb. The transaction is expected to close in the first quarter of 2023, subject to compliance with the usual conditions.

Note 34-5 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 (ACAMS, Constantia Flexibles, Crisis Prevention Institute, IHS, Stahl, Tarkett and direct investments via Wendel Growth [formerly Wendel Lab]) or managers (or former managers) of portfolio companies, relating to mechanisms aimed at aligning their interests with their respective companies' performance (ACAMS, Constantia Flexibles, Crisis Prevention Institute, Stahl, Tarkett and direct investments via Wendel Growth [formerly Wendel Lab]).

These agreements contain various clauses, notably covering:

- corporate governance (composition of governing bodies, veto rights on certain strategic decisions and rights to information);
- terms and conditions for 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 shareholders' agreement relating to Constantia Flexibles also includes, for the benefit of the H. Turnauer Foundation (from the founding family of Constantia Flexibles), an option to request, between 2020 and 2023, that an IPO or share buyback process by refinancing of the group be launched, aimed 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, 2022, 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.

In addition, as part of the IHS IPO on October 14, 2021, the Wendel Group entered into a commitment covering the sale of IHS securities on the market by releasing successive tranches of 20% every six months as from mid-April 2022 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 (ACAMS, Constantia Flexibles, Crisis Prevention Institute, Stahl, Tarkett and direct investments via Wendel Growth [formerly Wendel Lab]) also contain provisions relative to:

- where applicable, the right to liquidate their coinvestment in successive tranches, in the absence of a sale or IPO, beyond a certain period (between the 6th and 12th anniversaries of the completion of the co-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 5-2 "Participation of subsidiaries' management 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 (Wendel's holding companies or the subsidiaries themselves, as appropriate) can be required to buy back or guarantee the buyback of the shares held by the 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, either by applying a predetermined method or by an independent expert.

Provisions for liquidity mechanisms also exist for Wendel managers with exposure, in connection with co-investment mechanisms, to ACAMS, Constantia Flexibles, Crisis Prevention Institute, Tarkett and direct investments via Wendel Growth (formerly Wendel Lab) – see note 5-1 "Participation of management teams in the Group's investments").

As of December 31, 2022, based on the value of the investments included in the NAV or, where appropriate, based on 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-investor managers of subsidiaries and of Wendel benefiting from liquidity rights granted by the fully consolidated companies was €37 million. The portion of the non-*pari passu* investments made by the co-investor managers of subsidiaries and of Wendel benefiting from liquidity rights granted by the fully consolidated companies amounts to €43 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 €23 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”.

The value of the co-investments and liquidity commitments vary with the value of each investment. As a result, they may be lower (or nil) or higher in future fiscal years.

Note 34-6 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 non-controlling interest in the share capital (representing only 0.5% of the capital as of December 31, 2022) 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 free 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 non-controlling investment in the Constantia Flexibles group, the Wendel Group is entitled to receive an additional amount on the portion transferred in this manner subject to Maxburg meeting minimum profitability thresholds over the term of its investment in Constantia Flexibles in case of divestment. This right is recognized within financial assets, with any changes in value recognized in the income statement.

NOTE 35 Stock options, free shares and performance shares

The accounting principles applied to stock options, free shares and performance shares are described in note 1-8.18 "Stock subscription and purchase option plans".

The total expense related to allocation of stock options or other share-based compensation for 2022 was €88.1 million, compared to €34.8 million in 2021.

In millions of euros	2022	2021
Stock options at Wendel	3.7	3.1
Grant of performance shares at Wendel	11.9	6.3
Other share awards at Wendel (co-investment)	7.0	0.1
Stock options at Bureau Veritas	3.3	2.7
Grant of performance shares at Bureau Veritas	23.9	22.7
Other	38.3	23.1
TOTAL	**88.1**	**58.0**

Pursuant to the authorization granted by the Shareholders' Meeting of June 16, 2022, the following awards were made on August 2, 2022:

- 10-year options giving the right to subscribe to 72,573 shares with a strike price of €84.27. These options have the following features:
  - a service condition: four years from the grant date, and 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 exercisable by each beneficiary if, over a period of four years, at least 90% of the members of the Wendel Coordination Committee have attended a yearly ESG training course.

At the grant date, 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 30%. These options were valued by an independent expert at €13.0 per option. The expense is recognized over the options' vesting period.

- 61,160 performance shares, with the following characteristics:
  - a service condition: four years from the grant date and subject to the achievement of the performance conditions described below, 50% of the performance shares will vest in the event of departure at the end of a period of two years, 75% of the performance shares 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 (TSR),
    - for 50% of the allocation, a performance condition linked to the relative performance of Wendel's annualized TSR 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.

At the grant date, 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 9.4%. The value of these performance shares has been estimated by an independent expert at €63.7 per performance share. The expense is recognized over the options' vesting period.

- 139,382 performance shares, with the following characteristics:
  - a service condition: four years from the grant date;
  - a performance condition assessed over a period of four years:
    - 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,
    - 25% of the allocation will vest if the dividend paid in 2025 is greater than or equal to the dividend paid in 2024, and
    - 25% of the allocation will vest if the dividend paid in 2026 is greater than or equal to the dividend paid in 2025.

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 9.4%. The value of these performance shares has been estimated by an independent expert at €84.8 per performance share. The expense is recognized over the options' vesting period.

Pursuant to the authorization granted by the Shareholders' Meeting of June 16, 2022, the following awards were made on December 6, 2022:

- 37,085 10-year options giving the right to subscribe to 37,085 shares with a strike price of €87.05. These options have the following features:
  - a service condition: four years from the grant date, and 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 exercisable by each beneficiary if, over a period of four years, at least 90% of the members of the Wendel Coordination Committee have attended a yearly ESG training course.

At the grant date, 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 30.2%. These options were valued by an independent expert at €14.2 per option. The expense is recognized over the options' vesting period.

- 19,095 performance shares, with the following characteristics:
  - a service condition: four years from the grant date and subject to the achievement of the performance conditions described below, 50% of the performance shares will vest in the event of departure at the end of a period of two years, 75% of the performance shares 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 (TSR),
    - for 50% of the allocation, a performance condition linked to the relative performance of Wendel's annualized TSR 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.

At the grant date, 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 9.69%. The value of these performance shares has been estimated by an independent expert at €64.8 per performance share. The expense is recognized over the options' vesting period.

The instruments granted and not exercised or vested were as follows:

Stock options	Number of options outstanding as of Dec. 31, 2021	Options granted in 2022	Options canceled in 2022	Options exercised in 2022	Number of options outstanding as of Dec. 31, 2022	Exercise price (in euros)	Average exercise price (in euros)	Average residual life	Number of exercisable options
Stock purchase options	538,043			(30,350)	507,693	from 82.9 to 134.43	116.15	4.4	403,214
Stock subscription options	395,841	109,658	(32,494)		473,005	from 82.05 to 110.97	88.88	8.3	
TOTAL	**933,884**	**109,658**	**(32,494)**	**(30,350)**	**980,698**				

Performance shares	Shares awarded as at Dec. 31, 2021	Awards during the year	Cancellations	Shares awarded as at Dec. 31, 2021	Grant date	Vesting date
Plan 11-1	76,532		(76,532)	0	07/08/2019	07/08/2022
Plan 11-2	56,248		(4,709)	51,539	07/08/2019	07/10/2023
Plan 12-1	83,243		(850)	82,393	08/05/2020	08/05/2023
Plan 12-2	48,283		(5,418)	42,865	08/05/2020	08/05/2024
Plan 13-1	73,021		(17,041)	55,980	07/30/2021	07/29/2025
Plan 13-2	46,411		(4,877)	41,534	07/30/2021	08/05/2024
Plan 14-1		61,160		61,160	08/02/2022	08/02/2026
Plan 14-2		139,382		139,382	08/02/2022	08/02/2026
Plan 14-1A		19,095		19,095	12/16/2022	08/02/2026
	383,738	**219,637**	**(109,427)**	**493,948**		

NOTE 36 Fees paid by the Group to the Statutory Auditors and members of their networks

In thousands of euros	Services performed in 2022 by:		Services performed in 2021 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	674	770	663	689
■ for its subsidiaries	3,115	2,332	2,805	2,935
Sub-total	**3,789**	**3,102**	**3,468**	**3,624**
Non-audit services				
■ for Wendel SE	399	70	394	146
■ for its subsidiaries	291	3,010	477	968
Sub-total	**690**	**3,080**	**871**	**1,114**
TOTAL	**4,479**	**6,182**	**4,339**	**4,738**

Services rendered during the year other than the Statutory Auditors' audit of the financial statements of Wendel SE and the companies over which the latter exercises control (non-audit services) correspond to tax services, certifications, due diligence and agreed procedures as regards Ernst & Young Audit and its network, and to certifications, procedures in the context of the consolidated non-financial performance statement, legal and tax services, and agreed procedures as regards Deloitte.

NOTE 37 Subsequent events

Note 37-1 Wendel Growth investments

Wendel, through its investment arm Wendel Growth, has carried out the following investments:

- in January 2023: acquisition of a minority interest of Tadaweb through an equity investment of €15 million. Tadaweb delivers open-source intelligence (OSINT) platforms that enable organizations to generate actionable intelligence by making analysts' investigative methods hyper-efficient. The company is headquartered in Luxembourg and employs 120 people;
- in February 2023: acquisition of a minority stake in Brigad with an equity investment of €7 million. Brigad is an online tool connecting self-employed professionals with hospitality and care establishments. The company is headquartered in France and employs 150 people; and
- in March 2023: signature of an investment of up to €15 million in Preligens in the form of convertible bonds and warrants. Preligens develops solutions to automate the analysis of multi-source data and cue users towards unusual events requiring their tradecraft.

Note 37-2 Stahl acquires ICP Industrial Solutions Group

Stahl has signed an agreement to acquire 100% of ICP Industrial Solutions Group (ISG), a leader in high-performance packaging coatings, for an enterprise value of around $205 million. This transaction will reinforce Stahl's position as the global leader in the field of specialty coatings for flexible materials.

It is mostly present in North America (close to 70% of sales). Its 2022 sales are estimated at approximately $140 million.

Concurrently, Stahl has secured a new financing of $580 million with a group of relationship banks, extending maturities until 2028. It will be available to finance this acquisition, refinance its existing credit facilities and fund future external growth.

The ISG transaction is expected to close before the end of Q1 2023, subject to customary conditions.

ICP Industrial Solutions Group (ISG) is currently in litigation with a former supplier HeiQ. Specific indemnification arrangements under the acquisition agreement have been entered into with the seller of ISG.

Note 37-3 Hedging of currency risk on dollar-denominated assets

In February 2023, the Group hedged a portion of the currency risk arising on the value of its US dollar denominated investments (see note 6-5.1 "Currency risk – Wendel").

NOTE 38 List of main consolidated companies as of December 31, 2022

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	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	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	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	99.5	Accolade	United States	Investment fund
FC	**35.6**	**Bureau Veritas and its subsidiaries**	**France**	**Certification and verification services**
FC	**60.8**	**Constantia Flexibles and its subsidiaries**	**Austria**	**Flexible packaging**
FC	**67.9**	**Stahl and its subsidiaries**	**Netherlands**	**High-performance coatings and leather-finishing products**
FC	**96.3**	**CPI and its subsidiaries**	**United States**	**Training services**
FC	**98.0**	**ACAMS and its subsidiaries**	**United States**	**Training and certification in anti-money laundering**
E	**25.7**	**Tarkett Participation**	**France**	**Innovative flooring and sports surface solutions**

FC: Full Consolidation. Wendel exercises exclusive control over these companies.
E: Companies accounted for by the equity method. Wendel exercises significant influence over, or has joint control of, these companies.

The complete list of consolidated companies and investees in the Group's reporting scope 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

Year ended December 31, 2022

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.

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, 2022.

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, 2022 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, 2022 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

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 2022 and described in Note 3-1 to the consolidated financial statements, are as follows: ■ On January 21, 2022, Wendel completed the sale of Cromology for an equity value of €1,262 million. Net disposal proceeds amounted to €896 million for Wendel; this amount is net of the share of capital held by the co-investor managers of Cromology. The capital gain on the sale of Cromology was recognized on the line "Net income from operations discontinued or held for sale" for €590 million. ■ On March 11, 2022, Wendel has acquired ACAMS ("Association of Certified Anti-Money Laundering Specialists") from Adtalem for an equity investment of $ 338 million. This business combination has been recognized in accordance with IFRS 3, which requires that the identifiable assets acquired and liabilities assumed be measured and recognized at fair value at the takeover date. The purchase price allocation led to the recognition of material intangible assets, including customer relationships for $ 117 million, tradenames for $ 73 million and content valued at $ 18 million. The residual goodwill amounts to $ 340 million. The goodwill allocation will be finalized within 12 months of the acquisition, in accordance with the IFRS. We considered the recognition and presentation of the investment in ACAMS to be a key audit matter given the material amount of the assets acquired and liabilities assumed and the judgment required to identify and measure these assets and liabilities, in particular intangible assets. Also, we deemed the disposal of Cromology 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 divestment of Cromology, we have assessed the accounting treatment of the transaction and the calculation of the gain on disposal. Regarding the investment in ACAMS, with the assistance of our valuation specialists, we have: ■ gained an understanding of the terms of the acquisition agreement and the processes implemented by management to analyze and recognize the acquisition of ACAMS and its opening balance sheet; ■ analyzed the work performed by management to identify and measure the assets and liabilities acquired, in particular intangible assets; ■ assessed the appropriateness of the valuation methods used for the main asset categories with regard to commonly used practices; ■ analyzed the consistency of the valuation inputs compared with the documentation obtained from the ACAMS management teams, and assessed their relevance with regard to the company's management data or 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. For both transactions, we also assessed the appropriateness of the disclosures provided in Note 3-1 to the consolidated financial statements.

Measurement of goodwill

Risk identified	Our response
As of December 31, 2022, the Goodwill net book value amounts to € 3 929 million, *i.e.* 27% of the total balance sheet. Goodwill is broken down by Cash Generating Units (CGUs) corresponding to each operating subsidiary (Bureau Veritas, Constantia Flexibles, Stahl, CPI and ACAMS). 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 8 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, 2022. 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, 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 macro-economic conditions (inflationary pressures, increases in interest rates and raw material and energy costs, shortages, exchange rate volatility); ■ 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 8 to the consolidated financial statements, in particular those related to the sensitivity analysis carried out by Wendel's management.

Accounting treatment of mechanisms for the participation of management teams in the Group's investments

Risk identified	Our response
As described in Note 5 to the consolidated financial statements, Wendel has set up co-investment mechanisms to allow its managers and managers of subsidiaries (Constantia Flexibles, Stahl, CPI, Tarkett and ACAMS) 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 34-5 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 37 M€ for "pari passu" investments with the same profile of risk and return as Wendel, and amount to 43 M€ for non "pari passu" investments as of December 31, 2022. 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 23 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 34-5 to the consolidated financial statements and those concerning transactions with related parties set out in Note 4.1 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 34-5

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.

Based on the work we have performed, we conclude that the presentation 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.

Due to the technical limitations inherent to the block-tagging of the consolidated financial statements according to the European single electronic format, the content of certain tags of the notes may not be rendered identically to the accompanying consolidated financial statements

Moreover, 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 May 16, 2019 for Deloitte & Associés and on November 15, 1988 for ERNST & YOUNG Audit.

As at December 31, 2022, Deloitte & Associés and ERNST & YOUNG Audit were in the fourth year and thirty-fifth 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 16, 2023

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, 2022 — 390

Assets — 390

Equity and liabilities — 391

7.2 INCOME STATEMENT — 392

7.3 CASH FLOW STATEMENT — 393

7.4 NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS — 394

7.4.1 Highlights of the year — 395

7.4.2 Accounting principles — 396

7.4.3 Notes to the balance sheet — 397

7.4.4 Notes to the income statement — 403

7.5 STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS — 410

7.1 Balance sheet as of December 31, 2022

Assets

In thousands of euros		Dec. 31, 2022 Gross amount	Dec. 31, 2022 Depreciation, amortization or impairment	Dec. 31, 2022 Net amount	Dec. 31, 2021 Net amount
NON-CURRENT ASSETS					
Intangible assets and property, plant and equipment		**21,529**	**14,182**	**7,347**	**1,967**
Non-current financial assets[1]					
Investments in subsidiaries and affiliates	Note 1	10,641,188	2,980,132	7,661,056	7,865,648
Other long-term investments		34		34	34
Treasury shares	Note 2				66,911
Loans and other non-current financial assets		1,765		1,765	788
		10,642,987	2,980,132	7,662,855	7,933,380
TOTAL		**10,664,516**	**2,994,313**	**7,670,203**	**7,935,347**
CURRENT ASSETS					
Trade receivables[2]		5,978		5,978	1,004
Other receivables[2]	Note 3	35,158		35,158	600,427
Marketable securities	Note 4	887,440		887,440	588,697
Treasury shares	Note 4	102,045	13,522	88,524	56,502
Cash		54,323		54,323	38,998
Prepaid expenses		1,108		1,108	690
TOTAL		**1,086,052**	**13,522**	**1,072,531**	**1,286,319**
Translation adjustment					189
Deferred expenses		6,001		6,001	3,831
Debt redemption premiums		3,717		3,717	2,994
TOTAL ASSETS		**11,760,285**	**3,007,835**	**8,752,451**	**9,228,680**

(1) O/w current portion. *0*
(2) O/w non-current portion. *0*

Equity and liabilities

In thousands of euros		Dec. 31, 2022	Dec. 31, 2021
EQUITY			
Share capital		177,631	178,992
Additional paid-in capital		22,238	57,534
Legal reserves		20,224	20,224
Regulated reserves		101,870	101,870
Other reserves		2,250,000	2,250,000
Retained earnings		4,798,136	4,258,961
Net income (loss) for the year		**(174,483)**	**669,270**
TOTAL	Note 5	**7,195,616**	**7,536,851**
PROVISIONS FOR CONTINGENCIES AND EXPENSES	Note 6	**20,355**	**29,772**
Financial debt(1)	Note 7	1,514,920	1,644,003
Other current liabilities	Note 8	19,831	16,070
TOTAL(2)		**1,534,751**	**1,660,073**
Issue premiums on borrowings		0	1,795
Valuation differences on treasury instruments		1	189
Expenses to be deferred		1,728	0
TOTAL EQUITY AND LIABILITIES		**8,752,451**	**9,228,680**

(1)	*O/w short-term bank borrowings*	*-*	*-*
(2)	*O/w less than one year*	*134,751*	*160,073*
	O/w more than one year	*1,400,000*	*1,500,000*

7.2 Income statement

In thousands of euros		2022	2021
Income from investments in subsidiaries and affiliates and long-term equity portfolio	Note 10	**7,073**	**263,000**
Other financial income and expenses	Note 11		
Income			
■ Income from loans and invested cash		3,098	41,784
■ Amortization of bond issue premiums		1,795	13,347
Expenses			
■ Interest and similar expenses		30,123	38,648
■ Depreciation, amortization and provisions		955	767
NET FINANCIAL INCOME (LOSS)		**(19,111)**	**278,716**
Operating income	Note 12		
Other income		21,708	16,799
Provisions reversed and expenses transferred		27,221	1,500
Operating expenses			
Purchases and external services		20,818	17,807
Taxes and equivalent		3,652	3,047
Wages and salaries	Note 13	20,539	16,767
Social security costs		9,528	6,991
Depreciation, amortization and deferred expenses		18,605	3,553
Miscellaneous expenses		1,119	1,124
NET OPERATING INCOME (LOSS)		**(25,334)**	**(30,991)**
NET INCOME (LOSS) BEFORE NON-RECURRING ITEMS AND TAX		**(44,445)**	**247,725**
Non-recurring income			
On operating transactions		118,980	4
On capital transactions		7,744	(4)
Reversals of provisions		1,929	497,526
Non-recurring expenses			
On operating transactions		34,407	8,173
On capital transactions		14,679	
Additions to provisions		210,070	67,832
NON-RECURRING ITEMS	Note 14	**(130,503)**	**421,521**
INCOME TAXES	Note 15	**465**	**24**
NET INCOME (LOSS)		**(174,483)**	**669,270**

7.3 Cash flow statement

In thousands of euros		2022	2021
Cash flows from operating activities, excluding tax			
Net income (loss)		(174,483)	669,270
Depreciation, amortization, provisions and other non-cash items		200,335	(438,720)
Gains/losses on divestments		(125,881)	4
Financial income and expense		54,350	(266,136)
Taxes		(465)	(24)
Cash flows from operating activities before net finance costs and tax		**(46,144)**	**(35,606)**
Change in working capital requirement related to operating activities		12,210	19,031
NET CASH FROM (USED IN) OPERATING ACTIVITIES, EXCLUDING TAX		**(33,934)**	**(16,575)**
Cash flows from investing activities, excluding tax			
Acquisitions of property, plant and equipment and intangible assets		(6,722)	(235)
Disposals of property, plant and equipment and intangible assets		118,574	11
Acquisitions of equity investments	Note 1	(140)	0
Disposals of equity investments	Note 1	7,744	0
Change in other financial assets and liabilities and other items		(978)	(65)
Dividends received	Note 10	7,073	263,000
Change in working capital requirements related to investing activities		0	0
NET CASH FROM INVESTING ACTIVITIES, EXCLUDING TAX		**125,551**	**262,712**
Cash flows from financing activities, excluding tax			
Share capital increase	Note 5	2,172	2,310
Treasury share buybacks and cancellations	Note 2	(22,661)	(24,802)
Dividends paid	Note 5	(130,095)	(126,562)
New borrowings	Note 7	300,000	300,000
Repayment of borrowings	Note 7	(500,000)	(300,000)
Net change in intragroup assets and liabilities		637,075	(508,380)
Net finance costs		(27,750)	(36,260)
Other financial income and expense	Note 14	(36,757)	35,928
Change in working capital requirements related to financing activities		0	(7,335)
NET CASH FROM (USED IN) FINANCING ACTIVITIES, EXCLUDING TAX		**221,984**	**(665,100)**
Income taxes	Note 15	465	24
Change in tax assets and liabilities		0	358
NET CASH FLOWS RELATED TO TAXES		**465**	**382**
Effect of currency fluctuations		-	-
CHANGE IN CASH AND CASH EQUIVALENTS		**314,066**	**(418,582)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD[(1)]		**627,696**	**1,046,268**
CASH AND CASH EQUIVALENTS AT END OF PERIOD[(1)]		**941,762**	**627,696**

(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

NOTE 1	Investments in subsidiaries and associates	397
NOTE 2	Treasury shares	398
NOTE 3	Other receivables	398
NOTE 4	Marketable securities	399
NOTE 5	Changes in equity	400
NOTE 6	Provisions for contingencies and expenses	401
NOTE 7	Financial debt	402
NOTE 8	Other current liabilities	402
NOTE 9	Off-balance sheet commitments	402
NOTE 10	Income from investments in subsidiaries and associates and long-term equity portfolio	403
NOTE 11	Other financial income and expenses	403
NOTE 12	Operating income	404
NOTE 13	Compensation and headcount	404
NOTE 14	Non-recurring items	404
NOTE 15	Income tax	405
NOTE 16	Cash and debt situation	406
NOTE 17	Related parties	407
NOTE 18	Subsequent events	408

7.4.1 Highlights of the year

Dividends received from investees

The Company received dividends of €7 million from its wholly-owned subsidiary, Oranje-Nassau Groep.

These dividends were paid through current accounts.

Oranje-Nassau Groep carried out a capital reduction for €7.7 million. This led to a €211.1 million loss, offset by a reversal of provisions for impairment in an amount of €196.4 million.

Capital and dividend paid

The Shareholders' Meeting of June 16, 2022 approved the payment of a cash dividend of €3 per share. The total amount of dividends paid therefore amounted to €130.1 million.

On April 5, 2022, the Executive Board reduced the share capital by canceling 377,323 shares for an amount of €1.5 million and €37.3 million allocated to additional paid-in capital.

A €2.2 million capital increase was carried out for employees, corresponding to 37,057 shares.

Wendel sold 30,350 of its own shares during the fiscal year for a total of €2.1 million in connection with the exercise of options and the grant of performance shares to employees.

Excluding the liquidity agreement, the Company purchased 269,424 Wendel shares in 2022 at an average price of €92.79 per share.

As of December 31, 2022 the Company held 983,315 Wendel shares, including 921,483 held as marketable securities and 61,832 held under the liquidity agreement.

Financing

In January 2022, a new €300 million bond maturing in January 2034 was issued with a coupon of 1.375%. Following this transaction, the €500 million bond maturing in 2024 was redeemed early for an amount of €534.4 million, determined in accordance with the prospectus of this bond and including the impact of the interest rate hedge (the difference between the amount redeemed and the nominal amount was recognized in non-recurring expenses). Thus, at the reporting date, the maturities of the bonds were spread between April 2026 and January 2034 for a nominal amount of €1.4 billion and the average maturity was 6.4 years.

Intragroup assets and liabilities

The decrease of €637.1 million in net receivables from subsidiaries mainly reflects:

- Bureau Veritas dividends paid to Eufor SAS in an amount of €85.2 million, the proceeds from which were loaned to the Company through the current account;
- the financing of Wendel Luxembourg for the €304.4 million investment in ACAMS; and
- funds transferred for €893.9 million following the disposal of Cromology.

Impairment of equity investments

At the end of 2022, the shares of Wendel SE's direct subsidiaries were tested for impairment. The impairment tests 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:

- additional impairment recognized on Wendel Luxembourg shares for an amount of €189.4 million to reflect changes in the value of the Group's portfolio of investments (excluding Bureau Veritas), which is indirectly held by this subsidiary; and
- a reversal of impairment on Oranje-Nassau Groep shares for €196.4 million recognized following the cancellation of the shares and the payment of dividends for a similar amount by this subsidiary.

Sale of the Rue Taitbout building

Wendel SE sold its building on rue Taitbout in June 2022 for net non-recurring income of €118.2 million.

These annual financial statements were approved by Wendel SE's Executive Board on March 8, 2023.

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 "Non-recurring items". Regarding marketable securities, changes in provisions for impairment and gains and losses on disposals are recognized in financial income and expense, with the exception of gains and losses on treasury shares, which are included in non-recurring items.

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 reporting date, as well as on information available as of the date the financial statements were approved. 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. Uncertainty has complicated forecasting, and actual amounts could therefore differ from the forecasts. The most significant estimates used in preparing these financial statements concern mainly investments in subsidiaries and associates and the ability to recover receivables.

Investees

The initial value of investments in portfolio companies 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 in the entity's net book value or net asset value. 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 involving similar companies, stock market values, etc. When the net asset value falls below net book value, an impairment loss is recognized for 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 income statement as and when they are realized. A provision for expenses 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 ANC regulation 2015-05 of July 2, 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" in 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 in 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 contingencies and expenses is recognized for this 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 their 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 set aside for unrealized foreign exchange losses.

Provisions for pensions

Obligations related to statutory retirement benefits and defined-benefit pension plans are determined at each reporting 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 to the balance sheet

(In thousands of euros)

NOTE 1 Investments in subsidiaries and associates

	% interest		Net amount	Acquisitions and subscriptions	Divestments and mergers	Change in provisions[1]	Net amount
In thousands of euros	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2021				Dec. 31, 2022
French investments							
Sofiservice	100.00	100.00	23			(23)	0
Eufor	100.00	100.00	3,788,797				3,788,797
Coba	100.00	100.00	15	140		(23)	132
Winvest 16	100.00	100.00	0				0
Non-French investments							
Wendel Luxembourg	100.00	100.00	4,060,244			(189,386)	3,870,858
Oranje-Nassau Groep	100.00	100.00	16,570		211,068	195,768	1,270
		TOTAL	**7,865,649**	**140**	**211,068**	**6,336**	**7,661,056**

(1) As of December 31, 2022, 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 record an impairment loss on the shares of Wendel Luxembourg (the entity holding the Group's portfolio (excluding Bureau Veritas)) of €189,386 thousand. An impairment loss recognized on Oranje-Nassau Groep shares was reversed in an amount of €195,768 million following cancellation of the shares and the payment of dividends for a similar amount by this subsidiary.

NOTE 2 Treasury shares

In thousands of euros	% interest Dec. 31, 2021	% interest Dec. 31, 2022	Net amount Dec. 31, 2021	Acquisitions	Capital reduction	Account transfer	Change in provisions	Net amount Dec. 31, 2022
Wendel shares	0.86%	0.00%	74,303	13,422(1)	38,830(2)	(48,896)(3)		0
		TOTAL	**74,303**	**13,422**	**38,830**	**(48,896)**	**0**	**0**

(1) The Company acquired 142,774 shares for a total amount of €13,422.3 thousand. The Company also acquired 126,650 shares for an amount of €11,592.2 thousand, which were allocated to cover stock option and performance share plans.
(2) 377,323 shares were used in the share capital reduction on June 16, 2022, representing a value of €38,829.6 thousand.
(3) Following the share purchases and share capital reduction, the 402,618 shares remaining in treasury were reclassified as cover for the stock option and performance share plans for a total net amount of €9,563.7 thousand.

As of December 31, 2022, Wendel SE held 983,315 treasury shares (1,116,456 treasury shares as of December 31, 2021).

These treasury shares are allocated as follows:

- 921,483 shares to cover grants under stock option and performance share plans; these shares were classified as marketable securities within current assets (see note 4 "Marketable securities"); and
- 61,832 shares held under the liquidity agreement; these shares were classified as marketable securities within current assets (see note 4 "Marketable securities").

NOTE 3 Other receivables

In thousands of euros	Dec. 31, 2022 Gross amounts	Dec. 31, 2022 Impairment	Dec. 31, 2022 Net amount	Dec. 31, 2021 Gross amount	Dec. 31, 2021 Impairment	Dec. 31, 2021 Net amount
Tax and employee social security receivables	2,362		2,362	1,033		1,033
Loans and advances connected with investees(1)	32,796		32,796	599,394		599,394
TOTAL	**35,158**	**0**	**35,158**	**600,427**	**0**	**600,427**
Of which related companies	*33,215*			*599,610*		
Of which accrued income	*0*			*0*		

(1) These receivables correspond to advances granted to holding companies contributing to the holding of the Group's various investments.

NOTE 4 Marketable securities

In thousands of euros	Dec. 31, 2022 Net book value	Dec. 31, 2022 Market value	Dec. 31, 2021 Net book value	Dec. 31, 2021 Market value
Wendel shares[1]	83,132	80,367	50,503	44,433
Liquidity agreement	5,392	5,392	5,999	6,084
SUB-TOTAL	**88,524**	**85,759**	**56,502**	**50,517**
Money-market mutual funds and deposits	853,637	853,637	307,357	307,357
Funds managed by financial institutions	33,803	33,803	281,341	281,341
SUB-TOTAL	**887,440**	**887,440**	**588,697**	**588,697**
TOTAL	**975,964**	**973,199**	**645,200**	**639,214**

(1) Number of Wendel shares held as of December 31, 2022: 921,483.
Number of Wendel shares held as of December 31, 2021: 421,565.
(See note 2 "Treasury shares").
Shares held for the exercise of stock purchase options granted under stock option plans. Any negative difference between the carrying amount and the exercise price of the purchase options is recognized in proportion to the rights vested within "Provisions for contingencies and expenses". As of December 31, 2022, this provision amounted to €653 thousand.
Shares allocated to the exercise of awards made under performance share plans: in accordance with accounting standards, a provision is recognized for the loss related to the vesting of performance shares in proportion to the extent to which they have vested. The value of the shares awarded as measured at the stock market price as of December 31, 2022 was recognized under "Provisions for contingencies and expenses" for €15,186.7 thousand.
Regarding shares allocated to plans considered as not exercisable or for which the vesting conditions will not be met, a provision for impairment is recognized when the carrying amount is higher than the stock market price and no provision for contingencies and expenses has been accrued.

NOTE 5 Changes in equity

In thousands of euros

Number of shares		Share capital (€4 par value)	Additional paid-in capital	Legal reserve	Regulated reserves	Other reserves & retained earnings	Net income (loss) for the year	Total shareholders' equity
44,719,119	**Balance as of December 31, 2020 before appropriation**	**178,876**	**55,339**	**20,224**	**101,870**	**6,662,137**	**(26,613)**	**6,991,833**
	Appropriation of 2020 net income					(26,613)	26,613	-
	Dividend					(126,562)		(126,562)
	Capital increase							
28,824	■ Company Savings Plan	115	2,194					2,310
	■ Exercise of options							0
	2021 net income						669,270	669,270 -
44,747,943	**Balance as of December 31, 2021 before appropriation**	**178,991**	**57,534**	**20,224**	**101,870**	**6,508,961**	**669,270**	**7,536,851**
	Appropriation of 2021 net income					669,270(1)	(669,270)	0
(377,323)	Capital reduction	(1,509)(2)	(37,320)					(38,830)
	Dividend					(130,095)(3)		(130,095)
37,057	■ Company Savings Plan	148(4)	2,024					2,173
	■ Exercise of options							0
	2022 net loss						(174,483)	(174,483)
44,407,677	**Balance as of December 31, 2022 before appropriation**	**177,630**	**22,238**	**20,224**	**101,870**	**7,048,136**	**(174,482)**	**7,195,616**

(1) The retained earnings approved at the Shareholders' Meeting of June 16, 2021 were increased by the €669.3 million in net income for 2021.
(2) The share capital was reduced by €1.5 million due to the cancellation of 377,323 treasury shares.
(3) A dividend of €3 per share was paid in 2022.
(4) A capital increase of €2.2 million, or 37,057 shares, was carried out within the framework of the Group Savings Plan (PEG), comprising an increase of €148 thousand in share capital and an allocation of €2,024 thousand to additional paid-in capital.

NOTE 6 Provisions for contingencies and expenses

In thousands of euros		Dec. 31, 2021	Additions	Reversals Used	Reversals Unused	Dec. 31, 2022
Provision for pensions and post-employment benefits		996	1,070		996	1,070
Provision for performance share and stock option awards	Note 4	24,019	15,840	52	23,967	15,839
Other contingencies and expenses		4,757	3,445	457	4,300	3,445
	TOTAL	**29,772**	**20,355**	**509**	**29,263**	**20,355**
		Net operating income (loss)	20,355	509	24,963	
		Net financial income (loss)				
		Non-recurring items			4,300	
			20,355	**509**	**29,263**	

The principal disputes, claims and risks identified for Wendel and its holding companies are as follows:

- labor disputes for which a provision has been set aside; and
- the legal action brought by Wendel managers as a result of the unwinding of a mechanism for involving them in the Group's performance was 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	Dec. 31, 2022	Dec. 31, 2021
2.75% 2024 bonds[1]	0	500,000
1.375% 2026 bonds	300,000	300,000
2.50% 2027 bonds	500,000	500,000
1% 2031 bonds	300,000	300,000
1.375% 2034 bonds[1]	300,000	
Syndicated loan (Euribor + margin)[2]	-	-
Accrued interest	19,616	19,177
SUB-TOTAL	**1,419,616**	**1,619,177**
Loans and borrowings with investments in subsidiaries and affiliates[3]	95,303	24,826
TOTAL	**1,514,920**	**1,644,003**
of which: less than 1 year	*114,920*	*44,003*
1 to 5 years	*800,000*	*1,300,000*
Over 5 years	*600,000*	*300,000*
Accruals	*19,616*	*19,177*

(1) See highlights.
(2) The Company did not use its syndicated credit line in 2022 (see note 17).
(3) These relate to current accounts of Group entities, mainly concerning its subsidiary Eufor SAS for €85.8 million and Sofiservice SAS for €8 million.

NOTE 8 Other current liabilities

In thousands of euros	Dec. 31, 2022	Dec. 31, 2021
Trade payables[1]	5,402	3,630
Tax and employee social security liabilities	14,119	12,203
Other	310	237
TOTAL	**19,830**	**16,070**

(1) The breakdown of trade payables by maturity (in accordance with Article L. 441-6-1 of the French Commercial Code) is as follows:

	As of Dec. 31, 2022	*As of Dec. 31, 2021*
• *payment within 30 days:*	*198*	*(16)*
• *payment in more than 30 days:*	*(125)*	
• *invoices not received:*	*5,329*	*3,646*

NOTE 9 Off-balance sheet commitments

There were no off-balance-sheet commitments granted by Wendel SE as of December 31, 2022.

7.4.4 Notes to the income statement

NOTE 10 Income from investments in subsidiaries and associates and long-term equity portfolio

(in thousands of euros) **Dividends relating to:**	**2022**	**2021**
Oranje-Nassau Groep	7,073	56,000
Wendel Luxembourg	0	150,000
Eufor	0	57,000
TOTAL	**7,073**	**263,000**
Of which interim dividend:	*0*	*57,000*

NOTE 11 Other financial income and expenses

(in thousands of euros) **Income**	**2022**	**2021**
Other interest and similar income	3,095	41,783
Foreign exchange gain	3	2
Reversals of provisions		12,733
Amortization of bond issue premiums	1,795	614
TOTAL	**4,893**	**55,132**
Of which related companies	*84*	*787*

(in thousands of euros) **Expenses**	**2022**	**2021**
Interest on bonds	27,562	33,618
Other interest and similar expenses	2,550	4,991
Foreign exchange loss	11	39
Amortization of bond redemption premiums	955	767
TOTAL	**31,077**	**39,415**
Of which related companies	*539*	*262*

NOTE 12 Operating income

In thousands of euros	2022	2021
Property rental	81	81
Services invoiced to subsidiaries	21,627	15,540
Other income	-	1,178
Transfer of expenses	1,650	1,500
Reversals of provisions	25,571	0
TOTAL	**48,928**	**18,299**
Of which related companies	*21,708*	*15,621*

NOTE 13 Compensation and headcount

See note 17 for a description of the compensation the Company allocated to the members of the Executive and Supervisory Boards.

Average headcount	2022	2021
■ Managers	59	56
■ Non-executive employees	5	6
TOTAL	**64**	**62**

NOTE 14 Non-recurring items

	Non-recurring income			Non-recurring expenses			
In thousands of euros	Management transactions	Gains on disposals	Reversals of provisions	Management transactions	Losses on disposals	Additions to provisions	Balance 2022
Property, plant and equipment		**118,946[1]**					**118,946**
Non-current financial assets	**7,744**				**14,679**		**(6,935)[2]**
Other non-recurring transactions	**0**	**34**	**1,929**	**34,407**	**0**	**210,070**	**(242,513)**
■ Provision for impairment of securities			1,929			210,070[4]	(208,141)
■ Early redemption of 10/2024 bond				34,407[3]			(34,407)
■ Supplier repayment		34					34
TOTAL	**7,744**	**118,980**	**1,929**	**34,407**	**14,679**	**210,070**	**(130,503)**

As of December 31, 2022, non-recurring items represented a net expense of €130,503 thousand, mainly reflecting:

- non-recurring income of €119 million on the sale of the Rue Taitbout premises[1];
- a net loss of €7 million on corporate actions at the level of Oranje-Nassau Groep (see Highlights of the year)[2];
- payment of a premium on the early redemption of the 2024 bond in an amount of €34 million[3]; and
- changes in impairment on investments (see note 1)[4].

NOTE 15 Income tax

Income tax breaks down as follows:

In thousands of euros	2022
Taxable base at a rate of	**25.00%**
On 2022 income before non-recurring items	40,499
On 2022 non-recurring items	(130,548)
	(90,049)
Addbacks/deductions related to tax consolidation	79,687
	(10,362)
Deduction of losses carried forward	(2,684)
Taxable income of the tax consolidation Group	**(13,046)**
Corresponding tax	
Tax consolidation income	465
INCOME TAX RECOGNIZED IN THE INCOME STATEMENT	**465**

The Company has opted for tax consolidation status, as defined in Articles 223 A-U of the French Tax Code *(Code Général des Impôts)*. 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 results in tax income for Wendel SE equal to the difference between the tax payable and the amount received from its subsidiaries. The members of the Wendel tax consolidation Group in 2022 were the parent company Wendel SE and Sofiservice, Coba, Eufor and Winvest 16.

As of December 31, 2022, there was a tax consolidation profit from the subsidiary EURFOR for an amount of €465 thousand.

NOTE 16 Cash and debt situation

As of December 31, 2022, gross debt consisted of bonds for a total amount of €1,400 million.

Wendel also has an undrawn €750 million syndicated loan maturing in July 2027. Wendel has the option of requesting two one-year maturity extensions from the lenders, who may either accept or refuse its request. Wendel was in compliance with its financial covenants as of December 31, 2022. In 2021, the margin level on this loan was indexed to Wendel achieving its ESG targets; should these targets not be met, the margin would be increased but there would be no impact on the availability of this facility; however, if the targets were to be met, the margin would be reduced. As the 2021 targets were met, the margin on the loan was reduced slightly in 2022. This undrawn line of credit notably gives Wendel enough flexibility to take advantage of investment opportunities.

At the reporting date, Wendel's long-term rating from Standard & Poor's was BBB "stable" outlook, and the short-term rating A-2. Similarly, Moody's assigned Wendel a rating of Baa2 with a stable outlook.

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.

Wendel bonds – 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 syndicated loan – documentation and covenants (undrawn as of December 31, 2022)

The syndicated loan is subject to financial covenants, 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. Accordingly, the net debt taken into account corresponds to Wendel bonds and the syndicated loan, when drawn, reduced by cash.

Net debt of Group subsidiaries is deducted from the gross revalued assets of these subsidiaries as it is without recourse to Wendel.

These covenants are as follows:

- net financial debt of Wendel and the financial holding companies compared to the gross asset value 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 treated as unsecured debt, less their available cash (not pledged or in escrow) to,
  - the sum of 75% of the value of 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 covenants are tested half-yearly when there are drawdowns under the syndicated loan. As of December 31, 2022 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 17 Related parties

Related parties are Wendel-Participations and the members of the Supervisory Board and Executive Board.

Members of the Supervisory Board and Executive Board

Compensation awarded by the Wendel Group for 2022 to (i) André François-Poncet, Group CEO up to December 1, 2022 inclusive, (ii) Laurent Mignon, Group CEO as from December 2, 2022, and (iii) David Darmon, member of the Executive Board, amounted to €5,797 thousand.

The IFRS value of the options and performance shares granted to Laurent Mignon and David Darmon in 2022 amounted to €3,340 thousand at the grant date. No grants were made to André François-Poncet for 2022.

Compensation paid to members of the Supervisory Board in 2022 totaled €1,209 thousand, including €1,119 thousand by Wendel SE (i) in consideration of services by members of the Supervisory Board, (ii) as compensation of the Chairman of the Supervisory Board and (iii) as compensation of the Lead Member of the Supervisory Board; and €90 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 directors' fees.

As of December 31, 2022, the following commitments were made by the Company to Executive Board Chairman Laurent Mignon in the event of his removal from office:

- in the event of termination of office not prompted by poor performance, and provided that performance conditions are met, Laurent Mignon is entitled to an indemnity equal to his monthly average compensation multiplied by the number of months he served as Executive Board Chairman (capped at 18 months). The monthly average compensation is determined as follows: the sum of (i) his fixed average monthly compensation at the time of departure, and (ii) one-twelfth of his variable compensation actually paid in respect of the last fiscal year preceding his departure.

Note that André François-Poncet did not receive any indemnities on the termination of his duties at the end of 2022.

As of December 31, 2022, the commitments made by the Company to Executive Board member David Darmon, in the event of his removal from office, were as follows:

- in the event of termination of his term of office not prompted by poor performance, an indemnity equal to 18 months of his fixed monthly average compensation at the time of his departure;
- in the event of termination of his employment contract, the legal and contractual indemnities due under that employment contract;
- it being specified that the total amount of indemnities paid to David Darmon in respect of his corporate office and employment contract may not exceed 18 months of his monthly average compensation determined as follows: the sum of (i) his fixed monthly average compensation at the time of his departure, and (ii) one-twelfth of the variable compensation actually paid in respect of the last fiscal year preceding his departure.

In accordance with Wendel's policy of associating management with the Group's investments, the members of the Executive Board participate in the co-investment mechanisms described in note 5 "Participation of management teams in the Group's investments".

Wendel-Participations

Wendel-Participations SE is owned by around 1,200 Wendel family members and legal entities. Wendel-Participations investors together held a 39.59% stake in Wendel SE as of December 31, 2022, representing 51.81% of theoretical voting rights and 52.57% 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 II Law on the prevention of corruption and for the implementation of CbC reporting;
- a memorandum of understanding on the use of the "Wendel" family name and a license agreement for 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 18 Subsequent events

None.

Securities portfolio

In thousands of euros	Number of securities held	% interest	Gross value
INVESTMENTS IN SUBSIDIARIES AND AFFILIATES			
Subsidiaries (over 50% owned)			
a) French			
Sofiservice	8,500	100.0%	354
Eufor	2,029,196	100.0%	3,788,797
b) Non-French			
Wendel Luxembourg	82,561	100.0%	6,824,593
Oranje-Nassau Groep	222,222	100.0%	27,251
Other subsidiaries and affiliates			
Securities of French companies	11,250	100.0%	193
Securities of non-French companies	10	100.0%	0
			10,641,187
OTHER LONG-TERM INVESTMENTS			
Other French equities	-	-	34
			34

Subsidiaries and associates

In thousands of euros	Capital	Other shareholders' equity (including net income/loss)	% interest held	Gross carrying amount of shares held	Net carrying amount of shares held	Loans and advances granted	Guarantees and endorsements given	Prior-period net sales	Prior-period net income/(loss)	Dividends received in the year
DETAILED INFORMATION (on subsidiaries and affiliates whose gross carrying amount is greater than 1% of Wendel's share capital)										
French										
Eufor	2,030	426,117	100.0%	3,788,797	3,788,797	-	-	-	85,358	0
Non-French										
Wendel Luxembourg(1)	825,610	2,209,317	100.0%	6,824,592	3,870,858	32,794	-	41,053	67,639	0
Oranje-Nassau Groep(1)	1,000	62,637	100.0%	238,320	1,270	-	-	-	336	7,073
GENERAL INFORMATION										
French subsidiaries				547	38					
Non-French subsidiaries				-	-					
French associates				-	-					
Non-French investees				-	-					

(1) Consolidated data.

Five-year financial summary

Nature of disclosures	2018	2019	2020	2021	2022
1. SHARE CAPITAL AT THE YEAR-END					
Share capital(1)	185,123	178,729	178,876	178,991	177,631
Number of ordinary shares outstanding	46,280,641	44,682,308	44,719,119	44,747,943	44,407,677
Maximum number of shares that could be issued:					
▪ through the exercise of options	20,950	0	0	0	0
2. OPERATIONS AND INCOME FOR THE FISCAL YEAR(1)					
Sales (excluding taxes)	12,718	15,661	15,601	16,799	21,708
Income from investments in subsidiaries and associates	500,006	5,238,799	200,000	263,000	7,073
Income before tax, depreciation, amortization and provisions	375,979	5,117,755	106,044	229,026	22,263
Income tax(4)	(2,505)	(2,885)	(32)	(24)	(465)
Net income (loss)	340,383	1,865,893	(26,613)	669,270(3)	(174,483)
Distributed earnings(2)	129,586	125,110	129,685	130,095	142,105
of which interim dividends	-	-	-	-	-
3. EARNINGS PER SHARE (in euros)					
Income after tax but before depreciation, amortization and provisions	8.18	114.60	2.37	5.12	0.51
Net income (loss)	7.35	41.76	(0.60)	14.96(3)	(3.93)
Net dividend	2.80	2.80	2.90	3.00	3.20
of which interim dividends	-	-	-	-	-
4. EMPLOYEE DATA					
Average headcount	53	54	59	62	64
Total payroll(1)	12,183	18,630	13,616	16,767	20,539
Employee benefits paid during the year (social security, social welfare, etc.)(1)	8,743	9,402	7,758	6,991	9,528

(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

Year ended December 31, 2022

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 verification of the management report and other documents provided to the shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

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, 2022.

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 31 December 2022 and of the results of its operations for the year then ended in accordance with French accounting principles.

The 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 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, 2022 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

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 matter 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 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 to subsidiaries and associates

Risk identified	Our response

As of 31 December 2022, investments in subsidiaries and associates, and loans and advances to subsidiaries and associates, recorded in the balance sheet for a net carrying amount of 7,661 M€ and 33 M€ respectively, represent 88% of the company's total balance sheet.
 	
Investments in subsidiaries and associates are recorded at their acquisition cost and loans and advances to subsidiaries and associates 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 in net equity or the share in the revalued net assets, the determination of which can be based on various methods (discounted future cash flows, multiples of sales or margins, external valuations based on the transactions on similar companies, stock market values).
 	
An additional impairment was recognized for 189 M€ for Wendel Luxembourg at the year ended December 31, 2022 as described in note 1 to the financial statements.
 	
We considered that the valuation of investments in subsidiaries and associates, and loans and advances to subsidiaries and associates, 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.
	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 by management is justified;
	▪ testing the arithmetic accuracy of the recoverable value calculated by the company, in particular when the valuation is based on the share in net equity;
	▪ Corroborating with external sources the average share price used for the valuation of listed securities;
	▪ for companies held indirectly, whose 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 goodwill impairment tests in the company's consolidated financial statements, in particular concerning the budget assumptions;
	▪ assessing the appropriateness of the information mentioned in Note 1 of the appendix to the annual accounts.

For the valuation of loans and advances to subsidiaries and associates, we examined the impairment tests consistency with the tests of 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.

Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to the shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in 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*).

Report on Corporate Governance

We attest that the Supervisory Board's Report on Corporate Governance sets out the information required by Article L. 225-37-4 of the French Commercial Code (*Code de commerce*).

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

Other information

In accordance with French law, we have verified that the required information concerning the controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Other Verifications or Information Required by Laws and Regulations

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 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, 2022, ERNST & YOUNG Audit and Deloitte & Associés were in the 35th year and 4rd 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

Audit objective and 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 made on the basis of these 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 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, March 16, 2023

The Statutory Auditors

French original signed by

DELOITTE & ASSOCIÉS	**ERNST & YOUNG Audit**
Mansour Belhiba	Jacques Pierres

8 SHARE CAPITAL AND SHAREHOLDERS

8.1 WENDEL SHARE PERFORMANCE AND DIVIDEND 416

- 8.1.1 Stock market data 416
- 8.1.2 Dividend 417
- 8.1.3 2022 share buyback program 417
- 8.1.4 Share price 418

8.2 FINANCIAL COMMUNICATION POLICY 419

- 8.2.1 Ongoing in-depth dialogue with the market 419
- 8.2.2 A dedicated policy for individual shareholders 420
- 8.2.3 Information on the website 420
- 8.2.4 2023 calendar 421
- 8.2.5 Contacts 421
- 8.2.6 Documents available to shareholders and the public 422

8.3 INFORMATION ON THE SHARE CAPITAL 423

- 8.3.1 Main shareholders 423
- 8.3.2 Controlling legal entities or individuals 424
- 8.3.3 Significant changes in share ownership and voting rights in the last 3 years 425
- 8.3.4 Changes in share capital in the last 5 years 426
- 8.3.5 Ownership threshold disclosures 427
- 8.3.6 Pledging of issuer's shares 427
- 8.3.7 Financial authorizations 428
- 8.3.8 Share buyback 430
- 8.3.9 Transactions in Company securities by corporate officers 433
- 8.3.10 Shareholders' agreements 434
- 8.3.11 Factors likely to have an impact in the event of a takeover bid 435

8.4 INFORMATION ON THE COMPANY AND MAIN PROVISIONS OF THE BY-LAWS 436

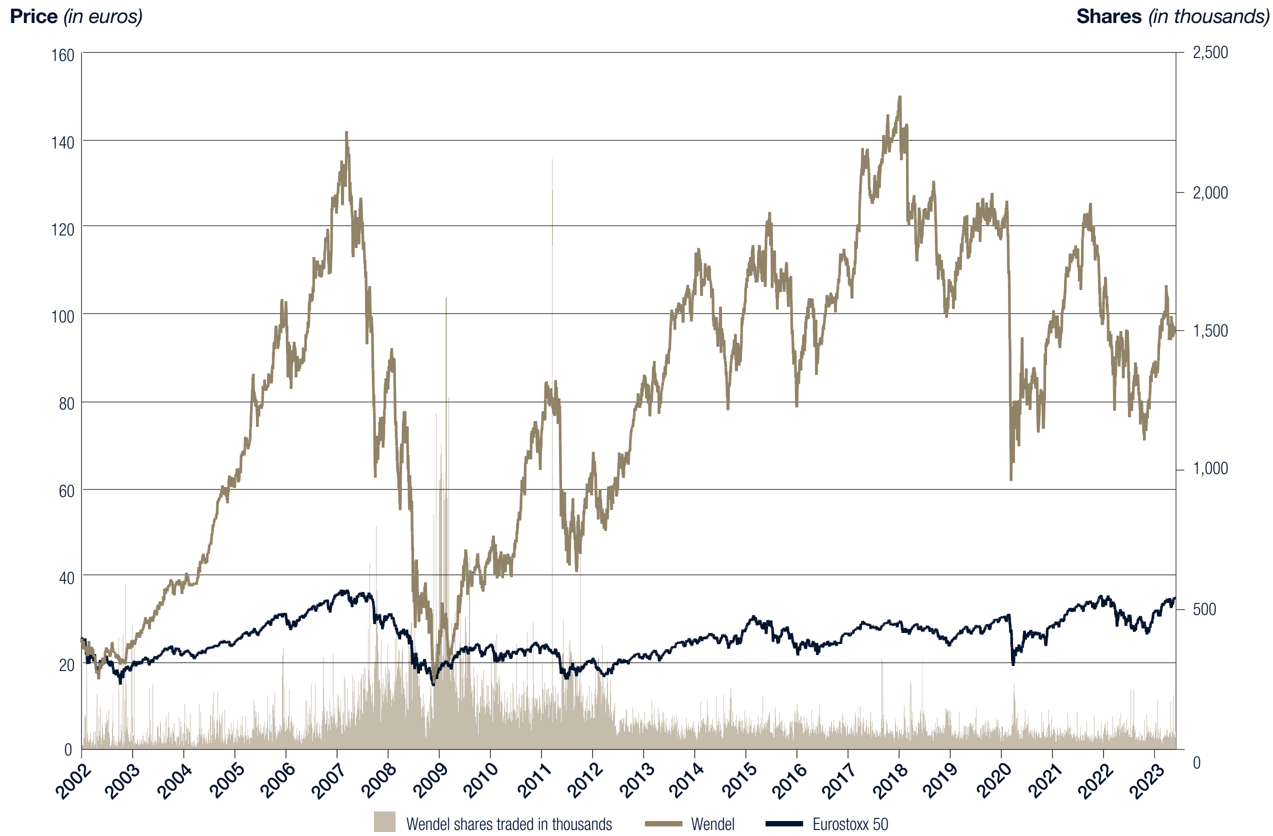
- 8.4.1 General information 436
- 8.4.2 Main provisions of the by-laws 437
- 8.4.3 Main new investments and acquisitions of controlling interests 438
- 8.4.4 How to take part in the Shareholders' Meeting 439

8.1 Wendel share performance and dividend

8.1.1 Stock market data

Change in the Wendel share price and the Euro Stoxx 50 index compared with the Wendel share price as of June 13, 2002. Source: FactSet.

Total Shareholder Return (TSR) of Wendel compared to the Euro Stoxx 50 index, since the CGIP/Marine-Wendel merger.



Reinvested dividend performance from June 13, 2002 to March 30, 2023	Total returns for the period	Annualized return over the period
Wendel	528.8%	9.3%
Euro Stoxx 50	183.9%	5.2%

Source: FactSet.

Share data

Listing venue: Eurolist (eligible for deferred settlement service [SRD]) – Compartment A (blue chips)

ISIN code: FR0000121204 – Bloomberg code: MF FP

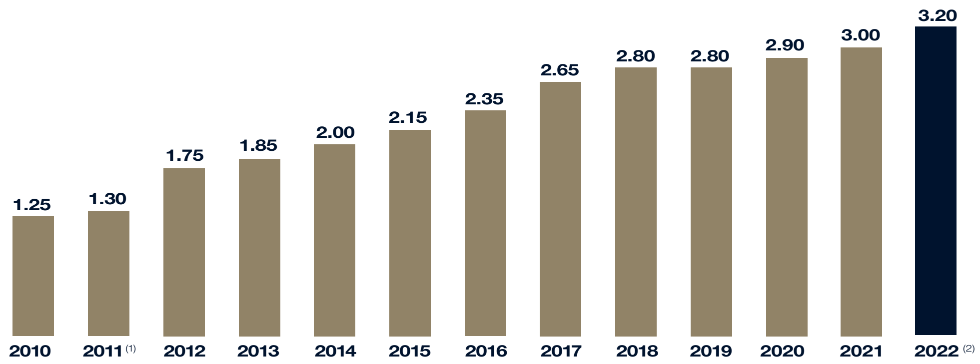
Reuters code: MWDP. PA – Mnemonic code: MF

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.

Minimum trade: 1 share/Share savings plan (PEA): Eligible/Deferred settlement service (SRD): Eligible/Par value: €4/Number of shares outstanding: 44,407,677 as of December 31, 2022.

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 €3.20 per share for 2022, up 6.7% compared to 2021 and representing a dividend yield of 1.9% based on Wendel's NAV as of December 31, 2022 and of 3.3% based on the share price as of March 15, 2023. The proposed dividend is subject to the approval of the Shareholders' Meeting to be held on June 15, 2023. The dividend will be paid in cash on June 21, 2023. The ex-dividend date will be June 19, 2023.

8.1.3 2022 share buyback program

In its 15th resolution, the Shareholders' Meeting of June 16, 2022 authorized the Company to set up a share buyback program covering up to 10% of the number of shares comprising the share capital at the time of the buybacks, for a period of 14 months. The maximum purchase price under the authorization is €250.

Accordingly, the Executive Board was authorized to buy back a number of shares representing a maximum of 10% of the share capital, i.e., 4,474,794 shares on the date on which authorization was granted.

During 2022, Wendel bought back its own shares as follows (for more information, see section 8.3.8):

- under the liquidity agreement, Oddo Corporate Finance purchased 479,475 shares on behalf of Wendel;
- 269,424 shares were bought back and allocated to cover stock option and performance share plans.

8.1.4 Share price

Date	Average closing price – 1 month	Intraday high	Intraday low	Average daily trading volume
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
April 2022	92.99	97.75	88.20	5,565,198
May 2022	91.50	97.35	86.00	5,617,972
June 2022	86.34	97.25	75.30	6,261,609
July 2022	83.65	90.90	77.85	3,091,619
August 2022	84.35	90.05	78.50	3,169,714
September 2022	76.19	81.95	70.45	4,319,430
October 2022	77.13	81.85	72.00	3,746,907
November 2022	85.18	89.05	77.15	4,689,114
December 2022	88.25	91.75	85.45	3,494,231
January 2023	95.10	100.20	87.25	4,076,499
February 2023	100.85	109.20	96.05	5,351,317
March 2023	99.85	107.60	92.00	5,661,567

8.2 Financial communication policy

The Investor Relations department acts as an interface between the Group and its equity and bond investors. It aims to provide a clear view on the Group's results and strategy through its financial communications. Wendel deploys a number of initiatives to keep its shareholders, bondholders, French and international investors and financial analysts well informed. It strives to offer to all market participants clear, comprehensive and transparent information in real time in order to give them an understanding of the Group's strategy, its positioning, its portfolio companies' latest news and its medium-term objectives.

8.2.1 Ongoing in-depth dialogue with the market

- Every year, the Investor Relations department organizes a number of events for analysts and institutional investors, to which industry-specialist journalists are invited: an analysts' conference on the same day as the annual results are published, an Investor Day, a quarterly conference call for the results or trading updates and other ad hoc events to coincide with strategic transactions such as acquisitions. The presentations are broadcast live on the Group's 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.
- Like every year, in December 2022 Wendel held its Investor Day, which gives stakeholders the opportunity to meet and get to know the unlisted companies in its portfolio and get an update on its investment strategy. The 2022 edition was held both digitally and physically from a television set, in the most interactive and condensed format possible. This was an opportunity for the executives of Constantia Flexibles, Stahl, ACAMS and Crisis Prevention Institute to present the main areas of their strategy.
- Since 2009, Wendel has deployed a financial communication policy for its bond investors, with the organization of "credit updates" that mirror the roadshows and events offered to equity investors.
- Over the last eight years, the Group has also reinforced its dialogue with its equity investors and proxy advisors on governance issues, through targeted events held in conjunction with the General Secretary. Since 2019, Jacqueline Tammenoms Bakker, Chairwoman of the Governance Committee, has also chaired the events.
- As begun in 2020, the Financial Communications department organized and participated in ESG-focused financial communication events. Accompanied by the Sustainable Development and Communications 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. In 2022, members of the Executive Board and the Chief Financial Officer, supported by the Investor Relations team, held 18 equity and credit roadshows and participated in 11 brokers conferences in the main global financial markets. In total, nearly 280 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.
- Wendel refers to principles defining our role as long-term shareholder, drawn up in 2009.

8.2.2 A dedicated policy for individual shareholders

In 2022, the Wendel Group pursued its communications policy dedicated to the over 30,000 individual shareholders who represent 21.6% of its share capital.

Wendel created a Shareholder Advisory Committee in 2009. It met three times in 2022, by video conference at the beginning of the year due to the health context, then in person. Composed of nine members, its 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 year of a return to in-person meetings, the committee helped us to prepare this event and also continued to hold regular discussions with us on how to adapt our various communication tools, thus helping the Group to best meet the expectations of our shareholders.

In 2022, Wendel also decided to resume its participation in regional shareholders' meetings, in order to meet its shareholders as well as potential future individual shareholders. First in Bordeaux, then in Nantes, Olivier Allot, Director of Financial Communication and Christine Anglade Pirzadeh, Director of Sustainable Development and Communication, had the pleasure of presenting Wendel's activity and holding discussions with around a hundred individual shareholders at each meeting.

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. In particular, it includes:

- financial presentations and press releases (“Results” section). All public presentations are broadcast 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 Shareholders’ Meeting (“Shareholders’ Meetings” section).

8.2.4 2023 calendar

Q1 2023 **Trading update** and NAV – Publication of NAV as of March 31, 2023 (post-market release)	April 27, 2023
Shareholders' Meeting	June 15, 2023
H1 2023 results – Publication of NAV as of June 30, 2023, and the condensed Half-Year consolidated financial statements (post-market release)	July 27, 2023
Q3 2023 **Trading update** and NAV – Publication of NAV as of September 30, 2023 (post-market release)	October 26, 2023
2023 Investor Day	December 7, 2023

8.2.5 Contacts

Wendel

2-4 rue Paul Cézanne, 75008 Paris (France)

Internet: www.wendelgroup.com

Twitter: @Wendelgroup

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 Communications

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 Sustainable Development and Communication

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 Shareholders' 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 2-4 rue Paul Cézanne, 75008 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 337-409 of the 2020 Universal Registration Document filed with the AMF on April 15, 2021, under number D. 21-0311;
- the key figures on page 32 as well as the consolidated financial statements and corresponding audit report on pages 349-430 of the 2021 Universal Registration Document filed with the AMF on April 14, 2022, under number D. 22-0292.

Those sections of the 2020 and 2021 Universal Registration Documents not incorporated herein by reference 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 2022 and in early 2023:

March 22, 2023: Wendel announces the successful issue of €750m of bonds exchangeable into ordinary shares of Bureau Veritas due 2026

March 22, 2023: Wendel launches a circa €750m issue of bonds exchangeable into existing ordinary shares of Bureau Veritas due 2026

March 16, 2023: 2022 Full-Year Results

February 16, 2023: Wendel Growth invests in Brigad, an online tool connecting self-employed professionals with hospitality and care establishments

February 6, 2023: Stahl to strengthen and diversify specialty coatings activity with acquisition of ICP industrial solutions group

January 11, 2023: Wendel confirms its inclusion in the DJSI World and Europe and rises in the CDP

January 4, 2023: Tadaweb, Wendel Growth's First Direct Investment in Europe

December 1, 2022: Charles Goulet and Xavier Lemonnier appointed Managing Directors

December 1, 2022: Wendel's 21st annual Investor Day

October 28, 2022: 9 months 2022 Trading update

September 17, 2022: Laurent Mignon is appointed Group CEO, effective at the latest on January 1, 2023

July 29, 2022: Wendel half-year 2022 trading update and results

June 20, 2022: Wendel signed a binding offer for the sale of its headquarter building

June 16, 2022: Implementation of the succession plan for the Chairman of the Executive Board of Wendel

May 4, 2022: Wendel: Shareholders' Meeting set for June 16, 2022

April 28, 2022: Q1 2022 Trading update

April 14, 2022: Availability of the 2021 Universal Registration Document

March 22, 2022: Wendel launches its endowment fund, Wendel Cares

March 18, 2022: 2021 Full-Year Results

March 11, 2022: Wendel Completes the Acquisition of ACAMS, the world's largest membership organization dedicated to fighting financial crime

February 16, 2022: Sébastien Metzger appointed General Counsel M&A and Finance of Wendel

January 24, 2022: Wendel to Acquire ACAMS, the world's largest membership organization dedicated to fighting financial crime

January 21, 2022: Sale of Cromology was completed

January 13, 2022: Successful issue of a €300 million 12-year bond issue bearing interest at 1.375%

January 13, 2022: Launch of a €300 million 12-year bond issue

January 13, 2022: Wendel steps up the development of the Wendel Lab and names Jérôme Michiels, its Executive Vice-President, to head it

8.3 Information on the share capital

8.3.1 Main shareholders

As of December 31, 2022, the share capital comprised 44,407,677 shares with a par value of €4 each, carrying 67,868,763 theoretical voting rights and 66,885,448 exercisable voting rights. Double voting rights are granted to fully paid-up shares that have been registered in the name of the same shareholder for at least 2 years, regardless of the shareholder's country of citizenship. As of December 31, 2022, 23,461,086 shares had double voting rights.

To the best of the Company's knowledge, the main shareholders as of December 31, 2022 were as follows:

	% of share capital
Wendel-Participations SE and related parties[1]	39.6%
Institutional investors outside France	32.4%
Individual shareholders	21.6%
Institutional investors in France	3.1%
Treasury shares	2.2%
Employees and members of the Executive Board	1.1%

(1) 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).

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 1.02% 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 debt securities or other rights, convertible bonds, exchangeable bonds and/or bonds redeemable in shares that give or could give access to the Company's share capital except for stock options (subscription and/or purchase) and any 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 1,250 Wendel family individuals and legal entities. The purpose of Wendel-Participations SE is to:

- invest and manage its own funds and acquire (or sell) investments;
- own (through purchase, subscription at issue, exchange or any other means) and manage any French or foreign listed or unlisted securities, whether moveable or immoveable, 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 financial and non-financial 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;
- advisory and other 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, 2022, Wendel-Participations SE (and related parties) had a controlling interest in Wendel with 39.59% of its share capital, 51.81% of its theoretical voting rights and 52.57% 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 an independent member as Lead Member of the Supervisory Board;
- the chairs of the Supervisory Board Committees are independent members of the Board.

Economic and financial ties with Wendel

There are no significant economic and financial ties between Wendel-Participations SE and Wendel other than those related to the holding of 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, February 11, 2022 and December 8, 2022;
- an administrative assistance agreement modified by amendments dated February 12, 2021 and March 16, 2023;
- a services 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 amendments dated January 17, 2019, December 1, 2020, and March 16, 2023;
- an agreement to rent premises (rue Taitbout) in force until March 31, 2023;
- an agreement to sublet the new premises (rue Paul Cézanne), dated March 16, 2023;
- an agreement to sell furniture and provide technical equipment in connection with the move to the new premises, dated March 16, 2023;
- a one-time mandate to sell furniture and works of art in connection with the move, dated February 15, 2023;
- a deposit agreement for works of art dated March 16, 2023.

8.3.3 Significant changes in share ownership and voting rights in the last 3 years

	Situation as of Dec. 31, 2022		Situation as of Dec. 31, 2021		Situation as of Dec. 31, 2020	
	Share capital	Voting rights	Share capital	Voting rights	Share capital	Voting rights
Wendel-Participations SE[1]	39.6%	52.6%	39.3%	52.3%	39.3%	52.4%
First Eagle	4.4%	2.9%	4.3%	2.9%	4.5%	3.0%
Treasury shares (registered shares)	2.1%	-	2.3%	-	1.9%	-
Group savings plan	0.8%	1.0%	0.8%	0.9%	0.7%	0.9%
Other shareholders (institutional and individual)	53.1%	43.5%	53.4%	44.0%	53.7%	43.9%
of which individual shareholders	*21.6%*	*21.8%*	*20.4%*	*21.3%*	*18.8%*	*20.4%*
TOTAL SHARES AND EXERCISABLE VOTING RIGHTS	**44,407,677**	**66,885,448**	**44,747,943**	**66,781,482**	**44,719,119**	**66,590,781**

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).

As is the case every year, a survey was conducted in February 2023 to identify the shareholders of Wendel as of December 31, 2022.

There was relatively little change during the year in Wendel's shareholder breakdown, with a slight decrease in French institutional investors (3.1% *vs*. 3.5% as of December 31, 2021), and in foreign institutional investors (32.4% *vs*. 33.4% as of December 31, 2021). The number of individual shareholders increased to 30,315, with their stake in the share capital rising to 21.6% from 20.4% the previous year.

8.3.4 Changes in share capital in the last 5 years

Date of change in the share capital	Type of transaction	Change in the number of shares	Number of shares comprising the share capital	Par value (in euros)	Change in the share capital (in euros)	Amount of the share capital (in euros)	Change in share premiums (in euros)	Amount of share and merger premiums
Situation as of December 31, 2018			**46,280,641**	**4**		**185,122,564**		**50,940,341**
	Exercise 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**
	Exercise 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**
	Exercise 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**
	Exercise of subscription options	-	-	-	-	-	-	-
	Cancellation of shares	(377,323)	44,370,620	4	(1,509,292)	177,482,480	(37,320,329)	20,213,876
	Share issue reserved for the FCPE Wendel mutual fund	37,057	44,407,677	4	148,228	177,630,708	2,024,424	22,238,300
Situation as of December 31, 2022			**44,407,677**	**4**		**177,630,708**		**22,238,300**

8.3.5 Ownership threshold disclosures

Since the publication of the 2021 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, 80,616 registered Wendel shares (in either pure or administered form) were pledged as collateral as of December 31, 2022.

8.3.7 Financial authorizations

8.3.7.1 Existing financial authorizations and use thereof

As of December 31, 2022, 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 December 31, 2022
A. Issue of shares or other securities giving access to the share capital				
■ With preferential subscription rights	June 16, 2022 17th resolution	26 months August 16, 2024	40% of the share capital	-
■ By way of a public offering, with waiver of preferential subscription rights	June 16, 2022 18th resolution	26 months August 16, 2024	10% of the share capital	-
■ By way of a private placement, with waiver of preferential subscription rights	June 16, 2022 19th resolution	26 months August 16, 2024	10% of the share capital	-
■ Pricing in the event of a public offering or a private placement	June 16, 2022 20th resolution	26 months August 16, 2024	-	-
■ Greenshoe option	June 16, 2022 21st resolution	26 months August 16, 2024	15% of the initial issue	-
■ As consideration for securities (contributions in kind)	June 16, 2022 22nd resolution	26 months August 16, 2024	10% of the share capital	-
■ In the event of a public exchange offer	June 16, 2022 23rd resolution	26 months August 16, 2024	10% of the share capital	-
■ Capitalization of reserves	June 16, 2022 24th resolution	26 months August 16, 2024	50% of the share capital	-
■ Overall authorized ceiling	June 16, 2022 25th resolution	26 months August 16, 2024	Overall ceiling: 100% of the share capital (17th, 18th, 19th, 20th, 21st, 22nd, 23rd and 24th resolutions) Sub-ceiling: 10% of the share capital (18th, 19th, 20th, 21st, 22nd and 23rd resolutions)	-
B. Authorization of a share buyback program and share cancellations				
■ Share buybacks	June 16, 2022 15th resolution	14 months August 16, 2023	10% of the share capital. Max. price: €250 per share	1.69% of the share capital 748,899 shares
■ Cancellation of shares	June 16, 2022 16th resolution	26 months August 16, 2024	10% of the share capital per 24-month period	0.84% of the share capital (377,323 shares)
C. Employee shareholding				
■ Group savings plan	June 16, 2022 26th resolution	14 months August 16, 2023	€150,000	€148,228 (37,057 shares)
■ Stock options (subscription and/or purchase)	June 16, 2022 27th resolution	14 months August 16, 2023	1% of the share capital (common ceiling for options and performance shares)	0.247% of the share capital (109,658 options)
■ Free shares	June 16, 2022 28th resolution	14 months August 16, 2023	1% of the share capital (common ceiling for options and performance shares)	0.495% of the share capital (219,637 shares)

8.3.7.2 Financial authorizations proposed to the Shareholders' Meeting of June 15, 2023

Authorization	AGM date (resolution no.)	Period and expiration date	Authorized nominal amount or % of share capital
A. Authorization of a share buyback program			
■ Share buybacks	June 15, 2023 19th resolution	14 months August 15, 2024	10% of the share capital. Max. price: €250 per share
B. Employee shareholding			
■ Group savings plan	June 15, 2023 20th resolution	14 months August 15, 2024	€200,000
■ Stock options (subscription and/or purchase)	June 15, 2023 21st resolution	14 months August 15, 2024	1% of the share capital (common ceiling for options and performance shares)
■ Free shares	June 15, 2023 22nd resolution	14 months August 15, 2024	1% of the share capital (common ceiling for options and performance shares)

The resolutions submitted for the approval of the Shareholders' Meeting of June 15, 2023 will supersede, up to the amounts not used at that date, the previous authorizations and delegations with the same purpose.

8.3.8 Share buyback

8.3.8.1 Legal framework

In its 15th resolution, the Shareholders' Meeting of June 16, 2022 authorized the Company to set up a share buyback program covering up to 10% of the number of shares comprising the share capital at the time of the buybacks, for a period of 14 months. The maximum purchase price under the authorization is €250.

Accordingly, the Executive Board was authorized to buy back a number of shares representing a maximum of 10% of the share capital, i.e., 4,474,794 shares on the date on which authorization was granted.

In accordance with applicable regulations and market practices permitted by the AMF, the objectives of the share buyback program were as follows:

- to make a market in and ensure the liquidity of the Company's shares under a liquidity agreement that complies with market practices permitted by the AMF;
- to implement stock purchase option plans, in accordance with Articles L. 225-177 *et seq.* of the French Commercial Code;
- to allocate free shares, in accordance with Articles L. 225-197-1 *et seq.* of the French Commercial Code;
- to deliver shares on the exercise of rights attached to securities giving access to the Company's share capital immediately or at a later date;
- to retain and subsequently deliver shares (in exchange, as payment or other) for external growth transactions, 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 (*Code de travail*);
- to cancel all or part of the shares bought back, subject to the prior authorization of the Supervisory Board, in the context of the authorization of the Shareholders' Meeting.

The program is also designed to allow the Company to pursue any other purpose that has been or may be authorized by applicable laws and regulations or by any market practice that may be permitted by the AMF. In such case, the Company would inform its shareholders via a press release.

8.3.8.2 Liquidity agreement

Under the liquidity agreement, between January 1, 2022 and December 31, 2022, Oddo BHF:

- purchased on Wendel's behalf 479,475 shares for a total amount of €41,189,905.9 and an average per-share amount of €85.9063;
- sold on Wendel's behalf 475,367 shares for a total amount of €40,938,812.3 and an average per-share amount of €86.1204.

As of December 31, 2022, the liquidity account entrusted by the Company to Oddo BHF had:

- 61,832 shares;
- €3,701,329.17.

8.3.8.3 Implementation of stock option and performance share plans

From January 1, 2022 to December 31, 2022:

- 402,618 previously bought back shares were reallocated to cover stock option and performance share plans. They were reallocated for a gross amount of €36,562,747 and an average per-share amount of €90.8125;
- 269,424 shares were bought back and allocated to cover stock option and performance share plans. They were bought back for a gross amount of €24,999,806.07 and an average per-share amount of €92.7898;
- 30,350 treasury shares were delivered on the exercise of stock options, for a gross amount of €2,087,783.60 and an average per-share amount of €68.79.

8.3.8.4 Delivery of shares for external growth transactions, mergers, spin-offs or asset contributions

None of the shares bought back between January 1, 2022 and December 31, 2022 were allocated to this objective.

8.3.8.5 Cancellation of shares

From January 1, 2022 to December 31, 2022:

- 120,121 previously bought back shares were reallocated for the purpose of a capital reduction. They were reallocated for a gross amount of €10,908,488.31 and an average per-share amount of €90.8125;
- Wendel reduced its share capital by €1,509,292 by canceling 377,323 shares.

8.3.8.6 Summary of transactions in shares held by the Company as of December 31, 2022

The Company did not buy back or sell shares for any purposes authorized under the program other than those described in section 8.3.8.1 above.

Wendel did not use any derivative instruments in the context of the share buyback program.

In the 24 months preceding December 31, 2022, Wendel canceled 377,323 shares.

As of December 31, 2022, the Company held 983,315 treasury shares, i.e. 2.21% of the share capital.

Summary of transactions by the Company in its own shares from January 1 to December 31, 2022

	Cumulative gross amounts in 2022	
	Purchases	**Sales/Transfers**
Number of shares	748,899	505,717
Average maximum maturity	-	-
Average transaction price	€88.38	€85.08
Average exercise price	-	-
AMOUNTS	**€66,189,711.97**	**€43,026,595.90**

Open positions as of December 31, 2022

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 15, 2023

In the 19th resolution to be submitted to the Shareholders' Meeting of June 15, 2023, the shareholders will be asked 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 the conditions applicable to buyback programs and stabilization measures.

Under the program, shares may be bought for any of the following purposes:

- to make a market in and ensure the liquidity of the Company's shares under a liquidity agreement that complies with market practices permitted by 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 free shares pursuant to the provisions of Articles L. 22-10-59 *et seq.* of the French Commercial Code;
- to deliver shares on the exercise of rights attached to securities giving access to the Company's share capital immediately or in the future;
- to hold and subsequently deliver shares (in exchange, as payment or otherwise) in the context of external growth transactions, 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 bought back, subject to the prior authorization of the Supervisory Board, pursuant to 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 allowed by the AMF. In such a case, the Company would inform its shareholders by means of a press release.

The number of shares bought back 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 information purposes, as of December 31, 2022 the authorization represented 4,440,767 shares, i.e., a maximum theoretical investment of €1,110,191,750 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 the share capital. As of December 31, 2022, the number of Wendel shares held by the Company was 983,315. Given the shares already held in treasury, the Company would be able to buy back 3,457,452 shares, or 7.79% of the share capital, for a maximum amount of €864,363,000 based on the maximum buyback 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 15, 2023, Shareholders' Meeting, i.e. until August 15, 2024.

8.3.9 Transactions in Company securities by corporate officers

Summary of transactions in Company shares, pursuant to Article L. 621-18-2 of the French Monetary and Financial Code (*Code monétaire et financier*), carried out by persons with executive responsibilities[1] during 2022 and having been the subject of a declaration:

Name and function	Type of financial instrument	Type of transaction	Number of shares
André François-Poncet, Group CEO up to December 1, 2022	FCPE units "Relais Wendel 2022"	Subscription	15,972.6470
	Options	Exercise	9,500
	Shares	Sale	9,000
David Darmon, Member of the Executive Board, CEO	FCPE units "Relais Wendel 2022"	Subscription	15,331.8190
Sophie Tomasi Parise, member of the Supervisory Board representing employees	FCPE units "Relais Wendel 2022"	Subscription	3,317.9850
William Torchiana, Supervisory Board member	Shares	Purchase	2,000

(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 two-year lock-up agreements (*Pactes Dutreil*) entered into between Wendel-Participations SE, Société d’Investissement Privée Mobiliers (SPIM) and certain individual shareholders pursuant to Article 787 B of the French Tax Code (*Code général des impôts*) (*Pactes Dutreil*). The agreements, dated December 7, 2020, February 8, 2022 and December 9, 2022, respectively for 36.14%, 36.42% and 35.73% of the share capital at said dates, were still in force as at December 31, 2022.

In addition to a commitment to hold shares for a certain period, the agreements also grant a right of first refusal to Wendel-Participations SE and SPIM. The shareholders party to the agreements are not considered to be acting in concert.

As required by Articles 787 B of the French Tax Code and L. 233-11 of the French Commercial Code, the agreements have been notified to the AMF.

Other holding obligations in respect of Wendel shares are listed in section 2.1.8.1, under “Restriction on the sale of Wendel shares by Supervisory and Executive Board members”.

8.3.10.2 Shareholders’ 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 (ACAMS, Constantia Flexibles, Crisis Prevention Institute, IHS, Stahl, Tarkett and direct investments via Wendel Growth) or managers (or former managers) of subsidiaries, relating to mechanisms aimed at aligning their interests with their respective companies’ performance (ACAMS, Constantia Flexibles, Crisis Prevention Institute, Stahl, Tarkett and direct investments via Wendel Growth). The 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 undertakings for acquisition opportunities.

The shareholders’ agreement relating to Constantia Flexibles also includes, for the benefit of the H. Turnauer Foundation (from the founding family of Constantia Flexibles), an option to request, between 2020 and March 2023, that an IPO or share buyback process by refinancing of the Group be launched, aimed 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, 2022, the right had not been exercised by the H. Turnauer Foundation. The commitment is recognized in financial liabilities in accordance with the accounting principles applicable to minority puts.

In addition, as part of the IHS IPO on October 14, 2021, the Wendel Group entered into a commitment covering the sale of IHS securities on the market by releasing successive tranches of 20% every 6 months as from mid-April 2022 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 (ACAMS, Constantia Flexibles, Crisis Prevention Institute, Stahl, Tarkett and direct investments via Wendel Growth) also contain provisions relative to:

- the right to monetize their co-investment in successive tranches, in the absence of a sale or IPO beyond a certain period (between the 6th anniversary and the 12th anniversary of the completion of the co-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 subsidiaries are described in greater detail in note 5-2 “Participation of investees’ management in the performance of their companies” to the 2022 consolidated financial statements.

As part of the liquidity undertakings under the agreements, in the absence of a liquidity event (sale or IPO) before certain predetermined dates, the Wendel Group (depending on the situation, Wendel's holding companies or the portfolio companies themselves) may 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 the liquidity undertakings is the market value determined by the parties, depending on the case, by applying a predetermined method or an independent appraiser.

Liquidity mechanisms are also provided for Wendel managers with exposure, under co-investment mechanisms, to ACAMS, Constantia Flexibles, Crisis Prevention Institute and direct investments via Wendel Growth (see note 5-1 "Participation of Wendel's teams in the Group's investments" to the 2022 consolidated financial statements).

As of December 31, 2022, based on the value of the investments included in the Net Asset Value (NAV) or, where appropriate, on the basis of the price formulas or appraisals provided for in the agreements, the value of the portion of the *pari passu* investments made under the same risk and return conditions as Wendel by all the subsidiary or Wendel co-investing managers holding liquidity rights granted by the fully consolidated companies was €37 million. The value of the portion of non-*pari passu* investments of co-investing subsidiary managers and Wendel managers benefiting from liquidity rights granted by the fully consolidated companies was €43 million. These amounts do not include any unpaid amounts owed to the co-investors on investments sold or automatic liquidities.

In accordance with Group accounting principles, a portion of these amounts is recognized in liabilities for €23 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".

The value of co-investment and liquidity undertakings varies with the value of each investment. As a result, they may be lower (or nil) or higher in future 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 factors likely to have an impact in the event of a takeover bid are as follows:

- as of December 31, 2022, Wendel-Participations SE (and related parties) held 39.59% of the share capital, 51.81% of the theoretical voting rights and 52.57% of the exercisable voting rights of Wendel SE;
- if Bureau Veritas, which is listed on Euronext Paris and in which Wendel held 35.55% of the share capital and 51.70% of the theoretical voting rights as of December 31, 2022 were deemed to be a key asset, the initiator of a takeover bid on Wendel could be required to file a public offer for Bureau Veritas (as a listed subsidiary of a target issuer) pursuant to Article L. 433-3, III of the French Monetary and Financial Code;
- 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 and twenty consecutive days (see section 9.1.1 – Statutory Auditors' special report on related-party agreements);
- the granting of double voting rights to fully paid-up shares that have been registered with the Company for at least 2 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 note 7.2 "Liquidity risk" to the consolidated financial statements (section 6.7 of the Universal Registration Document));
- right of first refusal: the lock-up agreements entered into by 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 employees);
- changes to the by-laws: prior authorization from the Supervisory Board is required to amend the by-laws;
- disclosures of the ownership thresholds set out in the by-laws: a disclosure must be made every time the number of shares and/or voting rights held by a shareholder increases or decreases by 2% of the share capital.

8.4 Information on the Company and main provisions of the by-laws

8.4.1 General information

Company name

Wendel

Registered office

Until March 31, 2023: 89 rue Taitbout, 75009 Paris, France

From April 1, 2023: 2-4 rue Paul Cézanne, 75008 Paris, France

Telephone: +33 1 42 85 30 00

Website: www.wendelgroup.com

Please note that the information on the website is not part of this Universal Registration Document.

Registration

The Company is registered with the Paris Trade and Companies Register (*Registre du commerce et des sociétés*) under number 572 174 035. Its APE code is 7010Z.

Incorporation date and term

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.

Legal entity identifier (LEI)

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 legal 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, in the section "Regulated information".

8.4.2 Main provisions of the by-laws

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 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 any 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 retained earnings carried forward from prior years.

   Of this amount, shareholders may decide in their Annual Meeting, on the recommendation of the Executive Board, to deduct:

   - 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 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 Meeting or by the Executive Board with the authorization of shareholders at their Ordinary 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.

   The shareholders, convened in their Annual Meeting to approve the year's financial statements, may, on the recommendation of the Executive Board, offer each shareholder, for all or a part of the dividend (or the interim dividend) being distributed, the choice between the payment of the dividend (or interim dividend) in cash or in shares under the terms and conditions defined by law;

VI. the shareholders, convened in their Ordinary 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 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 the law, dividends not claimed within 5 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 disclosed 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 legal entity, 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.

Non-compliance with this disclosure requirement 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. The sanction is applied 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 Main new investments and acquisitions of controlling interests

Wendel's investment activities generate a certain degree of portfolio turnover. Over the past 3 years, the main investments and divestments have been as follows:

In 2020: sale of the balance of Wendel's stake in Allied Universal for additional net proceeds of approximately $196 million (before contingent consideration) in April 2020 and delivery by Wendel and Tsebo shareholders of their shares to the investment units of the Company's senior creditors as part of a voluntary transaction completed in December 2020.

In 2021: 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.

In 2022 and early 2023: sale of Cromology to Dulux Group for a net cash amount of €896 million completed in January 2022; acquisition of ACAMS (Association of Certified Anti-Money Laundering Specialists) for an amount invested by Wendel of approximately $338 million finalized in March 2022; acquisition through its investment arm Wendel Growth of minority interests in Brigad for an amount of €7 million and in Tadaweb for an amount of €15 million, finalized in February 2023, and signing of an agreement to invest up to €15 million in Preligens in March 2023.

For more information on the Company's investment activities in 2022, see Chapter 1 and the changes in the scope of consolidation presented in the notes to the consolidated financial statements in Chapter 6.

Press releases on Wendel's transactions are posted on its website, at www.wendelgroup.com, under the heading "Regulated information".

8.4.4 How to take part in the Shareholders' Meeting

All shareholders have the right to participate in Shareholders' Meetings under the conditions laid down by the law.

8.4.4.1 Notice of meeting

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 provides for 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 Shareholders' Meetings on proof of his or her status as shareholder and identity.

All shareholders who fulfill the conditions for participating in Shareholders' Meetings may attend personally or by proxy, or vote by mail. Voting forms will only be taken into account if they arrive at the address indicated in the notice of meeting no later than the third business day prior to the date of the Shareholders' Meeting, unless a later date is 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 other such systems are deemed present for the purposes of calculating the quorum and the majority.

Any proxies or votes submitted using an electronic means prior to the Shareholders' Meeting, as well as the corresponding acknowledgements of receipt, are considered irrevocable and enforceable, it being specified that in the event of the sale of shares prior to the date and time set by applicable laws and regulations, the Company will 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 subject to 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 in accordance with the applicable regulations.

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 percentage of capital they represent; nevertheless, double voting rights are granted to fully paid-up shares that have been registered for at least two years in the name of the same shareholder.

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 granted to any registered shares allocated free of charge to a shareholder in respect of the existing shares with double voting rights, as from the issue of the new shares.

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 entitled to inherit 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 option of the shareholder.

The Company is entitled to request the identity of the holders of securities conferring the right, either immediately or in the future, to vote in its Shareholders' Meetings, as well as the number of shares held, pursuant to legislation in force.

Registered shares may be converted into bearer shares, or vice versa, 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 the legislation in force.

9 SHAREHOLDERS' MEETING OF JUNE 15, 2023

9.1 STATUTORY AUDITORS' REPORTS 442

9.2 ADDITIONAL REPORTS 451

9.3 OBSERVATIONS OF THE SUPERVISORY BOARD FOR THE SHAREHOLDERS' MEETING 459

9.4 REPORT OF THE EXECUTIVE BOARD ON THE RESOLUTIONS SUBMITTED TO THE SHAREHOLDERS' MEETING OF JUNE 15, 2023 460

9.5 DRAFT RESOLUTIONS 464

9.1 Statutory Auditors' reports

9.1.1 Statutory Auditors' special report on related-party agreements

Annual General Meeting held to approve the financial statements for the year ended December 31, 2022

[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 Shareholders' 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 *(Code de commerce)* of the continuation of the implementation, during the year ended December 31, 2022, 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 December 31, 2022

In accordance with Article L. 225-88 of the French Commercial Code *(Code de commerce)*, we have been notified of the following related party agreements which received prior authorization from your supervisory board.

With André François-Poncet, Chairman of the Executive Board until December 1, 2022

<u>Memorandum of Understanding</u>

Nature, purpose and conditions

In connection with the termination of the duties of Chairman of the Executive Board of Mr. André François-Poncet, a memorandum of understanding has been concluded with your company with the following effects:

- organize the calendar of the departure of Mr. André François-Poncet as Chairman of the Executive Board of your company and member of the Board of Bureau Veritas;
- specify the remuneration elements by applying the 2022 remuneration conditions without any derogation:
  - Mr. André François-Poncet did not receive any severance pay at the end of his mandate, as the conditions for payment of severance pay were not met (voluntary departure);
  - No stock option or performance share has been granted to Mr. André François-Poncet for the 2022 financial year, despite an effective end of mandate at the end of 2022;
  - With regard to stock option plans and performance shares for which the presence condition was not yet met, i.e. plans awarded in 2021, the Supervisory Board decided to maintain the benefit on a pro rata temporis basis, this option being provided for in the remuneration policy. It is specified that no derogation has been made from the application of the performance conditions conditioning the exercise of the options and/or the definitive acquisition of the performance shares of these plans;

- determine the effect of the departure in terms of co-investments that he has retained in full;
- arrange for the return of his IT equipment and personal data, and
- reiterate the commitment to confidentiality and define an obligation of non-poaching on the part of Mr. André François-Poncet.

The agreement was authorized by the Supervisory Board on September 16, 2022 and concluded on September 17, 2022.

Reasons justifying why the Company benefits from this agreement
Your Board justified this agreement as follows:

The Supervisory Board noted that it was in the Company's interest to set up these terms and conditions, both operational and financial, to ensure the continuity of the Company's governance and a smooth transition.

With Mr. Laurent Mignon, Chairman of the Executive Board from December 2, 2022

1) Letter of guarantee

Nature, purpose and conditions
Under this letter of guarantee, your company assumes, in difference with the conditions and limits of the applicable insurance policies, the defense costs and the financial consequences resulting from claims related to the corporate mandate of Chairman of the Executive Board, as well as the corporate mandates that Mr. Laurent Mignon could exercise within one or more entities of the Wendel group. The guarantee is subject to various conditions and provides for several cases of exclusion from its application, in particular in the event of intentional misconduct, illegal personal advantage or criminal sanction.

The letter of guarantee was authorized by the Supervisory Board at its meeting of November 30, 2022 and was concluded on December 6, 2022.

Reasons justifying why the Company benefits from this agreement
Your Board justified this agreement as follows:

The Supervisory Board considered that it was in the Company's interest to grant this guarantee, so that the Chairman of the Executive Board could carry out his duties in the interests of your company without fear of negative personal consequences and being specified that the guarantee should be implemented only in exceptional cases, due to the civil liability insurance coverage of corporate officers.

2) Co-investments in Crisis Prevention Institute (CPI), Tarkett and ACAMS

Nature, purpose and conditions
In accordance with the terms and conditions decided by the Supervisory Board at its meeting of September 16, 2022 in connection with the appointment of Mr. Laurent Mignon as Chairman of the Executive Board, Mr. Laurent Mignon acquired from Wendel Luxembourg (a wholly-owned subsidiary of Wendel) co-investment shares:

- issued by the Expansion 17 SCA FIAR fund (deal-by-deal program):
  - in the CPI compartment for a price of € 21,633.77;
  - in the Tarkett compartment for a price of € 53,942;
  - in the ACAMS compartment for a price of € 243,521.67;
- issued by the Global Performance 17 SCA FIAR fund (mutualized program):
  - in the Millésime II compartment for a price of € 194,827.68;
  - in the Millésime III compartment for a price of € 127,008.

These investments were made (i) in the case of the CPI and Millésime II compartments, in accordance with the principles applicable for the 2018-2021 co-investment program (90% in mutualized and 10% in deal per deal), and (ii) in the case of the Tarkett, ACAMS and Millésime III compartments, in accordance with the principles applicable for the 2021-2025 co-investment program (50% in mutualized and 50% in deal-by-deal).

They were carried out at the highest of the initial value and the last net asset value.

The terms were authorized by the Supervisory Board on 16 September 2022, the contracts for the sale co-investments to Mr. Laurent Mignon were signed on December 7, 2022 and ascertained by your Supervisory Board at its meeting on February 1, 2023.

Reasons justifying why the Company benefits from this agreement
Your Board justified this agreement as follows:

The Supervisory Board noted the interest in implementing the commitments made to Mr. Laurent Mignon at the time of his appointment.

3) Put and call agreements with Wendel Luxembourg

Nature, purpose and conditions
In application of the applicable co-investment principles, Mr. Laurent Mignon has concluded with Wendel Luxembourg (a wholly owned subsidiary of your company), put and call agreements relating to his co-investments made or to be made through Global Performance 17 SCA FIAR and Expansion 17 SCA FIAR.

The co-investment principles applicable to Mr. Laurent Mignon were authorized by the Supervisory Board on September 16, 2022, the put and call agreements were signed on December 7, 2022 and ascertained by your Supervisory Board at its meeting on February 1, 2023.

Reasons justifying why the Company benefits from this agreement
Your Board justified this agreement as follows:

The Supervisory Board noted the interest of these put and call agreements, which are intended to settle the co-investments of the Chairman of the Executive Board in the event of his departure from the Wendel Group before the occurrence of liquidity events affecting the companies in which he has, or will have, co-invested through the above-mentioned FIARs.

With Mr. David Darmon, member of the Executive Board

Additional co-investment in Crisis Prevention Institute (CPI)

Nature, purpose and conditions

Mr. David Darmon increased his exposure to Crisis Prevention Institute (CPI) and raised his co-investment from 6.7% to 8% of the total co-investment by acquiring additional shares for an amount of €31,660 in the mutualized program and €3,515 in the deal-by-deal program.

This transaction was carried out the higher between the initial value and the last net asset value.

This additional co-investment was approved by the Supervisory Board on October 27, 2022, and the contracts for the sale of the additional co-investment units were signed on December 7, 2022.

Reasons justifying why the Company benefits from this agreement

Your Board justified this agreement as follows:

The Supervisory Board noted the interest of modifying Mr. David Darmon's co-investment share to align it with that of the Chairman of the Executive Board, in line with the co-investment principles of the 2021-2025 program.

With Wendel-Participations SE, shareholder of your company

Agreement on the use of the Wendel trademark – Amendment

Nature, purpose and conditions

By two agreements of May 15, 2002, the companies SLPS, SOGEVAL and Wendel-Participations SE authorized your company to use "Wendel" in its corporate name and as a trade name and granted the company an exclusive license to use the "Wendel Investissement" trademark. These agreements are concluded, free of charge, for an indefinite period, it being specified that they may be revoked if the direct and indirect participation of family companies in the capital of the company falls below 33.34% for one hundred and twenty consecutive days. If this right of revocation is not exercised within sixty days of the aforementioned period, the right to use the name and the exclusive license to the trademark would become final and irrevocable. The trademark license agreement of May 15, 2002 was amended by several amendments in order to define the rules for the use of the Wendel trademark.

Your company has decided to rename under the name "Wendel Growth" its investment activity in innovative and high-growth companies (investments made either directly or through funds), formerly known as "Wendel Lab". Wendel-Participations SE, owner of the Wendel trademark, and your company have entered into an amendment to the trademark license agreement to authorize this use (amendment No. 8). The trademark license agreement has not been modified in any other respect.

The amendment was authorized by the Supervisory Board on November 30, 2022 and concluded on December 8, 2022.

Reasons justifying why the Company benefits from this agreement

Your Board justified this agreement as follows:

The Supervisory Board noted the interest in being able to use the Wendel trademark free of charge for this new name.

Agreements authorized and concluded since the year-end

We have been informed of the following related party agreements authorized and concluded since the year-end, previously authorized by your Supervisory Board.

With Wendel-Participations SE, shareholder of your company

1) Administrative Assistance Services Agreement – Amendment

Nature, purpose and conditions

Your company provides consulting and assistance to Wendel-Participations SE under an agreement concluded on September 2, 2003, amended by an addendum No. 1 dated February 12, 2021.

By Amendment No. 2, your company and Wendel-Participations SE decided to increase the amount of the remuneration for the services provided under the contract by 5% (from € 23,000 to € 24,150 excluding taxes per year) in order to take into account wage inflation in your company, with effect from 1 January 2023.

Amendment no. 2 was authorized by the Supervisory Board on March 16, 2023 and concluded on that date.

Reasons justifying why the Company benefits from this agreement

Your Board justified this agreement as follows:

The Supervisory Board noted the interest in increasing the amount of the remuneration due to the wage inflation.

2) Anti-corruption compliance (Sapin 2) and country-by-country tax reporting (CbCR) service agreement – Amendment

Nature, purpose and conditions

Wendel provides services to Wendel-Participations in the area of anti-corruption compliance (Sapin II law) and country-by-country tax reporting (CbCR) under an agreement signed on December 18, 2017, as amended by an amendment no. 1 dated January 17, 2019, and an amendment no. 2 dated December 1st, 2020.

By amendment no. 3, Wendel and Wendel-Participations SE decided to increase the amount of the remuneration for the services provided under the agreement by 5% (from €15,000 to €15,750 excluding VAT per year) in order to take into account salary inflation in your company, with effect from 1 January 2023.

Amendment No. 3 was authorized by the Supervisory Board on March 16, 2023 and concluded on that date.

Reasons justifying why the Company benefits from this agreement
Your Board justified this agreement as follows:

The Supervisory Board noted the interest in increasing the amount of the remuneration due to the wage inflation.

3) Agreement related to the move rue Paul Cézanne – Sublease contract

Nature, purpose and conditions
Your company is a tenant of the premises located at 2-4, rue Paul Cézanne 75008 Paris, where it has transferred its registered office. Your company subleases part of these premises - for offices use only - to Wendel-Participations SE, which will also transfer its registered office there.

The sublease is granted for a renewable period of one year, subject to the payment by Wendel-Participations SE to your company of an annual rent of € 100,780 (excluding taxes), rental charges included.

This contract was authorized by the Supervisory Board on March 16, 2023 and concluded on that date.

Reasons justifying why the Company benefits from this agreement
Your Board justified this agreement as follows:

The supervisory board has noted the interest of subletting part of the vacant space to Wendel-Participations SE, in return for the collection of a rent whose amount is in line with the rent paid by your company to the owner of the premises.

4) Agreement related to the move rue Paul Cézanne – Contract for the transfer of furniture and provision of technical equipment

Nature, purpose and conditions
As part of the layout of the premises on rue Paul Cézanne, your company has acquired new office furniture. It transferred to Wendel-Participations SE the furniture intended to furnish the offices of the premises subleased to Wendel-Participations SE. The sale price of the furniture concerned is equal to the purchase price excluding taxes initially paid by your company to its suppliers, i.e. a total of € 30,468.46.

Your company also provides Wendel-Participations SE with certain technical equipment for its teams (telephones and multi-copier). The annual costs related to this equipment, paid by your company, are re-invoiced to Wendel-Participations SE for an identical amount. For information purposes only, at the date of the agreement, these costs were estimated at € 6,800 (excluding taxes).

This agreement was authorized by the Supervisory Board on March 16, 2023 and concluded on that date.

Reasons justifying why the Company benefits from this agreement
Your Board justified this agreement as follows:

The Supervisory Board noted the interest in organizing the transfer of office furniture and the re-invoicing of technical equipment costs at cost price between your company and Wendel-Participations SE.

5) Agreement related to the move to rue Paul Cézanne – Deposit agreement for works of art

Nature, purpose and conditions
Your company and Wendel-Participations SE have installed in their respective premises certain works of art that belong partly to your company and partly to the Foundation "Fondation de Wendel".

Your company, Wendel-Participations SE and the Fondation de Wendel have concluded an agreement for the deposit of these works of art, governing the terms and conditions of their provision free of charge (in particular the conditions of their identification, conservation, and management in the event of damage).

The deposit agreement was authorized by the Supervisory Board on March 16, 2023 and concluded on that date.

Reasons justifying why the Company benefits from this agreement
Your Board justified this agreement as follows:

The Supervisory Board noted the interest in benefiting from the deposit of works of art free of charge, and also making them available to Wendel-Participations SE, given the historical and cultural links between the two companies.

Agreements not previously authorized

In accordance with Articles L. 225-90 and L.823-12 of the French Commercial Code (*Code de commerce*), we inform you that the following agreement has not been subject to prior authorization from your Supervisory Board.

It is our responsibility to inform you of the circumstances due to which the authorization procedure was not followed.

With Wendel-Participations SE, shareholder of your company

Agreement related to the move rue Paul Cézanne – Mandate for the sale of furniture and works of art

Nature, purpose and conditions
Prior to its relocation, your company wished to dispose of certain furniture and works of art located at its premises at 89, rue Taitbout 75009 Paris. Before putting these assets up for sale to the public, your company wished to offer to the members of the family shareholding the opportunity to acquire them, given the emotional nature of some of the assets.

A mandate was set up for Wendel-Participations SE to manage the sale to the family shareholders in the name and on behalf of your company. This mandate sets out the various terms and conditions of the sale (in particular the sale price of the assets, based on estimates by third party experts) and provides for Wendel-Participations SE to be remunerated at 5% of the total amount of the sale excluding tax, i.e. € 12,313.42.

Given the timing of the sale, which was to be initiated in February 2023, the mandate was concluded on February 15, 2023 and the agreement was not subject to prior authorization under Article L. 225-86 of the French Commercial Code.

We inform you that, at its meeting on 16 March 2023, your Supervisory Board decided to authorize this agreement *a posteriori*.

Reasons justifying why the Company benefits from this agreement

Your Board justified this agreement as follows:

The Supervisory Board noted the interest of entrusting the management of the sale to Wendel-Participations SE, to facilitate the process within a very short timeframe and limit financial flows at the level of your company.

Agreements previously approved by the Annual General Meeting

Agreements approved in prior years

In accordance with Article R. 225-57 of the French Commercial Code (*Code de commerce*), 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 2022.

These agreements were reviewed by the Supervisory Board on March 16, 2023, which confirmed the company's interest to have continued them, as the reasons for granting the initial authorization remained relevant.

With Wendel-Participations SE, shareholder of your company

1) Administrative assistance services agreement

Nature, purpose and conditions

Your Company provides consulting and assistance services to Wendel-Participations SE under an agreement concluded on September 2, 2003, as amended by an amendment dated February 12, 2021. The services provided concern the following areas: human resources, accounting, information technology and general services.

The amount invoiced for the year 2022 was € 23,000 excluding tax.

2) Anti-corruption compliance (Sapin 2) and country-by-country tax reporting (CbCR) services agreement - Amendment

Nature, purpose and conditions

Your company provides services to Wendel-Participations SE in the area of anti-corruption (Sapin 2 law) and country-by-country tax reporting (CbCR) under an agreement entered into on December18, 2017, amended by successive amendments dated January 17, 2019 and December 1, 2020.

The amount invoiced for the year 2022 amounted to € 15,000 excluding tax.

3) Premises rental agreement

Nature, purpose and conditions

The lease agreement for premises at 89 rue Taitbout 75009 Paris, concluded on 2 September 2003, as amended by an amendment dated 12 February 2021, continued during the year.

The amount invoiced for the 2022 financial year amounted to 80,000 euros excluding tax.

With Mr. André François-Poncet, Chairman of the Executive Board until December 1, 2022, Mr. Laurent Mignon, Chairman of the Executive Board from December 2, 2022, Mr. David Darmon, Member of the Executive Board, Mrs. Sophie Tomasi Parise and Mrs. Harper Mates, members of the Supervisory Board

1) 2011-2012 co-investments program

Nature, purpose and conditions

The principles applicable to co-investments relating to acquisitions made by Wendel between 2011 and April 2013 (as well as to subsequent reinvestments made in the acquired companies), described in Note 4 to the 2022 consolidated financial statements, remained unchanged.

In accordance with these principles, the relevant Wendel 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 2022, 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 occurred in March 2021, on the eighth anniversary of the initial investment, for a third of the co-investment. The last 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 any shares during this transaction, the capital gain was calculated on the basis of the average stock market price of IHS shares over the six-month period following the IPO, in accordance with the rules of the 2011-2012 program. On the pari passu portion (representing 30% of the total co-investment in IHS), the total amount was €91,370 (less than the co-investors' investment), of which €9,537 was paid to Mr. David Darmon. This amount was paid in July 2022. On the carried interest portion (representing 70% of the co-investment), the minimum return was not reached and the co-investors, including Mr. David Darmon, received a nil amount and incurred a loss.

2) 2013-2017 co-investments program

Nature, purpose and conditions

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 the acquired companies), described in Note 4 to the 2022 consolidated financial statements, remained unchanged.

In application of these principles, the relevant Wendel managers have personally invested alongside the Group in the companies 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 disposals of these companies between 2018 and 2020.

The only deal-by-deal co-investment still in force and subject to these principles is in Constantia Flexibles. A first liquidity event will occur on 26 March 2023, on the 8th anniversary of the initial investment, on one third of the co-investment on a deal-by-deal portion and an independent multi-criteria valuation will be carried out before September 30, 2023.

Regarding the mutualized portion of the co-investments in the above-mentioned 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.

3) 2018-2021 co-investments program

Nature, purpose and conditions

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 the acquired companies), described in Note 4 to the 2022 consolidated financial statements, remained unchanged with the exception of the increase in the co-investment share of Mr. David Darmon to align it with that of the Chairman of the Executive Board.

In December 2022, Mr. Laurent Mignon and Mr. David Darmon co-invested in CPI as described above.

4) 2021-2025 co-investments program

Nature, purpose and conditions

The principles applicable to co-investments relating to acquisitions made by Wendel between April 2021 and April 2025 (as well as to subsequent reinvestments made in the acquired companies), as described in Note 4 to the 2022 consolidated financial statements, have remained unchanged.

In December 2022, Mr. Laurent Mignon co-invested in Tarkett and ACAMS.

Agreements approved during the year ended December 31, 2022

In addition, we have been notified of the implementation during the year ended December 31, 2022 of the following agreements which were approved by the Annual General Meeting of June 16, 2022 based on the statutory auditors' report on related party agreements dated April 14, 2022.

With Wendel-Participations SE, shareholder of your company

Agreements on the use of the "Wendel" trademark

Nature, purpose and conditions

The agreements on the use of the "Wendel" trademark continued during the year. They were subject to an amendment No. 7 signed on February 11, 2022 for the use of the brand in the name of the Wendel Cares endowment fund.

Paris-La Défense, le 14 April 2023

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 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 15 June 2023

Twentieth 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' meeting of Wendel,

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 nominal amount of the capital increases that may be carried out, immediately or in the future, under this delegation, may not exceed €200,000.

This issue 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 2023

The Statutory Auditors

French original signed by:

DELOITTE & ASSOCIES	**ERNST & YOUNG Audit**
Mansour Belhiba	Jacques Pierres

9.1.3 Statutory Auditors' report on the authorization for allocation of stock subscription options or stock purchase options

Combined shareholders' meeting of 15 June 2023

Twenty-first 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' meeting of Wendel,

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 22nd 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 50% 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 22nd resolution (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 2023

The Statutory Auditor

French original signed by:

DELOITTE & ASSOCIES	ERNST & YOUNG Audit
Mansour Belhiba	Jacques Pierres

9.1.4 Statutory Auditors' report on the free allocation of existing shares or shares to be issued

Combined shareholders' meeting of 15 June 2023

Twenty-second 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' meeting of Wendel,

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 at the grant date, 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 21st resolution.

The total number of shares likely to be granted to members of the Executive Board may not exceed 50% 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 21st resolution (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 2023

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 October 12, 2022

The Executive Board, acting under the powers granted to it by the Combined Shareholders' Meeting of June 16, 2022 (the "**Shareholders' Meeting**") in its 26th resolution, after authorization of the Supervisory Board dated August 25, 2022, decided on September 1, 2022 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, since 2020, members of Wendel's Group Savings Plan and International Group Savings Plan have been offered the possibility of subscribing – directly in 2020, then indirectly in 2021 via an "FCPE relais" mutual fund – to units of an FCPE, the "FCPE Wendel" mutual fund, which subsequently subscribed to Wendel shares.

The Executive Board notes that an identical mechanism was implemented in 2022, via the "Relais Wendel 2022" mutual fund created for this purpose and intended to be merged into the "FCPE Wendel" mutual fund upon completion of the capital increase transaction.

Thus:

- beneficiaries wishing to participate in the capital increase subscribed, between September 5 and 19, 2022, to units of the "Relais Wendel 2022" mutual fund with a unit value of €10;
- at the end of this subscription period, the "Relais Wendel 2022" mutual fund subscribed to new Wendel shares in the context of an increase in the Company's capital;
- on October 12, 2022, 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 September 1, 2022, decided to set the maximum nominal amount of the reserved capital increase at €150,000, i.e., 37,500 shares with a par value of €4 each.

Subscription price

The Executive Board, which met on September 1, 2022, 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 1, 2022, was €83.75;
- the subscription price, set at 70% of the reference price, was €58.63.

Each new share with a par value of €4 was therefore issued with an issue premium of €54.63.

Beneficiaries of the offering

Beneficiaries of the offering are members of the Wendel Group Savings Plan and the Wendel International Group Savings Plan, it being specified that the increase in the Company's capital is subscribed to by the "Relais Wendel 2022" mutual fund, in which they hold units and which is intended to be merged into the "FCPE Wendel" mutual fund.

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 at least three (3) months' seniority 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 offering.

- **Rights attached to shares**

The new Wendel shares are created with current dividend rights and immediately rank *pari passu* with 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 "FPCE Wendel" mutual fund will be exercised by the members of the Wendel Group Savings Plan and the Wendel International Group Savings Plan through the "FCPE Wendel" mutual fund, in proportion to the number of shares they hold in the said "FCPE Wendel" mutual fund, at each Shareholders' Meeting.

- **Maximum subscription rights**

Each beneficiary was entitled to subscribe to units of the "Relais Wendel 2022" mutual fund, which is intended to be merged into the "FCPE Wendel" mutual fund, 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 2022, the Company matching contribution is equal to 200% of the voluntary payments made by subscribers, up to the overall legal and annual cap of €5,923.58.

- **Adjustments to the reserved capital increase**

In this instance, the total number of Wendel shares resulting from applications to subscribe for units of the "Relais Wendel 2022" mutual fund exceeded the maximum number of 37,500 shares offered under this capital increase. Consequently, the applications had to be reduced. This was done by capping, starting with the highest requests, the amounts of which were reduced to the amounts 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 offering.

The following were reduced by order of priority:

- voluntary cash payments;
- the arbitrage of available assets from the entire Wendel Group employee savings plan FCPE mutual funds;
- the arbitrage of unavailable assets held in the "CM-CIC Perspective Monétaire B" mutual fund;
- the arbitrage of unavailable assets held in the "CM-CIC Perspective Monétaire A" mutual fund, which are blocked until June 1, 2027.

- **Unavailability of FCPE units**

Subscribers to the offering must hold the "FCPE Wendel" mutual fund units (post-merger of the "Relais Wendel 2022" mutual fund) 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 Wendel 2022" mutual fund was open from September 5 to 19, 2022 inclusive.

The subscription to units of the "Relais Wendel 2022" mutual fund was fully paid up on October 11, 2022, and the Wendel capital increase was completed on October 12, 2022.

- **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 37,057 new shares. The share capital was thus increased by a nominal amount of €148,228 (37,057 shares with a par value of €4), i.e., an increase in the share capital, including the issue premium, of a total amount of €2,172,651.91 (issue premium of €54.63 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 the Company's shares and holders of securities giving access to the Company's share capital, as well as on the theoretical impact on the 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, 2022.

Impact on share of equity as of June 30, 2022

For reference, the impact of the issue of the 37,057 new shares on the share of equity per share would be as follows (based on equity at June 30, 2022, and the number of shares comprising the share capital of the Company at that date):

	Equity per share (non-diluted basis)	Equity per share (diluted basis)*
Before issue of 37,057 new shares	€156.5365	€156.0966
After issue of 37,057 new shares	€156.4548	€156.0157

* *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 37,057 new shares on a shareholder's interest holding 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 as of September 1, 2022), would be as follows:

	Shareholder's interest as a % of capital (non-diluted basis)	Shareholder's interest as a % of capital (diluted basis)*
Before issue of 37,057 new shares	1.0000%	0.9941%
After issue of 37,057 new shares	0.9992%	0.9933%

* *After taking into account all issued securities that may give access to the share capital.*

Theoretical impact on the share's current market value based on the average share price for the 20 trading days prior to September 1, 2022 (i.e. €83.75):

The theoretical impact of the issue of the 37,057 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 1, 2022):

	Market value per share (non-diluted basis)	Market value per share (diluted basis)*
Before issue of 37,057 new shares	€83.75	€83.74
After issue of 37,057 new shares	€83.73	€83.72

* *After taking into account all issued securities that may give access to the share capital.*

October 12, 2022

The Executive Board

9.2.2 Statutory auditors' supplementary report on the issue of shares and capital securities reserved for employees who are members of a company savings scheme

[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 report dated April 14, 2022, we hereby report on the issue of shares and capital securities with cancellation of preferential subscription rights, reserved for members of one or more company savings schemes implemented within the Group, authorized by your Ordinary and Extraordinary General Meeting dated June 16, 2022.

This operation has 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 Labor Code (*Code du travail*).

This Ordinary and Extraordinary General Meeting authorized your Executive Board to decide whether to proceed with such an operation for a period of fourteen months and a maximum amount of € 150 000. Exercising this authorization, your Executive Board decided on October 12, 2022 to proceed with an issue of 37,057 ordinary shares with a par value of € 4 and a unit share premium of € 54.63 with cancellation of preferential subscription rights reserved for members of one or more company savings schemes implemented within the Group. The increase in capital that could result from this issue is a maximum amount of € 148,228.

It is the Executive Board's responsibility to prepare a supplementary report in accordance with Articles R. 225-115 *et seq.*, as well as Article 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 the interim financial information, on the proposed cancellation of preferential subscription rights and on other information relating to the issue contained in the report.

We have performed those procedures which we considered necessary to comply with the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie nationale des commissaires aux comptes*) for this type of engagement. These procedures consisted, *inter alia*, 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, 2022, 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 authorized by the Ordinary and Extraordinary General Meeting;
- 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 authorized by the Ordinary and Extraordinary General Meeting dated June 16, 2022 and the information provided thereto;
- the choice of constituent elements used to determine the issue price of the shares and its final amount;
- the presentation of the impact of the issue 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 share;
- the proposed cancellation of the preferential subscription rights, upon which you have previously voted.

Paris-La Défense, October 21, 2022

The Statutory Auditors

DELOITTE & ASSOCIÉS	ERNST & YOUNG et Autres
Mansour Belhiba	Jacques Pierres

9.2.3 Special report of the Executive Board on free shares allocated during 2022

(Article L. 225-197-4 of the French Commercial Code – Allocation of free shares)

I. Legal framework

The Executive Board, acting under the powers granted to it by the Combined Shareholders' Meeting of June 16, 2022 (the "**Shareholders' Meeting**") in its 28th resolution, decided:

- on August 2, 2022, to allocate free shares to David Darmon, member of the Executive Board, and to certain employees of the Company and its affiliates;
- on December 6, 2022, to allocate free shares to Laurent Mignon, Chairman of the Executive Board (Group CEO) since December 2, 2022.

André François-Poncet, Chairman of the Executive Board (Group CEO) until December 1, 2022, did not receive any free shares in 2022.

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 describe these allocations.

II. Allocation to corporate officers

Members of the Executive Board were allocated free shares as follows:

Name	Number of shares	Vesting date	Valuation(1)
Laurent Mignon	19,095	December 6, 2026	€64.8
David Darmon	17,282	August 2, 2026	€63.7
TOTAL	**36,377**		

(1) 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.

The characteristics of these shares are described in section 2.2.2 of the 2022 Universal Registration Document.

III. Allocation to employees

Employees were allocated free shares under two separate plans, with respective vesting periods of 4 years and 2 years and performance conditions specific to each plan: one providing for the allocation of free shares valued at €63.7 each, and the other providing for the allocation of "AP+" free shares valued at €84.8 each. These plans do not provide for a holding period.

Allocation of free shares to the ten employee beneficiaries receiving the greatest number of free shares:

1	2	3	4	5	6	7	8	9	10	TOTAL
23,568	20,008	15,876	12,338	10,861	8,574	7,093	7,052	6,537	5,330	117,237

Allocation of free shares to all 78 employee beneficiaries:

Employee categories	Number of shares
Executives – France (59)	119,172
Non-executives – France (5)	604
Other countries (14)	63,484
TOTAL (78)	**183,260**

March 23, 2023

The Executive Board

9.2.4 Special report of the Executive Board on stock options allocated during 2022

(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 Combined Shareholders’ Meeting of June 16, 2022 (the “**Shareholders’ Meeting**”) in its 27th resolution, decided:

- on August 2, 2022, to allocate stock options to David Darmon, member of the Executive Board, and to certain employees of the Company and its affiliates;
- on December 6, 2022, to allocate stock options to Laurent Mignon, Chairman of the Executive Board (Group CEO) since December 2, 2022.

André François-Poncet, Chairman of the Executive Board (Group CEO) until December 1, 2022, did not receive any stock options in 2022.

These options were allocated 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 describe these allocations.

II. Allocation to corporate officers

The members of the Executive Board were allocated stock subscription options as follows:

Name	Number of shares	Exercise period start date	Exercise price	Expiration date	Valuation(1)
Laurent Mignon	37,085	December 6, 2026	€87.05	December 5, 2032	€14.3
David Darmon	36,293	August 2, 2026	€84.27	August 1, 2032	€13.0
TOTAL	**73,378**				

(1) The 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.

The characteristics of these options are described in section 2.2.2 of the 2022 Universal Registration Document.

III. Allocation to employees

On August 2, 2022, employees were allocated stock subscription options valued at €13.0 each, with the following characteristics:

Exercise period start date	Exercise price	Expiration date
August 2, 2026	€84.27	August 1, 2032

Allocation of options to the ten employee beneficiaries receiving the greatest number of options:

1	2	3	4	5	6	7	8	9	10	TOTAL
2,737	2,730	2,357	2,343	1,650	1,498	1,357	1,357	1,357	1,281	18,667

Allocation of stock options to all 78 employee beneficiaries:

Employee categories	Number of shares
Executives – France (59)	26,153
Non-executives – France (5)	169
Other countries (14)	9,958
TOTAL (78)	**36,280**

IV. Exercise of options during 2022

During 2022, David Darmon exercised stock options allocated on July 5, 2012 as follows:

Number of options exercised during the year	Exercise price
9,500	€54.93

During 2022, 6 employees exercised options, breaking down as follows:

	Number of options exercised during the year	Type of option (purchase/subscription)	Exercise price
1	4,000	Purchase	€54.93
2	2,500	Purchase	€54.93
3	1,800	Purchase	€54.93
4	250	Purchase	€54.93
5	50	Purchase	€54.93
6	50	Purchase	€54.93

March 23, 2023

The Executive Board

9.3 Observations of the Supervisory Board for the Shareholders' Meeting

To the Shareholders,

In a difficult macroeconomic environment marked by a return of inflation and a rise in interest rates, Wendel demonstrated resilience and opportunism, and the Board saw a favorable trend in the portfolio companies' performance. With a strong cash position and liquidity, Wendel continued to roll out its 2021-2024 roadmap. In this respect, we were delighted to see the acquisition of ACAMS and the sale of Cromology completed in early 2022 under excellent conditions. The development of Wendel Growth's business in 2022 also allowed us to invest in two companies, Tadaweb and Brigad, in early 2023.

One of the highlights of 2022 was the Supervisory Board's appointment of Laurent Mignon as Chairman of the Executive Board (Group CEO), succeeding André François-Poncet from December 2, 2022. Laurent Mignon was chosen following an organized and efficient selection process, which allowed the Supervisory Board to fully appreciate his unique wealth of experience, as well as the transformations and development of the companies he has managed, with a constant desire to create sustainable value. Laurent Mignon's values are perfectly in step with those of Wendel and he has all the personal and professional qualities needed to start a new chapter in the Group's long history.

André François-Poncet left Wendel in good working order with a simplified portfolio, a solid financial structure, and a reputed ESG performance. The Supervisory Board would like to extend him its warmest thanks for all he achieved and for his contribution to the smooth hand-over to Laurent Mignon.

In 2022, 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 Supervisory Board and the committees have continued to step up their focus on ESG, while the ESG-related missions of each of the committees were set out in the Supervisory Board's internal regulations when they were revised on November 30, 2022.

The Supervisory Board and the committees were able to complete their work on schedule. The Supervisory Board met ten times, the Governance and Sustainability Committee met eight times and the Audit, Risks and Compliance Committee met seven times.

On March 16, 2023, the 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 that the financial statements be approved.

Wendel's financial position remained solid throughout the year. This allows the Executive Board, with the Supervisory Board's approval, to propose a continuously increasing dividend of €3.20 for 2022, i.e., up 6.7% compared to the dividend paid for 2021, which amounted to €3.0.

The creation of shareholder value is a constant concern of the Supervisory Board. Net Asset Value (NAV) amounted to €167.9 per share as of December 31, 2022. Restated for the dividend of €3.0 per share paid in 2022, NAV per share decreased by 9%. The discount in the share price in relation to NAV per share is being monitored closely by the Supervisory Board. In this respect, it is the responsibility of the Executive Board, composed of Laurent Mignon and David Darmon, to propose a strategy to ensure that the Wendel share price better reflects the intrinsic value of the Company.

The Supervisory Board would like to warmly thank Jacqueline Tammenoms Bakker, whose term of office expires at the end of the Shareholders' Meeting, for her remarkable contribution to the Supervisory Board's work over the past eight years, including four years as Chairwoman of the Governance and Sustainability Committee.

The Supervisory Board submits to your vote the renewal of the terms of office of Gervais Pellissier and Humbert de Wendel for a further period of four years.

The Supervisory Board also submits to your vote the appointment of Fabienne Lecorvaisier, as an independent member of the Supervisory Board. With her vast professional experience as well as her experience as a non-executive officer, Fabienne Lecorvaisier will bring to the Supervisory Board her strategic vision, her American experience, her expertise in mergers and acquisitions, and her knowledge of ESG issues. Subject to her appointment, Fabienne Lecorvaisier will join the Audit, Risks and Compliance Committee, which will benefit from her financial expertise, her skills in risk control and her experience in non-financial reporting.

Lastly, the Board recommends that you approve all the 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 15, 2023

Ordinary Shareholders' Meeting

2022 financial statements and allocation of net loss

The purpose of the **1st and 2nd resolutions** is to approve Wendel's financial statements as of December 31, 2022.

The parent company financial statements show a net loss of €174 million. Equity (excluding the net loss for the year) amounted to €7,196 million and shows Wendel's sound financial position.

The consolidated financial statements show net income, Group share, of €656.3 million.

The purpose of the **3rd resolution** is to allocate the net loss for the year ended December 31, 2022 and distribute a dividend of €3.20 per share, an increase of 6.7% from the ordinary dividend paid in respect of 2021.

	2019	2020	2021
Dividend	€2.80	€2.90	€3.0

The ex-dividend date is June 19, 2023 and the dividend will be paid on June 21, 2023.

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 Tax Code *(Code général des impôts)*) or to a progressive tax rate applied after an allowance of 40% (under Articles 200 A, 2. and 158-3 2° of the French Tax Code). The dividend is also subject to social contributions at the rate of 17.2%.

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:

With André François-Poncet

- departure agreement setting the operational and financial terms of the end of André François-Poncet's corporate office as Chairman of the Executive Board (Group CEO) of Wendel.

With Laurent Mignon

- letter of guarantee granted by Wendel to cover Laurent Mignon in case of claims in connection with his corporate offices within the Wendel Group;
- acquisition from Wendel Luxembourg (wholly-owned subsidiary of Wendel) of co-investment shares issued by the Global Performance 17 and Expansion 17 investment funds, linked to Crisis Prevention Institute (CPI), Tarkett and ACAMS;
- put and call agreements entered into with Wendel Luxembourg relating to Laurent Mignon's co-investments made or to be made through the Global Performance 17 and Expansion 17 investment funds. The purpose of these agreements is to determine what happens to co-investments in the event of departure from the Wendel Group prior to liquidity events affecting companies in which Laurent Mignon has co-invested.

With David Darmon

- increase of David Darmon's exposure to CPI by the acquisition of additional co-investment shares.

The purpose of the **5th resolution** is to approve regulated related-party agreements entered into with Wendel-Participations SE and described in the Statutory Auditors' special report. These agreements are:

- amendment to the trademark license allowing the use of the "Wendel Growth" name for the "Wendel Lab" activities;
- amendments to the Sapin II/Country by country tax reporting service agreement and to the administrative service agreement;
- agreements entered into in the framework of the move of Wendel and Wendel-Participations to rue Paul Cézanne: sublease, furniture sale and technical facilities provision, sale mandate for artwork and artwork deposit agreement.

Transfer of the registered office

The purpose of the 6th **resolution** is to approve (i) the transfer of the registered office from 89 rue Taitbout, 75009 Paris, to 2-4 rue Paul Cézanne, 75008 Paris, effective from April 1, 2023 and (ii) the corresponding amendment to Article 4 of the Company's by-laws, as decided by the Supervisory Board on March 16, 2023.

This move aims to provide offices better suited to the needs of the Wendel teams, with appropriate technical and technological tools.

As a reminder, the sale of the Paris headquarters building was completed in 2022 under very good conditions.

Supervisory Board: appointment of a new member of the Supervisory Board

The purpose of the **7th resolution** is to appoint Fabienne Lecorvaisier as member of the Supervisory Board for a period of four (4) years.

Fabienne Lecorvaisier notably served as Finance and Information Systems Director of Essilor America in New York, before being appointed as Chief Financial Officer for the Essilor group and Chief Financial Officer at Air Liquide, where she now holds the position of Executive Vice-President in charge of Sustainable Development, Public and International Affairs, Social Programs and General Secretariat. With her experience as a non-executive officer (as a member of the Board of Directors of Sanofi and Safran), Fabienne Lecorvaisier will bring to the Supervisory Board her strategic vision, her American experience, her expertise in mergers and acquisitions, and her knowledge of ESG issues.

Subject to her appointment, Fabienne Lecorvaisier will join the Audit, Risks and Compliance Committee, which will benefit from her financial expertise, her skills in risk control and her experience in non-financial reporting.

It is specified that Fabienne Lecorvaisier will terminate her duties with Air Liquide as of May 4, 2023 to focus on her non-executive directorships.

Fabienne Lecorvaisier's profile is set out in the Company's 2022 Universal Registration Document, section 2.1.1.1 – Composition of the Supervisory Board.

Supervisory Board: renewal of the term of office of two members of the Supervisory Board

The purpose of the **8th resolution** is to renew the term of office of Gervais Pellissier, and of the **9th resolution** to renew the term of office of Humbert de Wendel, both for a period of four (4) years, as they are due to expire at the end of the Shareholders' Meeting of June 15, 2023.

The Supervisory Board highlighted the following:

- for Gervais Pellissier: his financial expertise and executive management experience within the Bull group and the Orange group;
- for Humbert de Wendel: his financial expertise and knowledge of the industrial sector acquired during his career with the Total group.

The Supervisory Board also values the qualitative contributions of Gervais Pellissier and Humbert de Wendel to the work of the Board and of the Audit, Risks and Compliance Committee throughout their terms of office.

Gervais Pellissier and Humbert de Wendel's profiles are set out in the Company's 2022 Universal Registration Document, section 2.1.1.1 – Composition of the Supervisory Board.

Say on pay

The purpose of the **10th resolution** is to approve the amendments made for 2022 to the compensation policy of the Chairman of the Executive Board, applicable to Laurent Mignon in his capacity as Chairman of the Executive Board as of December 2, 2022.

Laurent Mignon's compensation is in line with the 2022 compensation policy, subject to the adjustments described in the Company's 2022 Universal Registration Document (section 2.2.2.1 - Application of the 2022 compensation policy), as set by the Supervisory Board, at its meetings of September 16 and October 27, 2022, on the recommendation of the Governance and Sustainability Committee.

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 2022 to the Company's corporate officers (members of the Executive Board and members of the Supervisory Board), as 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 in kind paid in or awarded for 2022, 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 data illustrating changes in this compensation and in Wendel's performance 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 for fiscal year 2022 of the Company's 2022 Universal Registration Document.

The purpose of the **12th, 13th, 14th and 15th resolutions** is to approve the items of compensation paid in or awarded for 2022 to:

- André François-Poncet, Chairman of the Executive Board until December 1, 2022;
- Laurent Mignon, Chairman of the Executive Board as from December 2, 2022;
- David Darmon, member of the Executive Board; and
- Nicolas ver Hulst, Chairman of the Supervisory Board.

These compensation items are presented in the Supervisory Board's report on Corporate Governance in section 2.2.3 – Breakdown of compensation paid in or awarded for 2022 to Executive Board members and to the Chairman of the Supervisory Board, subject to the shareholders' vote of the Company's 2022 Universal Registration Document.

The variable items of compensation of André François-Poncet, Laurent Mignon and 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.

The purpose of the **16th, 17th and 18th resolutions** is to approve the compensation policy for the Chairman of the Executive Board, the member of the Executive Board and the members of the Supervisory Board for 2023. 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 2022 Universal Registration Document. Your vote is required pursuant to Article L. 22-10-26 II of the French Commercial Code.

Share buyback program

The **19th resolution** proposes to renew the authorization granted to the Company to buy back its own shares as provided for by law. As in previous years, the maximum purchase price has been set at €250, and the authorization is 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, carry out external growth transactions, make a market in the Company's shares or to cover stock option or free share plans. In 2022, Wendel bought back 748,899 treasury shares (including 479,475 shares under the liquidity agreement).

Under no circumstances may the Company buy back more than 10% of its share capital, i.e. 4,440,767 shares based on the capital as of December 31, 2022. This authorization may not be used during a takeover bid.

Formalities

The purpose of the **23rd resolution** is to grant all necessary powers to carry out formalities related to the Shareholders' Meeting.

Extraordinary Shareholders' Meeting

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 **20th resolution** is to grant, for a period of 14 months, a delegation of authority to the Executive Board to increase the share capital by a maximum nominal amount of €200,000, 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 the 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 period, nor more than 30% lower than this average or lower 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 16, 2022, was implemented by the Executive Board in October 2022. These transactions were successful among the beneficiaries and 37,057 shares were subscribed, i.e. a nominal amount of €148,228. Employee share ownership through the Group savings plan (excluding members of the Executive Board) represented 0.79% of the share capital as of December 31, 2022.

Allocation of stock subscription and/or purchase options and free shares

The purpose of the **21st and 22nd resolutions** is to authorize the Executive Board, for a period of 14 months, to allocate stock 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 provided 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 free shares will vest 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 allocated and the definitive vesting of all or part of the free shares allocated to beneficiaries will be subject to the satisfaction of presence and/or performance conditions.

As regards the members of the Executive Board, the following provisions apply:

- the exercise of stock subscription or purchase options and the 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 2023, these conditions are set out in the compensation policy for Executive Board members, described in the report on Corporate Governance of the Supervisory Board in section 2.2.1.2 of the Company's 2022 Universal Registration Document;
- the total number of shares resulting from the exercise of the options and the vesting of the free shares allocated may not exceed (i) 50% of the overall limit mentioned above, or (ii) in IFRS value, as set on their grant date, 95% of the total amount of fixed and maximum annual variable compensation of the Chairman and the member of the Executive Board (subject to any subsequent amendment, in accordance with applicable regulations).

The Executive Board recommends that the shareholders approve of all of the resolutions presented above, which are submitted to your Shareholders' Meeting.

March 23, 2023,

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, 2022;
2. Approval of the consolidated financial statements for the year ended December 31, 2022;
3. Net loss 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 regulated related-party agreements entered into with Wendel-Participations SE;
6. Approval of the registered office transfer;
7. Appointment of Fabienne Lecorvaisier as member of the Supervisory Board;
8. Renewal of the term of office of Gervais Pellissier as member of the Supervisory Board;
9. Renewal of the term of office of Humbert de Wendel as member of the Supervisory Board;
10. Approval of amendments made for 2022 to the compensation policy of the Chairman of the Executive Board, applicable to Laurent Mignon as Chairman of the Executive Board as from December 2, 2022;
11. Approval of the information relating to the compensation items 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 in or awarded for the year ended December 31, 2022 to André François-Poncet, as Chairman of the Executive Board until December 1, 2022;
13. Approval of the compensation items paid in or awarded for the year ended December 31, 2022 to Laurent Mignon, as Chairman of the Executive Board as of December 2, 2022;
14. Approval of the compensation items paid in or awarded for the year ended December 31, 2022 to David Darmon, as member of the Executive Board;
15. Approval of the compensation items paid during or awarded for the year ended December 31, 2022 to Nicolas ver Hulst, as Chairman of the Supervisory Board;
16. Approval of the compensation policy for the Chairman of the Executive Board;
17. Approval of the compensation policy for the member of the Executive Board;
18. Approval of the compensation policy for the members of the Supervisory Board;
19. Authorization given to the Executive Board to buy back Company shares;

Extraordinary Shareholders' Meeting

20. 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;
21. Authorization given to the Executive Board to allocate 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;
22. Authorization given to the Executive Board to allocate 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;

Ordinary Shareholders' Meeting

23. Powers for legal formalities.

A. Ordinary resolutions

First resolution

(Approval of the parent company financial statements for the year ended December 31, 2022)

The Shareholders' Meeting, voting under the quorum and majority conditions required for Ordinary Shareholders' Meetings, having reviewed:

- the Executive Board's management report for 2022 and the Supervisory Board's observations; and
- the Statutory Auditors' report on the financial statements;

approves the parent company financial statements for the year ended December 31, 2022, as presented by the Executive Board, which show a net loss of €174,482,613.74, as well as the transactions presented in these financial statements or described in these reports.

Second resolution

(Approval of the consolidated financial statements for the year ended December 31, 2022)

The Shareholders' Meeting, voting under the quorum and majority conditions required for Ordinary Shareholders' Meetings, having reviewed:

- the Executive Board's management report for 2022 and the Supervisory Board's observations; and
- the Statutory Auditors' report on the consolidated financial statements;

approves the consolidated financial statements for the year ended December 31, 2022, as presented by the Executive Board, showing net income, Group share, of €656.3 million, as well as the transactions presented in these financial statements or described in these reports.

Third resolution

(Net loss 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 net loss for 2022 amounting to €174,482,613.74,
   - the "Retained earnings" account amounting to €4,798,135,860.75,
   - constituting a distributable profit of €4,623,653,247.01,

   as follows:
   - to the shareholders, an amount of. €142,104,566.40,
   - representing a net dividend of €3.20 per share,
   - to other reserves an amount of €0,
   - for the balance, to the "Retained earnings" account an amount of €4,481,548,680.61;
2. decides that the ex-dividend date will be June 19, 2023, and that the dividend will be paid on June 21, 2023;
3. decides that the dividend that cannot be paid on Wendel treasury shares shall be allocated to the "Retained earnings" account and that the amounts required to pay the dividend described above on shares resulting from the exercise of stock subscription 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 Tax Code, the dividends paid out for the past three fiscal years were:

Fiscal year	Dividends distributed	Net dividend per share
2019	€125,110,462.40	€2.80
2020	€129,685,445.10	€2.90
2021	€134,243,829	€3.0

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 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 Tax Code). The dividend is also subject to social contributions at the rate of 17.2%.

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 year ended December 31, 2022 and at the beginning of 2023, as mentioned in this report and submitted for approval.

Fifth resolution

(Approval of regulated related-party agreements 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 agreements entered into with Wendel-Participations SE during the year ended December 31, 2022 and at the beginning of 2023, as mentioned in the said report and submitted for approval.

Sixth resolution

(Approval of the registered office transfer)

The Shareholders' Meeting, voting under the quorum and majority conditions required for Ordinary Shareholders' Meetings, having heard the Executive Board's report, approves, pursuant to Article L. 225-65 of the French Commercial Code (i) the transfer of the registered office from 89 rue Taitbout, 75009 Paris, to 2-4 rue Paul Cézanne, 75008 Paris, effective from April 1, 2023 and (ii) the corresponding amendment to Article 4 of the Company's by-laws, as decided by the Supervisory Board on March 16, 2023.

Seventh resolution

(Appointment of Fabienne Lecorvaisier as member of the Supervisory Board)

The Shareholders' Meeting, voting under the quorum and majority conditions required for Ordinary Shareholders' Meetings, decides to appoint Fabienne Lecorvaisier as member of the Supervisory Board for a term of four (4) years expiring at the Ordinary Shareholders' Meeting called in 2027 to approve the financial statements for the year ending December 31, 2026.

Eighth resolution

(Renewal of the term of office of Gervais Pellissier as member of the Supervisory Board)

The Shareholders' Meeting, voting under the quorum and majority conditions required for Ordinary Shareholders' Meetings, notes that Gervais Pellissier's term of office as member of the Supervisory Board expires at the end of this Meeting and resolves to renew his term of office for a period of four (4) years expiring at the Ordinary Shareholders' Meeting called in 2027 to approve the financial statements for the year ending December 31, 2026.

Ninth resolution

(Renewal of the term of office of Humbert de Wendel as member of the Supervisory Board)

The Shareholders' Meeting, voting under the quorum and majority conditions required for Ordinary Shareholders' Meetings, notes that Humbert de Wendel's term of office as member of the Supervisory Board expires at the end of this Meeting and resolves to renew his term of office for a period of four (4) years expiring at the Ordinary Shareholders' Meeting called in 2027 to approve the financial statements for the year ending December 31, 2026.

Tenth resolution

(Approval of amendments made for 2022 to the compensation policy of the Chairman of the Executive Board, applicable to Laurent Mignon as Chairman of the Executive Board as from December 2, 2022)

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. 22-10-26 II of the French Commercial Code, the amendments made for 2022 to the compensation policy of the Chairman of the Executive Board, applicable to Laurent Mignon, as presented in this report (section 2.2.2.1 of the 2022 Universal Registration Document, page 120).

Eleventh resolution

(Approval of the information relating to the compensation items 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, 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 2022 Universal Registration Document, pages 119 to 139).

Twelfth resolution

(Approval of the compensation items paid in or awarded for the year ended December 31, 2022 to André François-Poncet, as Chairman of the Executive Board until December 1, 2022)

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 in kind paid in or awarded for the year ended December 31, 2022 to André François-Poncet, in his capacity as Chairman of the Executive Board until December 1, 2022, as presented in this report (section 2.2.3 of the 2022 Universal Registration Document, pages 140 to 142).

Thirteenth resolution

(Approval of the compensation items paid in or awarded for the year ended December 31, 2022 to Laurent Mignon, as Chairman of the Executive Board as of December 2, 2022)

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 in kind paid in or awarded for the year ended December 31, 2022 to Laurent Mignon, in his capacity as Chairman of the Executive Board as of December 2, 2022, as presented in this report (section 2.2.3 of the 2022 Universal Registration Document, pages 140, 143 and 144).

Fourteenth resolution

(Approval of the compensation items paid in or awarded for the year ended December 31, 2022 to David Darmon, as 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 in kind paid in or awarded for the year ended December 31, 2022 to David Darmon, in his capacity as member of the Executive Board, as presented in this report (section 2.2.3 of the 2022 Universal Registration Document, pages 140, 145 and 146).

Fifteenth resolution

(Approval of the compensation items paid in or awarded for the year ended December 31, 2022 to 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 in kind paid in or awarded for the year ended December 31, 2022 to Nicolas ver Hulst, in his capacity as Chairman of the Supervisory Board, as presented in this report (section 2.2.3 of the 2022 Universal Registration Document, pages 140 and 147).

Sixteenth 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, 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 2022 Universal Registration Document, pages 110 to 117).

Seventeenth 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, 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 2022 Universal Registration Document, pages 110 to 117).

Eighteenth 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, 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 2022 Universal Registration Document, pages 110, 111 and 118).

Nineteenth resolution

(Authorization given to the Executive Board to buy back 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 French financial markets authority (*Autorité des marchés financiers* – AMF), 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 the 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, 2022, 4,440,767 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's General Regulations, the number of shares taken into account for the calculation of that 10% limit 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 bought back by the Company for the purpose of being held and subsequently delivered in payment or exchange during an external growth operation, the number of shares bought back 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 bought back for the following purposes:
   - to enable an investment service provider to trade on a secondary market or maintain the liquidity of the Company's shares within the framework of a liquidity agreement complying with market practices approved by the AMF,
   - 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 the provisions of Articles L. 225-197-1 *et seq.* and L. 22-10-59 *et seq.* of the French Commercial Code,
   - to deliver shares on the exercise of rights attached to securities giving access to the Company's share capital immediately or in the future,
   - to hold and subsequently deliver shares (in exchange, as payment or otherwise) in the context of external growth transactions, 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 bought back, subject to the prior authorization of the Supervisory Board, pursuant to 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 allowed 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 fees) (representing, on an indicative basis, a total maximum share buyback amount of €1,110,191,750 on the basis of 4,440,767 shares corresponding to 10% of the share capital as of December 31, 2022), and grants full powers to the Executive Board to adjust this purchase price, in the event of transactions affecting the Company's share 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 takeover bid for the Company's securities until the end of the bid period;
6. grants full powers 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 on 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 AMF, 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 with the same purpose, will be valid for a period of fourteen (14) months from the date of this Shareholders' Meeting.

B. Extraordinary resolutions

Twentieth 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 General Meetings,

- having reviewed the Executive Board's report and the Statutory Auditors' special report; and
- pursuant to the provisions of 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 €200,000 the maximum aggregate nominal amount of capital increases that may be carried out by virtue of this delegation;
3. decides to cancel the shareholders' preferential subscription right to the securities issued under this delegation in favor of members of one or more company savings plans implemented within the Group;
4. decides that the subscription price of the 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 period, nor more than 30% lower than this average or lower 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. grants full powers to the Executive Board, with the power to sub-delegate as provided for by law, to implement this delegation and in particular, but without this list being exhaustive, to:
   - determine the companies or corporate Groups whose employees may subscribe or receive the shares or securities allocated by virtue of this resolution,
   - decide 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,
   - decide the amount to be issued or sold, set 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,
   - set the date from which ownership rights to the new shares shall take effect, set 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, set the number of shares or securities giving access to capital to be issued, the number to be allocated to each beneficiary and set 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, choose 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 Company contribution or combine the two possibilities,

- charge, if applicable, costs against share premiums, notably issue expenses, and deduct from this amount the sums to be transferred to 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 the successful completion of the planned transactions;

7. decides that this delegation, which terminates any previous delegation with the same purpose, shall be valid for a period of fourteen (14) months from the date of this Shareholders' Meeting.

Twenty-first resolution

(Authorization given to the Executive Board to allocate 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 Executive Board's report and the Statutory Auditors' special report; and
- pursuant to the provisions of 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 allocate, 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 allocated, 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 22nd 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 given 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 22nd resolution (determined on their allocation 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, as may potentially be amended subsequent to its approval in accordance with applicable regulations;
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, in favor of the option's 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 which are subject to specific rules (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 an allocation 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, as may potentially be amended subsequent to its approval in accordance with applicable regulations;
8. decides that the options to be allocated 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. grants full powers to the Executive Board to implement this authorization, in particular, but without this list being exhaustive, to:
   - set the conditions for the exercise of options 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 allocation date and may not exceed ten (10) years from said date and (ii) the presence and/or performance conditions,
   - determine the dates of each allocation,
   - determine 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,
   - set the list or categories of beneficiaries of the options,
   - take 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,
   - approve the rules of the option plan and, as the case may be, amend it following the allocation of the options,
   - provide 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,
   - record, 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,
   - charge, if applicable, costs against share premiums, notably issue expenses, and deduct from this amount the sums to be transferred to 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 the successful completion of the planned transactions;
10. decides that this authorization, which terminates any previous authorizations with the same purpose, shall be valid for a period of fourteen (14) months from the date of this Shareholders' Meeting.

Twenty-second resolution

(Authorization given to the Executive Board to allocate 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 Executive Board's report and the Statutory Auditors' special report; 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 allocate, 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 allocated under this authorization shall not exceed 1% of the existing share capital on the date the shares are allocated, 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 allocated shall be deducted from the maximum number of shares that may be issued under the 21st 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 21st resolution (determined on their allocated 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, as may potentially be amended subsequent to its approval in accordance with applicable regulations;

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 shares will nevertheless definitely vest and the beneficiary will have the right to freely transfer them if the beneficiary is the subject of 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 allocated to beneficiaries – with the exception of those granted to members of the Executive Board which are subject to specific rules (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 the allocation of free shares to the members of the Executive Board, the 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, 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, if applicable, 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. grants full powers to the Executive Board to implement this authorization, in particular, but without this list being exhaustive, to:
    - set the conditions and criteria for the allocation of shares,
    - establish the list of beneficiaries of shares or define the category or categories of beneficiaries of the performance shares as well as the number of shares to be awarded to each of them,
    - adjust, 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,
    - determine whether free shares allocated will be shares to be issued and/or existing shares (in the case of shares to be issued, subject to the prior approval of the Supervisory Board pursuant to Article 15-V of the by-laws),
    - approve the rules of the free share plan and, as the case may be, amend it following the allocation of shares,
    - in the event of the issue of new shares, charge the amounts required for the full payment of shares against reserves, profits or share premiums,
    - charge, if applicable, costs against share premiums, notably issue expenses, and deduct from this amount the sums to be transferred to 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 the successful completion of the planned transactions;
11. decides that this authorization, which terminates any previous authorizations with the same purpose, shall be valid for a period of fourteen (14) months from the date of this Shareholders' Meeting.

C. Ordinary resolution

Twenty-third 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, filing and other formalities.

10

ADDITIONAL INFORMATION

10.1 CONTRACTS 476

10.2 TRANSACTIONS WITH RELATED PARTIES 476

10.3 SIGNIFICANT CHANGES IN FINANCIAL CONDITION OR BUSINESS STATUS 476

10.4 EXPENSES REFERRED TO IN ARTICLES 39-4 AND 223 *QUATER* OF THE FRENCH TAX CODE 477

10.5 SUPPLIERS & CUSTOMERS 477

10.6 PERSONS RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT AND THE AUDIT OF THE FINANCIAL STATEMENTS 478

10.6.1 Person responsible for financial information 478

10.6.2 Person responsible for the Universal Registration Document including the annual financial report 478

10.6.3 Persons responsible for the audit of the financial statements and their fees 479

10.7 CROSS-REFERENCE TABLES 480

10.7.1 Cross-reference table for the Universal Registration Document 480

10.7.2 Cross-reference table for the annual financial report 482

10.7.3 Cross-reference table for the Executive Board's management report 483

10.7.4 Cross-reference table for the Supervisory Board's report on Corporate Governance 484

10.7.5 Cross-reference table for the non-financial performance statement (NFPS) 485

10.8 GLOSSARY 486

10.9 INDEX BY TOPIC 488

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 6 “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 4 “Related parties” to the consolidated financial statements (section 6.7 of the Universal Registration Document).

The related-party agreements as defined by Articles L. 225-38 and L. 225-86 of the French Commercial Code are set out in the Statutory Auditors’ special report on related-party agreements in section 9.1.1 of the Universal Registration Document.

10.3 Significant changes in financial condition or business status

Wendel announces the successful issue of €750m of bonds exchangeable into ordinary shares of Bureau Veritas due 2026

On March 22, 2023, Wendel announced the successful issue of €750m of bonds exchangeable into Bureau Veritas' shares at a premium of 25% above the reference share price and a coupon of 2.625%. Wendel reiterates its full confidence in Bureau Veritas' strategy.

10.4 Expenses referred to in Articles 39-4 and 223 *quater* of the French Tax Code

2015	Wendel's expenses referred to in Articles 39-4 and 223 *quater* of the French Tax Code amounted to:	€7,482
2016	Wendel's expenses referred to in Articles 39-4 and 223 *quater* of the French Tax Code amounted to:	€19,340
2017	Wendel's expenses referred to in Articles 39-4 and 223 *quater* of the French Tax Code amounted to:	€21,499
2018	Wendel's expenses referred to in Articles 39-4 and 223 *quater* of the French Tax Code amounted to:	€4,568
2019	Wendel's expenses referred to in Articles 39-4 and 223 *quater* of the French Tax Code amounted to:	€3,923
2020	Wendel's expenses referred to in Articles 39-4 and 223 *quater* of the French Tax Code amounted to:	€3,923
2021	Wendel's expenses referred to in Articles 39-4 and 223 *quater* of the French Tax Code amounted to:	€3,923
2022	Wendel's expenses referred to in Articles 39-4 and 223 *quater* of the French Tax Code amounted to:	€3,923

10.5 Suppliers & customers

In 2022

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 one invoice received was past due at the reporting date, amounting to €54 thousand, and one invoice issued was past due at the reporting date, amounting to €3.7 thousand including VAT.

One customer invoice was past due by more than 60 days, amounting to €3.7 thousand, and one supplier invoice was more than 60 days past due, amounting to €54 thousand.

No supplier or customer invoices were disputed or unrecognized.

10.6 Persons responsible for the Universal Registration Document and the audit of the financial statements

10.6.1 Person responsible for financial information

Jérôme Michiels, Executive Vice-President and Chief Financial Officer, Director of Wendel Growth

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 view of the business, results and financial position 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, 2023

Laurent Mignon

Group CEO

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 first appointed: 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: six 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: six 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 36 to the 2022 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
1.	**Persons responsible, third party information, experts' reports and competent authority approvals**	478, 481
2.	**Statutory Auditors**	479
3.	**Risk factors**	150 to 156, 260, 262, 263, 264, 285, 333 to 340, 359, 360, 401
4.	**Information about the issuer**	436
5.	**Business overview**	
	Principal activities	39, 44 to 59
	Principal markets	40 to 59
	Important events in the development of the issuer's activities	38, 40 to 43, 294, 438
	Strategy and objectives of the issuer	40 to 43, 185, 186
	Issuer's dependence on patents or licenses, industrial, commercial or financial contracts or new manufacturing processes	158,159
	Competitive positioning	39
	Investments	42, 43, 44 to 59, 294, 325, 326, 438
6.	**Organizational structure**	
	Brief description and organization chart of the Group	38, 39, 305, 423
	List of significant subsidiaries	305, 381
7.	**Financial condition and income**	
	Financial condition	292 to 304
	Operating income	293, 298, 310, 392
8.	**Cash, cash equivalents and share capital**	
	Information on share capital	296, 297, 299, 309, 312, 358, 400, 426
	Cash flow	297, 313, 371 to 372, 393
	Financing requirements and structure	333 to 339, 363 to 365
	Restrictions on the use of capital	333 to 340
	Expected sources of financing	N/A
9.	**Regulatory environment**	158, 159
10.	**Trend information**	39, 44 to 59
11.	**Profit forecasts or estimates**	N/A

Universal Registration Document		Pages
12.	**Administrative, management and supervisory bodies and executive management**	
	Composition of administrative, management and supervisory bodies	62 to 81, 94 to 97
	Conflicts of interest in administrative, management and supervisory bodies and senior management	68, 95, 107
13.	**Compensation and benefits**	
	Compensation and benefits of corporate officers	110 to 147
	Amounts provided for or otherwise recognized for the purpose of paying pensions, retirement or other benefits	117, 254, 360 to 363
14.	**Management entities**	
	Expiration dates of current terms of office	62 to 64, 69 to 81
	Service contracts	68, 95
	Information on the Supervisory Board committees	86 to 91
	Compliance with a Corporate Governance Code	93
	Potential material impacts on governance	N/A
15.	**Employees**	
	Number of employees and employee breakdown	250 to 259, 367, 404
	Shareholdings and stock options held by members of the administrative, supervisory and management bodies	69 to 81, 96, 97, 126 to 134
	Agreements providing for employee share ownership	121, 125, 126, 253, 254
16.	**Principal shareholders**	
	Shareholders with more than 5% of the share capital or voting rights	423 to 425
	Existence of different voting rights	423, 439
	Control of the issuer	423, 424
	Arrangements known to the issuer, the implementation of which could result in a change of control of the issuer	424, 434, 435
17.	**Related-party transactions**	442 to 447, 476
18.	**Financial information concerning the issuer's assets and liabilities, financial position and earnings**	
	Historical financial information	292 to 304, 409, 416 to 418
	Interim and other financial information	N/A
	Audit of historical annual financial information	382 to 387, 410 to 413
	Pro forma financial information	N/A
	Dividend policy	43, 417, 437, 465
	Legal and arbitration proceedings	157, 360, 401
	Significant changes in the issuer's financial position	380, 408, 409, 476
19.	**Additional information**	
	Share capital	426
	Articles of incorporation and by-laws	436 to 438
20.	**Material contracts**	333 to 339, 434, 435, 476
21.	**Documents available**	422

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 Universal Registration Document includes all the items of the annual financial report mentioned in Article L. 451-1-2, paragraph I 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	298, 299, 390 to 409
Consolidated financial statements of the Group	292 to 297, 308 to 381
Management report (refer to the cross-reference table in this report, section 10.7.3)	-
Statement by the person responsible for the annual financial report	478
Statutory Auditors' report on the parent company financial statements	410 to 413
Statutory Auditors' report on the consolidated financial statements	382 to 387
Supervisory Board's report on Corporate Governance (refer to the cross-reference table in this report, section 10.7.4)	-

10.7.3 Cross-reference table for 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 management report	Pages
Activity report	
Financial condition and business activities of the Company in the past fiscal year	44 to 59, 292 to 304
Earnings and business activities of the Company, its subsidiaries and the companies it controls	44 to 59, 292 to 299
Key financial performance indicators	42, 43, 292, 295, 300, 301, 416, 417
Key non-financial performance indicators relating to the Company's specific business, in particular information relating to environmental and personnel issues	185, 186
Analysis of changes in business, earnings and financial condition	292 to 304
Significant events occurring between the reporting date and publication of the management report	380, 408, 476
Trends and outlook	40 to 59
Research and development activities	44 to 59
Changes to the presentation of the annual financial statements and valuation methods	292 to 304, 316 to 323, 396, 397
Description of principal risks and uncertainties	150 to 159, 262 to 266, 333 to 340, 360, 401
Financial risks related to the effects of climate change and measures to reduce them	267 to 274
Internal control and risk management procedures	160 to 172
Information on facilities classified as high-threshold Seveso sites	N/A
Information on the use of financial instruments	333 to 340
Investments made in the three previous fiscal years	438
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	381
Business activity of the Company's subsidiaries and companies controlled by it	44 to 59, 381
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 NFPS	180 to 200, 249 to 274
Independent third party report on NFPS compliance	287 to 289
Information on the implementation of the duty of care plan	275 to 284
Anti-corruption system	228, 281, 282, 284
Information concerning the share capital	
Shareholding structure and changes thereto during the fiscal year	423, 425, 426
Buyback and sale by the Company of its own shares	358, 430 to 432
Transactions in Company shares by executive managers and individuals who are closely related to them	433
Employee share ownership	253, 254, 423, 425
Information on stock subscription options awarded to corporate officers and employees	114, 115, 126 to 134, 253, 254
Obligation for executives to hold shares obtained through stock option or free share plans	107, 114
Elements of calculation and results of the adjustment of the translation bases and conditions of subscription or exercise of securities giving access to the share capital or stock subscription or purchase options	N/A

Executive Board's management report	Pages
Information on the allocation of free shares to corporate officers and employees	114, 115, 131 to 134, 253, 254
Summary of valid authorizations to increase share capital and their use during the fiscal year	428, 429
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	409, 417, 465
Expenses referred to in Articles 39-4 and 223 *quater* of the French Tax Code	477
Breakdown of the Company's supplier and customer payment terms	477
Five-year financial summary	409
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 for the Supervisory Board's report 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.

Supervisory Board's report on Corporate Governance	
Procedures for the exercise of executive management	62 to 98
Limitations imposed by the Supervisory Board on the powers of the Executive Board	104, 105
List of appointments and positions held in any company by each corporate officer	69 to 81, 96, 97
Agreements between a senior executive or significant shareholder and a subsidiary	109
Valuation procedure for related-party agreements and ordinary agreements	108, 109
Delegations of power and authorizations granted by the Shareholders' Meeting to the Executive Board in connection with share capital increases	428, 429
Compensation policy for corporate officers	110 to 118
Information relating to the compensation of corporate officers pursuant to Article L. 22-10-9	119 to 139
Information on factors likely to have an impact in the event of a takeover bid	435
Composition of the Board and the preparation and organization of its proceedings	62 to 93
Gender equality on the Board and description of the diversity policy applied within the Board	64, 65
Description of the provisions of the Afep-Medef Code which are not applied	93
Special terms and conditions relating to the participation of shareholders in Shareholders' Meetings	439
Observations of the Supervisory Board	459

10.7.5 Cross-reference table for the non-financial performance statement (NFPS)

The cross-reference table below shows the correspondence between the non-financial information required in the non-financial performance statement (NFPS) and the other sections 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	Section
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 section 4.1.1 – Business model
Interactions within its subsidiaries/business segments (i.e., customer categories, potential partnerships, use of subcontracting, competitive positioning, relations with stakeholders, etc.)	Section 1.2 – Business
Challenges and outlook for the entity and its businesses (i.e., market trends, ongoing transformations, sectoral sustainable development issues, etc.)	Section 1.3 – Investment model: Strategy and objectives
Information relating to value creation and its distribution among stakeholders	Introductory guide and section 4.1.1 – Business model Section 8.1.2 – Dividend Section 4.3.1 – HR performance: fostering commitment, well-being, support, employability and inclusion
Vision and objectives of the entity (i.e., values, strategy, transformation or investment plan)	Section 1.3 – Investment model: Strategy and objectives
Main risks related to Wendel's business	
ESG challenges within the Wendel Group and responsible investment procedures	Section 4.1.5 – Wendel Group's ESG strategy
ESG challenges of the portfolio companies	Section 4.2 – ESG performance of controlled portfolio companies
Risks related to climate change	Sections 4.1.5 and 4.2 (integrated in the ESG risks of Wendel and the ESG performance of the portfolio companies)
Risks related to the human resources of Wendel's teams	Section 4.3.1 – HR performance: fostering commitment, well-being, support, employability and inclusion
Risk of non-independence of governance bodies and control mechanisms of risks related to business ethics	Section 4.3.3 – Governance and business ethics
Other information disclosed pursuant to 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, the practice of sport, disability	Section 4.3.1 – HR performance: fostering commitment, well-being, support, employability and inclusion
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 risks, opportunities, policies and KPIs related to climate change are presented in sections 4.1.5, 4.2 and 4.3.2 The circular economy approach implemented within Wendel SE is presented in section 4.3.2 – Measuring and managing our environmental footprint. The challenges related to the circular economy specific to Constantia Flexibles are presented in section 4.2.2 Other environmental risks have not been identified as relevant to Wendel's activity as an investor (apart from specific risks related to the activities of controlled companies mentioned in section 4.2 – ESG performance of controlled portfolio companies)
The impact of the business on respect for human rights	Section 4.3.1 – HR performance: fostering commitment, well-being, support, employability and inclusion Section 4.5 – Duty of care plans
The impact of the business on the fight against corruption	Section 4.3.3 – Governance and business ethics

10.8 Glossary

Financial and non-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.
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 the Standard & Poor's scale.
ITO	Independent third party organization responsible for 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 capital 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 operations 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 in note 8 to the consolidated financial statements.
Organic growth	Sales growth at constant structure and exchange rates.
SASB	Sustainability Accounting Standards 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	The rate of return on a share of stock over a given period including dividends received and capital gains. Dividends received are reinvested on the same date.
TSR	See Total Shareholder Return.

Glossary for company businesses

Term	Definition
AML	Anti Money Laundering.
CDP (Carbon Disclosure Project) – Constantia	Global environmental non-profit organization in support of sustainability.
Certified Instructor – CPI	Employee of a CPI-customer company who has been trained to train other employees of their company.
Consumer – Constantia Flexibles	Constantia offers an extremely wide range of products for use in various industry segments including dairy, confectionery, processed food, coffee capsules, pet food.
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.
Green Line – Bureau Veritas	Bureau Veritas' suite of services and solutions dedicated to sustainability.
Leather Finish – Stahl	Process to enhance 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.
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.
Tower colocation rate - IHS	In the telecom tower industry, this is the average number of tenants or sites leased by operators on a telecom tower.

10.9 Index by topic

Term	Page(s)
Annual financial report	307 to 389
Cross-reference table	480 to 485
Director	23, 66, 68 to 81, 96, 97, 106, 125, 154, 155, 164, 191, 265, 442
Dividend	24, 34, 42, 43, 111, 115, 117, 123, 128, 130, 131, 134, 143 to 146, 416 to 419
ESG	173 to 291
Executive Board	18, 19, 20, 21, 61 to 149
Executive compensation	110 to 148
Governance	61 to 149
Insider Trading Policy	264, 265, 266
Internal control	32, 86, 89, 160 to 173, 236, 262, 263, 288
Net Asset Value (NAV)	300 to 304
Share buyback program	417
Shareholders' Meeting	38, 43, 62, 63, 64, 67, 81, 84, 87, 90, 91, 98, 104, 105, 110, 441 to 475
Shareholding structure	22, 253, 327, 407, 424, 429, 462
Supervisory Board	11, 16, 17, 61 to 149, 183, 262, 314, 327, 407, 441 to 475
TSR	24, 111, 112, 115, 117, 131, 132, 134, 143, 145

Printed using an ISO14001 2004-certified management system

Designed & published by LABRADOR +33 (0)1 53 06 30 80

WENDEL

Societas Europea with an Executive Board and a Supervisory Board with capital of €177,630,708
4 rue Paul Cézanne - 75008 Paris
Tel. : 01 42 85 30 00 – Fax : 01 42 80 68 67
April 2023

WWW.WENDELGROUP.COM

Wendel
@WendelGroup