

APPENDIX 2 - Management Report on financial statements for the year ended December 31, 2022

Management Report of the Board of Directors of March 15, 2023 to the Annual General Meeting scheduled on May 31, 2023 of Legrand SA (the “Company”)

1. Situation and business

1.1 Situation of the Company during the past financial year, business and results of the Company, each subsidiaries and the companies it controls, by business segment

Net sales amounted to €30.5 million as of December 31, 2022, compared with €35.8 million as of December 31, 2021. It represents services provided within the Group.

Other operating income amounted to €1.2 million as of December 31, 2022, compared with €2.3 million as of December 31, 2021.

Operating expenses amounted to €24.7 million as of December 31, 2022, compared with €26.2 million as of December 31, 2021.

As of December 31, 2022, operating profit was €7.0 million, compared with €11.9 million as of December 31, 2021.

Financial results for financial year 2022 amounts to €482.4 million, compared with €413.5 million as of December 31, 2021.

This change is mainly the result of an increase in dividends received.

Non-recurring items resulted in a loss of €7.2 million on a net basis as of December 31, 2022, compared with a loss of €10.5 million as of December 31, 2021. This change is mainly due to expenses relating to the delivery of performance share plans.

Tax income amounted to €23.1 million as of December 31, 2022, representing the net amount of the tax savings generated by the tax consolidation group, compared with €15.5 million as of December 31, 2021.

Net income amounted to €505.0 million as of December 31, 2022, compared with €430.1 million as of December 31, 2021.

1.2 Analysis of changes in the business, results and financial position of the Company and the Group

Information on the Company's and Group's business is presented in chapter 5 of this Universal Registration Document.

The Company's debt position is summarized in the table below. The Company's external debt is lower in 2022 than in 2021.

<i>(in millions of euros)</i>	December 31, 2022	December 31, 2021
EXTERNAL DEBT		
Debt		
Bonds	3,700.0	4,100.0
Bank borrowings	0.0	0.0
Credit Facility	0.0	0.0
TOTAL EXTERNAL DEBT	3,700.0	4,100.0
Accrued interest	15.1	24.6
Interest expense		
Bonds	38.0	45.8
Bank borrowings	0.0	0.0
Credit Facility	0.0	0.0
TOTAL INTEREST EXPENSE ON EXTERNAL DEBT	38.0	45.8
%	1.0%	1.1%
INTRA-GROUP DEBT		
Debt		
Advance fromt Legrand France SA	0.0	0.0
Interest expense		
Advance fromt Legrand France SA	0.0	0.0
%		
TOTAL DEBT	3,715.1	4,124.6
Equity	2,263.0	2,247.0
DEBT-TO-EQUITY RATIO	164%	184%

1.3 Appropriation of earnings and determination of dividend

We propose that the Company's earnings of €504,957,109.21 in respect of the financial year to December 31, 2022 be appropriated as follows:

- the legal reserve is more than 10% higher than the share capital and that no allocation to the legal reserve is therefore required;
- the legal reserve would be reduced by €252,000. The amount of the reduction, i.e. €252,000 would be allocated to the "Other reserves";
- taking into account the "Retained earnings", the amount of distributable income would therefore amount to €630,418,091.06;
- the "Unavailable reserves for treasury shares" would be increased by an amount of 7,061,158.55 euros, bringing it to a total of 11,726,734.37 euros, of which 3,949,430.72 euros would be deducted from "Other reserves" and 3,111,727.83 euros from the distributable income;
- the amount of distributable profit, reduced by the amount transferred to the "Unavailable reserves for treasury shares", would thus amount to 627,306,363.23 euros;
- the Board of Directors proposes (i) to pay to shareholders as a dividend €1.90 per share, and (ii) to allocate the balance of distributable profit to the item "Retained earnings".

On the basis of the number of shares comprising the share capital at December 31, 2022 and after deduction of treasury shares held at that date, the appropriation of distributable income would be as follows: (i) €506,669,638.90 to dividends and (ii) a total amount of €120,636,724.33 to "Retained earnings".

In the event of a change in the number of shares entitling holders to a dividend before the dividend payment date, the total dividend amount would be adjusted accordingly.

No dividends would be due on any shares held by the Company itself or canceled before the payment date. As regards the tax treatment of the dividend of €1.90 per share, the dividend paid to individual shareholders residing in France is subject to flat-rate income tax of 12.8% in accordance with Article 200 A, 1 of the French General Tax Code. However, upon express, irrevocable overall election by the shareholder, the dividend may be taxed at the sliding-scale income tax rate and eligible for the 40% tax relief provided for in Article 158-3-2° of the French General Tax Code, applicable under certain conditions. The dividend is subject to a withholding tax deducted at source (other than exceptions), as provided for in Article 117 *quater* of the French General Tax Code, which is then set off against

income tax due on income received in 2022. In any event, the dividend will also be subject to social security levies totaling 17.2%.

The tax-related items of information presented here are those applicable at the time of drafting this report. As a general rule, shareholders are invited to consult their usual advisers as to applicable taxation arrangements.

1.4 Internal control and risk management procedures relating to the preparation and processing of financial and accounting information

Main characteristics of internal control and risk management procedures implemented by the Company on financial information are described in chapter 3 of this Universal Registration Document.

1.5 Description of the main risks and uncertainties faced by the Company

Risks and related Group policies are presented in chapter 3 of this Universal Registration Document.

1.6 The Company's objectives and policy concerning hedging in each main category of transactions for which hedge accounting is used, and about its exposure to price, credit, liquidity and treasury risks

All of this information is presented in chapter 8 of this Universal Registration Document.

Management of these risks is described in note 5.1.2 to the consolidated financial statements, which appear in chapter 8 of this Universal Registration Document.

1.7 Description and management of financial risks linked to the effects of climate change

Information on financial risks related to climate change effects and the presentation of measures taken by the Company to mitigate those risks by implementing a low-carbon strategy in all its business components are provided in chapter 4 of this Universal Registration Document and in note 5.2 to the consolidated financial statements in chapter 8 of this Universal Registration Document.

1.8 Significant events between the reporting date and the date of preparation of the Management Report

None.

1.9 Forecast changes in the Company's position

All of this information is presented in chapter 2 of this Universal Registration Document.

Readers are invited to refer to chapter 5.13 of this Universal Registration Document for more information about the Group's outlook.

1.10 Existing branches

None.

1.11 Research and Development activities

None.

1.12 Due dates of accounts payable and customer receivables

In accordance with Article L. 441-14 of the French Commercial Code, the table below presents the balance of invoices received but not paid at the end of the financial year:

Days overdue relative to invoice due date <i>(in thousands of euros)</i>	0 day	1 day or more	Total (1 day or more)
Total invoices incl. VAT at December 31, 2022	1,099	0	0
% of total ex-VAT purchases in 2022	18.1%	0%	0%
Total invoices incl. VAT at December 31, 2021	726	0	0
% of total ex-VAT purchases in 2021	17.1%	0%	0%

In accordance with Article L. 441-14 of the French Commercial Code, the table below presents the balance of invoices raised but not paid at the end of the financial year:

Days overdue relative to invoice due date <i>(in thousands of euros)</i>	0 day	1 day or more	Total (1 day or more)
Total invoices incl. VAT at December 31, 2022	9,774	0	0
% of ex-VAT revenue in 2022	32.0%	0%	0%
Total invoices incl. VAT at December 31, 2021	27,475	0	0
% of ex-VAT revenue in 2021	76.8%	0%	0%

1.13 Significant shareholdings or controlling interests acquired during the financial year in companies whose registered office is in France

None.

2. Information relating to the Company's corporate social and environmental responsibility

Duty of care plan

The duty of care plan and the report on its implementation are presented in chapter 4 of this Universal Registration Document.

3. Corporate governance

In accordance with paragraph 6 of Article L. 225-37 of the French Commercial Code, this section of the Management Report presents the information required in respect of the report on corporate governance.

3.1 Appointments and positions by each company officer in any company during the financial year (also including information on each company officer's nationality, age and main role)

This information is given in section 6.1.1.1 of this Universal Registration Document.

3.2 Start and end dates of each director's term of office

This information is given in section 6.1.1.1 of this Universal Registration Document.

3.3 Agreements entered into (directly or through an intermediary) between (i) a director, company officer or shareholder holding more than 10% of voting rights and (ii) a Company subsidiary (excluding standard agreements)

No member of the Company's Board of Directors or company officer is engaged in any business relationships with any Company subsidiary.

No Company shareholder holds more than 10% of its voting rights.

3.4 Report on work of the Board of Directors and its committees

This information is provided in sections 6.1.1.3 and 6.1.3.3 of this Universal Registration Document.

3.5 Membership of the Board of Directors and its committees

This information is provided in sections 6.1.1.1 and 6.1.3.1 of this Universal Registration Document.

3.6 Procedure for the selection of directors and report on its application

This information is provided in section 6.1.1.1 of this Universal Registration Document.

3.7 Preparation and organization of the work of the Board of Directors and its committees

This information is provided in sections 6.1.1.2, 6.1.1.3, 6.1.3.2 and 6.1.3.3 of this Universal Registration Document.

3.8 Number of meetings of the Board of Directors and of its committees, and director attendance rates

This information is provided in sections 6.1.1.3 and 6.1.3.3 of this Universal Registration Document.

3.9 Evaluation of the Board of Directors

This information is provided in section 6.1.1.2 of this Universal Registration Document.

3.10 Independence of directors

This information is provided in section 6.1.1.1 of this Universal Registration Document.

3.11 Description of the diversity policy applicable to members of the Board of Directors and the Company's Executive Committee

This information is provided in sections 6.1.1.1, 6.1.3.1 and 6.1.4.5 of this Universal Registration Document.

3.12 Limits that the Board of Directors imposes on the powers of the Chief Executive Officer

This information is provided in section 6.1.4 of this Universal Registration Document.

3.13 Procedure for assessing agreements relating to ordinary transactions and formed on an arm's-length basis

Information relating to the procedure mentioned in Article L. 22-10-12 of the French Commercial Code is provided in the section on the "Internal charter relating to the designation of an agreement" in section 6.1.1.2 of this Universal Registration Document.

3.14 Reference to a Code of Corporate Governance

The Company refers to the principles of corporate governance for listed companies set out in the Afep-Medef Code of Corporate Governance, which can be consulted on Medef's website at: www.medef.com. The Company considers that its practices comply with all recommendations of that Code.

3.15 Formalities regarding shareholders' participation in General Meetings

Conditions for participation in the Company's General Meetings are outlined in article 12 ("General Meetings") of the Company's Articles of Association (available on the www.legrandgroup.com website) and in section 9.3.5 of this Universal Registration Document.

3.16 Summary of extant authorization granted by shareholders to the Board of Directors to increase the share capital and use made of such authorization during the year

This information is provided in section 9.2.1.1 of this Universal Registration Document.

3.17 Factors that may be relevant in the event of a takeover bid

Ownership structure	Legrand's ownership structure is presented in section 7.1.1 of this Universal Registration Document.
Restrictions contained in the articles of association on the exercise of voting rights and on transfers of shares or clauses in agreements disclosed to the Company pursuant to article L. 233-11 of the French Commercial Code	None.
Direct and indirect interests in the Company's capital of which the Company is aware in accordance with articles L. 233-7 and L. 233-12 of the French Commercial Code	Changes in the ownership of Legrand Securities during 2022 are presented in section 7.1.1.2 of this Universal Registration Document.
Owners of any securities conferring special rights of control and description of those securities	None.
Control procedures provided for in any employee share-ownership plan where employees do not exercise rights of control themselves	In accordance with the regulations of the "Actions Legrand" company mutual fund, the voting rights attached to the Company's shares are exercised by the fund's Supervisory Board.
Shareholders' agreements of which the Company is aware and that may entail restrictions on the transfer of shares and on the exercise of voting rights	None.
Appointment and replacement of members of the Board of Directors and amendment of the Company's Articles of Association	<p>In accordance with its Articles of Association, the Company is managed by a Board of Directors made up of a minimum of three members and a maximum of eighteen members, except as provided by law in the event of a merger.</p> <p>Except as provided by law, each Director must hold (in registered form) at least 500 shares of the Company throughout his/her term as Director.</p> <p>In the course of his/her term of office, the internal rules of the Board of Directors recommend that each director gradually acquire a number of shares equivalent to one full year of his/her share of directors' fees. For calculation purposes it is assumed that the director takes part, over one financial year, in all meetings of the Board and the committee(s) to which he/she belongs, and the unit value of Legrand Securities is equal to the average of Legrand share price over the previous financial year.</p> <p>Directors have a three-year term of office⁽¹⁾ It expires at the end of the Ordinary General Meeting of Shareholders convened to consider the financial statements for the previous financial year and held in the year in which their term of office expires. Directors may be reappointed for consecutive terms.</p> <p>When statutory conditions are met, the Board of Directors may appoint members to the Board on a temporary basis for the remaining term of office of their predecessor. By law, temporary appointments shall be subject to ratification by the next Ordinary General Meeting of Shareholders.</p> <p>No individual one over the age of 70 may be appointed as a member of the Board of Directors if such appointment means that more than a third of Board members will be over that age. If, during their term of office, members of the Board of Directors over the age of 70 make up more than one third of the Board, the oldest member of the Board of Directors will be deemed to have resigned at the end of the Ordinary General Meeting of Shareholders convened to consider the financial statements for the previous financial year and held during the year in which the age limit is reached.</p> <p>Where the Company's Articles of Association do not specifically provide otherwise, their amendment shall be subject to the applicable statutory provisions.</p> <p>When the legal conditions are met, the Board of Directors may appoint provisional members of the Board for the remaining term of office of their predecessor. As provided by law, provisional appointments are subject to ratification at the first shareholders' meeting after the appointment is made.</p> <p>No individual over the age of 70 may be appointed to the Board of Directors if his/her appointment results in more than one-third of</p>

(1) The director's term of office was reduced from four years to three years by the Shareholders' Meeting of May 27, 2020 (sixteenth resolution). This change applies only to appointments and renewals of terms decided on or after the said Meeting.

Powers of the Board of Directors, in particular concerning shares' issuance and repurchase

Agreements entered into by the Company that would be amended or would lapse in the event of a change of control of the Company, except (unless disclosure is required by law) where disclosure would seriously harm its interests

Agreements providing for payment of compensation to employees or members of the Board of Directors in the event of resignation, dismissal without real and serious cause, or termination of employment due to a takeover bid

members of the Board of Directors having exceeded such age. If, during their term of office, the number of members of the Board of Directors over the age of 70 exceeds one-third of their total number, the oldest member will be deemed to have resigned at the end of the ordinary General Meeting of shareholders called to consider the accounts for the previous financial year and held during the year in which the age limit is reached.

Where the Company's Articles of Association do not specifically provide otherwise, amendments to the articles are subject to the provisions of applicable law.

This information is presented in sections 9.2.1.1 and 9.2.2.1 of this Universal Registration Document.

The Company can only repurchase its own shares outside periods of public offerings involving the Company's shares.

The following agreements may be amended or may lapse if control of the Company changes:

- agreement for the issuance of bonds on the US market by the Legrand France subsidiary in an amount of \$347.3 million, in the event of a change in control due to a hostile takeover;
- the loan contract in an amount of €900 million entered into with financial institutions on October 20, 2011 and amended on July 25, 2014, on December 20, 2019 and on September 20, 2022;
- the bond issue completed on December 9, 2015 in a total nominal amount of €300 million;
- the bond issue completed on June 29, 2017 in a total nominal amount of €1 billion;
- the bond issue completed on October 4, 2017 in a total nominal amount of €400 million;
- the bond issue completed on March 6, 2018 in a total nominal amount of €400 million;
- the bond issue completed on June 17, 2019 in a total nominal amount of €400 million;
- the bond issue completed on May 12, 2020 in a total nominal amount of €600 million;
- the bond issue completed on October 6, 2021 in a total nominal amount of €600 million.

None with respect to the company officers and members of the Board of Directors.

3.18 Description of the compensation policy for company officers

In accordance with article L. 22-10-8 of the French Commercial Code, information required under article R. 22-10-14 of the French Commercial Code is presented in section 6.2.2 of this Universal Registration Document.

3.19 Total compensation and benefits of any kind paid or awarded to each company officer during the financial year

In accordance with article L. 22-10-9 of the French Commercial Code, this information is presented in section 6.2.3 of this Universal Registration Document.

3.20 Presentation of the compensation of company officers compared with the mean compensation on a full-time-equivalent basis of the Company's employees and the change in that ratio over the last five financial years

This information is presented in section 6.2.3.3 of this Universal Registration Document.

3.21 Presentation of the compensation of company officers compared with the median compensation on a full-time-equivalent basis of the company's employees and the change in that ratio over the last five financial years

This information is presented in section 6.2.3.3 of this Universal Registration Document.

3.22 Any kinds of commitment made by the Company to its company officers concerning compensation, allowances or benefits payable or likely to be payable as a result of, or subsequent to, taking up, changing or leaving their offices

This information is mentioned in the "D- Other compensation components" part of section 6.2.2.2, and section 6.2.3.2 of this Universal Registration Document.

3.23 Lock-in requirements for stock options and bonus shares awarded to executives

This information is provided in chapter 7 and section 6.2.2.2 of this Universal Registration Document.

4. Ownership structure and capital

4.1 Ownership structure and changes during the financial year

The shareholding structure of the Company and information about the crossing of thresholds and treasury shares is presented in section 7.1 of this Universal Registration

Document. For more information on shareholders and share ownership thresholds, please consult sections 7.1.1.2 to 7.1.4 of this Universal Registration Document.

4.2 Amount of dividends distributed with respect to the past three years, amount of income eligible for the 40% allowance and amount non-eligible for that allowance

In accordance with the provisions of Article 243 bis of the French General Tax Code, we inform you of the dividends paid over the past three years.

Dividends distributed in respect of the 2019, 2020 and 2021 financial years were as follows:

Financial year	Number of shares entitled to dividends	Dividend per share	Earnings distributed per share	
			Eligible for the 40% income tax allowance provided for in Article 158(3)(2) of the French General Tax Code	Not eligible for the 40% income tax allowance provided for in Article 158(3)(2) of the French General Tax Code
2019	266,730,249 shares with a par value of €4 each	€1.34	€1.34	€0.00
2020	266,157,780 shares with a par value of €4 each	€1.42	€1.42	€0.00
2021	266,267,686 shares with a par value of €4 each	€1.65	€1.65	€0.00

4.3 Information on acquisitions and disposals by the Company of its own shares

The Company appointed a financial institution to maintain a liquid market for its shares on the Euronext™ Paris market under a liquidity contract. This contract is compliant with the AMF decision on July 2, 2018 relating to the establishment of liquidity contracts on equity securities under accepted market practice.

During the 2022 financial year, the Company purchased a total of 3,041,854 shares at a total cost of €241,437,437 and sold 2,963,570 shares for a total of €234,939,399, under the liquidity agreement.

With respect to the liquidity agreement, the average purchase price was €79.37 per share and the average sale price was €79.28 per share. There were no trading costs associated with these transactions.

At December 31, 2022, the balance on the liquidity agreement stood at 111,230 shares.

Outside the scope of the liquidity contract, the Company repurchased 450,000 shares during the 2022 financial year, for a value of €38,030,814 at an average purchase price of €84.51, with trading costs amounting to €114,131.

The Company transferred 426,945 shares to employees under performance share plans.

At December 31, 2022, the Company held 149,515 shares with a nominal value of €4 each, *i.e.* a total of €598,060 representing 0.05% of its share capital. Valued at cost at the time of purchase, these shares amounted to €11,726,735.

Aside from the liquidity agreement, the Company held 38,285 shares at December 31, 2022, with a total purchase cost of €3,155,586 and nominal value of €153,140.

4.4 Transactions in securities by company officers and similar persons

Transactions reported by the company officers, key executives and similar persons to the French Financial Markets Authority from March 15, 2022 until March 15, 2023 year were as follows:

Person reporting	Type of transaction	Description of the financial instrument	Count of transactions	Total amount of transactions (in euros)
Michel Landel	Acquisition	Shares	1	49,615
Angeles Garcia-Poveda	Acquisition	Shares	1	77,960
Olivier Bazil	Change of matrimonial regime	Shares	2	0
Florent Menegaux	Acquisition	Shares	1	40,100
Antoine Burel	Sale	Shares	1	796,929
Franck Lémerly	Sale	Shares	3	402,258
Franck Lémerly	Donation	Shares	1	0
Franck Lémerly	Donation	Shares	1	0
Isabelle Boccon-Gibod	Acquisition	Shares	1	13,549.68
Michel Landel	Acquisition	Shares	1	44,300
Florent Menegaux	Acquisition	Shares	1	26,746

4.5 Information on adjustments to conversion terms or terms relating to the subscription or exercise of securities giving access to the capital

None.

4.6 Information on adjustments to the number and/or price of shares corresponding to stock options and performance shares

Information on the Company's stock option plans and performance share plans is presented in sections 7.2 and 7.3 of this Universal Registration Document.

In accordance with Articles L. 225-184 and L. 225-197-4 of the French Commercial Code, special reports on this subject will be presented to the General Meeting on May 31, 2023.

4.7 Statement of employee share ownership at year-end and portion of the share capital represented by shares held by employees under the employee share ownership program and by current and former employees through a company mutual fund

The total number of shares held by employees and similar persons is 9,632,549, representing 3.61% of the share capital, including 746,206 shares held in the "Actions Legrand" investment fund, a sub-fund of the Group's employee share ownership plan. These shares represented 0.28% of the Company's share capital.

At December 31, 2022, Group employees held a total of 2,622,763 shares within the meaning of article L. 225-102 of the French Commercial Code, representing 0.98% of the Company's share capital and voting rights.

4.8 Names, business and results of controlled companies and percentage of the share capital held

For subsidiaries and equity interests, an organizational chart and a presentation of their business and results are provided in sections 9.1.7 and 9.1.8 of this Universal Registration

Document, and in note 10.6 to the parent-company financial statements.

4.9 Share disposals to regularize cross-shareholdings

None.

5. Other legal, financial and tax information concerning the Company

5.1 Expenditures on luxuries

None.

5.2 Add-backs of excessive general expenditure or general expenditure that does not feature in the special statement

Non-deductible expenses for financial year 2022, excluding items carried over from prior years, came to €73,499, including €11,132 related to the tax on company's vehicles

(*Taxe sur les Véhicules de Tourisme et Société*) and €62,367 related to vehicle lease payments and depreciation, with the corresponding tax in an amount of €18,981.

5.3 Table of the Company's results over the past five years

In accordance with Article R. 225-102 of the French Commercial Code, we inform you of the Company's earnings over the past five years. For the sake of clarity, this information is presented in the table below:

(in thousands of euros except for numbers of shares, earnings per share and numbers of employees)

	2018	2019	2020	2021	2022
Capital at end of year					
Share capital	1,069,981	1,069,105	1,069,791	1,069,791	1,067,271
Number of ordinary shares	267,495,149	267,276,128	267,447,746	267,447,746	266,817,746
Total number of shares in issue	267,495,149	267,276,128	267,447,746	267,447,746	266,817,746
of which shares held in treasury*	905,347	313,406	125,407	678,176	149,515
Comprehensive income from operations					
Ex-VAT revenue	18,592	24,725	21,970	35,768	30,539
Income before tax, employee profit-sharing, depreciation, amortization and provisions	211,516	417,336	414,896	419,869	480,553
Income tax benefit/(expense)	16,630	13,944	15,707	15,540	23,049
Employee profit-sharing	(161)	(109)	(99)	(290)	(318)
Income after tax, employee profit-sharing, depreciation, amortization and provisions	227,535	431,363	427,487	430,135	504,957
Dividends paid	336,819	357,063	357,419	377,944	439,342
Income from operations per share (in euros)					
Income after tax and employee profit-sharing, but before depreciation, amortization and provisions	0.85	1.61	1.61	1.63	1.89
Income after tax, employee profit-sharing, depreciation, amortization and provisions	0.85	1.61	1.60	1.61	1.89
Dividend paid per ordinary share	1.26	1.34	1.34	1.42	1.65
Employee data					
Average number of employees	37	43	44	45	44
Total payroll	7,175	7,109	5,884	8,256	8,037
Total benefits (social security, other social benefits, etc.)	2,482	2,703	3,632	4,950	4,569

* Treasury shares do not carry any dividend entitlement or voting rights.

5.4 Loans referred to in Article L. 511-6(3bis) of the French Monetary and Financial Code (i.e. loans of less than three years granted by the Company to very small, small and medium-sized businesses with which it has economic links that justify such loans)

None.

5.5 Collateral, sureties and guarantees given and other security provided

At its meeting on February 8, 2023, the Board of Directors, acting in accordance with Article R. 225-28 of the French Commercial Code, authorized the Chief Executive Officer to grant collateral, sureties and other guarantees in the name of and on behalf of the Company, up to a limit of €100,000,000.

However, this limit does not apply to collateral, sureties or guarantees granted to tax or customs authorities, which are not subject to any limit. This authorization was granted for a term of one year.

5.6 Injunctions or fines for anti-competitive practices

None.

Readers are invited to refer to chapter 8.5 of this Universal Registration Document for more information about the legal and arbitration proceedings

5.7 Information on facilities categorized as upper tier under the Seveso Directive

The Company does not have any facilities that qualify as “upper-tier Seveso” sites, according to the terms of article L. 515-36 of the French Environment Code.

On March 15, 2023

The Board of Directors

APPENDIX 3 - Statutory Auditors' report on the financial statements for the year ended December 31, 2022

LEGRAND

Société Anonyme
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This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English-speaking readers. This report includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying financial statements of Legrand 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 of December 31, 2022, and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Financial Statements" section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules provided for in the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for Statutory Auditors, for the period from January 1, 2022, to the date of our report, and, in particular, we did not provide any non-audit services prohibited by Article 5(1) of Regulation (EU) No. 537/2014.

Furthermore, we mainly provided the following non-audit services to your Company and its controlled undertakings during the financial year that are not disclosed in the management report or in the notes to the financial statements:

- Deloitte & Associés: verification of the consolidated non-financial performance statement referred to in Article L.225-102-1 of the French Commercial Code;
- PricewaterhouseCoopers Audit: a tax compliance consultation.

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 relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Value in use of shares in subsidiaries and affiliates

Risk identified

Shares in subsidiaries and affiliates are stated at acquisition cost and impaired, where necessary, based on their value in use determined by reference to Legrand's equity in the investee's revalued net assets, as adjusted to reflect its earnings performance and growth outlook (Note 1.3 "Legrand SA financial statements").

As of December 31, 2022, they comprise Legrand France SA shares recorded in the balance sheet in the amount of €3,774 million (Note 2.2 "Legrand SA financial statements"), that is 65% of total assets. The residual balance primarily consists of amounts receivable from this subsidiary. The correct valuation of this heading, which requires the exercise of judgement when deciding the items to be taken into consideration and the assumptions adopted, is sensitive to the economic environment and uncertainties specific to forecasts and is key to the assessment of Legrand's asset and financial position. We therefore considered the valuation of shares in subsidiaries and affiliates to be a key audit matter.

Our response

We verified, based on information communicated to us, that the valuation method and figures underlying the estimated value determined by management are appropriately substantiated.

Our work mainly consisted in verifying that the fair value estimated by management was based on enterprise values founded on identical assumptions to those used by the group for impairment testing on the activity scope of the Legrand France SA subsidiary and its directly and indirectly-held subsidiaries.

We assessed the relevance of the approach adopted by management to measure the value in use of the Legrand France SA shares.

Our valuation experts carried out an independent analysis of certain key assumptions used by management to perform the estimates, pertaining in particular to the discount rate, the royalty rate and the perpetual growth rate for future cash flows, referring both to external market data and analyses of comparable companies.

We analyzed the consistency of the projected future cash flows with historical data and our knowledge of the Group's business, supported by interviews with the Group's management control department.

We also tested the mathematical accuracy of the Group's calculation, on a sample basis.

Finally, we verified the consistency of the value in use adopted with the group's stock market capitalization.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

Information given in the management report and in the other documents provided to shareholders with respect to the financial position and the financial statements

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents provided to shareholders with respect to the financial position and the financial statements.

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.

Report on corporate governance

We attest that the Board of Directors' report on corporate governance sets out the information required by Articles L.225-37-4, L.225-10-10 and L.22-10-9 the French Commercial Code.

Concerning the information given in accordance with the requirements of Article L.22-10-9 of the French Commercial Code relating to compensation and benefits received by or allocated to the directors and any other commitments made in their favor, 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 companies included in the consolidation scope. Based on this work, 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 public purchase or exchange offer, provided pursuant to Article L.22-10-11 of the French Commercial Code, we have verified their compliance with the source documents communicated to us. Based on our work, we have no observations to make on this information.

Other information

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Other Legal and Regulatory Verifications or Information

Format of presentation of the financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the financial statements intended to be included in the annual financial report mentioned in Article L.451-1-2, I of the French Monetary and Financial Code (*code monétaire et financier*), prepared under the responsibility of the Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of December 17, 2018.

Based on the work we have performed, we conclude that the presentation of the financial statements included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the financial statements that will ultimately be included by your Company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Legrand by the Annual General Meetings held on December 21, 2005, for Deloitte & Associés and on June 6, 2003, for PricewaterhouseCoopers Audit.

As of December 31, 2022, Deloitte & Associés and PricewaterhouseCoopers Audit were in the 18th year and 20th year of total uninterrupted engagement, respectively. For both firms, this is the 17th year since the securities of the Company were admitted to trading on a regulated market.

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 risk management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code, our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;

- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements;
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 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 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.

Neuilly-sur-Seine and Paris-La Défense, March 30, 2023

The Statutory Auditors

PricewaterhouseCoopers Audit

Camille PHELIZON

Deloitte & Associés

Olivier BROISSAND