

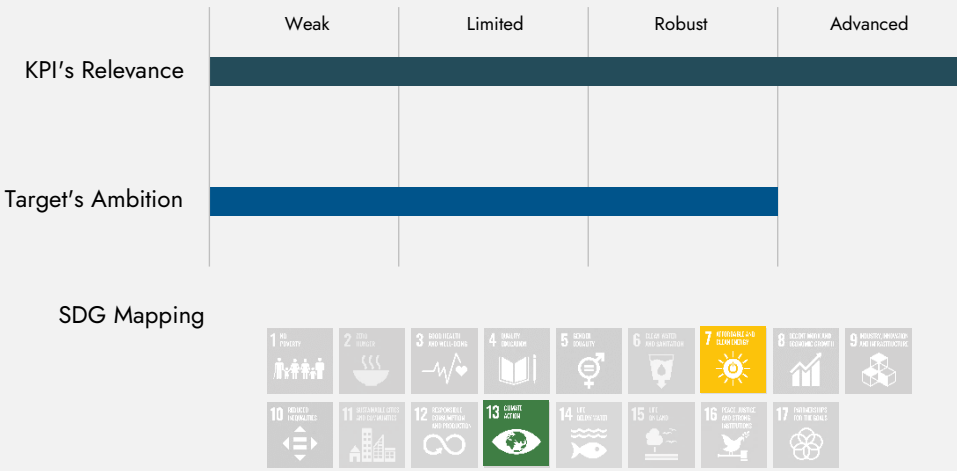
SECOND PARTY OPINION

on LEGRAND'S Sustainability-Linked Financing Framework

V.E is of the opinion that Legrand's Sustainability-Linked Financing Framework is aligned with the core components of the Sustainability-Linked Bond Principles (SLBP) 2020.



Framework



Characteristics of the Framework

| | |
|---|----------------------------|
| Audit of the Data | Yes |
| Three-year Historical Data | Yes |
| Nature of the Impacts on the Bond's Characteristics | Financial (coupon step up) |
| Disclosure of measures to achieve the SPT(s) | Yes |

Sustainability Performance Targets (SPT)

KPI 1: Absolute Scopes 1 & 2 GHG emissions

- SPT: Reduce the absolute scopes 1 & 2 GHG emissions by 50% by 2030, baseline 2019.

KPI 2: Absolute Scope 3 GHG emissions

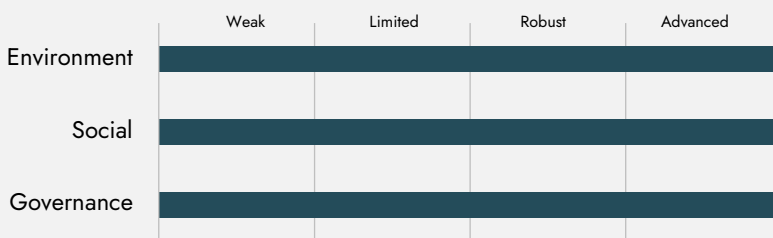
- SPT: Reduce the absolute scope 3 GHG emissions by 15% by 2030, baseline 2019.

| | 2019 (Baseline) | 2030* |
|-------|-----------------------------|-----------------------------|
| KPI 1 | 177 kt CO ₂ eq | 88 kt CO ₂ eq |
| KPI 2 | 2,710 kt CO ₂ eq | 2,300 kt CO ₂ eq |

*Trigger event

Issuer

ESG Performance as of August 2021



ESG Controversies

| | |
|-------------------------|-------------|
| Number of controversies | One |
| Frequency | Isolated |
| Severity | High |
| Responsiveness | Remediative |



- Advanced
- Limited
- Robust
- Weak

Involvement in Controversial Activities

- Animal welfare
- Cannabis
- Chemicals of concern
- Civilian firearms
- Alcohol
- Fossil Fuels industry
- Coal
- Gambling
- Genetic engineering
- High interest rate lending
- Human Embryonic Stem Cells
- Military
- Nuclear power
- Pornography
- Reproductive medicine
- Tar sands and oil shale
- Tobacco

Key findings

V.E is of the opinion that Legrand's Sustainability-Linked Financing Framework is aligned with the core components of the Sustainability-Linked Bond Principles (SLBP) 2020.

Selection of the Key Performance Indicator (KPI) – aligned with the SLBP

- The KPI(s) are relevant and material from an environmental standpoint.
- The KPI(s) are measurable, externally verifiable and can be benchmarked.
- The KPI's definition, the rationale behind their selection, the calculation methodologies and coverage are clearly defined

Calibration of the Sustainability Performance Target (SPT) – aligned with the SLBP

- The SPT(s) demonstrate a robust level of ambition.
- The timeline, baseline and trigger events are clearly disclosed.
- The means to achieve the SPT(s) are clearly disclosed.

Bond Characteristics – aligned with the SLBP

- The nature of the bond characteristics' variation and the trigger events are clearly disclosed in the Framework.
- The Issuer commits to disclose the actual financial impact in the bond documentation for each issuance. For the first issuance, it is a 25-bps coupon step-up for each SPT (total 50-bps).

Reporting– aligned with the SLBP and best practices identified by V.E

- The internal control and reporting processes are relevant, transparent and support the provision of reliable data.
- The Issuer commits to annual reporting on all relevant information related to the KPIs and its associated SPTs, including results, underlying methodologies, and assumptions.

Verification– aligned with the SLBP and best practices identified by V.E

- The KPIs will be externally verified on an annual basis. The issuer will verify the SPTs, as part of the 2030 annual audit exercise of the company (Legrand's fiscal year ending on December 31st, 2030).
- The achievement of the SPTs will be externally verified within 180 days from the target observation date (i.e. December 31st, 2030 for the first SLB issuance) and before the bonds' Maturity Date. The verification assurance reports will be made publicly available.

Type of External Reviews supporting this Framework

| | | | |
|-------------------------------------|--|-------------------------------------|--|
| <input checked="" type="checkbox"/> | Pre-issuance Second Party Opinion | <input checked="" type="checkbox"/> | Independent verification of KPI(s) reported data |
| <input checked="" type="checkbox"/> | Independent verification of SPT(s) achievement | | |

Contact

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SCOPE

V.E was commissioned to provide an independent opinion (hereafter “Second Party Opinion” or “SPO”) on the integration of two environmental factors to the Sustainability-Linked Bonds (the “Bonds”) to be issued by Legrand (“Legrand” or the “Issuer”) in compliance with the Sustainability-Linked Financing Framework (the “Framework”) created to govern their issuances.

The Framework aims to highlight both the Issuer’s sustainability strategy and sustainable finance strategy while demonstrating its alignment with the ICMA’s Sustainability-Linked Bond Principles. In addition, the Framework includes the Issuer’s commitment to achieve specific targets (“Sustainability Performance Targets” or “SPTs”) regarding two environmental key performance indicators (hereafter the “KPIs”) proposed as part of its sustainability strategy.

The debt instruments included in the Framework are intended to finance general corporate purposes, as opposed to other sustainable financial instruments such as green bonds. The facilities are agnostic on how funds are used. The main feature of this type of financing is the variation of the bond’s financial characteristics, depending on whether the Issuer achieves predefined sustainability performance objectives.

For these so-called Sustainability-Linked Bonds, the selected KPIs to be linked to the variation of the bonds’ financial characteristics are the following:

- **KPI 1:** Absolute scopes 1 & 2 greenhouse gas (GHG) emissions, with the following target and trigger event:
 - o SPT: Reduce the absolute scopes 1 & 2 GHG emissions by 50% by 2030, baseline 2019.
- **KPI 2:** Absolute scope 3 greenhouse gas (GHG) emissions, with the following target and trigger event:
 - o SPT: Reduce the absolute scope 3 GHG emissions by 15% by 2030, baseline 2019.

Our opinion is established using V.E Environmental, Social and Governance (“ESG”) assessment methodology and the International Capital Market Association’s (ICMA) Sustainability-Linked Bond Principles (“SLBP”) voluntary guidelines, published in June 2020. This opinion is strictly limited to the integration of two environmental factors in the Bonds. This opinion does not cover the integration of broader sustainability factors (i.e., social and governance), or the labelling of the Bonds where the final decision is left to Legrand. This opinion does not constitute a verification or certification.

Our opinion is built on the review of the following components:

1. Framework: we assessed the Framework’s alignment with the core components of the SLBP 2020.
2. Issuer: we assessed Legrand’s ESG performance, its management of potential stakeholder related ESG controversies and its involvement in controversial activities¹.

Our sources of information are multi-channel, combining data from (i) public information gathered from public sources, press content providers and stakeholders, (ii) information from V.E exclusive ESG rating database, and (iii) information provided by the Issuer through documents.

We carried out our due diligence assessment from August 6th to September 24th, 2021. We consider that we were provided with access to all the appropriate documents we solicited. Reasonable efforts have been made to verify data accuracy.

¹The 17 controversial activities screened by V.E are: Alcohol, Animal welfare, Cannabis, Chemicals of concern, Civilian firearms, Fossil Fuels industry, Coal, Gambling, Genetic engineering, High interest rate lending, Human Embryonic Stem Cells, Military, Nuclear power, Pornography, Reproductive medicine, Tar sands and oil shale, and Tobacco.

COHERENCE

| |
|--------------------|
| Coherent |
| Partially coherent |
| Not coherent |

V.E considers that the selected KPIs are coherent with Legrand's strategy and priorities in terms of sustainability.

Legrand's CSR strategy is disclosed in its Corporate Social Responsibility Report² 2019, and is based on three main areas:

1. Business Ecosystem: how Legrand interacts ethically with its activities.
2. People: how Legrand engages with employees and stakeholders. Legrand discloses a public commitment regarding gender diversity in the workplace.
3. Environment: how Legrand intends to limit the Group's environmental impact.

Legrand has set additional objectives in its latest CSR Roadmap (2019-2021)³, namely:

- Deriving 80% of the Group's sales from sustainable products.
- Ensuring that 1/3 of key positions are held by women and that Legrand's workforce is gender balanced.
- Achieving a 30% reduction in CO₂ emissions directly related to the Group's activities (target validated by SBTi).

Legrand's CSR Roadmap encompasses several varied sustainable development priorities, such as fostering the circular economy in its products with measures such as:

- The improvements in environmental performance at the Group's research and development (R&D) centres through the gradual incorporation of eco-design practices.
- The Use of product life cycle analysis (LCA) and the formalization of environmental performance in PSPs (Product Sustainability Profiles) or PEPs (Product Environmental Profiles).
- The traceability and substitution of hazardous substances in products.
- The management of industrial waste as part of an ISO 14001:2015 certified EMS

Legrand discloses environmental targets regarding circular economy such as: reaching recycling waste recovery by 90% and reduce emissions of Volatile Organic Compounds (VOCs) by 10%.

Additionally, Legrand disclose a strategy reaching "carbon neutrality" by 2050, by:

- Eliminating net GHG emissions across all activities (scopes 1, 2 and 3).
- Aligning with the 1.5°C increase above pre-industrial level target of the Paris Agreement.

Moreover, Legrand reports on complying with international standards such as the Universal Declaration of Human Rights, the Declaration of the International Labour Organization (ILO), the Global Reporting Initiative (GRI), ISO 26000, SASB (Sustainability Accounting Standards Board) standards for the Electrical & Electronic Equipment and Software & IT Services industries, the Ten Principles of the United Nations Global Compact, and the United Nations Sustainable Development Goals (2030). In 2017, Legrand joined the "Global Alliance for Energy Productivity"⁴, and the Science-Based Target program. Legrand is a member of the French Association for Electrical, Electronic and Communications Industries (FIEEC), which has disclosed its commitment of the EU Green Deal and the energy transition to a climate-neutral Europe. The KPIs and associated SPTs chosen for Legrand's Sustainability-Linked Financing Framework, expected

² CSR report 2019 https://www.legrandgroup.com/sites/default/files/Documents_PDF_Legrand/RSE/DP-CSR_2019-2021_1556281158.pdf

³ https://www.legrandgroup.com/sites/default/files/Documents_PDF_Legrand/RSE/New_Roadmap_CSR_1566978149.pdf

⁴ Global alliance Productivity <https://www.ase.org/globalproductivity>



to be reached by 2030, are a direct reflection of the Issuer's decarbonisation strategy and are consistent with its ambition to transition by 2050.

FRAMEWORK

The Issuer has described the main characteristics of the Bonds within a formalised Framework which covers the core components of the SLBP 2020 (the last updated version was provided to V.E on, September 24th, 2021). The Issuer has committed to make this document publicly accessible on its website⁵ at the first issuance date, in line with good market practices.

Alignment with Sustainability-Linked Bond Principles

Selection of the Key Performance Indicator (KPI)



- The KPIs are relevant and material from an environmental standpoint.
- The KPIs are measurable, externally verifiable and can be benchmarked.
- The KPIs' definition, the rationale behind their selection, the calculation methodologies and coverage are clearly defined.

Table 1. Analysis of the KPIs selected by the Issuer

| KPI 1: ABSOLUTE SCOPES 1&2 GHG EMISSIONS | KPI 2: ABSOLUTE SCOPE 3 GHG EMISSIONS |
|---|---------------------------------------|
| <p>MATERIALITY</p> <p>The selected KPIs reflect the Issuer's most material sustainability issues for its current and future operations, as well as the most relevant sustainability challenges for its sector. In addition, the KPIs have also been identified by the Issuer in its materiality matrix. The KPIs refer to the general objective for Legrand to become a key player for "carbon neutrality" by 2050, which is one of the most important challenges to be addressed according to the materiality matrix presented in the Framework. Legrand is part of the Electrical Components and Equipment sector, which has a major role to play regarding climate change and energy efficiency. Most production processes of the sector have a high consumption of energy and emit significant amounts of greenhouse gases.</p> <p>According to the Intergovernmental Panel on Climate Change⁶ (IPCC), emissions reductions are driven by a strong electrification of the energy system. To keep global warming below 1.5 °C, the share of electricity should reach at least 60% in 2050. Moreover, there is also increased demand for eco-efficient products since electric components and equipment constitute key elements to reduce impacts of other industries. The management of a product's environmental impacts at use and disposal phase and the eco-design of products are therefore key drivers of competitive advantages for companies in the sector. Therefore, one of the major concerns for the industry is greenhouse gas emissions (Scope 1, 2 and 3) and their impact on climate change.</p> | |
| <p>MEASURABILITY AND VERIFICATION</p> <p>The KPIs are measurable and externally verified. The calculation methodology is consistent and in case of any methodology change, the issuer commits to post-issuance external review of the relevant changes. Both KPIs are</p> | |

⁵ Legrand Corporate website www.legrandgroup.com

⁶ IPCC website <https://www.ipcc.ch>

included in Legrand's 2020 Universal Registration Document (URD) which is external audited.

CLARITY

The KPIs are clearly defined and disclosed to investors. The KPIs' definition relies on external references allowing their benchmark, namely: the GHG Protocol⁷, which establishes comprehensive global standardized frameworks to measure and manage greenhouse gas emissions from private and public sector operations, value chains and mitigation actions.

KPI 1 covers Scope 1 direct emissions which include direct emissions from stationary combustion sources (natural gas combustion for heating processes mainly), mobile combustion sources (car fleet), direct fugitive emissions from leaks of refrigerants from air conditioning and cooling units. KPI 1 also covers Scope 2 direct emissions which include indirect emissions from electricity consumption and indirect emissions from purchased heat. Moreover, Legrand reports that the specific emission factor of each country's power generation system is considered when calculating these emissions and that new acquired companies are integrated in the calculation of the Group's direct emissions within 36 months of their joining date.

KPI 2 covers Scope 3 emissions which accounts for 95% of the company's GHG emissions from activities such as: purchased goods and services (including goods packaging), upstream transportation and distribution, the end-of-life-treatment of sold products and the downstream transportation and distribution. Moreover, Legrand disclosed that the carbon inventory includes all controlled entities that fall within the scope of consolidation of the Group. Newly acquired companies are integrated in the Scope 3 emissions calculation within 36 months from the date of their joining.

The Issuer has communicated clearly to investors in its Framework the rationale and process according to which KPIs have been selected. The selection of the KPIs are relevant within the context of Legrand's environmental strategy regarding "Carbon Neutrality", all publicly disclosed in Legrand's website.

EXHAUSTIVENESS

The KPIs cover 82% of the company's total activity.

For 2019, KPI 1 (Scope 1 and 2) accounts 5% of Legrand's total carbon footprint and KPI 2 (Scope 3) accounts for 95% of Legrand's total carbon footprint. However, KPI 2 (Scope 3) will comprise 81%⁸ of the total scope 3 emissions of the company, representing overall 77% of Legrand's total carbon footprint. As a result, KPI 1 and KPI 2 account for 82% of Legrand's total carbon footprint.

The Issuer commits to conduct a post-issuance review (which will be made available to bondholders) in case of material changes to the KPI's coverage, calculation methodology, and in particular the SPT calibration.

BEST PRACTICES

⇒ The selected KPIs reflect the Issuer's most material sustainability issues for its current and future operations, as well as the most relevant sustainability challenges for its sector. In addition, the KPIs have also been identified by the Issuer in its materiality matrix.



⁷ GHG Protocol www.ghgprotocol.org

⁸ According to Legrand, for the SBTi to accept the company's commitment regarding scope 3, it must cover at least 67% of the total scope 3 of the company. As a result, Legrand decided to take a commitment on the scope 3 sources that were the most significant in its carbon footprint, which accounts 81% of the total scope 3 emissions of the company.

- ⇒ The Issuer is communicative on the rationale and process for KPI selection, which are considered clearly defined.
- ⇒ The Issuer commits to conduct a post-issuance review (which will be made available to bondholders) in case of material changes to the KPI's coverage, calculation methodology, and in particular the SPTs calibration.
- ⇒ The KPIs definition relies on external references allowing their benchmarked.
- ⇒ The KPIs were previously disclosed and have historical externally verified KPI values covering at least the previous 3 years.

SDG CONTRIBUTION

The selected KPIs are likely to contribute to two of the United Nations' Sustainable Development Goals ("SDGs"), namely:

| KPIs | SDG | SDG TARGETS |
|--|--|--|
| KPI 1 ABSOLUTE SCOPES 1 & 2 GHG EMISSIONS AND KPI 2 ABSOLUTE SCOPE 3 GHG EMISSIONS |  | 7.2 By 2030, increase substantially the share of renewable energy in the global energy mix. 7.3 By 2030, double the global rate of improvement in energy efficiency. |
| |  | UN SDG 13 consists of taking urgent action to combat climate change and its impacts. Corporates can contribute to this goal by investing in reducing greenhouse gas emissions from its operations. |

Calibration of the Sustainability Performance Target (SPT)



- The SPTs demonstrate a robust level of ambition.
- The timeline, baseline and trigger events are clearly disclosed.
- The means to achieve the SPTs are clearly disclosed.

AMBITION

KPI 1: ABSOLUTE SCOPES 1 & 2 GHG EMISSIONS

By using the absolute value of GHG emissions (Scope 1 and 2) per year, the data set should fairly show positive or negative KPI trend, reflecting the Issuer's commitment to fight climate change, thus enabling investors to make an appropriate assessment of the overall environmental performance.

Table 2 – ABSOLUTE SCOPES 1 & 2 GHG EMISSIONS (measured in tonnes of CO₂eq)

| KPI | REPORTED DATA | | | | | OBJECTIVES |
|---|---------------|--------|------|--------------------|-------|------------|
| | 2016 | 2017 | 2018 | 2019 (Baseline) | 2020* | 2030** |
| Scope 1 and 2 GHG Emissions (kt CO ₂) | 179 | 178 | 178 | 177 | N/A | 88 |
| Annual variation (in relation to year n-1) (%) | | - 0.6% | 0% | - 0.6% | N/A | N/A |
| Estimated average annual variation (%) | | - 0.4% | | - 6% | | |
| Variation of absolute GHG emissions reduction (in comparison to the baseline) (%) | | N/A | | - 50% | | |

*Legrand reports that the 2020 emissions are substantially lower than 2019 performance. In 2020 the Issuer was highly impacted by the covid-19 crisis, and as result, the 2020 date is not included in the graph as it is not relevant. V.E does not have visibility of the 2020 data.

**Trigger event

Based on several points of comparison, we consider that Legrand's target demonstrates an advanced⁹ level of ambition.

The SPT is consistent with the Issuer's existing targets set in its overall sustainability strategy. The objective is to decrease to 88,000 tonnes of CO₂e of absolute GHG emissions by 2030, compared to the 2019 baseline which is 177,000 tonnes of CO₂e. This represents a 50% reduction of absolute GHG emissions, in line with the Intergovernmental Panel on Climate Change (IPCC) revised guidance to limit warming to 1.5 degrees.

Business-as-usual Trajectory Benchmark Analysis

The SPT demonstrates an advanced level of ambition compared to the Issuer's Business as Usual (BaU). The Issuer has provided historical data on the KPI, which shows that between 2016 and 2019 (the latest public reported data), absolute GHG emissions remained stable, in comparison to the 2019 baseline value. This historical data indicates that the average annual reduction is around 0.4% over the period. The estimated annual variation over the period 2020 - 2030 to reach the target should be 6%, which suggests a significantly higher ambition for 2030 than the GHG emissions decrease of previous years. The SPT is in line with Legrand's strategy of "carbon neutrality" by 2050.

Sector Peers Benchmark

The SPT demonstrates a robust level of ambition compared to sector peers' performances. Legrand appears to be as ambitious as most of V.E Electric Components & Equipment sector companies and in line with the best performers (as compared to the Top 3 performers according to the V.E's rating methodology) such as: Siemens, Schneider and ABB. Regarding the 3 Top performers, these are the public targets on scope 1 and 2 GHG emissions: Schneider¹⁰ reports to decrease by 100% its absolute Scope 1 and 2 GHG emissions by 2030 (vs 2017) (with no CO₂ offsets), ABB¹¹ reports to decrease by 80% its absolute scope 1 and 2 GHG emissions by 2030 (vs 2019) and Siemens¹² reports to decrease by 50% its absolute scope 1 and 2 GHG emissions by 2030 (vs 2019).

Moreover, Legrand disclosed to V.E a Benchmark document comparing its targets with relevant Industry Peers targets such as: Signify¹³ which reports to decrease 70% absolute scope 1 and 2 GHG emissions (vs 2015) by 2030, Bosch¹⁴ discloses to decrease 85% absolute scope 1 and 2 GHG emissions (vs 2018) by 2030, Philips¹⁵ reports to decrease 75% absolute scope 1 and scope 2 GHG emissions by 2025, and decrease 90% by 2040 (vs 2015) and Eaton¹⁶ reports to decrease 50% absolute scope 1 and 2 GHG emissions by 2030 (vs 2018).

Official International Targets and Scenarios Benchmark Analysis

The SPT demonstrates an advanced level of ambition compared to sector standards. The SPT appears to be in line with sector standards, objectives, and targets, by being aligned with a 1.5°C warming scenario¹⁷. The SPT is viewed as an intermediary target to the objective of net-zero emissions in 2050. As early as 2018, the Issuer obtained the SBTi validation to its well below 2-degree trajectory on its Scope 1 & 2. And in July 2021, Legrand has obtained from SBTi a review of its initial Scope 1 and 2 targets, certified to be aligned with a 1.5-degree scenario.

⁹ VE scale of assessment: Weak / Limited / Robust / Advanced

¹⁰ Schneider website <https://www.se.com/ww/en/assets/564/document/197067/2020-universal-registration-document.pdf>

¹¹ ABB website

https://search.abb.com/library/Download.aspx?DocumentID=9AKK107991A9580&LanguageCode=en&DocumentPartId=&Action=Launch&_ga=2.146388080.575573673.1624269513-300778219.1624269513

¹² Siemens website <https://assets.new.siemens.com/siemens/assets/api/uuid:13f56263-0d96-421c-a6a4-9c10bb9b9d28/sustainability2020-en.pdf>

¹³ Signify website <https://www.signify.com/static/2020/signify-annual-report-2020.pdf>

¹⁴ Bosch website https://assets.bosch.com/media/global/sustainability/reporting_and_data/2020/bosch-sustainability-report-2020-factbook.pdf

¹⁵ Philips website <file:///C:/Users/TEMP/Downloads/PhilipsFullAnnualReport2020-English.pdf>

¹⁶ Eaton website <https://www.eaton.com/content/dam/eaton/company/investor-relations/eaton-complete-annual-report-2020.pdf>

¹⁷ Science Base Targets website <https://sciencebasedtargets.org/companies-taking-action>

MEASURES TO ACHIEVE THE SPT

The means to achieve the SPT are disclosed in the Framework and credible. Legrand's main sources of CO₂ emissions are heating and lighting for its production units. The SPT will be achieved through Legrand main improvements in the operational energy efficiency of the Group's most important sites, such as:

- Renovating buildings with a thermic glazing solution, double flow ventilation, presence detectors and LED devices.
- Replace hydraulic machines with industrial techniques such as electric injection, following in a significant energy consumption reduction.
- The use of electric and hybrid vehicles in its fleet and the installation of charging stations in the parking area of several sites.
- The use of renewable energy (photovoltaic projects) in its production system.

Additionally, the Issuer reports on future measures and environmental targets to achieve the reduction of Scopes 1 and 2 absolute GHG emissions, such as:

- The energy consumption of the productions and logistic sites is expected to decline by 3% per annum on average, which represents approximately 38% of the Group reduction target.
- Increase the use of renewable energy in its production system and/or buy green energy which accounts for approximately 42% of the Group 2030 reduction target.
- The Issuer reports to be working to replace its purchases of traditional energy with green energy from sources such as wind, hydro and solar sources. Moreover, the Issuer aims to replace some of its natural gas consumption with biogas. The Group reports a target to achieve 80% of green electricity, by 2025.
- Increase its vehicle fleet to hybrid or electric vehicles and install more charging stations in the parking areas of industrial sites.

KPI 2: ABSOLUTE SCOPE 3 GHG EMISSIONS

By using the absolute value of GHG emissions (Scope 3) per year, the data set should fairly show positive or negative KPI trend, reflecting the Issuer's commitment to fight climate change, thus enabling investors to make an appropriate assessment of the overall environmental performance.

Table 2 – ABSOLUTE SCOPE 3 GHG EMISSIONS (measured in kilo tonnes of CO₂eq)

| KPI | REPORTED DATA | | | | | OBJECTIVES |
|--|---------------|-------|-------|---------------------|--------|------------|
| | 2016 | 2017 | 2018 | 2019* (Baseline) | 2020** | 2030*** |
| Scope 3 GHG Emissions (kt CO ₂) | 2,100 | 2,500 | 2,230 | 2,710 | N/A | 2,300 |
| Annual variation (in relation to year n-1) (%) | | + 19% | - 11% | N/A* | N/A | N/A |
| Absolute GHG emissions reduction (in comparison to the baseline) (%) | | | | - 15% | | |

* The 2019 data integrate the emissions of the Group's 2017 acquisitions, which was not the case for the previous year, as well as revised emissions calculations especially on the purchase of goods and services, with a more detailed approach and a significant update in emission factors. The baseline (2019) chosen by Legrand represents only 81% of the Group's total scope 3 emissions in 2019 (the total scope 3 emissions of that year amounted to 3,330kt CO₂eq).

** Legrand reports that the 2020 emissions are substantially lower than 2019 performance. In 2020 the Issuer was highly impacted by the covid-19 crisis, and as result, the 2020 date is not included in the graph as it is not relevant. V.E does not have visibility of the 2020 data.

*** Trigger event

Based on several points of comparison, we consider that Legrand's target demonstrates a robust¹⁸ level of ambition.

The SPT is consistent with the Issuer's existing targets set in its overall sustainability strategy. The objective is to decrease to 2,300 kt CO₂eq of absolute scope 3 GHG emissions by 2030, compared to the 2019 baseline (2,710 kt CO₂eq). This represents a 15% reduction of absolute scope 3 GHG emissions compared to the baseline, which is in line with the Group's objective to keep reducing its energy footprint.

Business-as-usual Trajectory Benchmark Analysis

The Issuer has provided historical data on the KPI, which shows that between 2016 and 2019 (the latest public reported data), absolute GHG emissions remained stable, in comparison to the 2019 baseline value. However, the data between 2016 to 2018 amounts 100% of Legrand's scope 3 emissions, which is not comparable with the baseline or SPT, that only amounts 81% of the total scope 3 of Legrand's carbon footprint. Moreover, the 2019 data also integrates for the first time the emissions of the Group's acquisitions since 2017, which was not the case for the previous year.

Due to the lack of a homogenous data between Legrand's historical data, baseline (2019) and SPT, V.E cannot assess the level of ambition of Legrand's KPI 2 regarding scope 3 GHG emissions and Business as Usual (BaU).

¹⁸ V.E scale of assessment: Weak / Limited / Robust / Advanced

Sector Peers Benchmark

The SPT demonstrates a robust level of ambition compared to sector peers' performances. Legrand appears to be as ambitious as most V.E Electric Components & Equipment sector companies and in line with the best performers (as compared to the Top 3 performers according to the V.E's rating methodology) such as: Siemens, Schneider and ABB. Regarding the 3 Top performers, these are the public targets on scope 3 GHG emissions: Schneider¹⁹ reports to decrease by 35% its absolute Scope 3 GHG emissions by 2030 (vs 2017), ABB²⁰ reports to decrease by 15% its absolute scope 3 GHG emissions by 2030 (vs 2019) and Siemens²¹ reports to decrease by 15% its absolute scope 3 GHG emissions by 2030 (vs 2019).

Moreover, Legrand disclosed to V.E a Benchmark document comparing its targets with relevant Industry Peers targets such as: Signify²² which reports to decrease by 30% its absolute scope 3 from use of sold products GHG emissions by 2030 (vs 2015), Bosch²³ discloses to decrease by 15% its absolute scope 3 GHG emissions by 2030 (vs 2018), Philips²⁴ reports to decrease by 4% its absolute scope 3 GHG emissions by 2025, and decrease by 11% by 2040 (vs 2017) and Eaton²⁵ reports to decrease by 15% its absolute scope 3 GHG emissions by 2030 (vs 2018).

Official International Targets and Scenarios Benchmark Analysis

Of note, there are currently no international thresholds and/or scenarios for the Electric Components & Equipment regarding scope 3 GHG emissions. Considering that this KPI is commonly used in the sector, and thus it is possible to compare Legrand's performance to sector peers, this criterion has been deactivated.

Nevertheless, globally speaking, according to Target Validation Protocol of SBTi, companies that have scope 3 emissions making 40% or more of their total emissions, are required to have a scope 3 target.

Absolute emission reduction targets (covering the entire value chain or individual scope 3 categories) are considered ambitious if they fulfil the following:

Absolute emission reduction targets that are consistent with the level of decarbonization required to keep global temperature increase to 2°C compared to pre-industrial temperatures. The timeframe ambition should be aligned with an annual linear reduction rate of at least 1.23% per year. Legrand's scope 3 reduction goal targets an absolute reduction rate of 1.48% per year.

MEASURES TO ACHIEVE THE SPT

The means to achieve the SPT are disclosed in the Framework and credible. The SPT(s) will be achieved through measures according to each emission category classified by the Issuer:

1. The purchase of raw materials and components, which accounts for approximately 37% of the Issuer's 2030 reduction target. Legrand will incorporate social responsibility into its purchasing processes according to the ISO 14001 recommendations, particularly by in the life cycle cost. The Issuer will aim to:
 - Encourage its top 200 key suppliers to reduce their CO2 emissions by minimum 30% by 2030 and to aim eco-design to reduce packaging weight and increasing usage of recycled materials.
2. The packaging of goods, with the ambition of a 30% emissions reduction:
 - Increasing the share of recycled and recyclable packaging from 57% in 2019 to 100% by 2030.

¹⁹ Schneider website <https://www.se.com/ww/en/assets/564/document/197067/2020-universal-registration-document.pdf>

²⁰ ABB website

<https://search.abb.com/library/Download.aspx?DocumentID=9AKK107991A9580&LanguageCode=en&DocumentPartId=&Action=Launch&ga=2.146388080.575573673.1624269513-300778219.1624269513>

²¹ Siemens website <https://assets.new.siemens.com/siemens/assets/api/uuid:13f56263-0d96-421c-a6a4-9c10bb9b9d28/sustainability2020-en.pdf>

²² Signify website <https://www.signify.com/static/2020/signify-annual-report-2020.pdf>

²³ Bosch website https://assets.bosch.com/media/global/sustainability/reporting_and_data/2020/bosch-sustainability-report-2020-factbook.pdf

²⁴ Philips website <file:///C:/Users/TEMP/Downloads/PhilipsFullAnnualReport2020-English.pdf>

²⁵ Eaton website <https://www.eaton.com/content/dam/eaton/company/investor-relations/eaton-complete-annual-report-2020.pdf>

- Reduce the weight of packaging by 30% and ban the single use of plastics.

As of today, the Issuer has identified some practices for packaging such as: the use of cardboard with a high recycling rate, water-based inkjet printing, use of acrylic glue that releases less VOCs, etc. The initiative also improves the packaging/ product volume ratio

3. The end-of-Life Treatment of sold products. The Issuer discloses an initiative with the PEP Eco passport²⁶ which develop an Environmental Product Declaration (EPD) concerning electrical, electronic and HVAC (heating, ventilation, air-conditioning, refrigeration).
4. The upstream transportation and distribution which accounts approximately 6% of the Issuer's 2030 reduction target, which includes:
 - Encourage suppliers to commit to a 1.5°C trajectory; and the impact on transportation of increasing eco design products.
5. The downstream transportation and distribution, which includes:
 - Impact of supplier selection and of reduction of weight/products transported through eco-design with an objective to replace 50% of air transportation by sea transportation.

BEST PRACTICES

⇒ The means for achieving the SPTs are credible

²⁶ PEP eco passport website <http://www.pep-ecopassport.org/faq/>

Bond Characteristics



- The nature of the bond characteristics' variation and the trigger events are clearly disclosed in the Framework.
- The Issuer commits to disclose the actual financial impact in the bond documentation for each issuance. For the first issuance, it is a 25-bps coupon step-up for each SPT (total 50-bps).

Legrand confirms that the bonds issued under this Framework will be subject to variations in their financial characteristics depending on the achievement of the defined SPTs. The exact mechanism and impacts will be detailed for each bond in the relevant documentation, and publicly disclosed.

V.E considers that the variation of the SLB's financial characteristics for the first Bond issuance is meaningful. The communicated trigger events are the following:

1. KPI 1: Absolute scopes 1 & 2 greenhouse gas (GHG) emissions, with the following target and trigger event:
 - SPT: Reduce the absolute scopes 1 & 2 GHG emissions by 50% by 2030, baseline 2019.
2. KPI 2: Absolute scope 3 greenhouse gas (GHG) emissions, with the following target and trigger event:
 - SPT: Reduce the absolute scope 3 GHG emissions by 15% by 2030, baseline 2019.

If one of the SPTs is not met at the observation date (31/12/2030), which is considered as the last year available data prior to the maturity of the bond (i.e., October 2031 for the first issuance), it will trigger a step-up margin or margin adjustment, as applicable, of +25 bps per SPT for the first bond, bringing an increase in the interest rate applicable to interest periods following such reference date. The Issuer commits that the actual financial impacts will be clearly disclosed in the legal documentation for each issuance.

On the bond's characteristics, Legrand reports that the bonds are considered "plain vanilla" and on the possibility that the Issuer could exercise a pre-maturity call option three months (from and including July 2031), but excluding the Maturity Date, as well as a standard make whole anticipated reimbursement. Due to this financial characteristic, Legrand could exercise the call option if the SPT will be achieved or exceeded. If this applies, the financial characteristics of the Callable-Bonds and compensation to investors will be reported in the Prospectus and will be publicly available.

*V.E considers that, as of today, there is insufficient information and market precedent to appropriately assess the potential best practices regarding the bond characteristics' variation. In this sense, the "Aligned" level is currently considered to be the highest level to be achieved by Issuers on this pillar.

Reporting



- The internal control and reporting processes are relevant, transparent and support the provision of reliable data.
- The Issuer commits to annual reporting on all relevant information related to the KPIs and its associated SPTs, including results, underlying methodologies, and assumptions.

KPI 1: ABSOLUTE SCOPES 1 & 2 GHG EMISSIONS

KPI 2: ABSOLUTE SCOPE 3 GHG EMISSIONS

REPORTING PROCESS

Legrand discloses that the data collected for KPI 1 and KPI 2 are calculated based on extra financial reporting tools available and required for the entire Group. The data is reported quarterly or at least once yearly. Purchasing and Operation Performance Department oversees the internal review and audit of the data. Additionally, the CSR department performs a revision of the data.

CONTROL

The selected KPIs are internally verified through the Issuer's operational processes. In addition, the achievement of each SPTs will be verified by an External Verifier.

ACCESIBILITY OF RESULTS

The intended scope and granularity of the reporting is clear and exhaustive, covering all the required and recommended elements.

All relevant information is publicly disclosed by the company in public documentation (including information on the performance of KPIs, information enabling investors to monitor the level of ambition of the SPTs and baselines).

The reporting will be published annually and for any material changes, for the whole period that is relevant for assessing the SPT and related trigger events.

BEST PRACTICES

- ⇒ KPI data undergoes both internal and external verification.
- ⇒ The intended scope and granularity of the reporting is clear and exhaustive, covering all the required and recommended elements.
- ⇒ The reporting will be published annually and for any material changes, for the whole period that is relevant for assessing the SPT and related trigger events.

Verification



- The KPIs will be externally verified on an annual basis. The issuer will verify the SPTs, as part of the 2030 annual audit exercise of the company (Legrand's fiscal year ending on December 31st, 2030).
- The achievement of the SPTs will be externally verified within 180 days from the target observation date (i.e. December 31st, 2030 for the first SLB issuance) and before the bonds' Maturity Date. The verification assurance reports will be made publicly available.

The Issuer commits to undergoing an external verification of the performance of each KPI against each SPT, and the related impact, and timing of such impact, on the bond's financial characteristics.

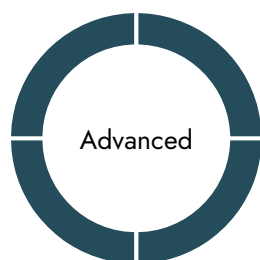
The verification will be conducted annually and in case of material changes impacting the SLB's financial and characteristics. Verification will be conducted until after the last SPT trigger event of the bond has been reached.

The verification assurance reports will be publicly available.

Best Practices

⇒ Verification will be done within 180 days from the target observation date, i.e. for the first issuance in 2031 before the bonds' Maturity Date (2031) as part of the annual audit exercise of the company.

ISSUER



Legrand is a Holding Company which engages in the manufacture of electrical and digital building infrastructures. The Company was founded in 1926 and is headquartered in Limoges, France. In 2019, the Company acquired Focal point in the United States, which specialises in architectural lighting for non-residential buildings – including hospitals, schools and universities, offices and more. In 2018, The Company acquired Netatmo, a French Company specialising in connected objects. In 2017, Legrand acquired Milestone AV Technologies, a US frontrunner in audio-video (AV) infrastructure and power.

ESG Performance

The Issuer's ESG performance was assessed through a complete process of rating and benchmarking.

As of August 2021, Legrand displays an advanced ESG performance (66/100), ranking 3rd in our Electric Components and Equipment sector, which covers 29 companies. The company is advanced in the Environmental, Social and Governance pillars.

| DOMAIN | COMMENTS | OPINION |
|-------------|--|----------|
| Environment | Legrand's performance in the Environmental pillar is considered <u>advanced</u> . | Advanced |
| | Legrand commits to all its responsibilities in terms of environmental protection and reportedly integrates life-cycle analysis conclusions in the design of its products. The company discloses targets regarding waste, atmospheric and energy related emissions. As for the environmental impact from the disposal of products, Legrand has set extensive measures to address this issue, including information on recycling and dismantling methods, and compliance with the regulatory restrictions on the use of hazardous substances defined by the Restriction of Hazardous Substances Directive (RoHS) Directive. Legrand reports that the Group Environment Department manages the Group's Environmental Policy within the Strategy and Development Department. Moreover, environmental representatives at the various production sites are reported to ensure that the Group's environmental policy is implemented. The company reports that 91.2% of its sites were ISO 14001 certified in 2020. | Robust |
| | On energy consumption, the company reports that it commits to reduce its overall energy consumption. All subsidiaries and all industrial, logistic, and commercial sites are reported to be concerned by this commitment. Moreover, Legrand reports that it has joined two international initiatives against global warming: the Science Based Targets initiative, which calls on companies to commit to CO2 emission reduction targets; and the Global Alliance for Energy Productivity, an international alliance that seeks to improve energy efficiency. In 2018, the SBT initiative has validated Legrand's Science Based targets to reducing the greenhouse gas emissions directly related to its energy consumption (scope 1&2) by 30% by 2030 as compared to 2016, and by 75% in 2050. Moreover, in 2021, the SBT initiative has validated Legrand's Science Based targets to reducing the greenhouse gas emissions directly related to its energy consumption (scope 1&2) by 50% by 2030 as compared to 2019. | Limited |
| | On the limiting impacts from the use of its products, Legrand reports on conducting R&D on its products with the aim of improving their energy efficiency. The company commits to respect its duty under the Waste Electrical and Electronic Equipment (WEEE) Directive. Additionally, Legrand states that it has developed PEP (Product Environmental Profiles), which is a reference tool for information on the environmental impact of electrical products. PEP is reported to be based on an international benchmark standard, ISO 14025 Environmental labels, and declarations – Type III environmental declarations. | Weak |

| DOMAIN | COMMENTS | OPINION |
|------------|---|----------|
| Social | <p>Legrand's performance in the Social pillar is considered <u>advanced</u>.</p> | Advanced |
| | <p>Legrand's performance in the Human Rights domain is advanced. The company reports on a Human Rights Charter, which includes a commitment to respect and promote human rights in society and it has allocated significant measures to address this issue, including human rights impact assessments. In addition to a formalised and comprehensive commitment to non-discrimination, the Company has set a target to promote diversity and has reportedly implemented extensive measures in this regard. Legrand's formalised commitment to freedom of association and the right to collective bargaining addresses its main responsibilities and is supported by permanent measures, such as occasional risk mapping and internal audits. Moreover, Legrand has issued a formalised commitment to freedom of association and the right to collective bargaining in its Human Rights Charter. The company is a signatory of the Global Compact and communicates on this principle. The company reports that an amendment to the European Works Council (EWC) agreement of 2013 was signed in 2016 by the representatives of the different countries with the purpose of improving how the institution functions, notably by developing relations with the Council's bureau and by providing it with additional resources. As for the promotion of labour relations, Legrand reports that local employee representative bodies have been set up in most of its sites, and 45% (2020) of employees are reported to be covered by collective agreements.</p> | Robust |
| | <p>On health and safety, the company has made a formalised commitment to health and safety issues in its Prevention Charter. Legrand has set the target of reducing the Group's accident frequency rate by 20% in 2021 compared to 2018 and to achieve 90% of employees to be covered by the Legrand Way "Health and safety rules" in 2021. Extensive measures to address responsible management of reorganisation appear to be in place including outplacement services. Moreover, the Company's commitment to promoting career management and training addresses all its responsibilities and the number of training hours per employee displays a positive trend over the past five years. Legrand reports on obtaining ISO 45001 certification for one entity in May 2019 under its multi-annual certification plan.</p> | Limited |
| | | Weak |
| Governance | <p>Legrand's performance in the Governance pillar is considered <u>advanced</u>.</p> | Advanced |
| | <p>The roles of Chairman and CEO are separated, and the chairman is considered independent. The Company reported to V.E that a CSR department is in place. Most Board members are non-executive directors. Eight members of the 12-member Board are considered independent (67%). Additionally, two employee's representatives also sit on the Board. Members appear to have financial and/or audit experience and relevant operational experience. CSR risks appear to be covered by the internal control system such as: responsible management of reorganisation, non-discrimination, energy efficiency, employee's health and safety, business ethics, limitation of products environmental impacts and the promotion of social and economic development. As for shareholders' rights, the company respects the "one share - one vote" principle and all major items are put to vote in separate resolutions at the AGM. Moreover, Legrand has presented to shareholders and investors its CSR strategy, which covers some of the most relevant CSR issues. Legrand is transparent on its executives' remuneration, and CSR performance objectives are reported to be considered in the executives' variable remuneration.</p> | Robust |
| | <p>Legrand reports on formalised commitments to include social and environmental factors and has set targets. Moreover, extensive measures to address these issues, such as risk assessments, audits, and non-compliance procedures, appear to be in place. The Company also reports on significant measures to ensure the safety of its products including a quality management system and information to customers. As for business ethics, Legrand's formalised commitments to prevent corruption and anti-competitive practices are supported by measures, including confidential reporting systems and risk assessments. Regarding the transparency and integrity of influence strategies and practices, Legrand reports that any lobbying, including any carried out within the framework of standardisation, or political contributions must strictly respect national and international regulations, in total transparency and receive prior approval from Group Management.</p> | Limited |
| | | Weak |

Management of ESG Controversies

As of August 2021, Legrand faces one stakeholder related ESG controversy, linked to three of the six domains we analyse:

- Community Involvement, in the criterion "Promotion of Social and Economic Development".
- Business Behaviour, in the criteria "Prevention of Corruption" and "Prevention of Anti-Competitive Practices".
- Corporate Governance, in the criterion "Audit and Internal Controls".

Frequency: The controversy faced is considered "isolated"²⁷; in line with the sector.

Severity: The severity of the case, based on the analysis of the impact on both the Issuer and its stakeholders, is considered "high"²⁸; in line with the sector.

Responsiveness: Legrand is considered overall "remediative"²⁹; better than the rest of the sector.

Involvement in Controversial Activities

As of August 2021, Legrand appears to be involved in one of the 17 controversial activities screened under our methodology, namely:

- Minor involvement in Military: Legrand SA has an estimated turnover from military sales which is below 1% of total turnover. This turnover is derived from the sale of Cablofil steel wire cable trays for the UK Royal Navy's Queen Elizabeth Class aircraft carriers. Cablofil is a brand of Legrand. According to a Company's brochure: "Cablofil is providing around 120,000 metres of steel wire cable tray for all data, comms, low voltage and weapons systems on the largest ships ever built for the British armed services. Around 25 products from the Cablofil range will be used across the two aircraft carriers including various depths of tray, a selection of brackets and fixings, and bespoke brackets which meet naval architect specifications for military equipment". The GBP 0.8m contract was awarded in 2010. The second of the two new Royal Navy aircraft carriers, HMS Prince of Wales, began sea trials in 2021. *V.E classifies this involvement as 'Other military parts or services'.*

The Issuer appears to be not involved in any of the 16 controversial activities screened under our methodology, namely: Alcohol, Animal welfare, Cannabis, Chemicals of concern, Civilian firearms, Coal, Fossil Fuels industry, Unconventional oil and gas, Gambling, Genetic engineering, Human embryonic stem cells, High interest rate lending, Nuclear Power, Pornography, Reproductive Medicine and Tobacco.

The controversial activities research provides screening of companies to identify involvement in business activities that are subject to philosophical or moral beliefs. The information does not suggest any approval or disapproval on their content from V.E.

²⁷ VE scale of assessment: Isolated / Occasional / Frequent / Persistent.

²⁸ VE scale of assessment: Minor / Significant / High / Critical.

²⁹ VE scale of assessment: Non-communicative / Reactive / Remediative / Proactive.



METHODOLOGY

In V.E' view, Environmental, Social and Governance (ESG) factors are intertwined and complementary. As such they cannot be separated in the assessment of ESG management in any organisation, activity, or transaction. In this sense, V.E provides an opinion on the Issuer's ESG performance as an organisation, and on the processes and commitments applicable to the intended issuance.

Our Second Party Opinions (SPOs) are subject to internal quality control at three levels (Analyst, Project Manager and Quality Reviewer). If necessary, this process is complemented by a final review and validation by the Expertise Committee and Supervisor. A right of complaint and recourse is guaranteed to all companies under our review, following three levels: first, the team in contact with the Issuer; then the Executive Director in charge of Methods, Innovation & Quality; and finally, V.E' Scientific Council.

FRAMEWORK

Alignment with the Sustainability-Linked Bond Principles

Scale of assessment: Not aligned, Partially aligned, Aligned, Best Practices

The Framework has been evaluated by V.E according to the ICMA's Sustainability-Linked Bond Principles - June 2020 ("SLBP") and on our methodology based on international standards and sector guidelines applicable in terms of ESG management and assessment.

Selection of Key Performance Indicators (KPIs)

KPI's materiality and coherence with the Issuer's overall sustainability strategy and with the Issuer sector's main sustainability challenges. KPI's measurability and clarity, internal and external control over the KPI's data, exhaustiveness of the KPI's coverage.

Calibration of Sustainability Performance Targets (SPTs)

Coherence of the SPTs with the overall sustainability strategy, ambition of the SPTs (compared the Issuer's own performance, sector peers and relevant international standards), trigger events' disclosure, disclosure and credibility of the means for achievement (including scope and geographical coverage of the means).

Bond characteristics

Disclosure of the bond characteristics' variation, meaningfulness of these variation (for alignment with SLBP only).

Reporting

Reporting process formalisation and verification, data's accessibility.

Verification

Verification of the performance against the SPTs and disclosure of the assurance reports.



ISSUER

Issuer's ESG performance

Scale of assessment of ESG performance: Weak, Limited, Robust, Advanced

NB: The Issuer's level of ESG performance (i.e., commitments, processes, results of the Issuer related to ESG issues), has been assessed through a complete process of rating and benchmarking developed by V.E.

The Issuer's ESG performance has been assessed by V.E on the basis of its:

- Leadership: relevance of the commitments (content, visibility and ownership).
- Implementation: coherence of the implementation (process, means, control/reporting).
- Results: indicators, stakeholders' feedbacks and controversies.

Management of stakeholder-related ESG controversies

V.E defines a controversy as public information or contradictory opinions from reliable³⁰ sources that incriminate or make allegations against an issuer regarding how it handles ESG issues as defined in V.E ESG framework. Each controversy may relate to several facts or events, to their conflicting interpretations, legal procedures or non-proven claims.

V.E reviewed information provided by the Issuer, press content providers and stakeholders (partnership with Factiva Dow Jones: access to the content of 28,500 publications worldwide from reference financial newspapers to sector-focused magazines, local publications or Non-Government Organizations). Information gathered from these sources is considered as long as it is public, documented and traceable.

V.E provides an opinion on companies' controversies risks mitigation based on the analysis of 3 factors:

- Frequency: reflects for each ESG challenge the number of controversies that the Issuer has faced. At corporate level, this factor reflects on the overall number of controversies that the Issuer has faced and the scope of ESG issues impacted (scale: Isolated, Occasional, Frequent, Persistent).
- Severity: the more a controversy is related to stakeholders' fundamental interests, proves actual corporate responsibility in its occurrence, and have caused adverse impacts for stakeholders and the Issuer, the higher its severity is. Severity assigned at the corporate level will reflect the highest severity of all cases faced by the Issuer (scale: Minor, Significant, High, Critical).
- Responsiveness: ability demonstrated by an Issuer to dialogue with its stakeholders in a risk management perspective and based on explanatory, preventative, remediating or corrective measures. At corporate level, this factor will reflect the overall responsiveness of the Issuer for all cases faced (scale: Proactive, Remediate, Reactive, Non- Communicative).

The impact of a controversy on an Issuer's reputation reduces with time, depending on the severity of the event and the Issuer's responsiveness to this event. Conventionally, V.E' controversy database covers any controversy with Minor or Significant severity during 24 months after the last event registered and during 48 months for High and Critical controversies.

Involvement in controversial activities

17 controversial activities have been analysed following 30 parameters to screen the Issuer's involvement in any of them. The Issuer's level of involvement (Major, Minor, No) in a controversial activity is based on:

- An estimation of the revenues derived from controversial products or services.
- The specific nature of the controversial products or services provided by the Issuer.

³⁰ 'Reliable' means that there are sufficient details to substantiate claims made, with due attention paid to the political dimension of news and the danger of misinformation. V.E draws on investigative journalism, the business press, NGO, and trade union reports which focus on corporate behavior relating to ESG issues. It is neither possible nor advisable to create a prescriptive fixed list of sources as new, valid sources arise all the time and it is necessary to investigate these as and when they are retrieved in order to comprehensively cover evolving issues and media.



V.E'S ASSESSMENT SCALES

| Scale of assessment of the Issuer's ESG performance, the KPI(s) materiality and the associated SPT(s) ambition. | |
|---|--|
| Advanced | Advanced commitment: strong evidence of command over the issues dedicated to achieving the sustainability objective. |
| | The selected KPI(s) reflects the most material issues for the Issuer's core sustainability and business strategy and address the most relevant environmental, social and/or governance challenges of the industry sector. |
| | An advanced ambition is achieved when the SPT(s) can demonstrate the following: (i) alignment with the 2D scenario/recognized sector standards (when available) (ii) a top performance in comparison to sector peers, and (iii) an improvement of the company's performance. |
| Robust | Convincing commitment; significant and consistent evidence of command over the issues. |
| | The selected KPI(s) reflects material issues for the Issuer's core sustainability and business strategy and address relevant environmental, social and/or governance challenges of the industry sector. |
| | A robust ambition is achieved when the SPT(s) can demonstrate at least two out of three of the following items: (i) alignment with the 2D scenario/recognized sector standards (ii) a performance in line with the average performance of sector peers, and (iii) an improvement of the company's performance. |
| Limited | Commitment to the objective of sustainability has been initiated or partially achieved; fragmentary evidence of command over the issues. |
| | The selected KPI(s) does not appropriately reflect material issues for the Issuer's core sustainability and business strategy and partially address relevant environmental, social and/or governance challenges of the industry sector. |
| | A limited ambition is achieved when the SPT(s) can demonstrate only one out of three of the following: (i) alignment with the 2D scenario/recognized sector standards (ii) a performance in line with the average performance of sector peers, and (iii) an improvement of the company's performance. |
| Weak | Commitment to social/environmental responsibility is non-tangible; no evidence of command over the issues. |
| | The selected KPI(s) does not reflect material issues for the Issuer's core sustainability and business strategy and do not address relevant environmental, social and/or governance challenges of the industry sector. |
| | A weak ambition is achieved when the SPT(s) (i) is not aligned the 2D scenario/recognized sector standards (ii) is below the average performance of its sector peers, and (iii) shows a negative trend in the company's performance. |

| Scale of assessment of financial instrument's alignment with Sustainability-Linked Bond and Loan Principles | |
|---|---|
| Best Practices | The Instrument's practices go beyond the core practices of the ICMA's Sustainability-Linked Bond Principles and/or of the Loan Market Association's Sustainability-Linked Loan Principles by adopting recommended and best practices. |
| Aligned | The Instrument has adopted all the core practices of the ICMA's Sustainability-Linked Bond Principles and/or of the Loan Market Association's Sustainability-Linked Loan Principles. |
| Partially Aligned | The Instrument has adopted a majority of the core practices of the ICMA's Sustainability-Linked Bond Principles and/or of the Loan Market Association's Sustainability-Linked Loan Principles, but not all of them. |
| Not Aligned | The Instrument has adopted only a minority of the core practices of the ICMA's Sustainability-Linked Bond Principles and/or of the Loan Market Association's Sustainability-Linked Loan Principles. |



Statement on V.E' s independence and conflict-of-interest policy

Transparency on the relation between V.E and the Issuer: V.E has not carried out any audit mission or consultancy activity for Legrand. No established relation (financial or commercial) exists between V.E and Legrand. V.E's conflict of interest policy is covered by its Code of Conduct, which can be found at <http://vigeo-eiris.com/wp-content/uploads/2018/07/Code-of-Conduct-Vigeo-Eiris-EN.pdf>

This opinion aims at providing an independent opinion on the sustainability credentials and management of the Bond, based on the information which has been made available to V.E. V.E has neither interviewed stakeholders out of the Issuer's employees, nor performed an on-site audit nor other test to check the accuracy of the information provided by the Issuer. The accuracy, comprehensiveness and trustworthiness of the information collected are a responsibility of the Issuer. The Issuer is fully responsible for attesting the compliance with its commitments defined in its policies, for their implementation and their monitoring. The opinion delivered by V.E neither focuses on the financial performance of the Bond, nor on the effective allocation of its proceeds. V.E is not liable for the induced consequences when third parties use this opinion either to make investments decisions or to make any kind of business transaction. Restriction on distribution and use of this opinion: The deliverables remain the property of V.E. The draft version of the Second Party Opinion by V.E is for information purpose only and shall not be disclosed by the client. V.E grants the Issuer all rights to use the final version of the Second Party Opinion delivered for external use via any media that the Issuer shall determine in a worldwide perimeter. The Issuer has the right to communicate to the outside only the Second Party Opinion complete and without any modification, that is to say without making selection, withdrawal or addition, without altering it in any way, either in substance or in the form and shall only be used in the frame of the contemplated concerned bond(s) issuance. The Issuer acknowledges and agrees that V.E reserves the right to publish the final version of the Second Party Opinion on V.E website and on V.E internal and external communication supporting documents.



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