



Building sustainable businesses

	2023 objective	2020	2021	2022	2023	Achievement
GOVERNANCE	% of CEOs in the controlled portfolio whose variable compensation is contingent on progress on their ESG roadmaps	80%	100%	80%	100%	
	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%	16.3%	
	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	Yes	
	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	Yes	Yes (see section 4.1.5.5)	

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.

As a long-term shareholder, Wendel is convinced that taking ESG (Environmental, Social and Governance) criteria into account in its investment activity is an essential factor in creating value. Wendel sets itself apart by emphasizing the importance of an ESG commitment and strategy during the holding phase of its portfolio companies, with a two-fold objective: to define relevant commitments for each investment, accompanied by clear, measurable objectives; and to provide the portfolio companies with its expertise and support on ESG issues.

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 through regulatory developments as investment opportunities arise, and integrates the study of risks and opportunities throughout the cycle of its investments.