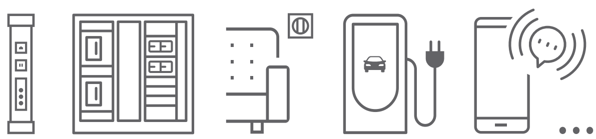
Legrand essentials

TOGETHER IMPROVING LIVES

2022 Universal registration document



legrand®

2022 Universal Registration Document

including the integrated report

The Universal Registration Document has been filed on April 12, 2023 with the AMF in its capacity as competent authority under Regulation (EU) 2017/1129, without prior approval in accordance with article 9 of that regulation.
This Universal Registration Document may be used for the purpose of a public offering of financial securities or the admission of financial securities for trading on a regulated market if it is supplemented by a securities note and, as the case may be, a summary and all amendments made to the Universal Registration Document. The resulting set of documents is approved by the AMF in accordance with Regulation (EU) 2017/1129.

This Universal Registration Document including the Annual Financial Report is a reproduction of the official version which has been prepared in ESEF format and is available on the issuer's website www.legrandgroup.com.

This document is a non-binding "free" translation from French into English and has no legal value other than an informative one. Should there be any difference between the French and the English version, only the text in French language shall be deemed authentic and considered as expressing the exact information published by Legrand.

Contents

Note

The terms "**Group**" and "**Legrand**" refer to the Company (as defined in section 9.1 of this Universal Registration Document), its consolidated subsidiaries and its minority shareholdings.

References to "**Legrand France**" relate specifically to the Company's subsidiary Legrand France, which was previously named Legrand SA but was renamed by the General Meeting of Shareholders dated February 14, 2006, and not to its other subsidiaries.

The Company's consolidated financial statements presented in this Universal Registration Document for the financial year ending December 31, 2022 have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as adopted by the European Union. In accordance with applicable regulations, the Company prepares and presents its consolidated financial statements in accordance with IFRS, which differ in certain significant respects from French accounting principles. The Company's financial statements are presented in accordance with French accounting principles.

This Universal Registration Document contains information about Legrand's markets and its competitive position therein, including market size and market share. As far as Legrand is aware, no exhaustive report exists regarding the industry or the market for electrical and digital building infrastructures. Consequently, Legrand obtains data on its markets from its subsidiaries which compile information on their relevant markets on an annual basis. This information is derived from formal and informal contacts with professionals of the electrical and digital building infrastructures sector (notably professional associations), from statistics and macroeconomic data. Legrand assesses its position in its markets based on the market data referred to above and on its sales in the relevant market.

Legrand believes that the information about market share contained in this Universal Registration Document provides fair and adequate estimates of the size of its markets and fairly reflects its competitive position within these markets. However, internal surveys, estimates, market research and publicly available information, while believed by Legrand to be reliable, have not been independently verified and Legrand cannot guarantee that a third party using different methods to assemble, analyze or compute market data would obtain the same results. Furthermore, Legrand's competitors or other players in the ecosystem may define its markets differently. Because data relating to market shares and market sizes are Company estimates, they are not data extracted from the consolidated financial statements, and Legrand cautions readers not to place undue reliance on such information.

This Universal Registration Document contains forward-looking statements. These forward-looking statements include all matters that are not historical facts. They are mentioned in various sections of this Universal Registration Document and contain data relating to Legrand's intentions, estimates and targets, concerning in particular its market, strategy, growth, results, and financial or extra-financial position.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of the Group's future performance. Legrand's actual position and financial or extra-financial results and cash flows as well as the development of the industrial sector in which it operates may differ significantly from the forward-looking information mentioned in this Universal Registration Document, and even where these elements are consistent with the forward-looking information mentioned in this Universal Registration Document, they may not be representative of the results or developments in later periods. Factors that could cause such differences include, among other things, the risk factors described in chapter 3 of this Universal Registration Document. Accordingly, all forward-looking statements should be understood bearing in mind their inherent uncertainty.

The forward-looking statements referred to in this Universal Registration Document are only made as of the date of this Universal Registration Document. The Group will update this information as necessary in its institutional (notably financial and extra-financial) communications, by making it available of the legrandgroup.com website. Legrand operates in a competitive environment, which can also change rapidly depending on the economic context. The Company may therefore not be able to anticipate all of the risks, uncertainties and other factors that could affect its activities, their potential impact on its activities or the extent to which the occurrence of a risk or combination of risks could lead to significantly different results from those set out in any forward-looking statements, noting that such forward-looking statements do not constitute a guarantee of actual results.

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Integrated report

Message from Benoît Coquart, Chief Executive Officer of Legrand

"Legrand turned in another outstanding financial and non-financial performance in 2022, in line with our mid-term targets, despite the unprecedented challenges of what remains a very turbulent environment."

Benoît Coquart, Chief Executive Officer

Sales topped €8.3 billion in 2022, a significant annual increase of +19.2%. This performance reflects the Group's solid business momentum and pricing power, with very active supply chain management against the backdrop of supply disruptions. Profitability indicators remained very robust, with an adjusted operating margin of 20.4% of sales, adjusted net profit attributable to the Group(1) up +26.8% and normalized free cash flow representing 14.5% of full-year sales.

The Group also achieved a strong non-financial performance, with an achievement rate of 123% for the first year of our fifth CSR roadmap.

Significant progress was made during the year including a -15% reduction in Scope 1&2 CO_2e emissions, as well as an increase in the percentage of women in management positions to 28.5%.

The Group's 2022 performance confirms the relevance of its development and value creation model

We continued to ramp up our development by launching new products, primarily in growth areas such as energy efficiency, datacenters and connected products. These three fast-growing segments currently account for one third of our business.

We also continued to increase our market share in promising markets by means of targeted acquisitions, with seven companies joining Legrand in the space of one year.

(1) For more information, see the press release of February 9, 2023.

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In addition, the Group is continuing to work actively on continually improving its operating performance, in particular with the rollout of Industry 4.0, now in effect at 80% of our main sites.

In terms of non-financial performance, 2022 saw the launch of our new three-year CSR Roadmap, based on four themes and 15 priorities and responding to 10 Sustainable Development Goals. A dedicated investor day was held in March 2022 to illustrate the central role of CSR in our integrated strategy.

The ability to create value over the long term makes Legrand a leading name in its industry

Over the longer term, stepping up the pace of profitable and sustainable growth at Legrand entails creating a high level of financial and non-financial value.

Since the end of 2017, we have achieved sales growth of over +50%, as a result of a clear strategy underpinned by innovation, with around 5% of sales invested in R&D and bolt-on acquisitions.

Over the same period, adjusted operating margin averaged 20% of sales, while adjusted net profit and free cash flow increased by +83% and +49% respectively.

Advances in terms of CSR were reflected by a -34% reduction in Scope 1&2 CO_2e emissions and a sharp increase in the percentage of women in management roles (Hay grade 14+) of +6.4 points (standing at 28.5% in 2022), while the percentage of women in key positions (Hay grade 20+) rose +9.6 points (at 24.4%).

“Improving lives” to keep up with a rapidly changing world

Our purpose published in 2020 unites internal and external stakeholders around a shared corporate project and ambition, while also supporting our strategy of focusing on profitability and sustainability.

The products we offer improve everyday life, providing greater comfort, simplicity, efficiency and durability for all our users, whether businesses or individuals.

In view of the Group’s solid positioning in a flourishing industry benefiting from positive trends and successful innovation and acquisition policies, we are confident about our ability to continue to develop our market share, particularly in our fastest-growing segments.

Improving lives also means paying close attention to our stakeholders. One of the core tenets of Legrand’s CSR policy is giving priority to employee development. For example, we support diversity, inclusion and training as factors that make us stand out and attractive to new talents, while ensuring the health and safety of people working on our sites. Our clear and consistent CSR vision has made a significant contribution to the high employee engagement rate of 80% identified in our last worldwide survey in 2021.

We are also committed to reducing our negative impacts, for example by aligning our targets for reducing CO_2 emissions by 2030 with the 1.5°C pathway and continuing with our philanthropic efforts under the Legrand Foundation or alongside *Électriciens sans frontières*, as well as our commitment to the United Nations Global Compact.

The goals we have set in terms of CSR, coupled with a demanding risk management approach, are particularly important in enabling Legrand to anticipate and adapt to new challenges such as climate disruption, pandemics, geopolitical instability, cybercrime, etc.

Proven strategic priorities, a clear vision of our medium-term objectives and the constant and decisive engagement of our employees represent more unique strengths than ever in ensuring our successful and sustainable development in a rapidly changing world.”

Our purpose

Legrand's purpose statement expresses the Group's ambitions by explicitly linking our core business with our key role in equipping buildings. Backed by 150 years of history, it gives meaning to Legrand's daily work and guides our strategic choices.
It captures our vision and unites all of our people around a common project. It was made public in 2020 and is set out as follows:

> "Improving lives by transforming the spaces where people live, work and meet, with electrical and digital infrastructures and connected solutions that are simple, innovative and sustainable."

Our values

1 We seize the future

- By creating tomorrow's building today
- By putting sustainability at the core of our growth
- By growing the talents that will manage tomorrow's world

2 We embrace inclusion

- By respecting others as they are
- By seizing our workforces diversity as an opportunity to be a better business
- By taking our stakeholders diversity as a strength and a driver

3 We move in sync

- By continually providing added value to our entire ecosystem
- By providing the best experience to our customers
- By moving forward with our people, brands & partners, driven by a common strategy and a common purpose

4 We strive for simplicity

- By fostering authentic human relationships
- By promoting transparency and honesty in all that we do
- By designing products that are easy to install, use and maintain

5 We are dependable

- By combining quality and sustainability in the solutions we deliver
- By eliminating our negative impacts and having a positive impact everywhere we can
- By ensuring responsible business practices and meeting our commitments

Our history

Legrand's entrepreneurial and industrial story began in 1865 in the city of Limoges, where the Group still has its head office today. The name Legrand, after one of the owners, was adopted in 1904, and to this day remains the Group's name and a well-known brand.

1st half of the 20th century

From porcelain workshop to electrical equipment production

1919
partnership formed between Legrand's managers and a local producer making electrical equipment in porcelain

1949
Legrand specializes in electrical equipment and material

2nd half of the 20th century

Acquisitions and international expansion

1950s
development of new production techniques and new materials such as thermosetting materials and thermoplastics

1960s and 1970s
Legrand continues to grow and opens subsidiaries outside France (Belgium, 1966) and then outside Europe (Brazil, 1977)

1970
Legrand floats on the stock market and joins the CAC 40 in 1987

1990s
the Group develops its product range to include home automation

2000s

Return to the stock market and development of the Group's CSR commitments

2000s
major social and technological trends underpin the Group's strategy, with further international expansion and a ramp-up in acquisitions

2001
Schneider Electric launches a friendly Public Tender Offer for Legrand's entire share capital, but the European Commission opposes the planned merger

2004
creation of Legrand's sustainable development department

2007
first CSR Roadmap. In 2022, Legrand unveiled its fifth CSR Roadmap

Since 2010

Stepping up the pace of sustainable value creation

2011
Legrand becomes No. 2 in Europe in assisted living

Legrand rejoins the CAC 40 after returning to the stock market in 2006

2015
launch of the Eliot program to develop the Group's range of connected solutions and improve and simplify the connected building user experience

2018
acquisition of French connected homes specialist Netatmo

2020
the Group unveils its purpose "improving lives"

2021
Legrand defines three fast-growing segments: connected solutions, energy efficiency and datacenters

Legrand today

Key figures

SALES
€8.3 billion

AROUND
38,000
EMPLOYEES WORLDWIDE

MORE THAN
300,000
PRODUCT REFERENCES

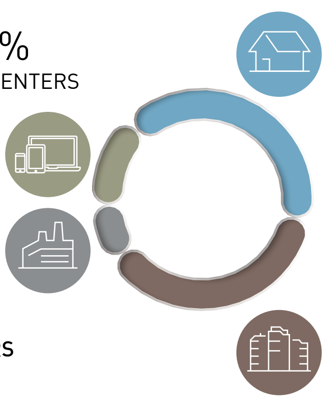
OPERATING
IN CLOSE TO
90 countries

AND SOLD
IN MORE THAN
170 countries

5%
OF SALES ALLOCATED
TO R&D

14%
DATACENTERS

40%
RESIDENTIAL

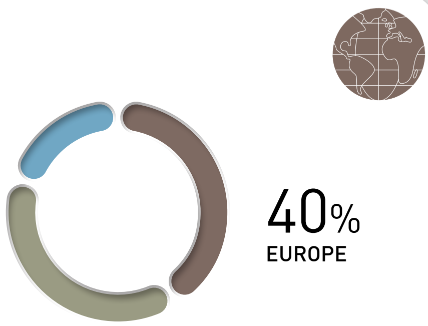


6%
OTHERS

40%
NON-RESIDENTIAL

4 main end-markets

19%
REST OF
THE WORLD



40%
EUROPE

41%
NORTH AND
CENTRAL AMERICA

Revenue breakdown per region

2022 events and highlights

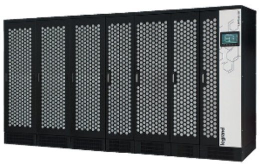
Launch of the fifth CSR Roadmap 2022-2024.

GEEIS-Diversity (Gender Equality European & International Standard-Diversity) **label** for eight new areas (United Arab Emirates, Italy, Germany and Austria, India, Peru, Southeast Asia, Iberia and Hungary), giving a total of 30 or so countries obtaining the label since 2020.

Incara
The Incara series of integrated power supply solutions for workspaces responds to changing needs and the change in spaces for living and working. The range has received a Red Dot Design Award.

Named one of the "World Best Employers" by Forbes and Statista for the third year in a row.

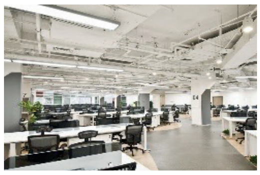
Commitment to reduce the Group's energy consumption by -15% (double to previous target) by the end of 2023 while also helping customers to make savings.



UPSaver 600-2600kVA
Solution for datacenters and critical IT applications. Featuring cutting-edge technologies, UPSaver is one of the most compact, efficient and fully adaptable power protection systems.

Signed up to the UN's standards of conduct for tackling discrimination against LGBT+ people and obtained the "Leading Allies" award in 'L'Autre Cercle''s fourth LGBT+ role models and allies awards.

15 years of partnership with *Électriciens sans frontières*. Since 2007, 265 projects to increase access to electricity and provide emergency aid in 44 countries, with over 3 million beneficiaries.



DLM Wireless – Luminaire Level Lighting Control (LLLC)
Wireless lighting solutions with individual controls for large areas. The system can be configured and controlled according to users' and integrators' needs.

7 acquisitions strengthening Legrand's position in fast-growing segments representing annual sales of around €200m.

Exemplary governance model serving a long-term vision

> "As Chair of the Board of Directors, I am committed to our values of transparency, integrity and responsibility. Governance is one of the core pillars of our long-term success."

Angeles GARCIA-POVEDA,
Chairwoman of the Board of Directors

Legrand's Board of Directors comprises 14 directors, who provide their varied and complementary expertise to promote value creation, while taking social and environmental considerations into account.

The Board of Directors relies on the work and recommendations of its four committees to make decisions. Each committee is chaired by an independent director.

Legrand pays particular attention to its governance, ensuring that it meets the highest standards, not only to comply with legal requirements and apply best practices, but also to act in the interests of all its stakeholders. The Company applies the principles of corporate governance for listed companies set out in the Afep-Medef Code of Corporate Governance, which can be found on the Medef website at www.medef.com.

Recognized for its performance and governance, Legrand is listed on Euronext Paris and is a component stock of the CAC 40, the CAC 40 ESG and the CAC SBT 1.5[1].

2022 key figures

5 NATIONALITIES REPRESENTED ON THE BOARD OF DIRECTORS

83% OF DIRECTORS ARE INDEPENDENT DIRECTORS[2]

8 MEETINGS OF THE BOARD OF DIRECTORS

94% DIRECTOR ATTENDANCE RATE AT BOARD MEETINGS

1 ANNUAL ASSESSMENT OF THE OPERATING PROCEDURES OF THE BOARD OF DIRECTORS AND ITS COMMITTEES

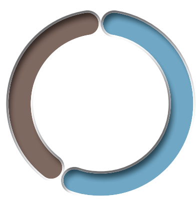
2 DIRECTORS' MEETING NOT ATTENDED BY INTERNAL AND EXECUTIVE DIRECTORS

(1) At the filing date of the Universal Registration Document.

(2) These figures do not include either of the 2 directors representing employees.

Gender balance on the Board of Directors[2]

42% WOMEN



58% MEN

3 of the 4 BOARD COMMITTEES ARE CHAIRED BY WOMEN

Board of Directors[1]

Angeles GARCIA-POVEDA
Independent Chairwoman of the Board of Directors
Spanish national
Member of the Commitments and CSR Committee

Olivier BAZIL
Director
French national
Member of the Nomination and Governance Committee and the Commitments and CSR Committee

Isabelle BOCCON-GIBOD
Independent director
French national
Member of the Commitments and CSR Committee and the Audit Committee

Christel BORIES
Independent director
French national
Chairwoman of the Commitments and CSR Committee and Member of the Audit Committee

Sophie BOURDAIS
Director representing employees
French national
Member of the Compensation Committee

Daniel BUISSON
Director representing employees
French national

Jean-Marc CHÉRY
Independent director
French national

Benoît COQUART
Director
French national

Edward A. GILHULY
Independent director
US national
Member of the Commitments and CSR Committee

Patrick KOLLER
Independent director
French-German national
Member of the Nomination and Governance Committee and the Compensation Committee

Michel LANDEL
Lead director
French national
Chairman of the Nomination and Governance Committee and Member of the Compensation Committee

Annalisa LOUSTAU ELIA
Independent director
Italian national
Chairwoman of the Compensation Committee

Florent MENEGAUX
Independent director
French national

Éliane ROUYER-CHEVALIER
Independent director
French national
Chairwoman of the Audit Committee and Member of the Compensation Committee

(1) Composition of the Board of Directors at the filing date of this Universal Registration Document.

Exemplary governance model serving a long-term vision

Roles and responsibilities of Committees[(1)]

98.5% DIRECTOR ATTENDANCE RATE AT BOARD COMMITTEE MEETINGS

Nomination and Governance Committee

This Committee is responsible for making proposals to the Board of Directors concerning the composition of the Board and the Board Committees

Its duties also include:

- carrying out periodical assessments, under the supervision of the Lead Director, of the operation of the Board and its Committees;
- examining changes in corporate governance rules and monitoring the Company's implementation of these rules;
- establishing the succession plan for executive officers.

3 Meetings of the Nomination and Governance Committee

Attendance rate: 100%

Compensation Committee

This Committee gives an opinion on compensation paid to the Company's executive officers. It also ensures that the Company fulfills its obligations regarding the transparency of compensation. Executive officers may not join the Compensation Committee.

4 Meetings of the Compensation Committee

Attendance rate: 100%

Commitments and CSR Committee

This Committee assists the Board of Directors with the Group's main commitments (annual budget, acquisitions) and the CSR strategy, including:

- examining all significant projects concerning the Group's development, in particular projects for strategic partnerships and significant investments or divestments;
- examining proposed annual budgets submitted to the Board of Directors;
- checking that the Group's strategy and CSR approach are consistent and take into account CSR issues, in particular climate-related risks and opportunities;
- evaluating the adequacy of the resources available to the Group for successful implementation of its CSR strategy, in view of the objectives pursued.

3 Meetings of the Commitments and CSR Committee

Attendance rate: 94.4%

Audit Committee

This Committee assists the Board of Directors in the conduct of its duties as regards the adoption of annual statutory and consolidated financial statements and the preparation of information presented to shareholders and the market. It monitors the effectiveness of internal controls and risk management. It is also responsible for with monitoring issues relating to the establishment and control of accounting and financial information, as well as the statutory audit.

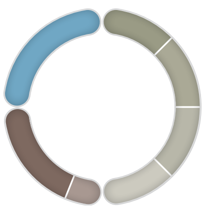
6 Meetings of the Audit Committee

Attendance rate: 100%

Executive compensation policy

Compensation paid to the Chief Executive Officer in 2022 Allocation of fixed and variable portions

25% ANNUAL FIXED COMPENSATION



25% ANNUAL VARIABLE COMPENSATION (TARGET)

75% Quantifiable

- Organic sales growth
- Adjusted operating margin before acquisitions
- Acquisitions
- CSR Roadmap achievement rate

25% qualitative

- Innovation and competitive position
- Quality of acquisitions
- Sustainable development and efforts to combat global warming
- General criteria

50% LONG-TERM VARIABLE COMPENSATION (TARGET)

- **25%** average organic sales growth over 3 years
- **25%** average adjusted operating margin before acquisitions over 3 years
- **25%** Group CSR Roadmap achievement rate
- **25%** Legrand's share price performance relative to the performance of the CAC 40 index

Manager compensation

Managers' compensation is in line with the Group's objectives. Around 20% of managers qualify for long-term incentive plans (LTIs). In addition, 20% of the annual country director bonus is linked to their business unit's performance in rolling out the CSR Roadmap.

1/3 ORGANIC GROWTH

1/3 ADJUSTED EBIT MARGIN

1/3 CSR ROADMAP ACHIEVEMENT

Structure of the long-term incentive plan (LTI) for the Group's key positions

(1) 2022 data.

Exemplary governance model serving a long-term vision

Executive Committee

Role and composition of the Executive Committee

Within the Company, the Executive Committee is responsible for defining and steering Legrand's strategy within the framework set out by the Board of Directors. It is a close-knit team of nine members with complementary and varied skills. In addition to French, two other nationalities are represented: American and German. It brings together operational departments and support functions.

Benoît COQUART (1)
Chief Executive Officer
joined the Group in 1997

Bénédicte BAHIER (2)
Executive VP Human Resources
joined the Group in 2007

Antoine BUREL (3)
Deputy Chief Executive Officer, Executive VP Operations
joined the Group in 1993

Jean-Luc CARTET (4)
Executive VP Asia-Pacific, Middle East & Africa and South America
joined the Group in 1992

Virginie Gatin (5)
Executive VP Corporate Social Responsibility
joined the Group in 2021

Gloria GLANG (6)
Executive VP Strategy and Development
joined the Group in 2019

Franck LEMERY (7)
Executive VP Chief Financial Officer
joined the Group in 1994

John SELLDORFF (8)
President and Chief Executive Officer of Legrand North & Central America
joined the Group in 2002

Frédéric XERRI (9)
Executive VP Europe
joined the Group in 1993

Our value creation model

Our resources

Our human capital

- **Around 38,000 employees** (38% of women)
- **Around 2,700 people working in R&D** in more than **20 countries**
- Committed teams: employee engagement rate at **80%** (2021)

Our industrial and intellectual capital

- Extensive Product offer: **over 300,000 product references**
- **115 manufacturing sites** in **32 countries**
- **86% of sites** ISO 9001-certified
- **87.5% of sites** ISO 14001-certified
- **Around 3,700 patents**
- **Almost 80 trademarks**
- Close to **19% of R&D teams dedicated to software and firmware**

Our financial capital

- **69.1% of the share capital** held by long-only investors
- Net debt equal to **1.2x EBITDA**

Our societal capital

- Customers in **more than 170 countries**
- **68% of purchases** from suppliers that have embraced Global Compact principles
- Philanthropic partnerships (*Électriciens sans frontières*, *Fondation Agir Contre l'Exclusion*), technological alliances, commercial partnerships

Our natural and environmental capital

- Low energy intensive business that provides energy efficiency solutions for buildings
- Limited use of water

Our purpose

"Improving lives by transforming the spaces where people live, work and meet, with electrical and digital infrastructures and connected solutions that are simple, innovative and sustainable."

Our balanced positioning

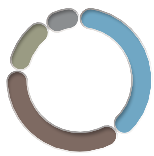
Low-risk industry

More resilient to economic cycles with strong barriers to entry

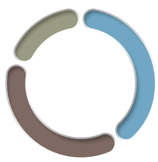
Strategic business sector

Strategic, low energy intensive industry supported by authorities under global and regional stimulus plans

Balanced sales mix



Sales by end market
- 40% Residential
- 40% Non-residential
- 14% Datacenters
- 6% Others



Sales per region
- 40% Europe
- 41% North and Central America
- 19% Rest of the World

Our structurally favorable trends

Secular trends

Electrification, demographics, shortage of buildings, development of new economies

New trends

Energy efficiency and sobriety, digitalization, assisted living, working from home, well-being

Our strategy

- **Pure player** in the building sector
- **Two thirds of sales** generated by leading market positions
- **Two growth drivers**:
  - **Organic growth**: ~ 5% of sales invested in R&D between 2010 and 2022 leading to many product innovations
  - **External growth**: 60 acquisitions between 2010 and early 2023
- **Acceleration in faster expanding segments**
- **Continuation of our CSR policy**: 5th CSR Roadmap launched in 2022
- **Efficient organization**, with performance-focused teams
- **Serving our customers**:
  - **Distributors**: generalists, specialists, home improvement, retail, internet pure players
  - **Contractors**: installers, systems integrators, panel builders
  - **Product specifiers**: architects, opinion leaders, design & engineering offices, investors
  - **End users**: individuals, businesses, building managers

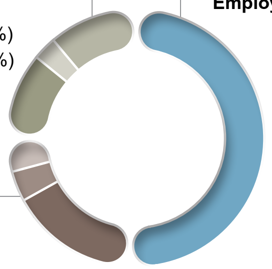
Our mid-term targets

- **Annual average sales growth**, excluding exchange-rate effects, between +5% and +10%
- **Average adjusted operating margin** of approximately 20% of sales
- **Continued expansion** of faster expanding segments: medium-term target of 50% of sales
- **2030**
  - **80%** of sales derived from **eco-responsible solutions**
  - **50% reduction in carbon emissions** related to our own business operations (Scope 1&2) and 15% reduction in those arising from our value chain (Scope 3) - unadjusted data, 2019 baseline
  - **One third of women in key positions** and **gender parity** across the workforce

Our value creation in 2022

- **€8.3 billion** of sales
- **20.4%** adjusted operating margin
- **€1.2 billion** normalized free cash flow

Balanced split of value added for stakeholders (2022)



- **15% reduction** in our Scope 1&2 emissions in 2022 versus 2021
- **55% of renewable energy** used by the Group
- **4.5 GWh produced at our sites** by our renewable energy installations
- **4.2 million tons of CO_2 avoided** by our customers through our energy efficient solutions
- **111 suppliers committed** in 2022 to reducing their emissions by 127,284 metric tons of CO_2e by 2030
- **90% of sales** made to satisfied customers
- **28.5% of management positions** (Hay14+) held by women
- **96% of Legrand employees** received at least 5 hours of training
- **54% reduction** in the frequency of workplace accidents (FR2) from 2018 to 2022
- **77% of Legrand employees** covered by the extended "Serenity On" program
- **Legrand named** among the "World Best Employers" by Forbes and Statista

A specialist in a growing industry

Legrand is the global specialist in electrical and digital building infrastructures, within an industry that is both strategic and fast-growing, with

- a huge accessible market worth around €120bn;
- a low-risk area as it is more resilient to economic cycles, particularly due to renovation works (more than 40% of business);
- more than 300,000 product references covering all regions and types of buildings.

Secular trends

Demographics	Population growth is driving up consumption and infrastructure spending
Urbanization	Better living conditions, work opportunities and higher incomes are favoring demand for smart applications and for the Internet of things
Rising middle class	Rising middle classes are investing in high-quality digital products, services and technologies

A specialist in a growing industry

Top-of-the-agenda trends

Buildings of the future	Smart-Connected-Simple-Safe products and applications are becoming essential
Climate emergency	More efficient, smarter buildings have a crucial role to play in curbing global warming (customer and regulatory expectations, in particular with stimulus plans)
Health and well-being	Societies are putting greater emphasis on well-being and assisted-living systems

Changing uses

Digital lifestyles	Digitalization combined with the shift in lifestyles is giving rise to structural trends for buildings in terms of connectivity and standards of comfort
Hybrid workplaces	Offices are being designed to be increasingly modular in terms of connectivity (offices able to become meeting rooms, videoconferencing)
Online business	Digitalization is driving more online purchases, plus an increased need for digital infrastructure in buildings

Our strengths in this promising market

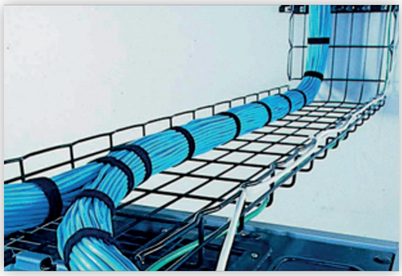
Our comprehensive range of products for all buildings

Legrand offers an unparalleled range of more than 300,000 products suitable for all buildings. The Group is also supporting building digitalization and helping to reduce buildings' carbon footprint with its energy efficiency products and services.

The Group's solutions are installed in living environments (individual homes and collective housing, hotels, etc.), working environments (offices, datacenters, industrial sites, etc.) and meeting environments (shops, hospitals, schools and universities, etc.).

Electrical installation control

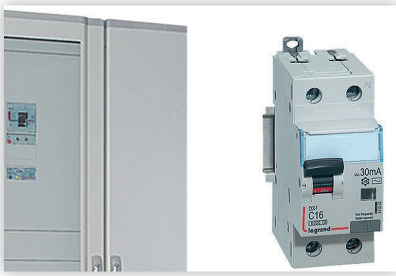
Making power available



Electricity distribution

Remote monitoring and management of all kinds of infrastructures

Providing a secure, stable and optimized power supply

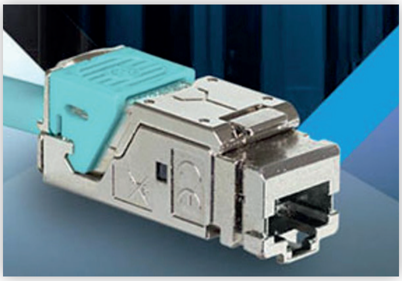


Protecting electrical installations

Our strengths in this promising market

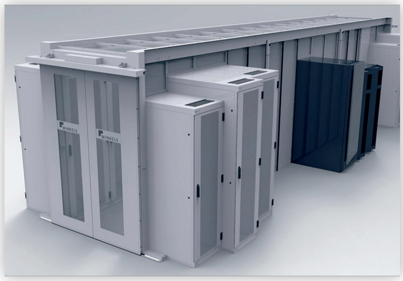
Electric vehicle charging

Measure and control energy consumption



Structured cabling systems installation

Distributing audio and video signals



Datacenter “white space” infrastructure organization

Supplying power to workstations

Lighting management and optimization

Temperature regulation and monitoring sunlight

Ensuring that people can move around buildings and exit them safely

Welcoming and screening visitors

Our strengths in this promising market

Close ties with our value chain

Thanks to its very wide product range, Legrand provides its customers with simple solutions. Legrand's products are specified, sold and installed by the various participants in its economic chain, and so the Group interacts with all parts of its ecosystem, including professional distributors and installers, specifiers and end users.

legrand

- Requested by consumers
- Easy to distribute
- Substantial installed base already present
- Easy to install and maintain
- Support and training provided
- Technology and extensive offering
- Attractive design and look and feel
- Strong brand equity
- Easy to use and maintain
- Safe and reliable

Distributors

- Generalists
- Specialists
- Home improvement
- Retail
- Internet pure play operator

Product specifiers

- Architects
- Opinion leaders
- Design & engineering offices
- Investors

Contractors

- Installers
- Systems integrators
- Panel builders

End users

- Individuals
- Businesses
- Building managers

Our strengths in this promising market

Our presence in 90 countries[1]

(1) 2022 data.

Europe

NUMBER OF EMPLOYEES
15,403

SALES
€3.3Bn

SHARE GROUP REVENUE
40%

North and Central America

NUMBER OF EMPLOYEES
6,917

SALES
€3.4Bn

SHARE GROUP REVENUE
41%

Rest of the World

NUMBER OF EMPLOYEES
15,611

SALES
€1.6Bn

SHARE GROUP REVENUE
19%

A responsive organization that has close ties with its markets

The Group's organizational structure is based on two distinct roles: the global Back Office optimizes resources, while local Front Office maintains close ties with customers.

Operating on the basis of efficient, performance-driven processes and spearheaded by employees that are engaged and focused on customer service, this organization is a key part of the Group's success.

Growth strategy based on a unique development model

Legrand's strategy is based on two main growth drivers: organic growth, fueled by innovation thanks to ongoing investments in R&D, and growth through targeted acquisitions.

This strategy aims to develop both essential infrastructure products and services and faster-growing segments such as datacenters, connected products and services and energy efficiency solutions. Our aim for all these segments is to continue to strengthen the Group's market-leading positions. Coupled with a policy of operational excellence, this strategy results in outstanding profitability and cash flow generation.

This unique development model is also based on a strong commitment to sustainability, which forms an integral part of the Group's strategy.

Organic growth driven by innovation and by sales and marketing initiatives

Innovation is central to Legrand's culture and is one of the Group's growth drivers.

It draws on the Group's longstanding technology and design expertise to ensure safety, reliability and comfort. The Group's dedication to innovation is supported by all employees and reflected by regular launches of new products and permanent sales and marketing initiatives.

AROUND 5% OF SALES
ALLOCATED TO R&D EACH YEAR

AROUND 3,700 ACTIVE
PATENTS IN MORE THAN 60 COUNTRIES

CLOSE TO 2,700
PEOPLE WORKING IN R&D

External growth based on a targeted acquisition strategy

Acquisitions enable Legrand to continue to increase its market share. The Group's targeted acquisitions concern companies benefiting from market-leading positions.

The companies it acquires operate in Legrand's traditional business lines as well as additional areas and the most promising areas of technology, in particular those relating to the faster expanding segments. These segments represented more than 40% of full-year sales from acquisitions between 2010 and 2022.

Legrand fosters close relationships with around 300 companies representing substantial potential for the Group and offers an effective integration process for newly acquired companies.

60 ACQUISITIONS
FROM 2010 TO EARLY 2023

€5,6Bn
INVESTED BETWEEN 2010 AND 2022

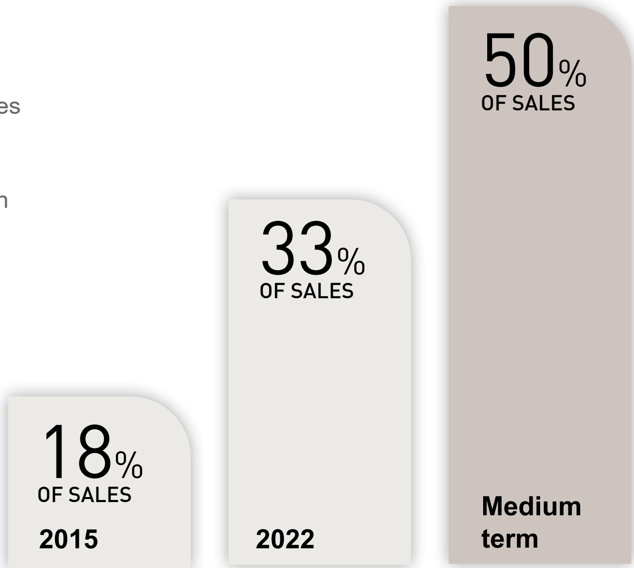
+4% PER YEAR:
AVERAGE INORGANIC GROWTH
BETWEEN 2010 AND 2022

Growth strategy based on a unique development model

Focus on the faster expanding segments

The Group focuses a large proportion of its investment on the faster expanding segments (connected products, datacenters and energy efficiency).

These offers accounted for around 33% of the Group's sales in 2022, providing a response to the growing need for connectivity, the climate emergency, people's desire for comfort and the desire of more vulnerable people to remain independent for longer. In the medium term, Legrand aims to generate half of its sales in these segments.



Datacenters

x2
SALES HAVE DOUBLED SINCE 2017

AROUND 14%
OF SALES IN 2022

Connected products: Eliot program

MORE THAN 40
CATEGORIES OF CONNECTED PRODUCTS OUT OF MORE THAN 100 CATEGORIES

AROUND 14%
OF SALES IN 2022

Energy efficiency

4.2 MILLION
TONS OF CO_2E AVOIDED BY CUSTOMERS IN 2022

AROUND 22%
OF SALES IN 2022

Corporate Social Responsibility at Legrand

Corporate Social Responsibility is central to Legrand's strategy, helping the company achieve profitable and sustainable growth, with the aim of benefiting all stakeholders.

The CSR Department was created in 2004 and since 2007, Legrand has defined and coordinated its CSR strategy through multi-year roadmaps, summarizing the key priorities and performance indicators. In 2022, Legrand launched its fifth CSR Roadmap for 2022 to 2024.

This approach has enabled the Group to deliver concrete results over the long term thanks to the work done by its operational and local teams on major CSR issues[1] :

Environment

	2011	2022	variation
Direct energy consumption (GWh):	253	**190**	↘ -25%
Scope 1&2 CO_2 emissions (in thousands of metric tons of CO_2 equivalent)	187,000	**118,072**	↘ -37%
Product environmental information for customers: Product Environmental Profiles (PEP)	30%	**69%**	↗ +130%

Social

	2011	2018	2022	variation
Management positions (Hay grade 14+) held by women	–	22.6%	**28.5%**	↗ +26%
Key positions (Hay grade 20+) held by women	–	14.8%	**24.4%**	↗ +65%
Frequency rate of lost-time work accidents (FR1)	8.64	–	**1.92**	↘ -78%
Frequency rate of work accidents with or without lost time (FR2)	–	6.54[2]	**2.99**	↘ -54%

87% increase in the Group's total sales between 2011 and 2022

Solid governance

In 2018, the roles of Chair of the Board of Directors and Chief Executive Officer were separated.

Within the Board of Directors, the Commitments and CSR Committee oversees the results of the CSR strategy, ensuring that it reflects the company's overall strategy and takes into account internal and external factors relating to CSR.

Legrand's annual non-financial report has been audited by an independent third-party organization since 2015.

(1) Figures based on current scope.

(2) The 2018 FR2 rate has been recalculated. As of 2022, published FR1 and FR2 figures include a cut-off adjustment – see section 4.5.2.2 of the Universal Registration Document.

Our HR policy incorporated into the Company's strategy

In keeping with the Group's values, our HR priorities - developing employee well-being, promoting diversity and inclusion and identifying and retaining talent - all contribute to the Group's success. Developing our human capital is therefore one of the key aspects of the company's strategy and is reflected in the CSR Roadmaps."

Bénédicte Bahier, Executive VP Human Resources

Our priorities

- Legrand's ability to attract, develop and retain talent;
- promoting diversity and inclusion, in particular by increasing the proportion of female employees;
- employee development, by means of training and implementing tailored strategies for identifying and supporting talent and for recognizing performance;
- employee engagement and ensuring their well-being, health and safety.

Significant initiatives

GEEIS-Diversity label (Gender Equality European and International Standard)

The GEEIS label was created in 2010 to give companies effective ways to oversee their gender balance and enable them to ensure equal opportunities.

Legrand has obtained the GEEIS-Diversity label to acknowledge the progress made by the Group over many years in terms of diversity, gender balance and inclusion, principles that are at the heart of Legrand's HR and CSR strategies.
At the end of 2022, 44.5% of employees worked for entities with the GEEIS–Diversity label.

Serenity On program

Serenity On, launched in 2017, aims to guarantee welfare benefits for Legrand employees in all countries in which the Group operates. The program sets targets in three areas: parenthood, health and personal protection.

At the end of 2021, 97% of Legrand employees were covered by the Serenity On program:

➔ **PARENTHOOD**
To promote a better work/life balance, Serenity On sets minimum standards for maternity leave and paternity leave.

➔ **HEALTH**
To protect its employees, Legrand ensures that each employee is covered for health and care costs relating to hospitalization in the event of a serious incident.

➔ **PERSONAL PROTECTION**
In the event of death or total and permanent disability of an employee due to illness or accident, Legrand aims to offer the employee's family protection equal to at least one year of gross basic salary.

The program was extended in 2022 to include:

➔ high quality medical cover for employees' families;

➔ access to targeted physical and psychological well-being programs to foster a prevention-based approach and incorporate the growing issues relating to mental health at work.

At the end of 2022, 77% of Legrand employees were covered by the extension to the Serenity On program.

Engagement survey

In 2021, Legrand conducted its second worldwide employee engagement survey among all employees. The participation rate was 79% with an engagement score of 80%. In addition, 87% of respondents said that they were proud to work for Legrand.

- 82% of employees would recommend Legrand as a good place to work;
- 86% of respondents believe that the company is concerned about health and safety at work;
- 80% of respondents think that the training they have received is appropriate for their job;
- 83% believe that the company provides an inclusive working environment that accepts personal differences.

Following the survey, more than 1,000 action plans have been launched in countries to respond to the expectations expressed by employees.

Our medium-term goals

Between 5% and 10% annual average sales growth, excluding exchange rate effects

- Supported by a strengthened business model
- Market expansion driven by structural trends and new addressable segments (> €30 billion)
- Organic growth profile strengthened with faster expanding segments from 33% of sales in 2022 to 50% in the medium term
- Bolt-on acquisitions strategy to be pursued with 3 to 6 deals per year

Approximately 20% of average adjusted operating margin of sales

- Supported by robust management of selling prices and constant operating productivity
- Full absorption of:
  - Investments in organic growth
  - Dilutive impact of new acquisitions (-10 to -50 basis points per year)
  - Financing of restructuring initiatives

Continued expansion of high-growth segments: medium-term target of 50% of sales

- Balanced capital allocation
  - More than half of free cash flow invested in bolt-on acquisitions, while preserving a solid balance sheet
  - Average dividend payout ratio of around 50%
  - Share buybacks to compensate for the dilution linked to LTI programs

Our 2030 targets

Diversity

Strengthen women's role within the Group:

- achieve gender parity
- at least one third of top management roles (Hay grade 20+) held by women

Climate

Continue to reduce the Group's greenhouse gas emissions in line with the most ambitious Paris Agreement target, aiming to limit the global increase in temperatures to 1.5°C above pre-industrial levels:

- -50% reduction in carbon emissions related to our own business operations (Scope 1&2)
- -15% reduction in emissions arising from our value chain (Scope 3)

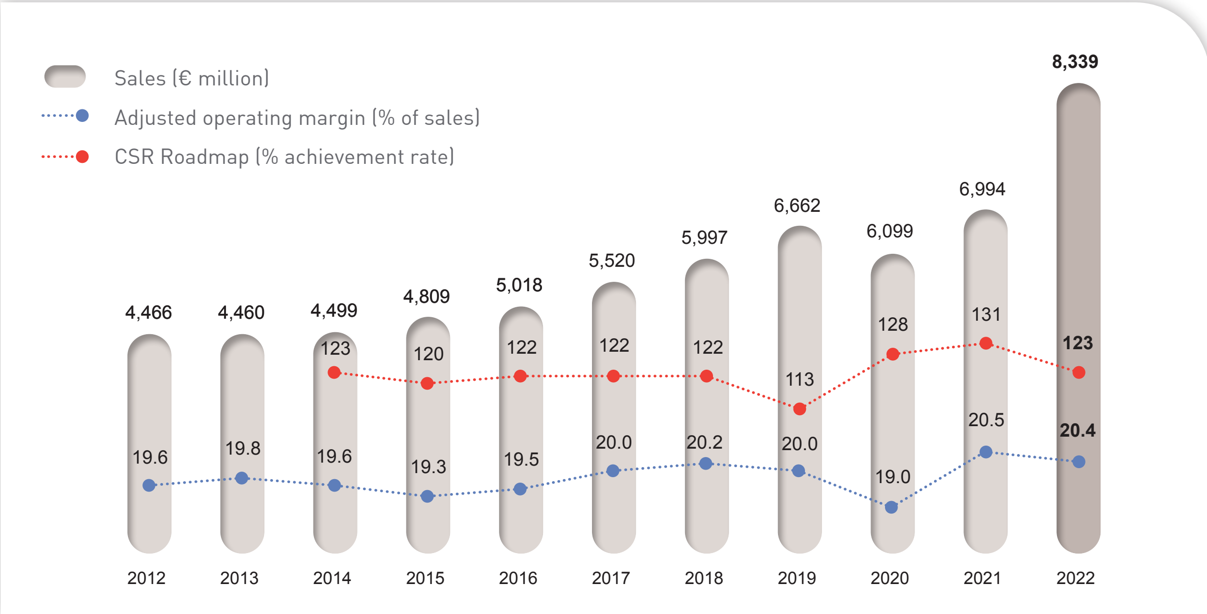
Eco-responsible revenues

80% of sales derived from eco-responsible solutions:

- solutions to make buildings more energy efficient
- inform customers of the environmental impact of our products and services by means of PEPs (Product Environmental Profiles)

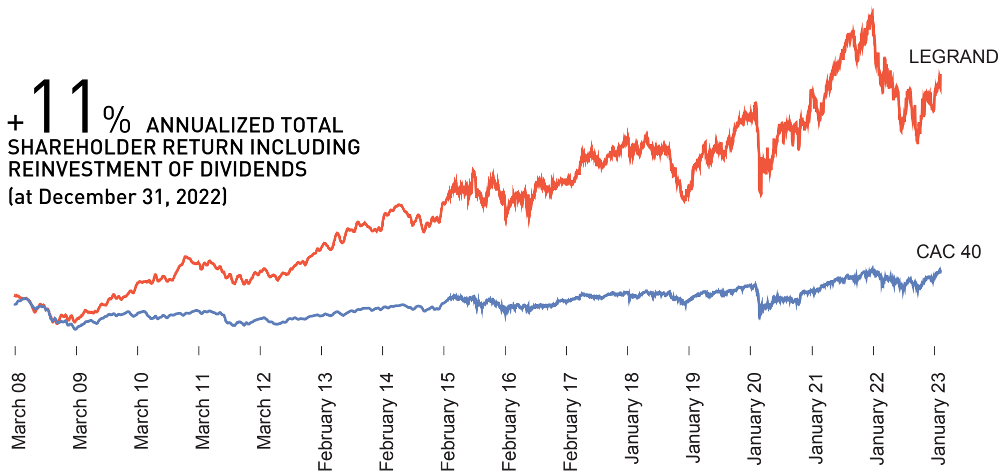
Our historical performance

2012-2022 historical financial and non-financial performance



Share price development

Between April 6, 2008, and February 10, 2023 (rebased 100 in 2006)



Our 2022 financial and non-financial performance

Very solid integrated performance in 2022

+19.2% SALES GROWTH	20.4% OF SALES ADJUSTED OPERATING MARGIN	+26.8% GROWTH IN ADJUSTED NET PROFIT ATTRIBUTABLE TO THE GROUP	€1,036 million OF FREE CASH FLOW

Promote diversity and inclusion

	2022 results and targets	Achievement rate 2022	References to URD sections
Achieve a level of **30%** of management positions filled **by women**	28.5% (2021: 26.7%; 2022: 27.7%; 2024: 30.0%)	102.9%	4.5.5.1
Achieve a level of **80% of the workforce** working at an entity holding the "Diversity & Inclusion" label	44.5% (2021: 15%; 2022: 30%; 2024: 80%)	148.2%	4.5.5.2
Offer **4,000 new opportunities** to early-in-careers each year	3,875 (2022: 4,000)	96.9%	4.5.5.2
Develop **200 additional businesses** with suppliers qualified as "Diversity & Inclusion" by 2024	71 (2022: 40; 2024: 200)	177.5%	4.7.3

Reduce our carbon footprint

		2022 results and targets	Achievement rate 2022	References to URD sections
Thanks to the Group's Energy Efficiency solutions, enable **customers to avoid the emission of 12 million tons of CO_2**		4.2 Mt (2022: 4 Mt; 2024: 12 Mt)	104.3%	4.3.4
Reduce the Group's Scope 1&2 CO_2 emissions by 10% each year through **energy efficiency improvements at our manufacturing sites and renewable energy deployment**		-14.9% (2022: -10%; 2024: -30%)	148.9%	4.3.2
Encourage at least 250 key suppliers to have an official CO_2 emission reduction target of 30% on average by 2030	Number of suppliers	111 (2022: 50; 2024: 250)	222%	4.3.3
	Supplier commitment	-127.3 tCO_2e (2022: -80 tCO_2e; 2024: -400 tCO_2e)	159.1%	

Our 2022 financial and non-financial performance

Develop a circular economy

		2022 results and targets	Achievement rate 2022	References to URD sections
Achieve a 15% **recycled plastics** use rate and 40% **recycled metals** use rate in products manufactured by the Group	Recycled plastics	5.4% (2022: 10%; 2024: 15%)	54%	4.4.2.1
	Recycled metals	19.4% (2022: 20%; 2024: 40%)	97%	
Eliminate 100% of single-use plastic in **flow pack** and expanded **polystyrene packaging**	Flow pack packaging	+2.1% (2022: -10%; 2024: -100%)	0%	4.4.3
	Expanded polystyrene packaging	-31.7% (2022: -10%; 2024: -100%)	150%	
Cover 72% of the Group's annual revenue with **Product Sustainable Profiles**		69% (2022: 70%; 2024: 72%)	98%	4.4.4

Be a responsible business

	2022 results and targets	Achievement rate 2022	References to URD sections
Achieve 90% of sales made to **satisfied customers** (satisfaction surveys)	90% (2022: 90%)	100%	4.6.1.1
Legrand's commitment to **business ethics** covers three aspects: supervise, train and ensure compliance	98.5% (2022: 100%)	98.5%	4.8.3
Provide training for 85% of employees each year and attain 7 hours of annual training for each employee	95.8% (5h) (2022: 85% (5h))	112.7%	4.5.4.1.1
Reduce the **work-related accident frequency rate** by 20% (FR2)	-14.3% (FR2: 2.99) (2021: (FR2: 3.49); 2022: -7% (FR2: 3.24); 2024: -20% (FR2: 2.79))	204.7%	4.5.2.2
Expand the **Serenity On program** to cover 100% of employees	77% (2022: 65%; 2024: 100%)	118.5%	4.5.3.1

Recognition of our non-financial performance

In 2022, Legrand achieved the following ratings:

CDP Climate Change
B list

MSCI
AA CSR rating

Sustainalytics
Low risk

DJSI
Score of 81

EcoVadis
Platinum status

ISS Oekom
Corporate rating
Prime status

Moody's Vigeo Eiris
67/100 Eurozone 120,
Europe 120

The Group was included in the following indexes at the filing date of the Universal Registration Document:

EURONEXT
CAC 40 ESG – CAC SBT 1.5
Euronext Equileap Gender Equality Eurozone 100 and France 40

FTSE4Good
FTSE4Good

Contribution to the United Nations Sustainable Development Goals

Legrand's 2022-2024 CSR Roadmap contributes to 10 of the 17 United Nations' Sustainable Development Goals to achieve a better and more sustainable future for all.

Our risk management strategy

The approach is based on identifying and classifying risks according to their impact, probability of occurrence, and an estimate of the degree to which they are under control.

Our Group risk mapping

Legrand identifies risks and opportunities that are likely to significantly impact its strategy, operations, financial position or reputation.

Risk factors may be external (regulatory changes, cybercrime, technological developments, market trends, climate change, natural catastrophes, etc.) or internal (equipment or human failure, fraud, non-compliance with regulations, etc.).

Risk management is an ongoing task for which all Group managers are responsible.

The chart below summarizes Legrand's main risks at the end of 2022, divided into three categories.

1) Strategic and operational risks;
2) External risks;
3) Non-financial risk and interconnections between financial and non-financial factors.

External risks

- Inflation
- Volatility and availability of raw materials
- Regulatory changes
- Construction sector crisis in some countries

Strategic and operational risks

- Digital acceleration
- Products and solutions that do not reflect changing market expectations
- Brand positioning
- Cybersecurity and personal data protection
- Alignment of information systems with the company's requirements
- Overall competitiveness of operations
- Human resources policy adequacy
- Product quality

Non-financial risks

- Environmental impacts and risks related to climate change
- Business ethics
- Customer experience
- Products and services helping to make buildings more energy efficient
- Health, safety and well-being at work
- Human rights
- Personal data protection

With a dedicated governance

To manage our risks, we identify them, and assess the impact and current levels of control to implement the necessary improvement measures. The following governance framework is in place for managing these risks and overseeing the measures taken to control them.

Audit Committee

Risk management

- Risk mapping
- Group Risk Committee
- Group Compliance Committee
- Operational risk management committees
- Risk management function

Internal control

- Internal control framework
- Self-assessment by subsidiaries
- Local internal controllers

Internal audit

- Annual audit schedule
- Group internal auditors

About this report

This integrated report gives a summary overview of Legrand and its operations. It has been prepared in accordance with the international standards set by the International Integrated Reporting Council (IIRC). It illustrates the implementation of a strategy centered around growth, CSR and governance, and sets out the Group's short- and long-term ambitions for improving the lives of all its stakeholders. The report also describes how Legrand is adapting to economic and social conditions and ever-changing requirements. It highlights the contribution of its CSR approach to the United Nations Sustainable Development Goals.

Preparation of this integrated report is overseen by Legrand's CSR department. It is the result of a collaborative effort with the Human Resources, Investor Relations and Legal departments and part of the Executive Management team.

02

Group overview

2.1 - Legrand and its business

2.1.1 - A unique model of responsible value creation

Legrand is the only global specialist in electrical and digital building infrastructures. The Group's addressable market is worth around €120 billion and is not very sensitive to the economic cycle. Legrand's offering has unrivaled depth with more than 300,000 product references across more than 100 product families. They are sold under generalist, specialist and local brands that are recognized by the Group's entire ecosystem (distributors, installers and end-users).

The Group has a model of profitable and responsible growth that is based on continuously developing leadership positions and delivers high levels of free cash flow over the long term. This cash flow enables the Group to self-finance its growth and pay out an attractive dividend, while maintaining a solid balance sheet.

Legrand's strategy is deployed and driven by a responsive organization that has close ties with its markets, featuring:

- highly committed teams, comprising nearly 38,000 staff members in 2022 in 90 countries; and
- a business culture that focuses on performance, both financial and non-financial.

Legrand is listed on Euronext Paris and is a component stock of the CAC 40 and the CAC 40 ESG indices. It reported sales of more than €8.3 billion in 2022.

2.1.1.1 Main advantages of the Legrand business model

The main advantages of the Legrand business model are its vast catalog of products and solutions, its unique position as a global specialist, its leadership in multiple areas and, finally, the special relationship it has with its economic chain because of its value proposition. With its product range sold in more than 170 countries, Legrand is the only global specialist in its field of expertise. It is a leader in numerous areas – with nearly two thirds of sales coming from areas in which it ranks number one or two – and has balanced geographical and sector exposure.

Its organic growth is driven mainly by its ability to innovate. Innovation delivers value for the whole economic chain, allows Legrand to achieve a good level of pricing for its products, creates entry barriers for rivals and prevents commoditization of products.

Legrand is also a regular and historical consolidator in its market. Every year, it boosts growth by making several bolt-on[1] acquisitions that are selected according to strict strategic and financial criteria.

The Group's Front Office (commercial operations) is organized locally, enmeshed as closely as possible with customer needs, while its Back Office (mainly manufacturing operations, purchasing and R&D) is organized globally in order to optimize resources.

The organization operates on the basis of performance-driven processes that promote accountability among Legrand's people.

The Group's integrated (financial and non-financial) performance makes it a top-tier player in terms of growth, profitability and ESG[2] commitment. Legrand's profitable, responsible growth model delivers high levels of free cash flow. This cash flow enables the Group to finance most of its growth and pay an attractive dividend, while maintaining a solid balance sheet.

2.1.1.1.1 A vast addressable market that is not very sensitive to the economic cycle and offers a leadership premium

The Group's addressable market was estimated to be worth around €120 billion in 2022, and covers both the newbuild and renovation of buildings.

The market is characterized by:

- fragmented business flows from hundreds of thousands of customers;
- recurring business in the renovation segment, which accounted for more than 40% of sales in 2022;
- a relative lack of commoditization; and
- positive exposure to the electrification and digitalization trends.

This makes the Group less sensitive to cyclical developments in major private- and public-sector projects.

Installers favor market-leading products, *i.e.* those that can be installed most efficiently (offering a combination of availability, safety, quality, reliability and ease and speed of installation) while showing the characteristics expected by end-users in terms of functionality, design and ease of use.

(1) Acquisitions that complement Legrand's activities.

(2) Environmental, Social and Governance.

Legrand believes that access to its local markets requires new entrants to make a high initial investment, due to:

- the importance of the relationship with the market's main distribution channel, *i.e.* professional distributors;
- the need for established relationships with local participants in the economic decision-making chain (distributors, installers, specifiers and end-users);
- local differences in installation practices and design preferences;
- the existence of an installed base comprising several billion products; and
- the need to offer an extensive range of innovative products and systems that have multiple functions.

Lastly, the Group's products are also subject to quality and safety controls and regulations. They are mostly regulated by national standards, and even international standards for some of them.

2.1.1.1.2 A product range of unrivaled depth

The Group's solutions improve lives by transforming the spaces where people live (homes, hotels, etc.), work (offices, datacenters, industrial sites, etc.) and meet (stores, hospitals, schools and universities, etc.).

The depth of Legrand's product range is unique in its market, allowing to:

- control electrical installations (switches, user interfaces with up to 200 functions, wiring devices with integrated voice commands, etc.). Legrand considers itself the world leader in control and connection interfaces. It is one of the few manufacturers whose offering complies with most of the standards in use around the world;
- make power available in all types of buildings (domestic and industrial power sockets, USB connectors, etc.);
- supply power to workstations (mobile or flush-mounted sockets, floor boxes, etc.);
- provide a secure, stable and optimized power supply (UPS[(1)] systems, transformers, harmonic filters, etc.), particularly in buildings that have significant digital infrastructures;
- protect electrical installations (residential or power-system protection panels, modular circuit-breakers, circuit-breakers with molded cases, air circuit breakers, residual current circuit-breakers and switches, etc. These products:
  - protect people and property from major electrical risks;
  - ensure a reliable, high-quality power supply to all kinds of buildings;
  - protect renewable energy sources;
- distribute electricity around a building (metal or plastic cable management for ceilings, floors or walls, busbar trunking, floor boxes, power in furniture connectivity for office furniture, etc.) while preventing any accidental contact between electrical cables and other electrical or mechanical equipment or with people;
- secure buildings (intrusion alarms, access control, technical alarms, smart locks, etc.);
- welcome and screen visitors (audio and video door-entry systems, doorbells, etc.);
- regulate temperature and sunlight (thermostats, smart thermostatic valves, shutter controls, etc.);
- install cabling systems within a building (cabinets and enclosures, patching racks, copper and fiber-optic connectors, etc.);
- organize a datacenter's white-space infrastructure (PDUs[(2)], cabinets and racks, busways[(3)], solutions optimizing hot and cold air flows, etc.);
- manage lighting systems (detectors, lighting control systems, specification-grade architectural lighting for commercial buildings, etc.);
- distribute audio and video signals (support systems, video-conferencing solutions, etc.);
- ensure that people can move around buildings and exit them safely (emergency lighting, pathway marking solutions, etc.);
- provide assisted living solutions (personal alarm systems, sockets for easy unplugging, etc.);
- measure and control power consumption within a building (smart electrical panels, eco-meters, load-shedding devices, etc.);
- recharge electric vehicles (kits, sockets and charging stations, etc.); and
- remotely control and manage all infrastructure and systems in homes and all kinds of smart buildings.

Legrand also provides services and support to its customers (customized offerings and systems, maintenance and repair, etc.).

The Group is a benchmark in terms of the quality, reliability, availability and ease of use of its solutions, and in terms of their high-end functionality.

(1) Uninterruptible power supplies.

(2) PDU: Power Distribution Unit.

(3) Busways: electric power distribution systems based on metal busbars.

2.1.1.1.3 The only global specialist in electrical and digital building infrastructure

Legrand is the only global specialist in electrical and digital building infrastructure, and has developed unique expertise in the many standards in its industry.

Almost all of its sales relate to buildings:

- residential spaces: less than 40% of sales in 2022, with half coming from the renovation segment;
- datacenters: around 14%;
- non-residential spaces (offices, hotels, healthcare, education, etc.): more than 40%, with half coming from the renovation segment; and
- other spaces (including industrial sites and infrastructure): around 6%.

Within its product range, Legrand distinguishes between core infrastructure products and faster expanding segments.

Core infrastructure products accounted for around 67% of sales in 2022 (versus 69% in 2020). Sales of these solutions grow at a similar pace to gross domestic product (GDP), in line with building activity.

Faster expanding segments (connected products in the Eliot program, datacenter solutions, energy efficiency programs) accounted for around 33% of sales in 2022 (versus 31% in 2020). They are growing faster than the building market in general and are helping to raise the Group's presence in new customer categories.

2.1.1.1.4 A leading player in its markets

Over time, Legrand has generated close to two thirds of its sales on average from leadership positions, *i.e.* product families in a given country in which it ranks first or second.

The Group has several advantages that distinguish it from players with comparable offerings in one or more categories. The depth and quality of its product range, its constant innovation efforts and its long-standing close ties with its ecosystem help to give Legrand leading positions in its markets.

For example, Legrand considers that it has front-running positions in the following areas:

- in Europe, it ranks number one in user interfaces and cable management and number two in assisted living; it also ranks number one in door-entry systems in Italy and number one in emergency lighting in France;
- in North and Central America, it ranks number one in PDUs[1] and audio-video infrastructure and is a major player in user interfaces; it also ranks number one in busways[2] for datacenters and specification-grade architectural lighting for commercial spaces in the United States;
- in South America, it ranks number one in user interfaces and door-entry systems; it also ranks number one for modular protection in Chile, Colombia and Peru and for UPS[3] systems in Brazil;
- in Asia-Pacific, it ranks number one in modular protection in India and in PDUs[1] for datacenters in China, and number two in emergency lighting in Australia and in user interfaces in India; and
- in Africa and the Middle East, it ranks number one in user interfaces; it also ranks number two in floor boxes and number one in busways[2] for datacenters in South Africa.

This solid presence makes Legrand a leading player in its markets. Its competitors include:

- electrical divisions of international industrial groups, which are often diversified. Examples of these are ABB, Eaton, Honeywell, Panasonic, Schneider Electric and Siemens;
- international groups that focus on a limited number of product categories, such as CommScope and Belden (structured voice-data-image cabling), Crestron (building systems), Acuity (lighting), Lutron and Signify (lighting control), Panduit (VDI and cable management), Atkore (cable management), Rittal (envelopes and racks), nVent (installation components) and Vertiv (datacenter equipment);
- small and medium-sized players, which may or may not be specialists and usually operate in one country or a limited number of countries (around 3,000 companies). Examples include: Deltadore and Cogelec in France; Gewiss, Urmet and Vimar in Italy; Niko in Belgium; Gira, Niedax and Obo Betterman in Germany; Simon in Spain; Leviton, Hubbell and Snap One in North America; Intelbras in Brazil; Havells, Zicom and Profab in India; Chint, Nader, Feidiao, Tengen and Bull in China; Aiphone in Japan and Al-Fanar in the Middle East;
- occasionally within a more limited scope, companies from the technology sector. These range from startups to digital giants such as Alphabet and Amazon.

(1) PDU: Power Distribution Unit.

(2) Busways: electric power distribution systems based on metal busbars.

(3) Uninterruptible power supplies.

2.1.1.1.5 High profile developed through a portfolio of leading brands

Installers and specifiers are the main decision-makers when choosing products. They have put their trust in the Group's brands for many years. Those brands are associated with products and systems that are safe, reliable and easy to install and use. This trust creates a high degree of loyalty.

Legrand markets its products:

- under world-renowned generalist brands such as Legrand and Bticino; and
- under an extensive portfolio of around 80 brands, either specialist brands such as Cablofil or Netatmo, or brands that are also very well-known at the local level.
  - in Europe, Arnould, A. & H. Meyer, CP Electronics, Debflex, Intervox, Planet Watthom, Power Control, URA, Usystems, IME, Kontaktor, Ecotap, Electrak, Emos, Ensto, Estap, Inform, Neat, Tynetec, Minkels and Zucchini;
  - in North and Central America, Champion One, Chief, C2G, Da-Lite, Kenall, Finelite, Focal Point, Middle Atlantic Products, Pinnacle, Raritan, Sanus, Server Technology, Starline, Vantage and Wattstopper;
  - in the Rest of the World, Clever, Lorenzetti, HPM, HDL, SMS, Indo Asian, Numeric, Megapower and Shidean.

The Group's brands and trademarks are protected in most markets. Legrand only licenses its brands to third parties in exceptional circumstances and rarely uses brand licenses from third parties.

Legrand also holds around 3,700 active patents in more than 60 countries. They cover close to 1,800 different systems and technologies. The Group's level of dependence on third-party patents is not considered to be material.

2.1.1.1.6 A value proposition that benefits all participants in the economic chain

Legrand's products are specified, sold and installed by the various participants in its economic chain, and so the Group is at the center of interactions within its ecosystem:

- professional distributors: electrical equipment, specialists, Do-it-Yourself (DiY), online sales;
- installers: electricians, systems integrators, panel builders;
- specifiers: architects, opinion leaders, engineering offices;
- end-users: individuals, investors, building managers.

This ecosystem is linked particularly closely with the unique aspects of the Group's offering:

- product availability and ease of distribution, the extent of the installed base and customer attachment to the Group's well-known products underpin long-standing relationships of trust with distributors;
- the ease of installation and maintenance, quality, support and training provided to professionals are highly valued by installers;
- the inclusion of new technologies, the recognizable design and "look and feel" of products and the strength of Legrand's brands are key decision drivers for specifiers;
- the ease of use and maintenance, safety and reliability associated with a strong brand are very popular among end-users.

2.1.1.2 A growth-focused model

Legrand's business model relies on two growth drivers to strengthen its leadership positions on an ongoing basis.

2.1.1.2.1 First driver: organic growth

Organic growth is stimulated in particular by innovation (regular launches of new products offering enhanced value in use) and commercial initiatives (physical with the opening of showrooms, digital *via* e-marketing, and organizational).

Innovation driven by research and development

Over the long term, Legrand spends around 5% of its sales[(1)] on research and development.

This sustained level of expenditure ensures a steady flow of new products with new design features and functionality, in line with customer requirements. By continually adding value in this way, it reinforces loyalty to the Group's brands among installers, specifiers and end-users, thereby strengthening its numerous leading positions.

Product development focuses mainly on the following aspects:

- quality, reliability and safety;
- simplicity and speed of installation;
- enhanced features, particularly through the use of new technologies (such as remote controls that ensure the security and confidentiality of personal data, voice control, etc.);
- the broadest possible interoperability aligned with the needs of end-users;

(1) Research and development expenses (including capitalized costs) before purchase accounting charges relating to the acquisition of Legrand France.

- esthetics and design; and
- the ability of products to work together in an integrated system.

Research and development is the responsibility of the Operations Department that decides which projects to allocate to local teams. Legrand's approach to innovation is therefore promoted and coordinated by dedicated teams, with the support of the Strategy and Development Department. Those teams define broad technological guidelines and ensure that they are applied consistently within the Group.

Legrand's research and development is carried out in particular in France, Italy, the United States and Asia (nearly 22% of R&D staff numbers). In 2022, close to 2,700 employees in more than 20 countries were employed in research and development, of whom around 19% focused on software and firmware.

This global organization enables Legrand to optimize its R&D operations by designing products that share a single platform. As well as reducing the number of components and production costs, by sharing development costs in this way Legrand can speed up development, take on more projects and therefore expand its product range cost-effectively. In particular, this optimization allows Legrand to allocate more resources to software and firmware and to faster expanding segments (datacenters, connected solutions and energy efficiency). In addition, the Group anticipates the international roll-out of its products as soon as it designs them, in order to spread design expenditure over a larger base and to safeguard product quality. For example, this is the case with user interfaces, which are supported by a limited and constantly streamlined number of about 10 metallic platforms and some 50 frames. This provides a common foundation for around 100 ranges of switches and sockets that meet all international standards with unrivaled depth in terms of product offering.

The success of this strategy is shown by the large number of popular product ranges, such as:

- the Classe 300 EOS connected door-entry system launched in 2021, which allows users to manage access to their homes manually, using their voices or remotely using the Home + Security app;
- the Drivia with Netatmo smart electrical panel, which allows users to manage and control an electrical installation's power consumption remotely using the Home + Control app, completed by new modules in 2022 and won two prizes in CES 2020;
- connected smart thermostats such as Smarther with Netatmo, launched in 2020;
- the ranges of connected sockets and switches, including Celiane with Netatmo, which won a prize in CES 2017, Living Now with integrated Alexa™, which won a prize in CES 2019, or the new offers New Plexo, Adorne with Netatmo and Mallia senses;
- modular, resilient and automatic-coupling P31+ cable trays;
- connected emergency lighting systems, sold in France (Uraone and Uralife V) and Australia (Galaxy), which allow users to see the status of installed lights at all times and to maintain them as effectively as possible; and
- Linkeo cabinets and Nexpand highly energy-efficient solutions managing hot and cold air flows, as well as plugging and connection offers Infinium AcclAIM and Linkeo C, all of them are dedicated to datacenters to ensure secure hosting of infrastructure in white spaces.

The Group is also continuing the geographical roll-out of its connected user interfaces, which are now sold in 76 countries, including 32 new countries since the beginning of 2020.

Solid expertise in pricing

Legrand's development model is predicated on its proven ability to raise its average selling prices every year (by an average of around 2.3% per year between 2010 and 2022).

The Group's long-standing and proven expertise in pricing helps to drive organic growth. In the various geographies, it relies upon:

- pricing managers, whose task is to adjust selling prices by product reference based on value in use, innovation offered and market conditions, as well as movements in raw materials and component prices and inflation in general;
- a toolbox that uses data to fine-tune pricing for each product reference;
- the performance management process, with selling price effects discussed in each performance review.
- This ability to increase selling prices also relies on customer loyalty, and on the Group's ecosystem more generally:
- end-users are less sensitive to product prices than in other industries. Electrical installation work (including cables and labor) usually accounts for only a small portion of the total average cost of a new-build construction project. For a residential project, for example, this share is around 7% to 8% on average;
- because labor represents a significant cost component for installers, they first look for products that will enable them to do fast, high-quality work. In a study conducted on a representative sample of its business, 90% of the Group's[1] customers said that they did not prioritize pricing when making purchasing decisions. Availability, quality and ease of installation are key criteria that also explain why installers remain very loyal to the brands they have selected.

(1) Conducted across a sample of customers, particularly in six of the Group's main European countries in 2019.

Increase in the average value of purchases (mix effect)

Increasing value per unit sold – also known as improving the sales mix or getting customers to trade up – is a major historical driver of Legrand's organic growth.

It consists of integrating new finishes, functions (such as reduced energy consumption) and technologies (such as connectivity) into the Group's products in order to increase value in use for customers.

Generally, integrating these developments allows unit prices to be raised substantially. For example:

- a Classe 300 EOS connected door-entry system costs around three times as much as a non-connected Classe 100 system;
- the selling price of a wireless and battery-less Celiane with Netatmo connected switch can be more than four times that of a standard, non-connected white Celiane switch.

2.1.1.2.2 Second driver: acquisitions

Growth through targeted bolt-on acquisitions is a key component of Legrand's development model. Since 1954, the Group has acquired 185 companies.

The Group has spent about €5.6 billion and made 60 acquisitions since 2010 (including Clamper beginning of 2023), which:

- represented sales of around €2.8 billion and that drove average annual external growth by +4.0%;
- strengthened the Group's positions in:
  - historical segments such as user interfaces, power protection and cable management (around 15% of sales stemming from acquisitions between 2010 and 2022),
  - adjacent segments (product categories in which Legrand did not operate before 2010) such as audio-video infrastructure, UPS(1) systems and specification-grade architectural lighting for commercial buildings (around 45% of sales stemming from acquisitions during the period),
  - faster expanding segments, such as connected products in the Eliot program, datacenter solutions and energy efficiency solutions (more than 40% of sales stemming from acquisitions during the period).

For more information about the Group's faster expanding segments, please refer to section 2.2.3 of this Universal Registration Document.

A market that is still fragmented and that offers many opportunities

Legrand believes that half of its addressable market is served by almost 3,000 small or medium-sized companies, many of which are local and specialize in a small number of product families.

This market fragmentation:

- is partly explained by differences in standards and applicable technical norms, end-users' habits and the wide variety of product offerings required to provide a building with electrical and digital infrastructure;
- it offers numerous acquisition opportunities over the long term.

Proven track record of growth through targeted acquisitions

In its fragmented market, Legrand has historically demonstrated its ability to identify and make acquisitions, mostly bolt-on(2) acquisitions, of companies with leading positions.

On average, Legrand makes nearly five acquisitions per year, applying a selective and industrialized approach.

Country teams have the role of identifying targets. Legrand thus monitors around 300 companies at all times.

A dedicated Corporate Development unit is responsible for the entire acquisition process.

After the acquisition is completed, the country concerned is responsible for docking the acquired company into the Group, under continuous supervision by General Management. The primary aim is to speed up the acquired company's growth momentum, particularly by maintaining its identity and key assets.

Strict investment criteria in strategic and financial terms

The Group's acquisition policy is highly disciplined.

It consists of a multi-criterion analysis that enables the Group to ensure that acquisitions:

- are a very good fit with the Group's current activities (increasing local market shares; and/or expanding the product range; and/or strengthening positions in high-potential markets); and
- comply on average with precise financial criteria, which primarily include:
  - an acquisition price corresponding to the usual valuation multiples when compared with those applied to companies in the same sector or the same markets,
  - a positive impact on net profit from the first year of full consolidation,
  - a target of creating value (return on invested capital higher than the weighted average cost of capital) after three to five years.

(1) Uninterruptible power supplies.

(2) Acquisitions that complement Legrand's activities.

This disciplined approach has enabled the Group to become:

- number one in PDUs[(1)] in the United States (Raritan in 2015, Server Technology in 2017) and the Chinese leading player (Shenzhen Clever Electronic in 2018);
- a leading player in busways[(2)] for datacenters in the United States and South Africa (Universal Electric Corporation in 2019, including the Starline brand);
- US number one in audio-video infrastructure (Milestone in 2017) and in non-residential, high-specification architectural lighting (Pinnacle Architectural Lighting in 2016, Finelite and OCL in 2017, Kenall in 2018 and Focal Point in 2020);
- front-running player in low-voltage infrastructure in Finland, and notably number two in cable management following the acquisition of Ensto Building Systems;
- number two in electric vehicle charging points in the Netherlands with the acquisition of Ecotap;
- European number two in assisted living (Intervox, Tynetec, Neat and Jontek, between 2011 and 2016).

As anticipated, these acquisitions created value, on average, within 2 to 3 years.

2.1.1.3 A development model with proven resilience

Legrand's development model stands out on account of its major ability to adapt to changes in the economic, geopolitical and social environments of the markets in which it is located.

Thanks to this capability, it has maintained first-class profitability over time. The Group achieved adjusted operating margin that has represented close to 20% of its sales from 2010 to 2022, with a minimum of 19.0% in 2020 amid an unprecedented and abrupt contraction in business as a result of the pandemic crisis, and a maximum of 20.5% in 2021.

First and foremost, this stability derives from the Group's balanced exposure to end markets, with:

- more than 40% of sales in renovation segments, which are less sensitive to cycle effects (see section 2.1.1.1 of this Universal Registration Document for more information);
- less than 40% of sales in residential buildings sales, around 14% in datacenters, more than 40% of sales in non-residential buildings and around 6% in industrial and infrastructure spaces;
- 41% of sales in North and Central America, 40% in Europe and 19% in the Rest of the World, or 26% in the new economies;
- 33% of sales in faster expanding segments driven by structurally favorable demand powered by electrification, digitalization and the desire for greater comfort and energy savings and thus less sensitive to cyclical effects (energy-efficient solutions, solutions for datacenters and connected solutions) (see section 2.2.3 of this Universal Registration Document for more information).

Lastly, Legrand's resilience is built on its organization and its operational oversight, with:

- centralization of the Back Office-related functions (strategy, acquisitions, innovation and R&D, or production, purchasing, supply chain, human resources, finance and information systems), with the core mission of leading and making arrangements for the profitable and responsible development of the Group;
- an accountable, local Front Office, enmeshed as closely as possible with each of its markets. Each country is led by a country manager tasked with expanding the Group's market share and accelerating value creation. As part of this process, country managers enter into financial performance contracts with General Management. These contracts are established based on three more or less supportive local economic environments and state the various actions to be taken, so each country can implement the scenario corresponding to the market trends actually encountered (see section 2.1.1.4 of this Universal Registration Document for more information).

2.1.1.4 Effective organization and processes

2.1.1.4.1 A responsive organization that has close ties with its markets

The Group's organizational structure is based on two distinct roles: the global Back Office optimizes resources, while local Front Office maintains close ties with customers.

Global Back Office

The Back Office is organized at the worldwide level. It brings together activities related to strategy, acquisitions, innovation and R&D, along with production, purchasing, supply chain, human resources, finance and information systems.

Its priority tasks are to:

- ensure profitable and responsible growth for the Group, particularly through structured performance management processes, innovation, careful selection of acquisitions and sustained productivity levels;
- ensure optimal service levels for customers; and
- attract and retain talent.

(1) PDU: Power Distribution Unit.

(2) Busways: electric power distribution systems based on metal busbars.

Local Front Office

Operational sales and marketing (the Front Office) are organized by country. This enables Legrand to make the most of its expertise and knowledge regarding local markets and the trends in place there, while responding to the specific requirements of each market in terms of relations with distributors, installers, product specifiers and end-users.

These local responsibilities fall to country managers, whose priority tasks are to:

- increase the Group's market shares by:
  - leading relationships with the value chain, and with customers in particular, at the local level,
  - maintaining constant links with potential acquisitions,
  - applying innovations on an ongoing basis;
- accelerate value creation, particularly through Financial Performance Contracts with General Management, factoring in the amount of capital employed;
- deploy the Group's ESG strategy through local targets derived from Group targets;
- dock recent acquisitions.

Since 2018, Legrand has also reorganized its Front Office into three geographical zones. This initiative has enabled it to:

- increase coverage of international customers, which are generally organized by major region;
- accelerate development in faster expanding segments such as datacenters, as well as the deployment of international programs such as Eliot and energy efficiency programs; and
- increase the sharing of best practice.

This organization is supported by constant, careful analysis of financial and non-financial performance, which focuses on value creation for all stakeholders.

In 2022, sales by destination and weighted average headcount in the three regions were as follows:

- for Europe, €3,343.7 million and about 15,400 people;
- for North and Central America, €3,378.4 million and more than 6,900 people; and
- for the Rest of the World, €1,617.3 million and over 15,600 people;

Please refer to sections 5.4.1 and 4.10.2.2 of this Universal Registration Document for more information on business trends by geographic region in 2022, and for a breakdown of average headcount by geographic region and by category (Front Office and Back Office).

2.1.1.4.2 An accountable organization geared towards achieving precise targets in order to create long-term value

Maintaining an excellent level of integrated performance over time relies on three factors:

- composite key performance indicators that are clearly shared across all levels of the organization;
- strong processes organized around permanent dialog between country managers and the Group;
- accountable, experienced and motivated executive and management teams, particularly through compensation that is aligned with the challenges of creating value in a profitable and responsible way in both the short and long term.

Legrand monitors its performance very closely using the following tools:

- once a year, the Group signs a Financial Performance Contract with each country manager and his/her team for the coming year, comprising:
  - a basic scenario for sales and economic margin (*i.e.* adjusted operating margin including non-recurring items, plus the cost of capital employed),
  - a scenario involving less favorable market conditions including detailed adjustment plans, and
  - a scenario involving more favorable market conditions.

The country manager and his/her team are fully accountable for fulfilling the contract and therefore for realizing the appropriate scenario given the operating environment;

- the Group conducts quarterly performance reviews with country managers to assess achievement and the implemented scenario;
- comprehensive monthly reporting, used to assess performance relative to the latest approved scenario.

In addition to this ongoing monitoring work, the Group has long-term performance-linked incentive plans for almost 19% of Group managers in 2022, with a major part based on awards of performance shares. Organic growth, adjusted operating margin and the achievement of CSR targets at the Group level each account for a third of the criteria for awards under four-year incentive plans. Incentive plans for Executive Committee members include an additional criterion related to Legrand's share price performance relative to the CAC 40 index.

In addition, 70% of a country manager's variable compensation (annual bonus) is linked to the achievement of the Financial Performance Contract for which he/she is responsible, 20% depends on specific CSR targets within his/her scope and 10% depends on qualitative criteria such as acquisitions.

This policy directly encourages the creation of financial and non-financial value over time, while generating loyalty among managers (see sections 4.1.1, 6.2, 7.2 and 7.3 of this Universal Registration Document).

The Group's current and former senior management and employees held 3.61% of the Company's share capital as at December 31, 2022.

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2.1.1.5 Solid and responsible value creation

The Group's organization and model have enabled it to achieve best-in-class financial and non-financial performance over time.

Between 2015 and 2022 and overall, the Group's sales rose as follows:

- by +73% in absolute terms, including +53% in Europe, +171% in North and Central America, and +18% in the Rest of the World;
- by +29% at constant scope and exchange rates, including +37% in Europe, +27% in North and Central America, and +20% in the Rest of the World.

In particular, this solid performance reflects market-share gains on average relative to major listed companies in the Group's market[(1)] in the last seven years.

Sales growth, together with demanding management, has resulted in levels of operating margins and cash generation that make Legrand a benchmark in its sector.

On average between 2015 and 2022, the Group achieved:

- operating margin (with no adjustments) of over 18% of sales;
- free cash flow equal to nearly 14% of sales, allowing the Group to self-finance development;
- growth in adjusted[(2)] net profit attributable to the Group of +108% between 2015 and 2022

This enables the Group:

- to maintain an attractive dividend over time. Subject to the proposed dividend with respect to 2022 being approved by shareholders in the 2023 Shareholders' Meeting, the average payout ratio has been around 50% since 2006 and the dividend per share has not fallen once in that time;
- to maintain a solid balance sheet capable of supporting its growth ambitions. To illustrate this, (i) Legrand's net debt/ EBITDA ratio was 1.2 at December 31, 2022, and (ii) its Standard and Poor's rating of A- was confirmed in November 2022. This means that Legrand can raise funds in the market on favorable terms, as it did when it carried out its first bond issue linked to its carbon neutrality trajectory in September 2021[(3)].

Legrand also creates long-term value in a responsible way. In 2004, the Group adopted an ambitious and exemplary ESG approach, which since 2007 has been driven by multi-year CSR Roadmaps.

For example, Legrand has[(4)]:

- stepped up its commitment to combating climate change, adopting a carbon trajectory that is now aligned with the most ambitious target of the Paris Agreement, aiming to be fully carbon-neutral by 2050 with intermediate milestones in 2022 and 2030[(5)];
- stated its intention to increase female representation in its workforce and particularly in positions of responsibility, with the aim that one third of key positions will be occupied by women and that men and women will be equally represented in its workforce by 2030; and
- continued its initiatives in terms of exemplary governance, by shortening directors' terms of office from four to three years and maintaining a Board of Directors that has good female representation and many of whose members are independent and from international backgrounds.

The achievement rate of the third CSR Roadmap (2014-2018) was 122%, and that of the fourth (2019-2021) was 131%.

The fifth CSR Roadmap (2022-2024) was launched in early 2022, and the target achievement rate for the first year was 123%. It aims to accelerate Legrand's responsible commitment through 15 priorities in 4 main areas: (i) encouraging diversity and inclusion (ii) reducing our carbon impact (iii) promoting the circular economy, and (iv) being a responsible company. For more information about the fifth CSR Roadmap and achievements during 2022, please refer to chapter 4 of this Universal Registration Document and to the "Our commitments" pages on the Legrandgroup.com website.

In 2022, Legrand played a full part in the essential drive for greater energy restraint by (i) doubling the target of lowering energy consumption in its current CSR roadmap for the period from 2021 until year-end 2023, now set at -15% while (ii) continuing to offer a broad range of solutions automating and facilitating eco-friendly actions for all buildings.

As a result of its non-financial performance, Legrand is among the top-rated companies in its sector according to independent ESG agencies such as CDP Climate Change (List B), DJSI (81), MSCI (CSR score of AA), Ecovadis (Platinum status), ISS Oekom Corporate Rating (Prime status) and Sustainalytics (low risk). At the date this document was registered, the Group was also a member of the CAC 40 ESG, CAC SBT 1.5°, FTSE4Good, Vigeo Eiris (Eurozone 120 and Europe 120) indices, as well as Euronext Equileap Gender Equality Eurozone 100 and France 40 indices.

(1) Based on the average performance of an index of companies comprising ABB, Eaton, Hubbell, Rexel and Schneider Electric.

(2) Adjusted net profit attributable to the Group for 2022 is excluding the effect of expenses in the amount of €147.1 million corresponding to assets impairment in Russia.

(3) For more information, readers are invited to refer to the press release of September 29, 2021.

(4) For more information, please refer to the press release of March 29, 2022.

(5) For more information, readers are invited to refer to the press release of July 30, 2021.

For more information about the Group's CSR and governance policies, please refer to chapters 4 and 6 of this Universal Registration Document.

The Group's profitable and responsible growth strategy is widely acknowledged and has delivered front-running shareholder returns. The Group's share price rose by +279% between April 6, 2006 (IPO) and December 31, 2022, while the CAC 40 index rose +24%.

As a result, Legrand shareholders enjoyed an annual average return, with dividends reinvested, of more than +11% between 2006 (IPO) and end of 2022.

2.1.2 - History

The main stages in Legrand's development have been as follows:

- **1865:** a porcelain tableware factory is set up in Limoges;
- **1904:** the porcelain factory is acquired by Frederic Legrand, alongside Charles Alary and Jean Joquel, and later becomes F. Legrand & Cie;
- **1946:** Legrand is acquired by the Verspieren and Decoster families;
- **1949:** Legrand focuses exclusively on the manufacturing of wiring devices;
- **1966:** first operations outside France, primarily in Belgium and Italy;
- **1970:** Legrand is listed on the Paris Stock Market;
- **1977:** first operations outside Europe, *via* the acquisition of Pial, the leading Brazilian wiring device manufacturer;
- **1984:** first operations in the United States with the acquisition of Pass & Seymour, the second-largest US wiring device manufacturer;
- **1987:** inclusion of Legrand in the CAC 40 when the index was created;
- **1989:** acquisition of Bticino, the leading Italian wiring device manufacturer; the Group's sales exceed €1 billion;
- **1995:** issue of a $400 million Yankee bond maturing in 2025;
- **1996:** first operations in India with the acquisition of MDS;
- **1998:** the Group's total sales exceed €2 billion;
- **1999:** opening of Innoval in Limoges, an 8,000 m^2 showroom and training center for Group customers;
- **2000:** acquisition of Wiremold, the leading manufacturer of cable management systems in the United States;
- **2001:** Schneider Electric launches a friendly Public Exchange Offer for Legrand's entire share capital; the European Commission opposes the planned merger in October 2001. As planned by Legrand before the merger, a new organizational structure is introduced with the aim of separating Front Office and Back Office responsibilities;
- **2002:** finalization of the "demerger" from Schneider Electric. Legrand is acquired by a consortium consisting mainly of Wendel and KKR;
- **2003:** delisting;
- **2004:** creation of the sustainable development function;
- **2006:** Legrand is listed on Euronext Paris; Legrand joins the Global Compact;
- **2007:** first CSR Roadmap; the Group's total sales exceed €4 billion;
- **2010:** first Eurobond issue for €300 million, maturing in 2017; entry into the UPS segment with the acquisition of Inform in Turkey;
- **2011:** Legrand returns to the CAC 40;
- **2012:** Legrand's credit rating is upgraded to A- by Standard and Poor's;
- **2013:** total sales for the United States/Canada region exceed $1 billion;
- **2014:** publication of the third CSR Roadmap for 2014-2018; all industrial Back Office functions are combined under the management of the Operations Department;
- **2015:** launch of the Eliot program, aimed at speeding up the deployment of connected solutions;
- **2016:** the Group's total sales exceed €5 billion;
- **2017:** acquisition of Milestone, a leading US player in audio-video infrastructure and power;
- **2018:** Legrand achieves its 2020 Eliot targets and steps up development of its dedicated connected objects program with the acquisition of Netatmo;
- **2019:** the Group's total sales exceed €6 billion;
- **2020:** Legrand steps up its efforts to combat climate change, committing to targets for 2022, 2030 and 2050;
- **2021:** the achievement rate for the fourth CSR roadmap is 131%; Legrand sets itself the mid-term target of generating 50% of its sales from faster expanding segments (datacenters, connected objects, energy efficiency);
- **2022:** the net profit attributable to the Group reaches one billion euros for the first time.

2.2 - Faster growth momentum

2.2.1 - Increasingly favorable megatrends

2.2.1.1 Secular trends(1)

The Group's addressable market is supported by favorable long-term trends, related in particular to:

- **population growth**, which is leading to ever stronger demand for building infrastructure. The UN expects the world's population to increase by +25% between now and 2050, including an +86% increase in Africa and a +14% increase in Asia by comparison with 2020;
- **urbanization**, which is leading to increased demand for smart, connected solutions. For example, megacities are likely to account for 6% of the world's population by 2025, as opposed to 4 to 5% in 2020;
- **growth in the middle classes**, who are seeking comfort and products that are high-quality and more connected. By 2030, more than 55% of the world's population is likely to belong to the middle class, as opposed to an estimated 40-45% at the end of 2020. In India, for example, the middle class is expected to double during that period.

2.2.1.2 Key trends

Recent social changes and the climate emergency are resulting in long-term expectations among customers and all stakeholders that are beneficial for the Group. These trends relate in particular to:

- the rapid development of the **buildings of tomorrow**, both residential and non-residential, the main feature of which is that they will offer a more connected (connected products generated around 14% of Legrand's sales in 2022) and simpler lifestyle. For example, the number of connected objects is expected to almost triple between 2020 (11.7 billion units) and 2025 (30 billion);
- the **environmental and climate emergency and the recent global energy crisis**, which has contributed to the development of a building with a zero carbon footprint and only a modest energy footprint. Almost 40% of energy consumption and global CO_2 emissions come from buildings, and energy costs account for an increasingly large proportion of households average expenditure.

  To keep global warming as close as possible to 1.5°C compared with the pre-industrial era, both regulators and companies are committing to becoming carbon-neutral by 2040, 2050 or 2060. This is leading to a constant tightening-up of regulations, along with policies to invest more money in reducing buildings' impact on the environment. These initiatives are increasing the focus on highly energy-efficient solutions (around 22% of 2022 sales) that allow users to reduce energy consumption, along with products that comply with circular economy principles, designed to have a sharply reduced environmental impact;
- **health, autonomy and wellbeing**. The wellbeing market is currently worth more than $1,500 billion and is set to grow at a rate of 5-10% per year. In addition, the number of people aged 60 or over is likely to double between now and 2050 (around 1 billion in 2020). Legrand ranks as the European number two in assisted living.

  Wellbeing, autonomy and health are increasingly being targeted in:
  - residential spaces, to give residents safer and more comfortable homes, particularly for vulnerable people who require assisted living solutions,
  - healthcare facilities and accommodation for older people, with increasing requirements in terms of remote healthcare and systems that make it easier for carers to do their work.

(1) The statistics mentioned in this chapter come from the UN, Frost & Sullivan, IoT Analytics, McKinsey & Company, Gartner Research and eMarketer.

2.2.1.3 Accelerated trends

The Covid-19 health crisis has structurally sped up certain trends, which is beneficial for the Group's business in the short, medium and long term. These trends include:

- **increasingly connected lifestyles** that require more digital infrastructure and connected objects in buildings because of:
  - the digitization of many sectors and of working methods (education, healthcare, offices, etc.) The remote healthcare market, for example, is expected to grow at an average annual rate of +38% between 2020 and 2025,
  - the accelerated spread of connected objects that can be controlled remotely, for example those that relate to comfort (thermostats, lighting), energy savings (smart panels, load-shedding devices) and security (cameras, alarms), particularly for residential spaces,
  - technological innovations (5G, artificial intelligence, communication protocols, presence sensors);
- the development of **more flexible working methods**, with better suited offices and living environments. Remote working and remote interactions are now established ways of life and of working. This development is leading to:
  - a secular need for work spaces (both at home and in the office) that are more connected (cable management, network access, audio-video infrastructure) and modular (floor boxes and mobile products),
  - shared office spaces that are more comfortable (lighting and temperature management) and feature more areas for both in-person and remote interaction (connectivity and audio-video infrastructure, particularly in meeting rooms),
  - more robust digital infrastructure (both with wires and WiFi) and electrical infrastructure in buildings (circuit-breakers and more charging points) as a result;
- the development of **online activities**, particularly e-commerce (B2B and B2C) and app-based commerce. This trend is also leading to increased demand for connectivity and therefore digital infrastructure in buildings. In 2020, 27% of buyers within companies did their research online. Online sales to consumers are likely to account for 20% of the value of transactions by 2025, versus 14% in 2020.

2.2.2 - Traditional growth drivers strengthened

2.2.2.1 Constant innovation and R&D efforts focused on digital technologies

New technologies, particularly digital ones, significantly increase the value in use of the Group's offerings, for both consumer and professional users. These technologies also make the offerings even easier to install. Legrand is stepping up its investments in this area by devoting a growing proportion of its R&D to it. For example, R&D staff members focusing on firmware and software made up around 19% of the total at the end of 2022 (as opposed to around 5% in 2010). Legrand intends to increase this ratio to 25% in the medium term.

Of the 100-plus product families in the Group's catalogs, more than 40 feature connected products with embedded software in the residential, non-residential and datacenter markets.

In addition, Legrand is investing in order to support and take advantage of each phase of building management (definition and planning, construction and installation, management, control and maintenance) with scale-appropriate solutions (small, medium and large) including:

- technical and logistical configurators along with online sales catalogs allowing customers to preconfigure the desired infrastructure;
- online digital content that presents products and makes them easier to install, particularly *via* tutorials;
- apps (such as the Home + Control and Home + Security mobile apps for connected products) and other specific management interfaces (*e.g.* for lighting solutions);
- full interoperability with standard control or management platforms for homes, large buildings (Building Management Systems) and datacenters (Datacenter Infrastructure Management). The Group facilitates the development of products that are interoperable with its connected and open source solutions as part of the Works with Legrand program. In this area, Legrand is continuing to set up collaborations, partnerships and other strategic technological alliances (for example with Apple, Google, Microsoft and Amazon™); and
- the provision of digital content for third-party platforms. In this way, Legrand is actively contributing to the development of BIM – Building Information Modeling, a digital planning process for a building's lifecycle – while deploying digital marketing content for distributors, specifiers and end-users (rich content), with 144,000 product lines already available in ETIM (Electro-Technical Information Model) format.

2.2.2.2 An ambitious plan of geographical development[1]

2.2.2.2.1 Geographical expansion *via* acquisitions

Legrand's strategy of making targeted acquisitions in areas in which these companies have leading positions enables the Group to bolster its international presence.

For example, Legrand has made 19 acquisitions in the United States since 2011. The US has been the Group's largest country in sales terms since 2015, and accounted for more than 37% of sales by destination in 2022. In the US, the Group has recently built solid leadership positions in several complementary areas:

- products for datacenters (busways[2], PDUs[3], fiber-optic transceivers, preconnectorized solutions, cabinets);
- audio-video infrastructure and power:
- high specification-grade architectural lighting for commercial buildings and natural lighting management;
- over-floor power and data distribution; and
- digital networks and sound system control for residential spaces.

In 2021, Legrand strengthened its geographical presence with the acquisition of Ensto Building Systems, a Finnish leader in low voltage solutions. With a comprehensive range of electric and digital infrastructure products and annual sales of around €120 million, Ensto has strengthened Legrand's presence in Northern Europe. The acquisition has tripled the proportion of the Group's sales generated in Scandinavia on a proforma basis (12 months of consolidated sales).

2.2.2.2.2 Geographical expansion *via* organic growth

The Group also increases its geographical presence through organic growth, by rolling out its product ranges and setting up new operations (offices or subsidiaries).

Active geographical product roll-outs include efforts to disseminate new technologies (such as connected products) and arrange for recently acquired companies to serve new geographical markets (*e.g.* offering datacenter product ranges, acquired in the US and China, in European, Asian and African markets, and offering products related to electrical charging points in Europe).

As regards setting up new operations, this strategy is used in particular in new economies (South America, Central America, Eastern Europe, Turkey, Asia excluding South Korea and Japan, Pacific excluding Australia, Africa and the Middle East). These countries offer major long-term growth potential. For example, Legrand intends to increase its presence in Africa, with the ambition of operating in 20 African countries *via* a subsidiary or sales office in each, as opposed to 14 at end-2022, 11 at end-2020 (and 5 at end-2010).

The Group currently generates more than a quarter of its sales in more than 120 new economies and has a commercial and/or industrial presence in over half of them. China and India, the largest of these economies, each accounted for between 3% and 5% of Group sales in 2022.

2.2.2.3 Favorable development of new distribution channels

Legrand's exposure to specialist channels (those related to specific technologies and products in areas such as lighting, datacenters and audio-video) has increased in recent years. These specialist channels represent a growth opportunity for the Group and for the electrical sector as a whole (network integrators, panel builders, specialists in audio-video applications and maintenance, etc.).

The fast-growing e-commerce sector also acts as a new way of showcasing Legrand products. It enables end-users and project owners (architects and design firms) to see the full variety of Group's products (in terms of both functionality and finishes). It also helps to raise the profile of the Group's brands and improves its sales mix.

Legrand has a mid-term target of generating more than 15% of its sales online, as opposed to around 10% in 2022 and less than 2% in 2010. Sales break down as follows:

- around three quarters come from professional distributors, reflecting:
  - the Group's successful collaboration with its long-standing partners (rich content, data sharing, marketing initiatives, configurators), and
  - the multiplier effect from having both a digital and a physical presence;
- around 14% come from companies specializing in online sales. This channel is growing rapidly and increases both customers' knowledge of the Group's products and their access to them;
- nearly 11% come directly from the Group's websites. The Group does not intend to make extensive use of this channel, which concerns a limited number of products and countries.

(1) For more information about market data and Legrand's competitive position, readers are invited to refer to the note on page 4 of this Universal Registration Document.

(2) Busways: electric power distribution systems based on metal busbars.

(3) PDU: Power Distribution Unit.

2.2.3 - Confirmed ambitions in faster expanding segments

Taking into account the aforementioned trends, Legrand is stepping up its development in the following three faster expanding segments:

- products for datacenters (around 14% of sales in 2022);
- connected solutions in the Eliot program (around 14% of sales in 2022);
- products forming part of energy-efficiency programs (around 22% of sales in 2022).

Together (and excluding overlaps), these three categories accounted for around 33% of Legrand's sales in 2022 (versus around 31% in 2020 and 18% in 2015). As part of its strategic roadmap[(1)], the Group has set itself the target of generating around 50% of its sales from these three areas in the medium term.

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2.2.3.1 Datacenters

Technological developments are causing data flows to grow exponentially, and this is contributing to the rise of datacenters.

Legrand has actively expanded in this area: the proportion of its sales coming from datacenters has more than doubled in the last five years to around 14% in 2022 as opposed to around 6% in 2017.

By destination, datacenter sales stemmed mainly from North and Central America in 2022, where they represented about a quarter of the area sales.

Legrand is focusing on product ranges with enhanced value in use, with more than 100,000 product lines aimed at both white and gray space. The main features of these product ranges are:

- their breadth (PDUs[(2)], busways[(3)], copper and fiber-optic cabling systems, cabinets, UPS[(4)] systems, dry-type transformers and power protection, etc.);
- their ability to offer critical and modular functionality through the best solutions available in the market;
- products that are highly adjustable to customer needs and full interoperability with infrastructure management solutions (DCIM – Datacenter Infrastructure Management).

The product range addresses all types of datacenter:

- large datacenters (hyperscale and colocation), which account for around 55% of the market and are expanding rapidly, with knowledgeable customers who select each product themselves. In this segment, Legrand is often in contact with end-users, who appreciate the reliability, expertise and technical knowledge of the Group's teams;
- smaller, on-premises datacenters and micro datacenters, with the latter also seeing rapid growth. In this segment, customers sometimes expect a turnkey or systems-based approach.

Legrand intends to maintain its rapid growth and continue increasing market share in datacenters by focusing on three pillars:

- technological innovation, in order to offer distinctive, leading-edge products such as its recently released Nexpand cabinets, its latest Keor (xpe & mod) and Upsaver UPS[(4)] ranges and its Infinium acclAIM fiber-optic solutions;
- stronger Front and Back Offices:
  - Front Office: geographical expansion of Legrand Datacenter Solutions (LDCS) teams, which already operate in close to 45 countries, in order to roll out the Group's white-space products while capitalizing on relevant existing gray-space products (more than 90% of the Group's datacenter sales in 2022 were from white-space products). The Group won a number of high-profile projects in this way in 2021 and 2022;
  - Back Office: roll-out of product platforms (particularly for cabinets, *PDUs*[(2)] and connectivity products);
- ongoing acquisitions of companies that have front-running positions in their markets. After Champion One in the United States in 2020 (fiber-optic transceivers and related solutions), the Group strengthened its positions in Europe during 2021 and 2022 with the addition of Geiger (cabling systems in Germany), Usystems (cooling solutions and cabinets in the United Kingdom) and Voltadis (support services for implementing datacenters' gray spaces in France). All in all, Legrand has made 15 acquisitions[(5)] in datacenters since 2010.

(1) For more information, readers are invited to refer to the press release of September 22, 2021.

(2) PDU: Power Distribution Unit.

(3) Busways: electric power distribution systems based on metal busbars.

(4) Uninterruptible power supplies.

(5) From 2010 to year-end 2022, in chronological order: Electrorack, Minkels (Aegide), SJ Manufacturing, Valrack, Raritan, AFCO Systems Group, Server Technology, Modulan, Shenzhen Clever Electronic, Universal Electric Corporation, Compose, Champion One, Geiger, Usystems and Voltadis.

2.2.3.2 Connected solutions

The Eliot program, launched in July 2015, aims to speed up deployment of the Internet of Things within the Group's offering and thereby enable Legrand to be a major player in democratizing the use of connected products in buildings.

The program accounted for around 14% of sales in 2022 as opposed to around 5% in 2014, and the Group is continuing to roll it out in many countries. The number of connected product families has doubled since launch to more than 40.

Legrand believes that the electrical and digital building infrastructure market broadly breaks down into three product categories:

- non-connected, single-function products;
- highly integrated systems such as Building Automation and Building Management Systems, which feature both software and hardware; and
- "autonomous" connected products that are easy to install and use due to current developments in software (cloud and apps).

The first two categories are firmly established: the first one accounts for most volume, while the second addresses the mature niche market of very large non-residential buildings. In Legrand's view, growth in its addressable market will be driven mainly by the third category, which is likely to partially replace the other two, thus making connected products more accessible to consumers and building professionals.

In 2022, sales from connected products totaled around €1.2 billion, and broke down as follows:

- a balanced split by vertical, with offerings for:
  - residential spaces, for example consisting of user interfaces, power protection panels, door-entry systems, smart thermostats, etc.;
  - non-residential ones (commercial buildings), for example consisting of Digital Lighting Management solutions, smart emergency lighting, energy consumption metering systems, etc.; and
  - datacenters, for example smart PDUs(1), busways(2) with metering, UPS(3) systems, etc.;
- many applications are addressed, with sales mainly made in energy efficiency, followed by comfort, security and wellbeing as well as assisted living;
- by geographic region: about 40% in Europe and also some 40% in North and Central America and nearly 20% in the Rest of the World.

The Group's strategy aims to democratize connected buildings (*i.e.*, bringing them to the mainstream) through products known for their ease of installation and configuration as well as their modularity. Another goal is to deliver enhanced experience of the building (optimized use, comfort or assisted living). They are particularly well suited to small and medium-sized buildings, and can also be integrated perfectly into large buildings.

Legrand will actively seek to increase the penetration of its connected products in numerous categories.

- Some product categories are already largely connected, *i.e.* thermostats, assisted living solutions and PDUs(1);
- others offer significant opportunities: user interfaces, power protection panels and busbars for datacenters.

The active and ongoing deployment of the Eliot program involves:

- entering new geographical markets. For example, Legrand is aiming to sell its connected user interfaces in around 100 countries by the end of 2023, as opposed to 5 in 2018, 44 at the end of 2020 and 76 at the end of 2022;
- promoting connected products in a targeted way in each vertical;
- constantly improving the user experience by:
  - adding and improving functions within applications, and
  - integrating products into connected ecosystems. Legrand has a number of alliances in terms of technologies and protocols (Matter, ZigBee Alliance, Autocad, etc.).

(1) PDU: Power Distribution Unit.

(2) Busways: electric power distribution systems based on metal busbars.

(3) Uninterruptible power supplies.

2.2.3.3 Energy efficiency programs

Given the climate emergency and new requirements, the Group offers a broad array of solutions (connected or otherwise) designed to limit energy consumption in all types of buildings:

- consumption metering and control: controlling the quality of electricity (for example connected protection panels, eco-meters, load-shedding devices, source inversion, reactive energy compensation, highly energy-efficient power transformation and uninterrupted power supplies); and
- lighting and temperature management, shutter control, home automation and standby mode control of powered devices.

Legrand's solutions deliver significant energy savings of up to 35%(1).

Legrand estimates that its customers have avoided more than 13 million tonnes of CO_2 emissions between 2014 and 2021. Sales from energy efficiency programs reached around 22% of Legrand's total 2022 sales, and broke down as follows:

- by vertical: more than 40% in commercial segments, more than 30% in datacenters and more than 20% in residential buildings;
- by geographical location: around one half in Europe and more than one third in North and Central America.

Legrand intends to step up its development in these offerings, by working actively to:

- take advantage of stimulus plans and tougher regulations aimed at reducing building-related greenhouse gas emissions. For example, this is the case with the Nemo Green solution in France for commercial buildings;
- roll out its product ranges geographically. Under its plan, the Group sold its connected thermostats in 22 countries by the end of 2022 as opposed to 17 at end-2021 and 16 at end-2020;
- continue acquisitions. In 2021, more particularly, Legrand strengthened its positions in electric vehicle charging points with the acquisitions of Ecotap and Ensto Building Systems, which means that it now:
  - offers a comprehensive product range,
  - generates almost 1% of its proforma sales (based on 12 months of consolidated sales) in this area.

The initiatives introduced should help to reach the target of avoiding 12 million tonnes of CO_2 emissions for the Group's customers during the 2022-2024 CSR Roadmap.

The installation of energy efficiency products requires electrical infrastructure to be strengthened, especially from a power perspective but also a data transmission perspective. Demand related to the decarbonization of buildings is driving increasing electrification.

Legrand also plans to capitalize on convergence between faster expanding segments. An example of this is the increasing integration of energy efficiency in solutions for datacenters and in connected products:

- datacenter products and services that yield energy savings, both connected (such as PDUs(2) and metered busbars) and not (such as cabinets that optimize hot and cold air flows) and services related to the white or gray-space specification, and an optimized physical and energy footprint; and
- connected products that yield energy savings (such as thermostats, connected panels, user interfaces, etc.).

2.2.3.4 Additional growth opportunities accelerated by the Covid-19 pandemic

2.2.3.4.1 Accompanying increasingly flexible working methods

The Group is playing a central role in the shift to flexible working. These developments have been accelerated by the Covid-19 pandemic and are resulting in:

- a need to be able to work anywhere, *i.e.* at home, in offices, in hotels and in public spaces; and
- increased demand for comfort and connectivity in these spaces.

These new needs significantly increase the sales potential of the Group's products, by as much as a factor of ten for a meeting room that meets new usage requirements compared with a traditional meeting room.

(1) Estimated and non-contractual energy savings calculated per year by comparison with standard solutions and specific usage types.

(2) PDU: Power Distribution Unit.

2.2.3.4.2 Meeting growing needs in the assisted living field

Population aging poses a major challenge, in terms of both economic and social dependency.

Faced with growing demand from senior citizens wishing to remain in their own homes for as long as possible - an increasing demand that has been strengthened by the Covid-19 pandemic - Legrand has accelerated its expansion into the assisted living market.

Between 2011 and 2016, the Group acquired four companies (Intervox, Tynetec, Neat and Jontek), which it combined in 2021 under the global “Legrand care” brand. Legrand ranks second in Europe for assisted living, and either first or second in France, the United Kingdom, Spain and Germany.

More generally, the roll-out of connectivity across the Group’s offering, as part of the Eliot program, also addresses the desire for greater comfort and security, while also helping to make people more independent (video door-entry systems, security, remote control of heating systems, blinds/shutters/curtains and lighting, and the increasing integration of voice command and control, etc.).

2.2.3.5 Eco-responsible products

Demand for more environmentally friendly products is continuing to grow. This trend is a response to the climate emergency and the commitments made by all stakeholders.

As well as its energy efficiency products, Legrand also aims to reduce the carbon impact of its offering by:

- adopting circular economy principles, targeting by 2024 under its fifth CSR Roadmap:
  - a utilization rate of 15% for recycled plastic and 40% for recycled metals in its products,
  - the complete elimination of single-use plastic from its flow pack wrappers and expanded polystyrene,
  - 72% of sales from PSPs (Product Sustainability Profiles) as opposed to 69% at end of 2022, with the aim of providing even more extensive information for customers concerning the environmental impact of its products; while
- continuing to roll out the Legrand Way for Eco-Design program in its R&D centers.

In 2022, Legrand estimates that it generated around 75% of its sales from products that are eco-responsible because of the way they are designed or used (particularly in terms of energy efficiency), as opposed to around 75% in 2021. The Group is actively working on increasing that percentage to 80% by 2030.

Readers are invited to refer to sections 4.1.5 and 4.3.4 of this Universal Registration Document for more information on Legrand’s energy efficiency activities and on the Group’s eco-responsible products.

2.2.4 - A buoyant addressable market offering extension opportunities

The Group expects sustained growth in its addressable market, driven in particular by its faster expanding segments.

In the medium term, core infrastructure products are likely to grow almost in line with the global economy, on the back of electrification and demographic changes. Solutions in faster expanding segments (datacenters, connected products and energy efficiency) will see faster growth.

Finally, Legrand has identified a number of promising segments that are adjacent to its current addressable market, which represent genuine opportunities to extend its presence into new product categories.

Legrand is thus aiming to grow its addressable market from around €120 billion by the end of 2022 and to more than €160 billion in the medium term, of which more than €30 billion relates to new product categories.

2.3 - Ongoing approach of operational excellence and employee engagement

2.3.1 - An organization geared towards optimizing resources

2.3.1.1 Local Front Office

Close relationships with generalist and specialist distributors (IT, VDI, web, etc.), installers, product specifiers and end-users represent a strategic priority for Legrand.

2.3.1.1.1 The Front office's role and responsibilities

The Front Office acts as an interface with customers (distributors, installers, product specifiers and end-users). It operates at the local level, to ensure the highest level of expertise in terms of both trends and the specific features of local demand. In each country, the Front Office is run by a country manager who is responsible for:

- growing sales and market shares by managing the local value chain, deploying the Group's available products, and monitoring potential acquisition targets and maintaining close ties with them;
- creating value through an annual financial performance contract that helps to minimize the working capital requirement (through effective management of investments, inventories, trade receivables and trade payables);
- deploying the Group's CSR goals at the local level;
- docking acquired companies.

The Group's subsidiaries in each country are given significant latitude to manage their business and staff. Country managers are genuine entrepreneurs.

2.3.1.1.2 An economic chain adapted to market flows

As the distribution chain is currently organized, manufacturers like Legrand mainly sell their products to distributors, which in turn sell the products to the electrical and digital installers responsible for installing them in end-users' buildings. This is mainly a flow-driven business, as installers may come to buy products from distributors several times a week, depending on their requirements. Product specifiers play an active role in this chain by advising installers and end-users on product and application choices. Professional distributors of materials and electrical and digital equipment make up Legrand's main distribution channel because they offer expertise and unique coverage of the market, including in terms of e-commerce. Relations are usually governed by terms and conditions of sale specific to each market. The distribution structure in most countries enables Legrand to channel its products towards distributors' centralized distribution networks, and therefore benefit from their local infrastructure in terms of sales outlets. This organizational structure also limits the logistical costs and credit risk that Legrand would incur if it had to deal with installers and end-users directly.

Installers are professional and consumer customers who buy, install and use Legrand's products. They are key specifiers of the Group's products.

Architects, decorators and design firms also recommend and specify products.

End-users are the people and companies who use the products.

2.3.1.1.3 A "push-and-pull" strategy

Sales and marketing are the responsibility of the Front Office, whose headcount accounted for around 20% of the Legrand total in 2022 (see section 4.10.2.2 of this Universal Registration Document). Marketing efforts are tailored to each type of customer (distributors, installers, specifiers and end-users). These efforts are primarily aimed at providing market participants with information, training, and other services relating to all of the Group's product ranges in order to encourage a high level of loyalty to its brands.

Selling Legrand's products to professional distributors ("push")

Under its push strategy, Legrand focuses on ensuring product availability, providing delivery on schedule and simplifying the ordering, stocking and dispatching process. This strategy is also based on providing a catalog that covers all of installers' requirements, features a large number of new and innovative products and is available digitally.

The "push" strategy includes:

- *permanent priority inventories* that are held by distributors, in return for which Legrand stocks non-priority finished products and undertakes to deliver them rapidly to distributors;
- intelligent sorting, which reduces the preparation work that distributors have to do themselves;
- the establishment of an international logistics network by interconnecting and synchronizing subsidiaries' local warehouses and by making logistics platforms available, thereby reducing the distance between products and customers.

Legrand enjoys strong, long-term commercial relationships notably with its distributors. In 2022, sales through its two main distributors Sonepar and Rexel accounted for more than 16% of the Group's sales, although this percentage varied from country to country. Legrand believes that no other single distributor accounted for more than 5% of the Group's global revenue in 2022. Legrand's other main customers include Adeo, Amazon, Comet, Comoli, Graybar, Menards, Wesco and Yess Electric.

Stimulating demand among installers, product specifiers and end-users ("pull")

Legrand believes that demand for its products is mostly determined by requirements that installers, product specifiers and end-users make known to distributors. By actively promoting its products in these three customer categories, Legrand efficiently drives demand for them.

The main aspects of Legrand's "pull" strategy include:

- providing:
  - (i) training, technical handbooks, business software applications and a large amount of information in digital format for customers (see chapter 2.2.2.1 of this Universal Registration Document),
  - (ii) training programs to local distributors and installers, in particular at its Innoval training centers.

In total, more than two million customers have received training since 2014, in particular in around 30 Innoval centers around the world that provide training to participants in the electrical and digital industry. These training programs are designed to expand electrical installers' expertise and service offerings by familiarizing them with Legrand's latest product innovations and product installation methods;

- using new communication and training technologies, including e-learning and webinars;
- providing various software applications (such as XLPro3, LCS Pro3 and illiPro) specifically designed to provide day-to-day support to professionals, depending on their role (from architects to electricians) and the type of project;
- stimulating end-user demand *via* targeted commercial initiatives. For consumers, this includes emphasizing the esthetics and functionality of Legrand's products *via* an active digital presence (social media, local websites and the www.legrandgroup.com institutional website, YouTube© channels, etc.); and
- using call centers and marketing some products on online platforms and in DiY stores. For professional end-users, Legrand allocates certain teams and communication resources specifically to each major vertical, for example datacenters, and has Key Account structures.

2.3.1.2 A global Back Office

The Back Office is organized on a global basis, and includes an Operations Department – responsible for innovation, research and development, manufacturing, purchasing and the supply chain – as well as head office departments (Strategy and Development including Acquisitions, Finance, Information Systems and Human Resources).

The Back Office's priority tasks are to:

- organize, drive and manage growth that is both profitable and responsible;
- ensure a high level of service for customers;
- strengthen and accelerate innovation;
- increase productivity as a way of financing growth; and
- attract and encourage talent.

This organization also names local managers for key functions, defines all internal control rules and coordinates risk management processes.

2.3.1.2.1 Operations

The Operations Department applies a global vision and global processes using a local system:

- at the global level, it is in charge of the product development roadmap (deciding which products to develop, and when and where to develop them), firmware, software and applications, the production strategy (how and where to produce), purchasing, the supply chain, quality, and health and safety;
- locally, country managers are in charge of day-to-day management and the performance of the operations within their scope. Local systems and teams (research and development, production, purchasing, logistics and supply chain) provide the expertise that is crucial to understanding local market practices, optimizing costs and CO_2 emissions, and ensuring a high level of agility and responsiveness. Alongside a local Front Office, this organization allows the Group to respond rapidly when managing performance, including when the operating environment changes suddenly (pandemic crisis, energy crisis, supply chain pressures, etc.).

Industrial organization and product development geared towards responsible operational excellence

Manufacturing and product development activities are organized by area of expertise and are consistent with the structure of markets. These activities aim to:

- promote and coordinate the innovation process within the Group;
- handle product marketing and develop new products;
- define and implement industrial plans, in line with commercial development;
- ensure the best customer service rate and optimal product quality;
- improve cost prices on an ongoing basis and continually adjust expenditure in line with business levels;
- control capital employed and in particular capital expenditure and inventories; and
- deploy an industrial roadmap in accordance with the Group's CSR targets.

To achieve this, Legrand:

- factors these criteria into the product design phase, specifically through the deployment of product and technology platforms (see section 2.1.1.2.1 of this Universal Registration Document). About 70% of the Group's sales were covered by platforms in 2022;
- works closely with the Strategy and Development Department to define technological roadmaps. It ensures that the technologies used are consistent with each other and that all of the Group's product ranges are compatible and organized into consistent systems;
- streamlines and optimizes its industrial and logistics operations by making products as closely as possible to end-markets, with the aim of both minimizing expenditure and reducing environmental impact. The Group is therefore locating more of its production in markets that offer long-term development opportunities, such as China and India; It is also pursuing a standardization and redesign to supply policy(1) concerning existing products, which aims to curb the impact of recent or future supply chain constraints;
- introduces plant specialization by product line or technology so as to reach critical mass and prevent resources and skills from being spread too thinly;
- systematically applies a "make or buy" approach to all new projects to determine whether to invest in new manufacturing assets or outsource;
- has for many years factored a carbon cost into its decision-making process when examining projects;
- deploys best practices in its production units through the Legrand Way program, aiming for overall operational excellence (productivity, capital employed, quality, customer service, etc.); and

(1) Redesign to supply: adapting design to accommodate supply constraints.

- invests in digitalizing its production facilities, with more than 8% of its industrial capital expenditure allocated to Industry 4.0 in 2022 (Connected Factory, Data Analytics and Automated Tasks, use of smart production assistance solutions such as AGVs(1), Cobots(2) and augmented reality).

Purchasing: a key performance driver

The Group organizes its purchasing operation so as to safeguard supplies, optimize costs and harmonize practices, particularly in terms of supplier risk management and sustainable procurement.

The Purchasing Department has a matrix-based organization and reports to the Operations Department, with teams that manage:

- corporate purchases: purchases for which Legrand has adopted a global approach;
- local purchases: meeting the specific requirements of a site or operational department.

The main ways in which Legrand boosts value creation *via* purchasing are as follows:

- profitability, particularly through redesign-to-cost efforts and managing cost inflation in conjunction with the Front Office;
- ensuring reliability by managing risks and safeguarding procurement through a redesign to supply approach;
- increasing efficiency by deploying digital technology (Supplier Relationship Management, Robotic Process Automation, Data Analytics) and by rapidly realizing synergies with acquired companies; and
- promoting sustainability and responsibility as part of its efforts to implement sustainable purchasing (through decarbonized purchasing and the application of circular economy and inclusivity principles). For example, the Group uses recycled raw materials, limits its use of materials that carry a high risk of depleting non-renewable natural resources, collects and recovers products at the end of their lives *via* industry-specific initiatives, and makes CSR commitments an integral part of supplier consultations.

The Group had around 36,000 suppliers at the end of 2022 and its purchases totaled more than €4.2 billion, of which Europe accounted for more than 37% and North and Central America for around 31%.

Legrand considers that most of the raw materials and components required by its operations will remain available in all its major markets and that it has no material dependence on any one supplier.

Raw material and component purchases totaled more than €3.0 billion in 2022, and the following table presents them (as a percentage of total material and components purchases) for 2022:

(% of the split of raw material and components purchases)	**December 31, 2022**
Trading (electrical finished goods designed by Legrand)	22%
Metallic subcontracting (including added value)	18%
Electronic (components and sub-assembly)	14%
Electrical and lighting components	10%
Plastics subcontracting	5%
Other elements	2%
Components & subcontracting	**71%**
Metals	17%
Plastics raw material	8%
Packaging	4%
Raw Material	**29%**
Total	**100%**

Logistics and supply chain optimized for the benefit of customers

Legrand's objective in terms of the supply chain is to deliver products within the timeframes demanded by customers while optimizing transport and warehousing costs, environmental footprint and inventory levels.

Logistics facilities form a network of local, regional and central storage and distribution centers.

This approach is based on dedicated tools and processes for planning and execution. Operational best practice is recorded and shared through the Legrand Way.

Using this approach, Legrand is able to guarantee a high-quality service for its distributors (in terms of availability, flexibility, speed and adaptability), in particular through balanced management of its inventory levels to meet its customers' requirements.

(1) AGV: Automated Guided Vehicle.

(2) Cobot: collaborative robot.

A roadmap intended to maintain optimal and responsible operational performance

Legrand has set ambitious mid-term targets for its Operations Department:

- in terms of driving growth through innovation and focusing on customer needs, Operations has the following targets:
  - maintain an R&D investments/sales ratio of around 5% through productivity initiatives and investment in innovation, including: (i) increasing the proportion of R&D staff members focused on software and firmware from around 19% in 2022 to more than 25% mid-term, (ii) bolstering its R&D teams in Asia from around 22% of worldwide R&D staff numbers between 2020 and 2022 to around 30% mid-term,
  - increase the percentage of sales covered by platforms from 66% in 2020 and around 70% in 2022 to 75% mid-term;
- in terms of driving performance through industrial competitiveness, Operations has the following targets:
  - accelerate annual productivity rate from about 3% to close to 4% mid-term, in particular by (i) streamlining and optimizing the Group's industrial and logistics footprint on an ongoing basis, (ii) rolling out the Legrand Way program in production sites, (iii) increasing the proportion of sales covered by platforms as mentioned above, and (iv) increasing the proportion of capital expenditure allocated to Industry 4.0 from around 7% of industrial capex in 2020 and more than 8% in 2022 to over 10%, with coverage of the main industrial sites rising from 51% in 2020 and 80% in 2022 to 100% mid-term,
  - have limit total capital expenditure in a range of 3-3.5% of sales;
- as a key participant in the Group's CSR strategy, Operations has the following targets:
  - promote talent, diversity, inclusivity and business ethics,
  - reduce work accidents with and without lost time (FR2) by -20% relative to the 2020 level (of 4.6), with already 3.0 in 2022,
  - increase the percentage of sales covered by PSPs/PEPs to more than 70% as opposed to 67% in 2020 and around 69% in 2022,
  - achieve a waste recovery rate of over 90% versus 92% in 2022,
  - reduce energy consumption by -15% between 2021 and 2023, accelerating on the previous commitment announced in 2021 of cutting it by an average of -3% per year,
  - lower the Group's direct emissions (Scope 1&2) by -50% and its indirect emissions (Scope 3) by -15% between 2019 and 2030 in accordance with the 2050 carbon neutrality trajectory validated by the SBTi in 2021 and in line with limiting global warming to 1.5°C. In pursuit of this goal, Legrand has set a goal of encouraging at least 250 of its key suppliers to set an official target by 2024 of cutting their CO_2 emissions by -30% on average by 2030.

For more details, please refer to the Sustainability-Linked Financing Framework on the Group's website and section 4.3.1 of this Universal Registration Document.

2.3.1.2.2 Functional departments

In the Back Office, functional departments organized at the global level include:

- strategy and development, including acquisitions;
- finance and information systems; and
- human resources.

Each Department is in charge of defining its own organization and of coordinating Group processes within its area.

2.3.2 - Fostering employee engagement with an entrepreneurial spirit

Legrand's strategy is realized by around 38,000 highly committed, qualified and responsible staff members:

- the engagement rate was around 80% in 2021, much higher than in 2017;
- the staff attrition rate is one of the lowest in the industry;
- training levels are high, with each staff member for example receiving around 20 hours of training on average in 2022;
- compensation arrangements are focused on integrated performance and favor an entrepreneurial mindset;
- country managers are experienced, particularly in sales, are appointed by the Group's General Management and are responsible for integrated performance within their scope as a whole, including the Front and Back Offices.

The main aspects of Legrand's staff engagement policy are as follows:

- providing a working environment that meets the highest standards of comfort, wellbeing and business ethics;
- focusing on promoting talented people through an active policy of attracting and retaining them, providing active support and offering an extensive, appropriate training program;

- offering guaranteed standard cover that is common to all countries as part of the “Serenity On” program launched in 2017, and extended in 2022 to include family members and a wider range of care. The program covered 77% of Legrand’s workforce in 2022, and it intends to raise this figure to 100% eventually;
- implementing an ambitious policy in terms of promoting diversity and an ever more inclusive business culture:
  - at the end of 2022, women made up (i) one-third of Executive Committee members; (ii) 24.4% of key managers (Hay grade of 20 or over), with the aim of increasing this to more than a third by 2030 as opposed to 15.2% in 2018; and (iii) 28.5% of managers overall (Hay grade of 14 or over) as opposed to 22.6% in 2018, with a target of reaching 30% by 2024;
  - Legrand is also pursuing a number of initiatives to achieve greater inclusivity. In particular, the Group promotes (i) networks that focus on gender equality, visible minorities and LGBTQ+ people (Elle@Legrand, the Black Professional Network in the United States, Legrand Rainbow), (ii) measures designed to increase recruitment of people with disabilities, who accounted for 2.2% of the Group’s workforce in 2022 and (iii) employment opportunities for young people.

In its 2022-2024 CSR Roadmap, Legrand lays out the targets of (i) providing 4,000 new opportunities every year to individuals at the beginning of their career, and (ii) reaching the point where 80% of its employees work at an entity that has a "Diversity & Inclusion" status through a GEEIS diversity[1] certificate.

One of the keys to Legrand’s success in terms of employee engagement is the combination of its organization (Front Office and Back Office) with a compensation policy that focuses on integrated performance. Together, these elements foster an entrepreneurial mindset and lead to a high level of accountability as well as strong appropriation of the Group’s values and its overall strategy.

The variable compensation of functional and country managers is strictly aligned with the Group’s financial and non-financial targets:

- long-term incentive plans involve awards of performance shares linked to targets in terms of the Group’s growth, margins and CSR performance; awards are made every year to a broad base of managers. Around 1,400 managers were thus covered in 2022;
- country and business managers also receive bonuses, 70% of which are determined by compliance with the performance contract established with Management, 20% by achievement of local CSR targets and 10% by qualitative targets, related for example to acquisitions within their management scope.

For more information about the Group’s HR initiatives, particularly in relation to its CSR policy, please refer to section 4.5 of this Universal Registration Document.

2.4 - Mid-term targets

With its proven development model, clear strategic roadmap and product ranges supported by sustainable market trends, particularly in faster expanding segments, Legrand further developed its mid-term targets early 2021, through which it intends to accelerate value creation.

Over a full economic cycle and excluding a major economic slowdown, the Group is aiming for:

- annual sales growth averaging between +5% and +10% excluding currency effects;
- adjusted operating margin averaging[2] around 20% of sales;
- normalized free cash flow averaging between 13% and 15% of sales.

At the same time, Legrand will continue to deploy a bold and exemplary ESG approach, driven by demanding roadmaps, with a particular focus on the fight against global warming and the promotion of diversity. By 2030, the Group is targeting:

- a -50% reduction in its CO_2 emissions from its own operations (Scope 1&2) and a -15% reduction across its value chain (Scope 3) by comparison with 2019;
- one third of key positions to be held by women and gender parity across its workforce as a whole;
- 80% of its sales to come from eco-responsible products and services.

These mid-term financial and non-financial targets are accompanied by a balanced capital allocation policy in which:

- more than half of free cash flow on average is used to carry out targeted acquisitions, while maintaining a solid balance sheet;
- around 50% of earnings per share on average is paid out as a dividend;
- share buyback programs are used to offset dilution arising from performance share awards as part of long-term incentive plans.

(1) GEEIS - Diversity: Gender Equality European & International Standard-Diversity, a Bureau Veritas-approved quality standard recognizing workplace equality and diversity in businesses, created by Arborus and audited by Bureau Veritas Certification. For more information, please refer to: https://www.bureauveritas.fr/besoin/gender-equality-diversity-european-international-standard.

(2) Including restructuring-related costs.

03

Internal control and risk management

3.1 - Environment and organization of internal control and risk management

3.1.1 - Reference framework

The Group's internal control and risk management system falls within the legal framework applicable to companies listed on the Paris stock exchange and relies on the "Reference framework for risk management and internal control systems" published by the AMF in 2010.

3.1.2 - Scope of application

The Group's internal control and risk management system covers all controlled entities that fall within the scope of consolidation of which the Company is the parent company. No entity is excluded from it.

The Group defines the roles and responsibilities of the various participants and establishes procedures. It ensures that internal control and risk management are performed effectively within its subsidiaries. Newly acquired companies adopt the internal control system during their integration with the Group. They are audited for the first time by the Group's Internal Audit team within around a year of their acquisition.

The scope of application of internal control concerns every area of the business. The internal control system is regularly updated to address risk management issues and business developments.

3.1.3 - Internal control and risk management environment

The Group's internal control and risk management environment is based on the following:

the Group's values and its purpose, formally enshrined in a set of charters that are widely circulated among teams. They include the Group's Charter of Fundamental Principles and its Application Guide setting out the Group's values, its Prevention Charter and Environment Charter. Commercial practices are governed by the Fair Competition Charter and the Guide to Good Business Practice;

- exemplary behavior, which is an essential means of disseminating values within the Company;
- the clear objectives set out by the Company and communicated to its employees;
- an organizational and hierarchical structure that provides a clear definition of responsibilities and powers;
- management policies and procedures available on the Group's intranet, applicable to all its subsidiaries;
- training organized around topical subjects and ongoing coordination of the internal controller network to ensure the sharing of best practice;
- IT tools and secure access to information systems determined according to each person's role, in compliance with the rules regarding segregation of duties.

The reporting systems that exist for all the Group's major business processes allow relevant and reliable information to be gathered and circulated at various levels of the business. They ensure that the Group's various organizational levels (regions, subsidiaries and head office departments) use the same terminology. Examples include the annual budget process, monthly and quarterly country performance reviews, functional reporting systems (financial, human resources, purchasing, corporate social responsibility, etc.), as well as the internal control self-assessment questionnaire completed by each entity.

3.1.4 - Resources allocated to internal control and risk management

The Group's Audit, Internal Control and Risk Management Department coordinates and organizes monitoring of the risk management and internal control system. The main tools it uses include risk mapping, the internal control framework, the self-assessment process, audits and action plan monitoring.

Assigning these tasks to a single department ensures a consistent methodology. It facilitates continual adjustment of audit procedures and of the internal control framework in response to risks and weaknesses detected during audits.

The Group's Internal Control Department relies on local internal controllers who coordinate the process within their units. This is the case for roughly fifteen countries, including the largest contributors in terms of business (United States, France, Italy, China, India, Brazil, Spain, the United Kingdom, Mexico, Colombia, etc.). In smaller entities, internal control is the direct responsibility of their finance managers. In the Group as a whole, there were more than 30 specialist staff members focusing entirely on internal controls at the end of 2022.

The manager in charge of this function at Group level reports directly to the Chief Executive Officer, ensuring that he enjoys the required authority at the internal level. He has direct access to the Chairwoman of the Audit Committee, with whom he confers independently when preparing for Audit Committee meetings.

Aside from the Internal Control Department, other key contributors include:

- General Management, in connection with the overall design and management of the Group's internal control system;
- the Company's governance bodies, particularly the Audit Committee, whose tasks include monitoring the effectiveness of the system;
- the Risk Committee, in connection with managing the Group's risk-mapping exercises;
- the Group's various departments, some of which coordinate the internal control and risk management approach within the various operational committees;
- the Finance Department in general, and especially the finance managers of the various subsidiaries, who play an ongoing role in organizing the control environment and ensuring compliance with procedures;
- managers at all levels of the organization, who are responsible for managing the internal control system in their particular area.

LIMITATIONS

The risk management and internal control system, outlined above and detailed below, though well designed and implemented, cannot provide an absolute guarantee that the Group's targets will be met. It cannot guarantee that all risks, particularly those relating to error, fraud or failure, will be completely controlled or eliminated.

3.2 - Internal control system

3.2.1 - Definition and purposes of internal control

The Group's internal control system consists of a set of resources, behaviors, policies, procedures, tools and actions tailored specifically for Legrand, that:

- enable it to take appropriate account of significant risks, whether strategic, operational, reputational, financial, compliance or CSR-related; and
- contribute to the control of its business activities, the efficiency of its operations and the efficient use of resources.

The internal control system is wide-ranging. It is not limited to procedures that make sure accounting and financial reporting data are reliable. More generally, its objectives are to:

- ensure compliance with laws and regulations;
- ensure that instructions are applied and that the objectives set by General Management are achieved;
- guarantee internal procedures, especially those that contribute to the protection and safeguarding of assets, work properly;
- provide assurance regarding the reliability of financial and accounting information;
- support both organic and external growth;
- help optimize processes and operations.

The risk management process continually feeds into the internal control process. As a result, the internal control process adapts in response to developments in the Group's risk environment.

3.2.2 - Procedures, controls and assessments

The Group's internal control activities (procedures and controls) are defined in specific standards, which are regularly updated. As well as all the legal, financial, management and accounting rules followed by the Group, they can be accessed on the Group's intranet.

Internal control activities, and particularly the controls in place, are reviewed annually using a self-assessment mechanism that is mandatory for all entities and supported by a dedicated tool.

The self-assessment process covers matters concerning the internal control environment and controls over the Group's main processes (*e.g.* purchasing, sales, inventory management, payroll, fixed assets, etc.). The questionnaire evolves each year as part of a continuous improvement process. It is updated to take account of strengths and weaknesses identified during audits and self-assessments. It can also factor in changes in risks and in the control environment.

The size of the questionnaire varies according to the size of the respondent entities.

The results of these questionnaires and tests are systematically reviewed, consolidated and analyzed by the Internal Control Department.

The 2022 self-assessment campaign showed that the Group's entities achieved an overall compliance rate of 94% in respect of the internal control system's minimum requirements, up from 93% in 2021. The Group regards this compliance rate as satisfactory. Targeted support is provided to help all entities achieve an individual compliance rate of at least 90%.

The Group's internal control system, and any changes it may undergo, are presented annually to the Audit Committee.

The tools, procedures and results of internal control reviews are all available to the Company's Statutory Auditors, and there are regular consultations to optimize the internal control framework and coverage of risk areas, which reinforce the internal control system and risk controls.

3.3 - Risk management system

3.3.1 - Definition and purposes of risk management

A risk represents the possibility of an event occurring that might have adverse effects on people, resources, the environment, the Group's objectives or its reputation. A risk is also the possibility of missing a strategic or other opportunity.

Risk management is a dynamic system. It enables managers to identify, analyze and deal with the main risks regarding the Group's strategic objectives, to keep them at an acceptable level.

It seeks to be comprehensive, to cover all Legrand's activities, processes and assets.

Risk management is considered as a business management tool, and has the following objectives:

- protecting the Group's employees and partners;
- preserving Legrand's value, assets and reputation;
- making Group's decision-making and procedures more secure, to help it achieve its objectives and thus create value for all stakeholders;
- ensuring that initiatives undertaken are consistent with Legrand's values and purpose; and
- encouraging Group employees to buy into a shared vision regarding major risks, and raising their awareness both of the risks inherent in their activity and of newly emerging risks.

3.3.2 - Risk management procedure

The risk management procedure consists of three stages:

1) Risk identification: the risk environment is jointly determined using data gathered during meetings and workshops with the Group's senior executives. It is supplemented by contributions from Group subsidiaries and functional departments, business experts and external benchmarking.

   The risk universe is regularly compared with available benchmarks.

2) Assessment of identified risks: a panel of senior executives carries out risk assessment and classification work using a dedicated tool.

Risks are assessed and ranked according to the probability of their occurrence and their potential impact, on the basis of a homogeneous set of criteria. They are then ranked according to an assessment of how effectively they are controlled.

Risk analysis is supported by a regular review of specific indicators. These indicators, drawn up on the basis of historic and prospective data, are tracked by the relevant functional departments. They are fed back to the Group's Risk Manager in charge of coordinating the process.

On the basis of this risk identification and assessment, a risk map is produced, which is submitted to the Risk Committee for approval. Risk factors and risk control systems are detailed in section 3.6 of this chapter.

3) Dealing with risks: measures to reduce, transfer or accept risks are applied. Action plans are defined and the owners of the risks identified within the functional departments, with the help of the Group's Risk Manager.

The Risk Committee validates the procedure for dealing with the main risks and monitors the progress of the action plans.

Governance takes place through semi-annual meetings of the Risk Committee, chaired by the Group's General Management. The Committee is made up of members of functional and operational departments.

The Audit Committee is also regularly informed of the subjects addressed. The approach to assessing and dealing with risks is the subject of an annual discussion with the Committee, during which a review is made of the major risks, of the risk control mechanisms in place, and of any current action plans. The minutes of the meeting are submitted to the Board of Directors.

A comprehensive update of the risk map was carried out in 2020 and 2021.

The updated risk map was presented to the Audit Committee and Board of Directors for validation in February 2021. In 2022, the Audit Committee checked the risk map was still relevant.

3.4 - Internal audit system

3.4.1 - Definition and objectives of internal audit

The purpose of internal audit is to provide objective assurance regarding the degree of control over operations and the processes for managing, controlling and governing risk, and to make recommendations on how to make them more effective.

3.4.2 - Audit planning, implementation and follow-up action

An audit plan is drawn up each year, applying the following rules:

- the rotation of audits across all the Group's reporting entities and functional departments;
- audits of the Group's new acquisitions within a year of the Group's assumption of control;
- follow-up audits on the action plans put in place by operational entities if the situation requires it;
- audits of systems for controlling the risks identified in connection with risk management;
- specific and cross-functional audits aimed at covering major or emerging risks.

After approval by General Management, the audit plan is presented annually to the Audit Committee.

Every audit assignment results in a report. Those reports are submitted to General Management. A summary of them is presented quarterly to the Audit Committee.

The recommendations expressed in the audit reports directly address the risks inherent in the identified internal control weaknesses, thereby strengthening the previously mentioned approach. Implementation of action plans is monitored systematically by the Internal Control Department.

3.5 - Procedures for preparing and processing accounting and financial information

3.5.1 - Objectives

Internal controls applied in the accounting and finance areas must:

- ensure that the published accounting and financial information complies with applicable regulations;
- ensure that the instructions concerning this information, issued by the Group's General Management, are applied;
- safeguard the Group's assets;
- detect and prevent fraud and accounting irregularities wherever possible;
- ensure the reliability of internal financial and accounting information, and of information disclosed to the markets.

3.5.2 - Main contributors

- General Management, in connection with setting up and organizing the Group's internal control system and preparing financial statements for approval and publication;
- the Board of Directors, which approves the consolidated financial statements, based in particular on work done by the Audit Committee;
- the Internal Audit Department which, through its work, makes a certain number of recommendations both to General Management and to the Audit Committee on improvements to the internal controls applied in the areas of accounting and finance;
- the Statutory Auditors who, through their external audit work, express an independent opinion on the published annual and half-year consolidated financial statements.

3.5.3 - Control mechanism for accounting and financial information

This mechanism is based on the definition and implementation of processes to prepare and review financial and accounting data. That data is prepared and reviewed so that it can be used internally for management purposes and disclosed externally for publication to the markets.

The mechanism is deployed through concerted action involving contributions from various functions that report to the Finance Department.

Finance managers in subsidiaries

Finance managers in subsidiaries are appointed by, and report functionally to, the Group's Finance Department. They are specifically entrusted with responsibility for internal control and act as Compliance Officers in their respective companies. They are appointed by the Group's Finance Department, to ensure that levels of expertise are consistent and appropriate.

Group Management Control

Group Management Control reports to the Group Finance Department.

It plays a key role in monitoring and controlling subsidiaries' performance and their enforcement of procedures. It coordinates the preparation of annual budgets and regularly performs an in-depth review of outturn and estimates. This work is based on rules for the preparation of financial reports and the budget, which can be found in the standards for internal control procedures.

All subsidiaries issue a detailed consolidation report every month, which includes a balance sheet with an analytical review and an income statement with analyses, to allow detailed monitoring of their performance.

Corporate Financial Analysis

The Corporate Financial Analysis unit, which reports to the Group Finance Department, analyzes the Group's consolidated financial statements. It prepares and circulates, on a monthly basis, a progress sheet showing consolidated performance and the variance between actual results and the results forecast in the budget. This data is formally reviewed each month by the Finance Department and General Management.

Consolidation

Accounting data is consolidated by a dedicated team that reports to the Finance Department. The team's role is to produce the consolidated financial statements based on consolidation reports submitted through a software application deployed across all Group subsidiaries. Consolidated financial statements are prepared on a monthly basis (except at the end of July) in accordance with a schedule circulated to all subsidiaries. This allows them to plan accordingly and provide financial information in a timely manner.

Almost all consolidated entities have their annual and/or consolidation reports reviewed by the local affiliated offices of the Group's Statutory Auditors or by independent auditors.

Group financing and cash flow

The Treasury Department reports to the Group Finance Department.

The Group Finance Department validates the identity of bank account signatories. Cash flow is monitored through specific procedures. Investment, borrowing and hedging transactions are centralized and controlled by the Group's Finance Department. All bank accounts of the Group's subsidiaries are managed in agreement with the Group Treasury Department, which ensures consistency in the Group's relationships with banks.

Information Systems

The Information Systems Department reports to the Group Finance Department.

In order to reduce the risks associated with the reliability of accounting and financial data processing, the Group has implemented a full set of IT procedures to mitigate security risks as well as data back-up plans.

In addition, the deployment of internal control helps strengthen and harmonize the implementation and operation of information systems, as well as system and network protection and access arrangements.

3.6 - Risk factors and control mechanisms in place

At the filing date of this Universal Registration Document, the risks presented below are those identified by the Group as likely to have a material adverse impact on its business, its image, its financial position, its results or its ability to achieve its objectives. Other risks that are not identified, that are emerging or that appear non-material at the same date, may also have an adverse impact on the Group.

In 2020, the Group carried out a fresh risk mapping assignment, and the results were submitted for validation to the Audit Committee and the Board of Directors in February 2021.

The Audit Committee confirmed that the map of the major risk factors remained pertinent based on the risk environment.

All the risk factors contained in the risk map are analyzed in each risk committee meeting through constant assessment of emerging risks.

All the risk factors are assessed according to the probability of their occurrence and potential impact (based on a scale with four levels, *i.e.* minor, moderate, material and major). They are then ranked based on an assessment of how effectively they are controlled, again based on a scale with three levels ("Priority", "Keep on watch", and "Business as usual").

As a result, the approach involves measuring net risks. The risk factors are analyzed taking into account the potential risks in Legrand's business model and the risk mitigation arrangements. This approach complements that adopted by Legrand to address its Corporate Social Responsibility.

The table below summarizes the key net risk factors organized into four categories: strategic risks, operational risks, reputational and compliance risks, and financial risks.

The Group's risk map consists of 18 risks, of which nine risk factors were identified as being in the "Priority" category with a "major" or "material" net impact. They are presented in this Universal Registration Document.

In accordance with the requirements set out in Art. 16 of Regulation no. 2017/1129/EU, this chapter only covers the risks specific to the Group that, in our view, have a net impact likely to influence investment decisions. In terms of methodology, therefore, in the table below details are only provided in relation to "Priority" risk factors that could have a "major" or "material" net impact. In each of the four categories, the risk factors are ranked in decreasing order of priority and net impact.

Risk factors (net risks)	Potential risks in Legrand's business model	Main risk mitigation arrangements	Impact/ Priority	Ref.
Strategic risks				**3.6.1**
Environmental impacts and risks related to climate change	■ Environmental damage ■ Disruption to the Group's organization or operations ■ Failure to move with customer demand in response to environmental and climate risks	■ CSR approach and multi-year roadmaps covering the principles of carbon impact mitigation and promotion of the circular economy ■ Environment department and certification policy ■ "Creation of the Product Offering" process coordinated by the Operations Department ■ Mapping of risks and climate opportunities	Major/ Priority	3.6.1.1 see chapter 4 – CSR and DEFP report
Digital acceleration	■ Insufficient range of connected products and solutions with enhanced value in use and/or for datacenters ■ Inability to deal with changes in the economic chain, especially the need for data and e-business ■ Failure to grasp digital opportunities for enhancing operations ■ Failure to keep pace with new remote working practices	■ Eliot program to develop the connected offering, and LDCS organizations for the dedicated data center, governance offering ■ "Creation of the Product Offering" process coordinated by the Operations Department ■ Digital acceleration program, dedicated governance ■ Deployment of Industry 4.0 technologies and automation of administrative tasks under the coordination of the Group Back Office Departments ■ Strategic partnerships	Major/ Priority	3.6.1.2
Products and solutions that do not reflect changing market expectations	■ Failure to identify promising verticals or segments ■ Failure to capture a trend or development in building design, building use or construction technologies ■ Insufficient innovation to uphold the values of the Group's offering ■ Failure to keep pace with or to anticipate changes in standards and regulations	■ Strategy and Development Department tasked with identifying macro-trends and coordinating the monitoring of market shares per country (annual review in conjunction with General Management) ■ "Creation of the Product Offering" process coordinated by the Operations Department ■ Monthly marketing meetings led by General Management to review plans for new products ■ Two specific programs dedicated to development (classic offerings and connected offerings) ■ Technology collaborations, partnerships and alliances ■ Standardization team and committee, network of correspondents	Major/ Priority	3.6.1.3
Brand positioning	■ Failure to support the profile of brands ■ Failure to protect intellectual property ■ Failure to deal with reputational damage to brands	■ Strategy and Development Department tasked with identifying macro-trends and coordinating the monitoring of market shares per country (annual review in conjunction with General Management) ■ Department dedicated to intellectual property and network of correspondents within the Group ■ Charter on individual use of social media and team dedicated to monitoring social media trends	Major/ Priority	3.6.1.4

Risk factors (net risks)	Potential risks in Legrand's business model	Main risk mitigation arrangements	Impact/ Priority	Ref.
Operational risks				**3.6.2**
Cybersecurity and personal data protection	■ Inability to protect information systems and data in the event of an intrusion ■ Leak, theft or loss of personal data ■ Personal data breaches affecting customers of the Eliot connected products ■ Financial penalties for failing to meet regulatory requirements	■ Centralized management of IT infrastructure, office software and credentials by the Group Information Systems Department ■ Dedicated governance for all IT projects, with a mandatory cybersecurity assessment ■ Cybersecurity program led by the Chief Information Security Officer supported by external specialists (including a Security Operations Center and a Computer Emergency Response Team) and structured according to the NIST (National Institute of Standards and Technology) framework ■ Systems audit, security audit and cyber risk insurance policy ■ Data Privacy Officer and network of Data Privacy Representatives ■ Application of the Privacy by Design principle for connected products in the Eliot program ■ Systematic Privacy Impact Assessment for connected products ■ Internal corporate rules on processing personal data ■ Training and awareness-raising	Major/ Priority	3.6.2.1
Alignment of information systems with the company's requirements	■ Potential failure or obsolescence of information systems ■ Failure to grasp opportunities to improve applications and infrastructure following information systems upgrades	■ Centralized management of IT infrastructure, office software and credentials by the Group Information Systems Department ■ IT applications roadmap coordinated by the Group Information Systems Department and developed jointly with user Departments ■ Structured governance process for all material IT projects (IT Project Review)	Major/ Priority	3.6.2.2
Overall competitiveness of operations	■ Lack of competitiveness or operational flexibility ■ Failure to optimize the organization of industrial operations, performance and the footprint ■ Weaker-than-expected performance of the supply chain and procurement policy	■ Operations Department with sole responsibility for back-office operations ■ Group Operational Performance Department in charge of i) deploying operational best practice (the Legrand Way), ii) coordinating efforts to streamline the footprint of the Group's industrial and logistics operations, and iii) deploying Industry 4.0 tools ■ Regular Country Operations Performance Reviews (COPR) ■ Centralized procurement policy ■ Supply chain organized around a network of regional and local warehouses, involving practices that span all of the Group's business lines (Distribution Resource Planning, Management Resource Planning) and which is becoming increasingly digital	Major/ Priority	3.6.2.3

Risk factors (net risks)	Potential risks in Legrand's business model	Main risk mitigation arrangements	Impact/ Priority	Ref.
Human resources policy adequacy	■ Failure to create a safe working environment ■ Inability to recruit, integrate, train, motivate, promote or retain new talent ■ Inability to develop the skills and talents of all employees ■ Failing to address the challenges of diversity ■ Employee dissatisfaction	■ Identification and deployment of the best practice in terms of occupational health and safety, Group-level accident-monitoring ■ Group Human Resources Department, Group-wide oversight of the HR policy and centralized management of key roles and resources ■ Talent management process ■ Skills development process ■ Mechanisms for identifying and motivating talented and key staff members ■ Efforts to promote equal opportunities and diversity ■ Buy-in from staff members through communication about the Group's strategy and objectives	Major/ Priority	3.6.2.4 see chapter 4 – CSR and DEFP report
Reputational and compliance risks				**3.6.3**
Product quality	■ Potential risks related to the use of electricity ■ Failure to comply with product standards	■ Quality policy ■ ISO 9001 certification for production sites ■ Product accreditation by certified laboratories ■ Product surveillance process ■ Process for managing customer dissatisfaction ■ Procedure for managing product risks	Major/ Priority	3.6.3.1 see chapter 4 – CSR and DEFP report
Financial risks	**None**			**3.6.4**

3.6.1 - Strategic risks

3.6.1.1 Environmental impacts and risks related to climate change

Risk factors

The Group has long been committed to reducing its environmental impacts. This responsibility applies not only to the Group's sites but also to the design of its products.

The main industrial processes that take place on Legrand's sites focus on the molding of plastic components, the production of metal parts, the assembly of plastic, metal and electronic components, and, on a less frequent basis, painting or surface treatment. These activities could have an impact, albeit limited, on the environment.

Climate change is creating new sources of risk for the Group. Climate phenomena (floods, droughts, cyclones, etc.) may cause disruption to the Group's organization or operations, and the Group may be unable to address that disruption.

The Group also designs energy efficiency products and solutions. Nevertheless, it may be unable to meet users' new expectations in terms of addressing environmental and climate risks. This may relate to decarbonization efforts and the increasing desire to reduce energy consumption.

The Group may also be unable to provide eco-designed products in line with the circular economy principles that the market requires.

Main ways of addressing risk

To address environmental and climate-related risks, the Group relies on:

- a CSR approach and multi-year roadmaps overseen by the Corporate Social Responsibility Department, which covers climate and circular economy issues, with three-year targets (2022-24) and associated practical action plans (see section 4.2.– "Summary of progress made in the 2022-2024 CSR Roadmap" in this Universal Registration Document);
- a Group Environment Department team and an ISO 14001 certification policy for its production, logistics and R&D sites;
- a "Creation of the Product Offering" process coordinated by the Operations Department in conjunction with the Strategy and Development Department;
- a project carried out in 2020 to map climate-related risks and opportunities (see section 4.1.4 – "Main non-financial risks and opportunities" in this Universal Registration Document).

3.6.1.2 Digital acceleration

Risk factors

Against the background of the digitalization of the economy and the rapid development of digital solutions:

- The Group's offering may prove insufficient in terms of connected products with enhanced value in use.

The Group may also:

- fail to respond to developments in the economic chain, including being unable to take advantage of the new asset that data represents and failing to develop in the e-business segment;
- be unable to identify or exploit opportunities to achieve greater operational excellence;
- fail to keep pace with new remote working practices.

Main ways of addressing risk

To address these new challenges, the following initiatives are in place:

- the Eliot program, which is developing Legrand's connected offering. This program is one of the Group's faster-expending segments. These segments accounted for around 33% of sales in 2022, with connected products representing close to 14%;
- a "Creation of the Product Offering" process coordinated by the Operations Department;
- a digital acceleration program monitored directly by the Executive Committee. It aims to improve the customer experience, the employee experience and operational excellence by harnessing new technologies;
- the deployment of Industry 4.0 technologies and automation of administrative tasks under the coordination of the Group Back Office Departments;
- strategic partnerships and numerous technology alliances, particularly as part of the Works with Legrand program (see section 2.2.2.1 – "Constant innovation and R&D efforts focused on digital technologies" in this Universal Registration Document).

3.6.1.3 Products and solutions that do not reflect changing market expectations

Risk factors

Legrand has an extensive range of more than 300,000 products and solutions that are intended to be simple, innovative and sustainable. Over the long term, the Group spends around 5% of its sales on R&D.

The Group's solutions are installed in living environments (individual homes and collective housing, hotels, etc.), working environments (offices, datacenters, industrial sites, etc.) and meeting environments (shops, hospitals, schools and universities, etc.).

The Group's long-term prospects depend partly on its ability to ensure its offering reflects market developments. The Group's prospects could deteriorate if it were no longer able to:

- identify promising segments and verticals;
- capture trends or developments in building design, building use, or construction technologies in order, for example, to:
  - offer environmentally responsible products and sustainable solutions;
  - develop smart solutions;
  - integrate innovative features;
  - address the emergence of new requirements related to increasingly digital lifestyles and working habits (highlighted by the Covid-19 pandemic);
- innovate sufficiently to uphold the values of the Group's offering;
- adopt and anticipate changes in standards and regulations.

Main ways of addressing risk

To ensure its range of products and solutions continues to reflect market expectations, the Group relies on:

- a Strategy and Development Department. Its task is to identify social and technological macro-trends and those related to the habits of end customers. It also coordinates the monitoring of market shares by product family and by country. These macro-trends and indicators are reviewed annually with General Management;
- a "Creation of the Product Offering" process coordinated by the Operations Department. Its role is to build the Group's offering through multi-year plans;
- Monthly Marketing Meetings (MMM) attended by the sales and marketing teams, the Operations Department and General Management. Product projects are validated and monitored in these MMMs;
- the signing of collaborative agreements, strategic partnerships and many technological alliances;
- a team and committee dedicated to standardization. A global network of correspondents informs the Group about changes in local and international standards.

3.6.1.4 Brand positioning

Risk factors

Legrand's business model relies on strong leadership positions. Legrand's total sales of products that rank first or second in their respective markets represent around two thirds of sales over the long term.

Legrand's products are sold under approximately 80 brands across almost 180 countries.

If the Group fails to support the profile of its brands, this could damage its brand equity.

Similarly, if the Group fails to develop and protect its intellectual property rights, this could affect the Group's competitive position.

New technologies and growing communication *via* social media are increasing the risks of the Group being exposed to criticism, fake news and negative messages. The Group may be unable to deal with an attack on its image among its stakeholders (employees, shareholders, customers, suppliers).

Main ways of addressing risk

- The Strategy and Development Department is tasked with identifying social and technological macro-trends and those related to the habits of end customers. It also coordinates the monitoring of market shares by product family and by country. These macro-trends and indicators are reviewed annually with General Management.
- Intellectual property rights are managed by a dedicated team in the Group's Legal Department. This team has particular responsibility for monitoring patents, models, trademarks and domain names, and for combating counterfeiting, including joint efforts with other market participants as part of professional organizations (GIMELEC, IGNES, ASEC, etc.).
- To prevent image risks affecting the Group's brands, a charter on individuals' use of social media has been drawn up for the Group's staff members.

Monitoring, detection and response systems are also in place:

- The Group's digital footprint is monitored by a Digital Dashboard, which logs websites and pages related to the Group's activities;

- Dedicated teams in the Strategy Department are in charge of overseeing and monitoring activity on social media;
- Response procedures are in place for addressing identified risk.

3.6.2 - Operational risks

3.6.2.1 Cybersecurity and personal data protection

Risk factors

Because of the scale and number of its international operations, processes and sites, Legrand's business activity requires multiple and often interconnected information systems.

In addition, the development of connected products potentially exposes the Group to specific risks of cybercrime and data security.

The recent emergence of new ways of working, including remote working, has increased this risk exposure further.

Legrand could be unable to protect its information systems and data in the event of an intrusion. This could lead to a leak, theft or loss of personal data.

The internet of things (IoT) is also leading to an increase in the volume of personal data to be processed. Such data could be used for fraudulent purposes or misappropriated, infringing users' privacy and security.

A close link has been observed between utility, security and respect for users' privacy. As a result, any leak, theft or loss could have a major impact on user confidence in the products sold by Legrand and thus on the Group's sales. The Group could be sued for damages.

With the entry into force of the EU General Data Protection Regulation (GDPR) in May 2018, the Group's obligations regarding data processing have increased. The Group could be fined for failing to meet these obligations.

Main ways of addressing risk

The Group's Information Systems Department manages the following on a centralized basis:

- IT infrastructure, office software and credentials;
- information system-related projects overseen by a dedicated Group governance arrangement;
- information system security with:
  - a head of information systems security with correspondents in the main countries;
  - support from external service providers and experts (including a Security Operations Center).

The Group's cybersecurity program has seven main aspects:

- a detailed IT risk map;
- an IT security systems policy based on the applicable standards (National Institute of Standards and Technology) and industry best practice;
- systematic integration of security within IT projects through a specific methodology;
- an enhanced, mandatory employee company awareness program. In 2022, more than 18,500 users received specific cybersecurity training;
- a structured incident handling process involving a Computer Emergency Response Team (CERT) and a Security Operations Center (SOC);
- a legal, regulatory and standards monitoring system;
- a specific program dedicated to personal data security and processing for connected objects and the related cloud.

Audits of systems in place, security audits and regular intrusion tests are carried out by Legrand or by companies specialized in cybersecurity.

In the event of any damage, an insurance policy covers damage to hardware, business interruption and data recovery or reconstitution costs. Cyber risk insurance is also taken out.

Legrand has a personal data protection program involving specific governance and a dedicated team (a Data Privacy Officer and a network of Data Privacy Representatives in the Group's countries).

Legrand also applies the Privacy by Design principle, along with the ISO 27001 standard when developing connected objects as part of the Eliot program.

Legrand also implements PIAs (Privacy Impact Assessments) across all its connected products to measure and minimize the impact of personal data processing on users' privacy.

Lastly, Legrand takes particular care in handling its employees' data and in 2016 introduced internal company rules for transfers of data outside Europe.

3.6.2.2 Alignment of information systems with the company's requirements

Risk factors

Technological and functional developments increase the risk of a gap between the capabilities of the information system and the needs of the company and its various business lines.

They increase the risk that the information systems used will fail. As a result, obsolescence needs to be managed in relation to existing information systems. The Group's acquisitions increase its exposure to this risk factor. The information systems of acquired entities often have different origins.

Legrand may also be unable to seize the opportunities arising from developments in information systems in terms of:

- the potential of business applications, or
- the efficiency of infrastructure and the cloud.

Main ways of addressing risk

- The Group's Information Systems Department manages IT infrastructure, office software and credentials on a centralized basis.
- The Group's Information Systems Department has responsibility for upgrading applications. It drafts roadmaps for IT applications in conjunction with the Departments that use them.
- The Group Information Systems Department coordinates a structured governance process in relation to significant IT projects. Projects are subject to validation and monitoring during IT Project Reviews with Management.

3.6.2.3 Overall competitiveness of operations

Risk factors

The Group develops products, buys goods and services and makes products and solutions on an industrial scale. It operates with almost 120 manufacturing sites in 30 countries.

The Group may not have sufficient expertise in its operational organization, may cease to be competitive or may lack flexibility.

It could fail to optimize the organization of its operations, for example, because of a failure in the initial design or industrialization of products. This could potentially result from technological decisions, management of capital employed or make-or-buy decisions and decisions about where to locate manufacturing facilities.

The Group may also lack the capability:

- to improve its industrial performance on an ongoing basis;
- to optimize its industrial footprint;
- to develop the performance:
  - of its supply chain, or
  - of its procurement policy, for example, in terms of its sourcing, its ability to negotiate, and the way it manages the availability of its raw materials and components.

Main ways of addressing risk

To prevent these risks, the Operations Department has sole responsibility for all back-office functions of Group operations (product marketing, innovation, R&D, purchasing, manufacturing and supply chain).

The following arrangements are in place:

- An Operations Performance Department in charge of:
  - deploying industry best practices at production facilities through the "Legrand Way" program at almost all Group units, aimed at achieving overall operational excellence (productivity, capital employed, quality, customer service, etc.);
  - coordinating efforts to streamline the Group's industrial and logistics footprint in conjunction with the countries;
  - deploying Industry 4.0 tools across the Group.
- The Group carries out Country Operations Performance Reviews (COPRs) to monitor key and concise performance indicators regarding the organization of country operations.
- A centralized procurement policy to optimize procurement, reduce the cost of items the Group consumes and deploy shared methods within the Group, particularly in terms of managing supplier risks and sustainable procurement (see sections 4.7.1 – "The Group's sustainable purchasing approach").

  A specific procedure for managing the availability of raw materials and components has been adopted to manage the risk of shortages at the Group level. It was activated in the context of the Covid-19 health crisis.
- A supply chain based around a network of regional and local warehouses, involving practices that span all of the Group's business lines (Distribution Resource Planning, Management Resource Planning) and which is becoming increasingly digital (section 2.3.1.2 – "A global Back Office").

3.6.2.4 Human resources policy adequacy

Risk factors

The Group has over 34,200 employees worldwide.

The Group's internal and external development is partly dependent on its ability to hire, integrate, train, motivate, promote and retain new talent in all the regions in which it operates.

More generally, the Group may be unable to develop the skills and talents of all staff members.

If it were unable to combat discrimination or failed to promote diversity, this could limit the enrichment of its teams.

Lastly, well-being at work makes employees more engaged and therefore more effective. Employee dissatisfaction could cause them to become disengaged and therefore less effective. In the most serious cases, this could lead to strikes or resignations.

Main ways of addressing risk

In general, Legrand seeks to identify and deploy best practice in terms of health and safety at work, including the strictest health protection measures and a system that tracks all accidents at the Group level.

Promoting health, safety and well-being at work is an integral part of the Group's CSR Roadmap (see section 4.5.2 – "Occupational health and safety" and section 4.5.3 – "Quality of life and well-being at work and employee commitment").

The Group Human Resources Department is responsible for the human resources policy. It is managed horizontally, with centralized management targeting key positions and resources. It is deployed in subsidiaries and managed by local human resources departments. Legrand's human resources management has four key aspects:

- Attractiveness, which consists of attracting talent and thus matching the Group's human resources with its future needs. Legrand conducts an annual Organization & Staffing Review (OSR) to this end.
- Employee development and the implementation of tailored strategies for identifying and supporting talent and for recognizing performance. This is one of the priorities of the Group's CSR Roadmap (see section 4.5.4 – "Skills development, attracting and retaining talent").

  The main ways in which the Group develops skills are:
  - training: the Group has a Learning with Legrand digital training platform. It has been rolled out across almost all of the Group's countries and had more than 23,000 active users in 2022;
  - meetings between managers and employees, known as CAPP (Competency Appraisal Performance and Perspectives) interviews;
  - talent management: three talent development plans are in place, *i.e.* Legrand Rising Talent, Legrand Promising Group Talents and Legrand Global Leaders;

  Legrand has also deployed incentives and retention mechanisms for key employees, for example by promoting intra-Group transfers and through its compensation policy.
- Diversity and inclusion. The Group published its first Ethics Charter in 2004.

  Promoting equal opportunities and diversity is part of the Group's CSR Roadmap (see section 4.5.5 – "Inclusion, diversity and equal opportunity").
- Staff engagement. A Group-wide staff engagement survey is carried out on a regular basis. The findings are used to identify strengths and points for improvement and to launch appropriate actions.

  Internal communication is important in motivating staff and creating a sense of belonging by providing regular information on the Group's strategy and objectives.

  A range of media are used, all conveying Legrand's core values embodied in the Charter of Fundamental Principles:
  - onboarding seminars;
  - information resources, such as the Group Dialeg intranet, local Dialeg intranets, the Yammer Group and the online magazine.

3.6.3 - Reputational and compliance risks

3.6.3.1 Product quality and safety

Risk factors

As a major player in electrical and digital building infrastructure, Legrand offers an extensive range of more than 300,000 product lines. Because of the way they are used, it is the Group's mission to make and supply products that are safe to use and meet the highest standards. Legrand is also committed to providing customers with the information they need to use its products safely and to maintain them.

In the event of safety defects, products may affect the buyer, the installer as well as direct and indirect users. Despite thorough testing, there is still a risk that faulty products could reach the market. These errors and defects could cause personal injury and/or damage to property.

A safety or quality defect, a failure to comply with standards or a poor customer experience (for example, a failure to meet customers' expectations in terms of value for money) could result in warranty and product liability claims, loss of revenue, costs associated with product recalls or harm to the Group's reputation for safety and quality.

Main ways of addressing risk

The Quality policy, managed by the Group's Operations Department, is applied by each country individually.

Legrand's quality policy is essentially implemented through:

- ISO 9001 certification;
- product accreditation by certified laboratories;
- procedures for managing quality at this production stage;
- additional tests known as "surveillance plans";
- the process for managing customer dissatisfaction;
- the procedure for managing product risks.

The Quality Department within the Operations Department reviews product quality and customer dissatisfaction during monthly reviews with quality managers and biannual reviews with the countries. Each major source of customer dissatisfaction is addressed through a specific process under a structured governance model until the issue has been resolved.

For more information, please refer to section 4.6.2.1 – "Protect the health and safety product users" of this Universal Registration Document.

3.6.4 - Financial risks

None of the financial risks monitored by the Group are presented in the risk factors because they have been assigned a "Keep on watch" priority due to the risk mitigation measures used by the Group.

However, two risks could have a major or material impact and are therefore mentioned specifically in other sections of the Universal Registration Document.

The risk of failing to achieve the expected financial and extra-financial performance (the potential impact of which could be major) is addressed in section 2.1.1.4 – "An effective organization and processes" of this Universal Registration Document).

Similarly, the risk related to the financing of the model (the potential impact of which could be material) is covered by specific information in chapter 8 of this Universal Registration Document.

3.7 - Insurance policies and risk coverage

Legrand has global insurance programs to cover its assets and income against identifiable and insurable risks. Working closely with brokers, it seeks the insurance market's most appropriate solutions that offer the best value for money in terms of coverage.

Insurance programs are arranged with highly reputed and financially sound international insurance companies. They provide global coverage for the Group and consider the specific risks and activities related to the Group's operations, including property damage and resulting business interruption, and product liability.

The Group believes that the coverage offered by these insurance programs is adequate, both in terms of scope and in terms of insured amounts and coverage limits. The Group's insurance and risk management policy and related prevention programs are periodically presented to the Risk Committee by the Legal Department (and to the Audit Committee as part of its review of the Group's main risks).

3.7.1 - Civil liability

The "Civil Liability" program is global and integrated. It covers potential claims arising from the Group's liability for physical injury, property damage and consequential loss arising during production or after product delivery, as well as damage arising from accidental pollution. More specifically, it covers the costs of product removal/reinstallation, withdrawals or recalls.

3.7.2 - Property damage and business interruption insurance

Subject to the usual excesses, exclusions and coverage limits, the Group's property/casualty and business interruption insurance program covers direct material damage resulting from any unexpected and accidental event (such as fire, storm, explosion, electrical damage, water damage, etc.) affecting the insured assets, as well as the resulting business interruption.

In addition to this insurance program, Legrand has an active industrial and logistics risk prevention policy. The Group is continuing risk awareness and prevention campaigns in its operating entities.

3.7.3 - Other cross-functional risks insured

The Group's other main insurance programs cover the following risks: D&O (Directors' and Officers') liability, employment practices liability, credit insurance, fraud and attacks on its IT systems and data.

04

Corporate social responsibility and declaration of non-financial performance

4.1 - The Group's CSR strategy

4.1.1 - Longstanding commitment reflecting the company's purpose and contributing to its performance

Legrand has been committed for many years to Corporate Social Responsibility (CSR):

1996
First ISO 14001 certifications

2004
Creation of a Sustainable Development function, publication of a Global Charter of Prevention and an Ethics Charter

2006
Signature of the Global Compact

2007
Launch of the first CSR Roadmap, partnership with *Électriciens Sans Frontières*

2009
Publication of the Charter of Fundamental Principles

2011
Launch of the second CSR Roadmap, calculation of the first Group-wide carbon footprint

2012
Responsible Supplier Relationships accreditation obtained

2013
Creation of the Elle@Legrand diversity network

2014
Launch of the third CSR Roadmap, creation of the Legrand Foundation, inclusion of Legrand in the "Global Compact Advanced" Group

2015
First year of the voluntary CSR performance audit by an independent third party

2016
Membership of the Energy Productivity Global Alliance. CSR criteria factored into the compensation system

2017
Launch of the Serenity On global employee welfare program

2018
Publication of the Human Rights Charter

2019
Publication of the fourth CSR Roadmap, publication of the Diversity and Inclusion policy

2020
Announcement of Legrand's commitment to collective carbon neutrality by 2050, aligned with the Paris Agreement's 1.5°C target

2021
Validation by the SBTi of Legrand's carbon alignment with the 1.5°C target and inclusion in the CAC 40 ESG index. The CSR department becomes part of the Group's Executive Committee, reporting directly to the Chief Executive Officer

Legrand's value creation model is presented in Chapter 1 of this Universal Registration Document.

A CSR strategy aligned with the company's purpose and incorporated into its everyday management

Legrand's purpose, as set out in 2020, expresses its ambitions and unites employees around a common goal:

"Improving lives by transforming the spaces where people live, work and meet, with electrical and digital infrastructures and connected solutions that are simple, innovative and sustainable".

Multi-year CSR Roadmaps rolled out by all teams

Since 2007, Legrand has defined and coordinated its CSR strategy through multi-year roadmaps, summarizing the key priorities and performance indicators. The four preceding roadmaps covered the periods 2007-2010, 2011-2013, 2014-2018 and 2019-2021.

The fifth CSR Roadmap (2022-2024) was based on:

- consultation with internal and external stakeholders by means of a materiality assessment conducted in 2021;
- risk management to define materiality issues and priority risks;
- compliance with regulatory and legislative requirements and standards concerning CSR ("hard law" and "soft law").

This approach allowed Legrand to identify the main themes:

- some following on from previous roadmaps, to maintain Legrand's longstanding commitments;
- by introducing new themes such as the circular economy.

This use of roadmaps constitutes a structured approach that is incorporated into the performance targets set for Group entities. It puts the company into action on strategic CSR themes with the support of an internal organizational structure and cross-functional departments within local entities.

Strong CSR governance

The CSR Department is responsible for overseeing and implementing the Group's CSR strategy and reports directly to the CEO. The Executive Vice-President CSR is a member of the Group's Executive Committee. This central structure relies on several specialist functional Group departments: Operations, including Group Purchasing, Human Resources and Legal. These functional departments coordinate networks of correspondents (around 300 people) in the Group's subsidiaries.

CSR governance bodies

Board of Directors and Commitments and CSR Committee

- Committee specifically dedicated within the Board of Directors to the preparation of CSR issues, consists of five directors, four of whom were independent on the publication date of this Universal Registration Document. It met three times in 2022;

Its role on CSR:

- the Board of Directors takes into account the social and environmental challenges of the Company's activities;
- the Commitments and CSR Committee checks that the Group's strategy and CSR approach are consistent and take into account CSR topics, in particular climate-related risks and opportunities;
- it reports on its work to the Board of Directors.

Executive Committee

- CSR matters are on the agenda for almost all Executive Committee meetings. In 2022, CSR matters were debated eight times and the Executive Committee took part in a Climate Fresk workshop;
- directs and validates the CSR strategy and monitors how initiatives are implemented.

Group functional departments

The functional departments monitor the CSR Roadmap priorities for which they are responsible and manage them *via* their own Executive Committees, which debate these priorities on a regular basis.

CSR correspondents' network

A network of CSR correspondents is in place at all Group subsidiaries that have rolled out the CSR Roadmap. CSR correspondents are responsible for CSR priorities and performance on a local level.

CSR performance factored into executive and manager compensation

Since 2016, CSR criteria have been factored into executive team and managers' compensation systems.

In 2022, the variable compensation was structured as follows:

Bonuses:

- 10-20% of variable compensation paid to top management (Chief Executive Officer, Executive Committee members and Country General Managers) is linked to CSR performance;
- 5% of the CEO's variable compensation is subject to a qualitative assessment relating to efforts to combat climate change and promote sustainability (initiatives to reduce CO_2 emissions, revenue derived from energy-saving solutions, inclusion in CSR indexes, etc.).

Long-term incentive plans (LTI):

- for the CEO and all Executive Committee members, 25% of incentive plan allocations are linked to CSR performance;
- In total, 17.5% of the CEO's total compensation – fixed, variable short term (bonus) and long term (LTI) – is linked to CSR performance;
- for other key positions, one third (33%) of the allocation is based on CSR criteria.

Performance verified by an independent third party

Since 2015, the Group's annual performance on its CSR Roadmap priorities has been verified through an external audit by an independent third party, which forms a limited assurance conclusion.

The independent third party's conclusion is set out at the end of this chapter.

4.1.2 - Recognized CSR commitment

To promote transparency, Legrand responds to numerous requests to assess and rate its CSR performance.

In 2022, Legrand achieved the following ratings:

CDP Climate Change B list	MSCI AA CSR rating	Sustainalytics Low risk	DJSI Score of 81
Ecovadis Platinum Status	ISS Oekom Corporate rating: Prime status Prime Status	Moody's Vigeo Eiris 67/100 Eurozone 120, Europe 120	

The Group was included in the following indexes, as of the date of this Universal Registration Document:

EURONEXT CAC 40 ESG – CAC SBT 1.5 Euronext Equileap Gender Equality Eurozone 100 and France 40	FTSE4Good FTSE4Good

A special section for ESG/SRI analysts is available on the Group's website: https://www.legrandgroup.com/en/our-commitments/csr-performance

Involvement with CSR networks

Legrand is involved in studies, surveys and roundtables, both within and outside the industry, which represent important sources of information and opportunities to share best practices. The Group is also a member of the CSR and circular economy committees set up within its professional organizations (GIMELEC, FIEEC, etc.), the Club des Directeurs du Développement Durable (C3D), the Institut du Capitalisme Responsable and the French Global Compact Advanced Club. Locally, Legrand's teams take part in studies, working groups and committees regarding CSR topics in their countries.

4.1.3 - International legal and reference framework

Legal framework

EU and French regulations

- French Act no. 2016-1691 of December 9, 2016, on the fight against corruption (the "Sapin II" act);
- French Act no. 2017-399 of March 27, 2017, on the duty of care of parent companies and ordering companies;
- French Act no. 2018-493 of June 20, 2018, on personal data protection;
- obligations relating to the publication of non-financial information set out in Articles R. 225-105-2, A. 225-1 and following of the French Commercial Code, as amended by French Act no. 2018-898 of October 23, 2018 (transposing European directive 2014/95/EU);
- Statutory provisions provided for by Article L.225-102-4 of the French Commercial Code (duty of care plan).

Finally, an independent third-party organization issues an opinion about whether the Declaration of Non-Financial Performance meets the relevant requirements and is accurate (see opinion in section 4.11).

International standards

Legand is committed to complying with the following external reference texts:

- the Universal Declaration of Human Rights;
- the International Labour Organization (ILO) Declaration;
- the Ten Principles of the United Nations Global Compact (see cross-reference table in section 4.10.5);
- the United Nations Sustainable Development Goals (SDGs) for 2030;
- the Global Reporting Initiative (GRI) (see the link to the cross-reference table in section 4.10.4);
- SASB (Sustainability Accounting Standards Board) standards for the Electrical & Electronic Equipment and Software & IT Services industries (see the link to the cross-reference table in section 4.10.7).

Internal charters and policies

To comply with regulations and standards, the Group has adopted internal charters and policies that must be observed by all employees:

- the Charter of Fundamental Principles, which lays down rules on how to behave and conduct business, incorporating the principles of combating corruption and respecting human rights. The text has been translated into around 10 languages and is also accompanied by a practical guide;
- the Fair Competition Charter, which defines rules on complying with competition law;
- the Guide to Good Business Practice, whose central focus is on preventing corruption and fraud. Other matters relating to conflicts of interest, lobbying, political contributions and compliance with international trade rules (compliance with sanctions, combating money laundering and the financing of terrorist activities) are also covered;
- the Prevention Charter, which sets out the key principles of Legrand's health and safety policy. It defines four principles: protecting employees in a sustainable working environment, making occupational health and safety an integral part of its activities, continuously improving the performance and management system, and fostering the accountability of everyone including partners;
- the Human Rights Charter, which details the rules that the Group requires its internal operations and suppliers to adopt and follow;
- the Environment Policy, which sets out the requirements and fundamental aspects of the Group's environmental strategy;
- the Quality Policy, which sets out Legrand's guiding principles regarding the quality of its products;
- the Purchasing Policy, which establishes the principles of sustainable, balanced and mutually beneficial supplier relations;
- the Diversity and Inclusion Policy, which contains guidelines covering the following five areas:

  (i) gender diversity, (ii) inclusivity towards people with disabilities, (iii) intergenerational collaboration, (iv) social, cultural ethnoracial diversity and (v) inclusion of LGBT+ people;
- the Charter on Work/Life Balance, which sets out 15 commitments. Legrand recognizes the fundamental importance of its employees achieving a balance between their personal lives and their work, since this improves both their well-being at work and the Group's performance.

Some of its charters also apply to external stakeholders such as suppliers.

These documents are promoted and disseminated locally by ethics and environmental representatives, human resource managers, admin and finance managers, compliance officers, the purchasing community, quality assurance officers and health and safety teams.

They can be viewed in the CSR resource center on the Group's website at: https://www.legrandgroup.com/en/our-commitments/csr-resource-center

4.1.4 - Main non-financial risks and opportunities

4.1.4.1 Main risks and opportunities identification process

The main risks and opportunities in social, societal and environmental terms for Legrand's stakeholders and for the Group are identified and ranked in terms of importance through two complementary approaches:

- the risk map, presented to the Risk Committee;
- materiality analysis, presented to the Commitments and CSR Committee.

The Group's CSR Department brings these two approaches together to identify the main non-financial issues, risks and opportunities.

Risk map

The risk map identifies and ranks the priority risks that have a major or material impact on the Group either directly (strategic, operational or financial risks) or indirectly (reputational or compliance risks). The Group's risk map was updated in 2021 according to this process:

- all risk factors are assessed according to the probability of their occurrence and potential impact (based on a scale with four levels, *i.e.* "minor", "moderate", "material" and "major"). They are then ranked based on an assessment of how effectively they are controlled, again based on a scale with three levels ("Priority", "Keep on watch", and "Business as usual"). Financial impact was estimated based on Legrand's business activity, financial data and forward-looking reports and scenarios regarding the probable impact of climate change (ILO, IEA and sector reports). As a result, the approach involves measuring net risks. The risk factors are analyzed taking into account the potential risks in Legrand's business model and the risk mitigation arrangements.

18 risks and opportunities were identified in the new risk map (compared with 25 in 2018):

- nine risk factors were identified as "Priority" with a "major" or "material" impact;
- nine risk factors were identified as "Keep on watch" or "Business as usual" with a "moderate" or "minor" impact.

A review of Legrand's activities and value chain was carried out in relation to climate-related risks. Risk factors linked to environmental and climate change impacts are considered to fall into the "Priority" category within the Group's hierarchy of strategic risks. They are regarded as medium- and long-term risks (period of five to 20 years) for the Group.

The Audit Committee confirmed that the map of the major risk factors remained pertinent based on the risk environment.

The Group's risk mapping approach and results are presented in Chapter 3 of this Universal Registration Document.

Materiality matrix

Legrand's CSR strategy is based on continuous dialogue with stakeholders, using the matrix as the main tool. Legrand identifies eight priority stakeholder groups:

- its customers and users of its products and solutions, whether they are distributors, specifiers, installers or end users;
- its employees and trade unions;
- its suppliers and subcontractors;
- the scientific community, industry and the educational sector;
- the financial and non-financial community (including investors, banks and rating agencies);
- its shareholders;
- civil society;
- NGOs and charitable organizations.

The expectations of these stakeholders in terms of CSR are cross-referenced with the most important CSR issues facing the company.

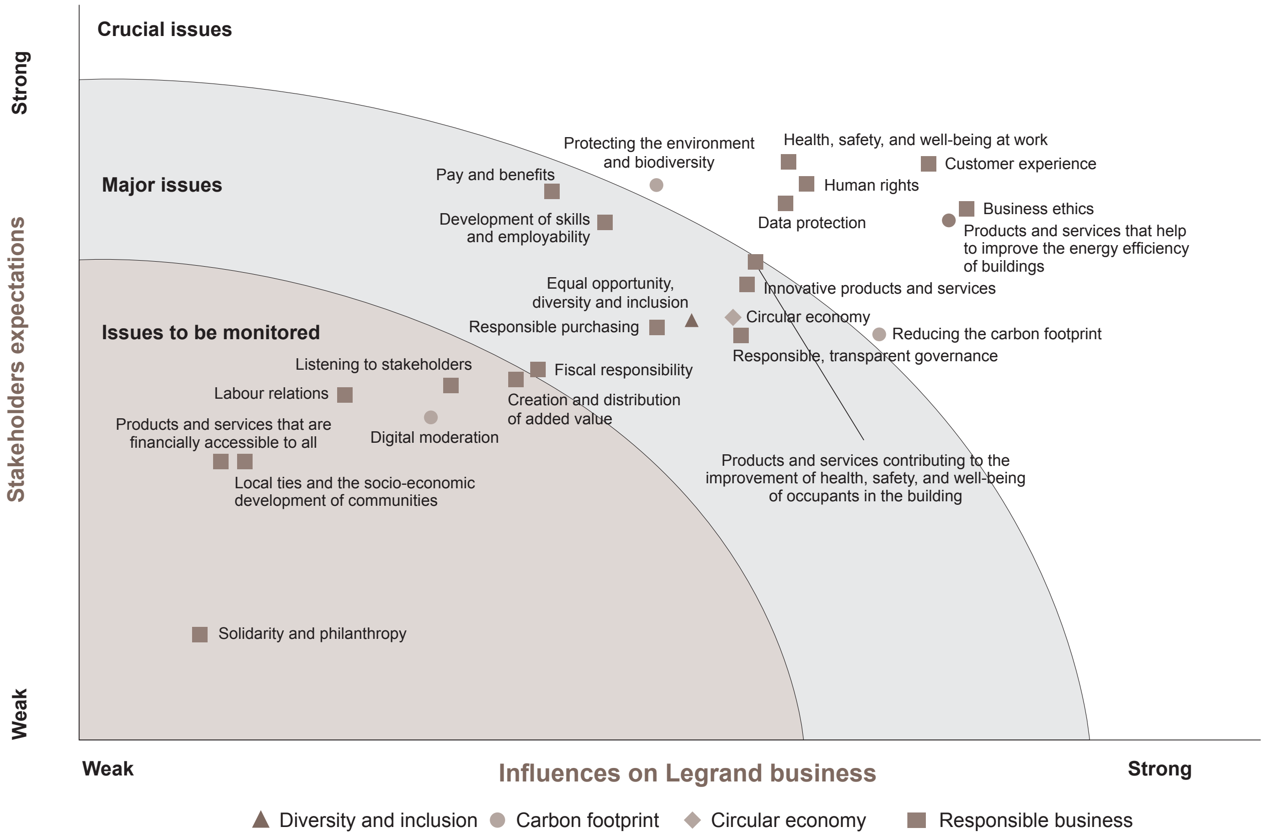
A new materiality assessment was carried out in 2021. A total of 5,291 responses were received in 94 countries from Legrand's main stakeholders, including employees, customers, suppliers and subcontractors, investors, shareholders and representatives of civil society (NGOs, students. etc.).

Of the 24 issues submitted for consultation, eight were identified by the assessment and used to define the priorities of the new 2022-2024 CSR Roadmap launched in March 2022:

- business ethics;
- customer experience;
- products and services helping to make buildings more energy efficient;
- health, safety and well-being at work;
- human rights;
- reducing the Group's carbon footprint;
- personal data protection;
- protecting the environment and biodiversity.

The priorities identified as a result of the materiality assessment have been incorporated into the new 2022-2024 CSR Roadmap, unless the subject has already been covered in another way such as an existing internal policy. Only biodiversity has not been included at this stage. As an initial step, the Group's biodiversity footprint will be calculated in the first half of 2023 in order to understand the most significant issues. The subject of biodiversity will therefore be included in the next Roadmap.

Detailed results of the survey are available on the website: https://www.legrandgroup.com/en/our-commitments/sustainable-approach



Nota bene: The following issues have been excluded from the scope of the analysis because they are considered to be too remote from the Group's business activities:

- combating food waste;
- combating food insecurity;
- promoting animal welfare;
- promoting a responsible, fair and sustainable diet.

4.1.4.2 Summary of the main non-financial risks and issues

A summary of the two above-mentioned approaches is carried out by the CSR Department.

This is assessed as follows:

- **Materiality**: the eight key issues identified from the materiality matrix carried out in 2021;
- **Risk impact**: the nine priority risks identified in 2021 with a "major" or "material" impact;
- **Opportunities**: opportunities in connection with material risks and issues have been added.

4.1.4.3 Risk mapping, opportunities, policies and action plans

Theme	Workforce-related and societal	Environment	Human rights	Anti-corruption and personal data protection	Group operations
Material risks and issues	**Group risk**: ■ Products and solutions that do not reflect changing market expectations ■ Brand positioning ■ Digital acceleration ■ Human resources policy adequacy **Material issue:** ■ Customer experience	**Group risk**: ■ Environmental impacts and risks related to climate change **Material issue:** ■ Products and services helping to make buildings more energy efficient ■ Reducing the Group's carbon footprint ■ Protecting the environment and biodiversity	**Material issue:** ■ Health, safety and well-being at work ■ Respecting human rights	**Group risk**: ■ Cybersecurity and personal data protection **Material issue:** ■ Business ethics ■ Personal data protection	**Group risk**: ■ Products and solutions that do not reflect changing market expectations ■ Brand positioning ■ Digital acceleration ■ Alignment of information systems with the company's requirements ■ Overall competitiveness of operations ■ Product quality **Material issue:** ■ Protecting the environment and biodiversity
Opportunities	■ Improving the customer experience by means of better understanding of customers' expectations ■ Development of e-commerce ■ Housing and equipment need connected to energy efficiency ■ Standing out from other companies thanks to diversity and inclusion and talent development policies	■ Offering customers products and services to make buildings more energy efficient ■ Positive impact on the company's reputation thanks to the work done by Legrand to reduce its environmental impact ■ Opportunities relating to the circular economy, in particular with eco-design			■ Optimization of industrial processes thanks to adoption of new technologies ■ Making the Group more competitive thanks to its climate and circular economy commitments ■ Close relationship between the Group and its key suppliers thanks to societal commitments allowing it to benefit from material and product innovations and ensure supply chain continuity

Theme	Workforce-related and societal	Environment	Human rights	Anti-corruption and personal data protection	Group operations
Policies, action plans and performance monitoring	Priorities of the 2022-2024 CSR Roadmap: ■ Gender diversity ■ "Diversity & Inclusion" accreditation covering Legrand employees ■ Employability of early-in-careers ■ Diversity and inclusion among suppliers ■ Customer satisfaction Annual performance monitoring in relation to CSR Roadmap priorities Group risk management: ■ Section 3.6.1.2 ■ Section 3.6.1.3 ■ Section 3.6.1.4 ■ Section 3.6.2.4	Priorities of the 2022-2024 CSR Roadmap: ■ CO_2 emissions avoided for customers ■ Direct and indirect CO_2 emissions (Scope 1&2) ■ Indirect CO_2 emissions (Scope 3) ■ Use of recycled materials ■ Phase out single-use plastic ■ Environmental product declarations Annual performance monitoring in relation to CSR Roadmap priorities Group risk management: ■ Section 3.6.1.1	Priorities of the 2022-2024 CSR Roadmap: ■ Occupational health and safety (see section 4.5.2, Occupational health and safety) Annual performance monitoring in relation to CSR Roadmap priorities Legrand's policy for respecting human rights (section 4.5.1) Other: Duty of care to control human rights risks relating to Group suppliers	Priorities of the 2022-2024 CSR Roadmap: ■ Business ethics: Group compliance program Annual performance monitoring in relation to CSR Roadmap priorities Group risk management: ■ Section 3.6.2.1	Priorities of the 2022-2024 CSR Roadmap: ■ Direct and indirect CO_2 emissions (Scope 1&2) ■ Indirect CO_2 emissions (Scope 3) ■ Use of recycled materials ■ Phase out single-use plastic ■ Diversity and inclusion among suppliers Annual performance monitoring in relation to CSR Roadmap priorities Other: Duty of care to control human rights risks relating to Group suppliers Group risk management: ■ Section 3.6.2.2 ■ Section 3.6.2.3 ■ Section 3.6.3.1

4.1.5 - A vision for the future

Legrand's contribution to collective carbon neutrality by 2050

The Group has made a commitment to achieve collective carbon neutrality by 2050. This involves reducing greenhouse gas (GHG) emissions by around 90% across its entire value chain and neutralizing emissions that cannot be avoided.

Interim targets for 2030

Legrand has set itself three main targets for 2030:

- continue to reduce the Group's greenhouse gas (GHG) emissions[1]:

  Legrand has aligned its climate strategy with the most ambitious Paris Agreement target, aiming to limit the global increase in temperatures to 1.5°C above pre-industrial levels. This 1.5°C pathway was approved by the Science Based Targets Initiative in 2021.

It comprises the following targets for 2030:

Reducing the Group's Scope 1&2 emissions by 50% (in absolute terms on the basis of the 2019 level):

- reducing the energy consumption of its sites by 3% per year on average;
- deploying energy-efficient solutions across its sites;
- using renewable energies by generating or buying green energy;
- shifting its vehicle fleet towards hybrid or electric vehicles.

A 15% reduction in the Group's Scope 3 emissions (in absolute terms on the basis of the 2019 level) notably means helping its supply chain to reduce GHG emissions.

(1) GHG emissions comprise the sum of gases that have a direct influence on climate change: carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), chlorofluorocarbons (CFCs), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF6) and nitrogen trifluoride (NF3).

As well as these initiatives, the Group is committed to offsetting its residual Scope 1&2 GHG emissions as well as two Scope 3 items (business travel and employee commuting) by 2022 through voluntary carbon offset projects. This commitment contributes to the achievement of SDG 13 (Climate action). An update on the progress made in achieving this target is given under "commitment to collective carbon neutrality" in section 4.3.1, "Sources of the Group's greenhouse gas emissions";

Reduce carbon emissions related to our own activities (*Scope* 1&2) **by 50%**

2022 results
-33%

2019
177,000 TeqCO_2
(base SBTi)

2030
-50%

2022 results
+3%

2019
2,710,000 TeqCO_2
(base SBTi)

2030
-15%

and carbon emissions in our value chain (*Scope* 3) by **15%**

- give women a more prominent role within the Group: Diversity is a priority of Legrand's workforce policy. The Group intends to give women more prominent roles in its activities. It has set a target of achieving gender parity in the workforce and having at least a third of Group key roles occupied by women by 2030. This commitment contributes to the achievement of SDG 5 (Gender equality). A total of 24.4% of key roles were held by women at the end of 2022, compared with 17.5% in 2020. See the table "Breakdown of employees by gender and occupational categories" in section 4.10.2, Overview of workforce-related indicators of this Universal Registration Document;

Women in 1/3 of key positions

2022 results
24.4%

2030
33%

2022 results
38%

2030
50%

and gender parity across the Group's workforce

- generate a larger proportion of revenue from eco-responsible activities: Legrand intends to pursue its sustainable and responsible growth model by offering products and solutions that are sustainable, *i.e.*:
  - that aim to improve the energy efficiency and reliability of buildings in order to combat climate change. This commitment contributes to the achievement of SDG 7 (Affordable and clean energy) and SDG 13 (Climate action),
  - that give customers the broadest possible information about the environmental impact of its products through PSPs (Product Sustainable Profiles) such as "PEPs", *i.e.* Product Environmental Profiles, which together covered around 69% of its sales at the end of 2022.

In 2022, Legrand generated around 75% of its revenue from products that are eco-responsible because of the way they are designed or used (particularly in terms of energy efficiency).

Achieve 80% of our sales with eco-responsible solutions

2022 results
75%

2030
80%

4.1.6 - Concrete actions: the 2022-2024 CSR Roadmap

Promote diversity and inclusion

Gender diversity	Achieve a level of **30%** of management positions filled by women
Diversity & Inclusion labeling	Achieve a level of **80%** of the workforce working at an entity holding the "Diversity & Inclusion" label
Employability of early-in-careers	**Offer 4,000 new opportunities** to early-in-careers each year
Diversity and inclusion among suppliers	Develop **200 additional businesses** with suppliers qualified as "Diversity & Inclusion" by 2024

Reduce our carbon footprint

CO_2 emissions avoided for customers	Thanks to the Group's Energy Efficiency solutions, **enable customers to avoid the emission of 12 million tons of CO_2**
Direct and indirect CO_2 emissions (Scope 1&2)	Reduce the Group's Scope 1&2 CO_2 emissions by 10% each year **through energy efficiency improvements at our manufacturing sites and renewable energy deployment**
Indirect CO_2 emissions (Scope 3)	**Encourage at least 250 key suppliers** to have an official CO_2 emission reduction target of 30% on average by 2030

Develop a circular economy

Use of recycled materials	Achieve a 15% **recycled plastics** use rate and 40% **recycled metals** use rate in products manufactured by the Group
Phase out single-use plastic	Eliminate 100% of single-use plastic in **flow pack** and expanded **polystyrene packaging**
Environmental declarations	Cover 72% of the Group's annual revenue with **Product Sustainable Profiles**

Be a responsible business

Customer satisfaction	Achieve 90% of sales made to **satisfied customers** (satisfaction surveys)
Business ethics/compliance	Continue Legrand's commitment to **business ethics**: framing, training and ensuring compliance
Employability and skills development	**Provide training for 85% of employees** each year and attain 7 hours of annual training for each employee
Safe workplace	Reduce the **work-related accident frequency rate** by 20% (FR2)
Expanded social cover	Expand the **Serenity On program** to cover 100% of employees

CSR performance measurement

The Group has set 15 targets and indicators to track the progress made in its new 2022-2024 CSR Roadmap.

These 2024 targets have been broken down into annual targets (2022, 2023, and 2024) and are on two levels:

Local level

A CSR scorecard is produced annually for each scope (subsidiary, region, entity, functional department).

Consolidated Group level

Overall CSR performance is based on the consolidated results of all Group entities. It is presented in section 4.2.

At the end of 2022, the overall achievement rate for the CSR Roadmap was 123%.

An independent third-party organization issues an opinion about whether the Declaration of Non-Financial Performance meets the relevant requirements and is accurate (see opinion in section 4.11).

Acquisitions

The Group's acquisitions are included within business-line systems (procedures and reporting processes) at the earliest opportunity. This process is completed within a period of a maximum of 36 months from the date of acquisition. Integration of new companies within the Group CSR performance structure starts from the second year after the year of acquisition (first year for compliance), the year of acquisition being the year of financial consolidation of the new entity into Legrand's accounts. Two environmental topics — eco-design and ISO 14001 — may take up to five years.

Year of acquisition	Year 1	Year 2	Year 3	Year 4	Year 5
Year of financial consolidation of the new entity into Legrand's accounts	Energy efficiency Compliance program Customer satisfaction	HR indicators Health and safety Diversity and inclusion among suppliers Scope 3 emissions Use of recycled materials Phase out single-use plastic	Environmental performance Product Sustainability Profiles (PSP)	Eco-design	ISO 14001

4.1.7 - Taxonomy

Legrand is concerned by Regulation (EU) 2020/852, known as the Taxonomy Regulation, which introduces a classification system for economic activities considered to be environmentally sustainable.

In accordance with Article 8 of the Taxonomy Regulation, Legrand has published the percentages of 2022 revenue, capital expenditures and operating expenditures eligible for and aligned with the Taxonomy in respect of the two climate objectives.

As the taxonomy framework is likely to evolve, it is possible that the 2022 data provided here will be revised in the future.

Revenue

The list of Taxonomy-eligible activities has been compiled on the basis of details of the Group's 2022 revenues. For companies acquired during 2022 for which this information is not available, their revenues have been deemed ineligible.

Most of Legrand's taxonomy-eligible activities are mentioned in section 3.5 of Annex 1 to the delegated act on climate change mitigation (manufacture of energy efficiency equipment for buildings). The list of activities includes the manufacture of presence and daylight controls for lighting systems, energy-efficient building control systems, thermostats and smart electricity meters. The detailed map of the Group's activities and product families is as follows:

Environmental target	Activity covered by the EU Taxonomy	Description of the activity	Legrand's corresponding activities
Climate change mitigation	3.5 Manufacture of energy efficiency equipment for buildings	Manufacture of energy efficiency equipment for buildings	Presence and daylight controls for lighting systems Energy-efficient building automation and control systems for residential and non-residential buildings Zoned thermostats and devices for the smart monitoring of the main electricity loads or heat loads for buildings and sensoring equipment Products for smart monitoring and regulating of heating system and sensoring equipment
	4.9 Transmission and distribution of electricity	Construction and operation of distribution systems that transport electricity on high-voltage, medium voltage and low-voltage distribution systems	Transformers
	6.15 Infrastructure enabling low-carbon road transport and public transport	Construction, modernization, maintenance and operations of infrastructure that is required for zero tailpipe CO_2 operation of zero-emission road transport	Electric vehicles charging stations
	7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	Lighting management services
Climate change adaptation	12.1 Residential care activities	Provision of residential care combined with either nursing, supervisory or other types of care as required by the residents	Telecare services

However, the list of activities covered by the delegated act and its annexes does not include a number of Legrand's activities such as energy-efficient products for datacenters sold by Legrand.

All identified eligible activities represent a revenue of €707 million, giving a revenue eligibility percentage of 8.5%, using Group revenue of €8,339 million as the denominator.

To be aligned, eligible activities need to meet three criteria:

- make a substantial contribution to an environmental objective as described in Annexes 1 and 2 of Regulation 2021/2139 (technical screening criteria);
- not contribute unfavorably to the other environmental objectives ("causes no significant harm") as defined in Annexes 1 and 2 of Regulation 2021/2139. In the absence of clarification about the concept of "essential use", compliance with Regulation (EC) 1907/2006 (REACH) was deemed to be sufficient to meet the requirements of chapters f. and g. of appendix C concerning pollution;
- meet the minimum safeguards requirement defined in Article 18 of the Taxonomy regulation.

After checking these three criteria, the Group's aligned revenue amounts to €673 million, equal to an alignment percentage of 8.1%.

In conclusion, the summary of the proportion of revenue generated from taxonomy-aligned products or services is as follows:

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2022 (M€)

				Substantial contribution criteria						DNSH criteria ("Do No Significant Harm")										
	Code(s)	Absolute turnover	Proportion of turnover	Climate change mitigation	Climate change adaptation	Water & marine resources	Circular Economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water & marine resources	Circular Economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of turnover year 2022	Taxonomy-aligned proportion of turnover year 2021	Category (enabling activity or)	Category (transitional activity)
Economic activities		M Euros	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1 Environmentally sustainable activities (Taxonomy-aligned)																				
Manufacture of energy efficiency equipment for buildings	3.5	527	6.3%	100%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	6.3%	N/A	E	
Transmission & distribution of electricity	4.9	47	0.6%	100%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0.6%	N/A	E	
Infrastructure enabling low-carbon road transport and public transport	6.15	75	0.9%	100%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0.9%	N/A	E	
Installation , maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	7.5	24	0.3%	100%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0.3%	N/A	E	
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**673**	**8.1%**	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**								**8.1%**	**N/A**	**E**	
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Manufacture of energy efficiency equipment for buildings	3.5	16	0.2%																	
Residential care activities	12.1	18	0.2%																	
Turnover of Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**34**	**0.4%**																	
TOTAL (A.1 + A.2)		707	8.5%														8.1%			
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Turnover of taxonomy non-eligible activities (B)		**7,633**	**91.5%**																	
TOTAL (A+B)		8,339	100.0%																	

Capital expenditures

With regard to eligible capital expenditures (CapEx), the approach used consists of taking into account:

- expenditures that, by nature, relate to aligned activities (*e.g.* installation of photovoltaic panels at the Group's sites or buying electric vehicles), and
- applying the percentage of eligible revenue to the Group's total remaining expenditures,
- eligible capital expenditures came to a total of €30 million in 2022.

The denominator for the CapEx ratio consists of total acquisitions of fixed assets during the year as defined by the Taxonomy regulation. On this basis, the eligible CapEx ratio comes to 11.3%.

For aligned CapEx, the approach is similar to that used to calculate eligible CapEx. It is calculated as the sum of a proportion of aligned expenditures by nature and the result of multiplying the aligned revenue ratio to total remaining expenditures, giving a ratio of 10.9%.

The summary of the proportion of capital expenditures associated with taxonomy-aligned activities is as follows:

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2022 (M€)

				Substantial contribution criteria						DNSH criteria ("Do No Significant Harm")										
	Code(s)	Absolute CapEx	Proportion of CapEx	Climate change mitigation	Climate change adaptation	Water & marine resources	Circular Economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water & marine resources	Circular Economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of CapEx year 2022	Taxonomy-aligned proportion of CapEx year 2021	Category (enabling activity or)	Category (transitional activity)
Economic activities		M Euros	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1 Environmentally sustainable activities (Taxonomy-aligned)																				
Manufacture of energy efficiency equipment for buildings	3.5	23	8.6%	100%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	8.6%	N/A	E	
Transmission & distribution of electricity	4.9	2	0.8%	100%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0.8%	N/A	E	
Infrastructure enabling low-carbon road transport and public transport	6.15	3	1.2%	100%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	1.2%	N/A	E	
Installation , maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	7.5	1	0.4%	100%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0.4%	N/A	E	
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**29**	**10.9%**	**100%**	**100%**	**0%**	**0%**	**0%**	**0%**								**10.9%**	**N/A**	**E**	
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Manufacture of energy efficiency equipment for buildings	3.5	0	0.2%																	
Residential care activities	12.1	1	0.2%																	
CapEx of Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**1**	**0.4%**																	
TOTAL (A.1 + A.2)		30	11.3%														10.9%			
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
CapEx of taxonomy non-eligible activities (B)		**236**	**88.7%**																	
TOTAL (A+B)		267	100,0%																	

Operating expenditures

As they are not very material, the amount of operating expenditures (OpEx) was calculated by applying the percentage of eligible revenue to the scope of expenditures as defined in the taxonomy, resulting in total eligible operating expenditures of €30 million in 2022 and an eligible OpEx ratio of 8.5%.

Aligned operating expenditures have been calculated in a similar way, applying the percentage of aligned revenue to total expenditures, giving an aligned OpEx ratio of 8.1%.

The summary of operating expenditures relating to taxonomy-aligned products or services is as follows:

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2022 (M€)

				Substantial contribution criteria						DNSH criteria ("Do No Significant Harm")										
	Code(s)	Absolute OpEx	Proportion of OpEx	Climate change mitigation	Climate change adaptation	Water & marine resources	Circular Economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water & marine resources	Circular Economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of OpEx year 2022	Taxonomy-aligned proportion of OpEx year 2021	Category (enabling activity or)	Category (transitional activity)
Economic activities		M Euros	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1 Environmentally sustainable activities (Taxonomy-aligned)																				
Manufacture of energy efficiency equipment for buildings	3.5	22	6.3%	100%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	6.3%	N/A	E	
Transmission & distribution of electricity	4.9	2	0.6%	100%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0.6%	N/A	E	
Infrastructure enabling low-carbon road transport and public transport	6.15	3	0.9%	100 %	0 %	0 %	0 %	0%	0%	Y	Y	Y	Y	Y	Y	Y	0.9%	N/A	E	
Installation , maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	7.5	1	0.3%	100 %	0 %	0 %	0 %	0 %	0 %	Y	Y	Y	Y	Y	Y	Y	0.3%	N/A	E	
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**28**	**8.1%**	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**								**8.1%**	**N/A**	**E**	
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Manufacture of energy efficiency equipment for buildings	3.5	1	0.2%																	
Residential care activities	12.1	1	0.2%																	
OpEx of Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**1**	**0.4%**																	
TOTAL (A.1 + A.2)		30	8.5%														8.1%			
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
OpEx of taxonomy non-eligible activities (B)		**321**	**91.5%**																	
TOTAL (A+B)		351	100.0%																	

4.2 - Summary of progress made in the 2022-2024 CSR Roadmap

2022 CSR Roadmap achievement rate: 123%

Promote diversity and inclusion

	2022 results and targets	Achievement rate 2022	Chapter / sections
Achieve a level of **30%** of management positions filled **by women**	28.5% — 2021: 26.7%; 2022: 27.7%; 2024: 30.0%	102.9%	4.5.5.1
Achieve a level of **80% of the workforce** working at an entity holding the "Diversity & Inclusion" label	44.5% — 2021: 15%; 2022: 30%; 2024: 80%	148.2%	4.5.5.2
Offer **4,000 new opportunities** to early-in-careers each year	3,875 — 2022: 4,000	96.9%	4.5.5.2
Develop **200 additional businesses** with suppliers qualified as "Diversity & Inclusion" by 2024	71 — 2022: 40; 2024: 200	177.5%	4.7.3

Reduce our carbon footprint

		2022 results and targets	Achievement rate 2022	Chapter / sections
Thanks to the Group's Energy Efficiency solutions, enable **customers to avoid the emission of 12 million tons of CO_2**		4.2 Mt — 2022: 4 Mt; 2024: 12 Mt	104.3%	4.3.4
Reduce the Group's Scope 1&2 CO_2 emissions by 10% each year through **energy efficiency improvements at our manufacturing sites and renewable energy deployment**		-14.9% — 2022: -10%; 2024: -30%	148.9%	4.3.2
Encourage at least 250 key suppliers to have an official CO_2 emissions reduction target of 30% on average by 2030	Number of suppliers	111 — 2022: 50; 2024: 250	222%	4.3.3
	Supplier commitment	-127.3 tCO_2e — 2022: -80 tCO_2e; 2024: -400 tCO_2e	159.1%	

Develop a circular economy

		2022 results and targets	Achievement rate 2022	Chapter / sections
Achieve a 15% **recycled plastics** use rate and 40% **recycled metals** use rate in products manufactured by the Group	Recycled plastics	5.4% (2022: 10%; 2024: 15%)	54%	4.4.2.1
	Recycled metals	19.4% (2022: 20%; 2024: 40%)	97%	
Eliminate 100% of single-use plastic in **flow pack** and expanded **polystyrene packaging**	Flow pack packaging	+2.1% (2022: -10%; 2024: -100%)	0%	4.4.3
	Expanded polystyrene packaging	-31.7% (2022: -10%; 2024: -100%)	150%	
Cover 72% of the Group's annual revenue with **Product Sustainable Profiles**		69% (2022: 70%; 2024: 72%)	98%	4.4.4

Be a responsible business

	2022 results and targets	Achievement rate 2022	Chapter / sections
Achieve 90% of sales made to **satisfied customers** (satisfaction surveys)	90% (2022: 90%)	100%	4.6.1.1
Continue Legrand's commitment to **business ethics:** framing, training and ensuring compliance	98.5% (2022: 100%)	98.5%	4.8.3
Provide training for 85% of employees each year and attain 7 hours of annual training for each employee	95.8% (5 hrs) (2022: 85% (5 hrs))	112.7%	4.5.4.1.1
Reduce the **work-related accident frequency rate** by 20% (FR2)	-14.3% (FR2: 2.99) (2021: (FR2: 3.49); 2022: -7% (FR2: 3.24); 2024: -20% (FR2: 2.79))	204.7%	4.5.2.2
Expand the **Serenity On program** to cover 100% of employees	77% (2022: 65%; 2024: 100%)	118.5%	4.5.3.1

4.3 - Reducing the Group's environmental impact

4.3.1 - Sources of the Group's greenhouse gas emissions

The main industrial processes that take place on Legrand's sites focus on the molding of plastic components, the production of metal parts, the assembly of plastic, metal and electronic components, and, on a less frequent basis, painting or surface treatment. The nature of these activities means that the company uses a limited amount of energy but is a bigger consumer of raw materials as well as goods and services.

The main sources of the Group's greenhouse gas emissions are:

- Scope 1&2: heating and lighting of production units, as well as a few material processing operations such as plastic injection and extrusion;
- Scope 3: purchasing of materials, goods and services, as well as upstream and downstream transportation and use of products sold.

In addition, since Legrand designs energy efficient products and solutions, it helps reduce its customers' GHG emissions.

Long-term commitment

Legrand has been committed for a number of years to reducing its greenhouse gas emissions across its entire value chain in order to help combat climate change:

2015

Legrand signed the climate manifesto alongside 39 other major French companies to combat climate change and help limit global warming to 2°C. The Group also signed the Business for COP21 charter of commitments, and its initiatives are listed on the United Nations' official International Climate Action website.

2016

Since 2016, Legrand has been part of the Global Alliance for Energy Productivity, an international alliance aiming to improve energy efficiency.

2017

Legrand signed the declaration of support for the Task Force on Climate-related Financial Disclosures (TCFD) and the French Climate Business Pledge.

2018

Legrand became the sixth CAC 40 company to have its GHG reduction targets validated by the Science Based Targets initiative.

2019

Legrand and 100 other French companies renewed their commitment to the French Climate Business Pledge.

2020

The Group made a commitment to reduce its GHG emissions in line with the most ambitious Paris Agreement target. This trajectory is compatible with a 1.5°C increase in temperatures by 2100 compared with the pre-industrial era, which was validated by the SBTi in 2021.

Focus: commitment to collective carbon neutrality

In 2020, Legrand made a commitment to reduce its greenhouse gas emissions by 2030 in line with the most ambitious Paris Agreement target, aiming to limit the global increase in temperatures to 1.5°C above pre-industrial levels. This commitment was validated by the Science Based Targets initiative, which is backed by the WWF, the United Nations Global Compact, the World Resources Institute and the CDP, in 2021. The Group has also made a commitment to achieve collective carbon neutrality by 2050. This carbon neutrality commitment will be achieved by means of a 90% reduction in the Group's greenhouse gas emissions across its value chain and by neutralizing emissions that cannot be avoided through carbon capture. On the pathway to becoming carbon neutral, Legrand has made the following intermediate commitments:

1/ Accelerate efforts to reduce the Group's carbon emissions in order to achieve the objectives validated by the Science Based Targets initiative in 2030:

Reducing Scope 1&2 emissions by 50%, with an adjusted 2019 baseline that includes acquisitions made in 2018 and 2019, *i.e.* 177,000 tons of CO_2 equivalent, by:

- Reducing the energy consumption of its sites by 3% per year on average;
- Deploying highly energy-efficient solutions across its sites;
- Using renewable energies by:
  - generating renewable energy at the Group's industrial sites (25% of industrial sites using renewable energy by 2024);
  - buying green electricity with a target of 80% renewable electricity in 2025;
- Shifting its vehicle fleet towards hybrid or electric vehicles.

At the end of 2022, the Group's Scope 1&2 GHG emissions were down 15% relative to 2021 and down 33% relative to the SBTi 2019 baseline.

Reducing its Scope 3 emissions by 15% with a 2019 baseline covering 81% of its Scope 3 emissions, *i.e.* 2,710 thousand tons of CO_2 equivalent, in particular by helping its supply chain to reduce its GHG emissions.

At the end of 2022, the Group's Scope 3 GHG emissions totaled 2,802 thousand tons of CO_2 equivalent, stable relative to 2021 (SBTi scope) and slightly higher than in 2019 (up 3.4%).

2/ In addition to these initiatives, Legrand is committed to offsetting its residual Scope 1&2 GHG emissions as well as two Scope 3 items (business travel and employee commuting) by 2022 through voluntary carbon offset projects. In 2022, the Group's Scope 1&2 GHG emissions and two Scope 3 items totaled 155,000 tons.

The carbon offset projects selected by Legrand to meet its 2022 targets concern:

- protecting flora and fauna in Kenya;
- creating wind farms in Costa Rica;
- extending the New Delhi metro in India;
- building a geothermal plant in Indonesia.

For the period from 2022 to 2024, Legrand's targets for reducing its GHG emissions are:

Reduce our carbon footprint

CO_2 emissions avoided for customers	Thanks to the Group's Energy Efficiency solutions, **enable customers to avoid the emission of 12 million tons of CO_2**
Direct and indirect CO_2 emissions (Scope 1&2)	Reduce the Group's Scope 1&2 CO_2 emissions by 10% each year through **energy efficiency improvements at our manufacturing sites and renewable energy deployment**
Indirect CO_2 emissions (Scope 3)	**Encourage at least 250 key suppliers** to have an official CO_2 emission reduction target of 30% on average by 2030

Legrand's GHG emissions in 2022, calculated in accordance with the GHG Protocol carbon accounting method:

SCOPE 1

54,000 tCO_2e

- 62% Gas
- 22% Vehicle fleets
- 16% Other[1]

SCOPE 2

64,000 tCO_2e

- 97% Electricity
- 3% Other energies

SCOPE 3

3,477,000 tCO_2e

- 72% Production of raw materials purchases, services and capex
- 13% Upstream and downstream transportation
- 11% Emissions from products sold
- 4% Other[2]

(1) Other: refrigerant leaks, fuel oil, etc.
(2) Other: end-of-life processing, employees commuting, business travel

4.3.2 - Scope 1&2 greenhouse gas emissions

The Group has prioritized two ways of reducing its Scope1&2 GHG emissions:

- lowering its overall energy consumption;
- increasing use of renewables by installing renewable electricity sources at its sites and buying green energy.

2030 long-term target:

50% reduction in carbon emissions from the Group's own operations

$t\ CO_2e$	2021	2022 target	2022 actual	2030
Reduction Scope 1&2	138,725	124,853	118,072	88,500

Actions and resources

Compliance with statutory energy-related requirements is ensured by the environmental management system (EMS) as part of ISO 14001 certification. In 2018, the main tools of this EMS were rolled out more broadly across the whole Group through the ISO 14001- certified EMS.

Reducing energy consumption

The Group has committed to a policy of continuously improving its energy performance, taking advantage of its privileged position as a supplier of energy-efficient solutions that it can use at its own sites.

All subsidiaries and industrial, logistics and commercial sites are affected by this continuous improvement process and are responsible for monitoring and improving their energy performance. Areas of progress are identified and action plans are implemented at each site. The Group's energy consumption, at current scope, amounted to 469 GWh in 2022, compared with 453 GWh in 2021, 406 GWh in 2020 and 436 GWh in 2019. The increase in consumption in 2022 was due to the integration of new entities following acquisitions carried out in North America: Universal Electric Corporation, Kenall, Connectrac and Focal Point, representing 34 GWh. At constant scope, the Group's energy consumption decreased by 4% in 2022, in line with the targets set by the Group.

Direct and indirect CO_2 emissions

(Scope 1&2)

13 CLIMATE ACTION

Reduce the Group's Scope 1&2 CO_2 emissions by 10% each year **through energy efficiency improvements at our manufacturing sites and renewable energy deployment**

2022 result
-14.9%

2022
-10%

2024
-30%

→ 2022 achievement rate: **148.9%**

Main actions on Group sites

Consumption metering: electricity consumption metering and sub-metering systems developed by the Group are installed at its industrial and commercial sites.

Refurbishment of premises:

- athermic glazing/shading solutions are preferred to air conditioning, which is only installed if there is no other solution;
- double-flow ventilation is preferred, saving on heating in winter and preventing the entry of warm air in summer, thereby reducing the use of air conditioning;
- presence detectors and LED light sources are routinely installed during building refurbishment to reduce power consumption from lighting.

Capital expenditure and maintenance:

- the Group favors the best available industrial techniques for replacing obsolete equipment with less energy-intensive processes. For the last four years, it has been using all-electric injection presses instead of hydraulic presses. At some sites, more than three quarters of their equipment uses this new technology, which cuts electricity consumption by around 50%;
- cooling equipment is regularly improved with the use of refrigerants that have less environmental impact. Compressed air production systems are strictly maintained in order to limit leaks, which waste energy;
- energy recovery systems are also installed in cooling units and compressed air production units wherever possible.

In October 2022, the Group announced that it was doubling its energy consumption reduction target, with the aim of cutting its energy consumption by 15% by the end of 2023 relative to 2021 (at constant scope). As part of its CSR Roadmap, the Group had made a commitment to reduce its energy consumption by 8% by 2023.

Internal carbon price for capital expenditure

Since 2016, to speed up the integration of low-carbon solutions, Legrand has factored an internal carbon price into its opportunity assessments relating to capital expenditure and its product development strategy.

The price is set at €80 per ton on the basis of the market consensus. This price is revised annually in line with market trends. Following this annual revision, the internal carbon price has been maintained at €80 for 2023.

Vehicle fleet transition

Subsidiaries are gradually adding electric vehicles to their fleet and charging stations are continuing to be installed.

Renewable energy generated and used on site

For a number of years, Legrand has generated and used its own renewable energy such as solar power to heat water, for example at the Huizhou site in China, and geothermal power for heating at the Szentes production plant in Hungary.

In 2022, 19.2% of sites used their own energy generated locally and around 10 projects are being rolled out worldwide.

Between now and 2024, Legrand's aim is to generate and use renewable energy at 25% of its main industrial, logistics and administrative sites, thanks in particular to the installation of photovoltaic panels.

Focus: installation of photovoltaic shade panels at the Limoges De Lattre site

In 2022, Legrand installed 550 kWp photovoltaic panels on the car park roofs of the Group's head office in Limoges. The panels will make it partly energy self-sufficient and avoid emissions of 34 tons of CO_2e.

Renewable energy purchasing

The Group is working on gradually replacing its purchases of traditional energy with green energy (wind, hydro, solar, use of biogas to replace natural gas, etc.).

	2022	2023	2024
Target	50%	57%	70%
Actual	54.7%		

In 2022, 100% of electricity used by Legrand in Italy and France came from renewable energy sources through specific contracts.

Furthermore, in France, 100% of gas bought comes from methanization plants producing biogas.

4.3.3 - Scope 3 greenhouse gas emissions

The Group's commitment to collective carbon neutrality requires it to reduce emissions across its entire value chain and in particular working with its suppliers and subcontractors.

Breakdown of GHG emissions

The Group's indirect GHG emissions (Scope 3) totaled 3.48 Mt CO_2e in 2022, broken down as follows:

- Production of raw materials and purchases of goods and services and fixed assets: 2,506 kt CO_2e or 72% of total Scope 3 emissions;
- Use of products sold: 385 kt CO_2e;
- Upstream and downstream transportation: 441 kt CO_2e;
- End-of-life processing of products sold: 81 kt CO_2e;
- Business travel and commuting by Group employees: 37 kt CO_2e;
- Other emissions: 27 kt CO_2e.

Scope 3 emissions were stable in 2022 compared with 2021. Measures to reduce Scope 3 emissions within the framework of the 2022-2024 Roadmap are in the process of being rolled out and will result in a gradual reduction in emissions.

Favoring suppliers with an ambitious carbon strategy

One of the priorities of the Group's sustainable purchasing strategy is to encourage suppliers to make a commitment to reducing their carbon impact.

Indirect CO_2 emissions (Scope 3)

Encourage at least 250 key suppliers to have an official CO_2 emission reduction target of 30% on average by 2030

2022 result
111

2022 **50** — 2024 **250**

→ 2022 achievement rate: **222%**

Supplier commitment to reduce CO_2 emissions

2022 result
-127.3 tCO_2e

2022 **-80 tCO_2e** — 2024 **-400 tCO_2e**

→ 2022 achievement rate: **159.1%**

Long-term objective (2030):

-15% reduction in CO_2e emissions across the value chain relative to 2019.

In 2021, CO_2e emissions from the 250 Group suppliers making the biggest carbon contribution were identified on the basis of purchasing volumes associated with CO_2 emission factors of purchasing categories provided by environmental agencies. These amounted to 1,326,526 tons of CO_2e.

In 2022, 111 suppliers made an official commitment to reduce their CO_2e emissions alongside Legrand, in more than 10 countries, exceeding the target of 50 suppliers. These commitments, calculated on the basis of suppliers' total emissions (Scope 1, 2 and 3) are verified by the person in charge of sustainable purchasing and validated by external auditors. This is the equivalent of 127,284 tons[(1)] of CO_2e avoided at Group level, equal to 159,1% of the target of 80,000 tons.

Raw materials and components

The eco-design approach allows for the amount of raw materials used in new products to be reduced. Details of this approach are provided in section 4.4.2 Use of recycled materials.

Logistics

Regarding logistics, the following methods are used to reduce GHG emissions:

- reducing transportation distances between production and storage sites;
- consolidating the various manufacturing stages into a single location, thus reducing transportation between sites;
- limiting the use of air freight as much as possible;
- increasing the use of transportation by sea, rail or river where possible as an alternative to road transportation;
- using the same means of transport for both incoming and outgoing shipments, to avoid empty return journeys;
- optimizing the loading of trucks and containers;
- introducing environmental criteria in the criteria for selecting transportation service providers;
- reducing the weight of products and their packaging.

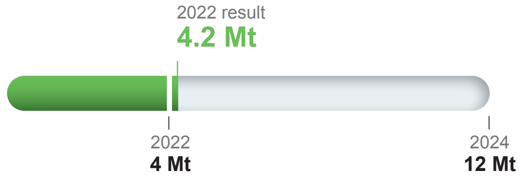
(1) The commitments made by Legrand's suppliers to reduce their CO_2e emissions or to achieve carbon neutrality can include carbon offsetting.

4.3.4 - CO_2 emissions avoided by customers (Scope 4)

Offering customers energy efficiency solutions

CO_2 emissions avoided for customers

Thanks to the Group's Energy Efficiency solutions, enable **customers to avoid the emission of 12 million tons of CO_2**



➔ 2022 achievement rate: **104.3%**

The construction sector is responsible for 40% of worldwide CO_2 emissions (source: United Nations Environment Program). Improving buildings' carbon impact and energy efficiency is one of the major challenges facing Legrand.

Actions and resources

Legrand's energy efficient solutions can be categorized as follows:

Metering and management solutions

Analysis, measurement and monitoring of electrical equipment are essential steps when preparing an energy audit (*i.e.* a regulatory energy audit or an ISO 50001 audit) and managing consumption.

Most of these innovative solutions use smart technology.

Examples include:

- metering with the IMESYS range;
- energy monitoring and management in buildings. For example, with the CX³ EMS (Energy Management System) solution, it is now very easy to monitor and control the operation of an electrical installation, directly on the unit itself or remotely *via* a computer, tablet or smartphone. In 2020, Legrand launched its first Drivia with Netatmo smart panel capable of monitoring consumption, managing loads and carrying out load-shedding;
- the NemoGreen cloud platform, also launched in 2020, gives customers a comprehensive "energy dashboard". In France, this solution meets the legislative obligations arising from the "*decret tertiaire*" on tertiary buildings.

Electric vehicle charging solutions

Legrand offers a range of charging stations (Green'up) designed for houses, public or company car parks and apartment buildings, including a smart range (IRVE 3.0). This range was bolstered in 2021 with the acquisition of Ecotap in the Netherlands and Ensto Building Systems in Finland, which also provide fast charging solutions for private buildings as well as roads, car parks and service stations.

Energy supply and distribution solutions

- reactive energy compensation and harmonics filtration, with a full range of services and products that improve energy quality and reduce CO_2 emissions;
- energy-efficient transformers and busbars to optimize power distribution and reduce system losses;
- high-quality backup power supply ranges: UPS under the Legrand brand name as well as local brands Inform (Turkey), SMS (Brazil), Borri (Italy), Numeric (India), S2S (France), Primetech (Italy) and Fluxpower (Germany):
  - conventional UPS ranges;
  - high-tech modular UPS facilities for critically important systems (datacenters and financial institutions);
  - high-energy-efficiency UPS using a smart power factor correction circuit. Energy efficiency remains at a high and constant level, even at a low rate of charge.

Detection and lighting solutions

The Group offers solutions for natural lighting management (Q-Motion and Solarfective brands) and for energy-efficient lighting control (CP Electronics).

In addition, digital lighting management solutions optimize energy consumption by adapting to usage. Brands include WattStopper and Vantage LHUMAN, the new dynamic lighting control solution that integrates precise lighting control with motorized window shading and lighting fixtures to create an interior lighting environment centered around the user's life and well-being. Legrand has also enhanced its high energy efficiency lighting range with the acquisition of Encelium in the United States in 2022.

Specific solutions for datacenters

The Group provides high energy efficiency solutions for datacenters, primarily through its 15 acquisitions in this area of well-known brands such as Minkels in Europe and Starline in the United States, as well as leading companies that joined Legrand more recently such as Modulan, Geiger, Voltadis and Usystems.

For example, the Varicondition Cold Corridor® solution is a system based on the complete separation of hot and cold air flows, to increase efficiency and energy savings.

The acquisition of Raritan and Servertech rounded out the datacenter offering with smart PDUs (Power Distribution Units) to analyze energy consumption and improve performance.

4.3.5 - Managing environmental risks and opportunities

4.3.5.1 Identification of climate-related risks and opportunities

Climate-related risks and opportunities that could affect the company have been identified by means of two complementary approaches: the Group risk management approach and the materiality assessment.

The Group risk management process is described in section 3.3.2 “Risk management procedure”. In 2020-2021, the risk map was updated and nine risk factors were identified as “Priority” with a “major” or “material” impact, including the impacts on the environment and climate-related risks. The main “sub-risks” related to this priority are taken from the climate-related risk map described below. In 2022, the Audit Committee checked that this risk map was still relevant.

A new materiality assessment was also launched in 2021 (see section 4.1.4 “Main non-financial risks and opportunities”).

Legrand mapped climate-related risks and opportunities in partnership with consulting firm EcoAct in 2020, taking into account the physical and transition risks that could affect the Group. A two-stage, systemic top-down approach was used:

(i) A systemic review of Legrand’s activities and value chain was carried out in relation to climate-related risks. The direct and indirect impacts of physical and transition risks were taken into account. In accordance with ISO 14090 guidelines, impact chains were established to identify relevant vulnerabilities (operational, reputational, legal and financial) and their impact on Legrand’s business. A sector benchmark was used to ensure that no risks or opportunities were omitted.

(ii) Risks and opportunities were ranked according to financial impact and the probability of occurrence, in accordance with the Group’s risk-management framework. Financial impact was estimated on the basis of Legrand’s business activity, financial data and forward-looking reports and scenarios regarding the probable impact of climate change (ILO, IEA and sector reports). 19 risks and opportunities were identified:
- 9 transition risks and significant opportunities were identified. These risks are detailed below,
- 10 moderate or minor risks and opportunities were identified.

A detailed analysis of physical risks related to climate change was carried out in 2020, demonstrating a low level of sensitivity for the Group. This analysis is presented below.

4.3.5.1.1 Transition risks: political, regulatory and market risks

Financial risks

Risk: Greater volatility in the prices of strategic raw materials and competition between sectors to capture recycled materials.

High and volatile prices of certain strategic materials that are necessary for energy transition, along with tightening markets (for example for copper and rare earths), could affect Legrand’s competitiveness, increase the time required to source materials or force Legrand to use alternative materials.

Legrand’s response: The risk related to volatile prices of raw materials is managed by the Group’s Purchasing department and through its pricing strategy. See section 2.1.1.2.1.

Risk: Indirect impact of carbon pricing on the cost of purchased goods and services. Tougher carbon-related regulations – including the carbon tax and the emissions trading system (ETS) – brought in by countries and organizations (such as the International Maritime Organization) could affect Legrand’s competitiveness and margins by increasing the price of carbon relating to goods and services purchased by the Group.

Legrand’s response: Since 2016, Legrand has factored in an internal carbon price per metric ton of CO_2 in its opportunity assessment relating to its capex and product development strategy. This price is revised annually in line with carbon market trends. It was €80 in 2023. Legrand’s business is not very energy intensive and is therefore not subject to the EU ETS.

Objective: Continue to use the internal carbon price for investment in plants and in the new product development process.

Risk of regulatory changes

Risk: Tougher regulations on the direct carbon footprint of business activities. Environmental and in particular climate-related regulations, such as energy-efficiency rules, are becoming increasingly strict, particularly within the European Union, and could make compliance more expensive for Legrand or affect its competitiveness. Companies that do not align themselves with strict carbon-related regulations may be regarded as risky investments or as less attractive to the financial community.

Legrand's response: Legrand has made a commitment to achieving collective carbon neutrality and making quantitative reductions by 2030. These targets have been validated by SBTi in line with the goal of limiting global warming to 1.5°C. See section 4.3.1.

Objective: 50% reduction in the Group's Scope 1&2 CO_2e emissions by 2030 and a yearly reduction of 10% in the 2022-2024 CSR Roadmap.

Risk: Tougher standards relating to products such as the eco-design regulation for sustainable products (EU ESPR), making it necessary to adapt how products are designed and developed and what information consumers are given about these products.

To address the challenges of climate change and the increasing scarcity of natural resources, new regulations are frequently introduced to make products more environmentally friendly. These regulations, along with the lack of international coordination regarding standards, could lead to increased development costs in relation to the need to eco-design products, as well as use of more recycled materials, and a loss of revenue because of the early withdrawal of non-compliant products.

Legrand's response: Legrand applies an eco-design process through which it aims to proactively reduce the impact of its products on the environment and comply with regulatory constraints related to the environment. See section 4.4.1.

Objective: gradual incorporation of more recycled materials in Legrand products: 15% recycled plastic and 40% recycled metal by 2024.

4.3.5.1.2 Opportunities related to products and services

Eco-design: products with a low carbon footprint and less impact on the environment by design

Customers are seeking to reduce GHG emissions in their supply chains, resulting in greater demand for equipment with a low carbon footprint and less of an environmental impact (for example by using recycled materials). As a result, offering solutions with a smaller carbon footprint than the market average could help Legrand to strengthen its competitive advantage and increase its market share.

Legrand's response: Legrand applies an eco-design process, Legrand way for Ecodesign, through which it aims to reduce the environmental impact of its products and comply with regulatory constraints related to the environment in its products. See section 4.4.1.

Objective: enable Legrand's customers to avoid CO_2 emissions in connection with the company's energy efficiency products: 12 million tons of CO_2 avoided by customers between 2022 and 2024.

Energy efficiency – Smart infrastructure – commercial and industrial customers

Regulatory pressure to reduce the carbon footprint and the need to make buildings more energy efficient due to the rising price of energy create opportunities to develop products and services to reduce energy consumption. There is an opportunity to increase sales of energy-efficient products and develop new service offerings or business models such as diversifying into comprehensive solutions involving both software and hardware.

Legrand's response: Legrand is an active participant in the market for products, in particular smart products, that increase the energy efficiency of tertiary (including datacenters) and industrial buildings. See section 2.2.3.3.

Energy efficiency – Smart infrastructure – individual customers (residential and small businesses)

Demand for energy efficiency products in homes and small businesses – for example lighting management systems, shutter controls, home automation, standby mode controls, etc. – is likely to increase as energy prices rise and regulations escalate, giving Legrand opportunities to diversify its product range.

Legrand's response: Legrand is an active participant in the market for products, in particular smart products, that increase the energy efficiency of residential buildings. See section 2.2.3.3.

Objective: Enable Legrand customers to avoid CO_2 emissions in connection with the company's energy efficiency products: 12 million tons of CO_2 avoided by customers between 2022 and 2024.

Electric mobility

The automotive industry is currently undergoing a major transformation, particularly with the adoption of electric vehicles. According to EV volume platform data, worldwide electric and hybrid vehicle sales exceeded 9 million units in 2022. And according to the AIE, electric vehicle sales are expected to reach 32 million units by 2030, representing annual growth of 15% in the 2020-2030 period. This means that the market for electric vehicle charging infrastructure (recharging kits, sockets and stations, etc.) is likely to grow.

Legrand's response: Legrand is an active participant in the electric vehicle charging infrastructure market. See section 2.2.3.3.

Minimizing energy costs

Faced with the rising price of fossil fuels, renewable energies and energy efficiency technologies are becoming more competitive than conventional energy, fueling opportunities to reduce energy spending and associated GHG emissions.

Legrand's response: As part of its 2022-2024 CSR Roadmap, the Group is committed to reducing its GHG emissions by means of energy efficiency plans at its sites and installing or buying electricity from renewable sources.

Objective: Reduce the Group's energy consumption by 15% between 2021 and the end of 2023. See section 4.4.3.

Focus: Study on the exposure to climate risks of Group sites

To assess its exposure to physical climate-related risks more effectively, the Group carried out a scenario analysis for its top 100 sites. The analysis focused on:

- exposure to extreme events (major coastal, river and surface water flooding);
- the impact of climate change on the ability to work at the sites (*e.g.* at high temperatures). Two climate change scenarios, one limited (IPCC RCP2.6) and one extreme (IPCC RCP8.5) were considered. Overall, Legrand's real estate assets and strategic activities appear to show little exposure to physical climate-related risks. Its business is not sensitive to weather conditions and fewer than 10 sites could be exposed to partial coastal or river flooding as part of a 100-year flooding event. For the main points identified, action plans have been launched at the level of the sites concerned.

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4.3.5.2 Governance and steering

The Group's climate risk (impact on the environment and risks associated with climate change) and the non-financial risks identified in the materiality assessment are monitored and managed by the Group CSR Department, which works with a number of internal divisions on monitoring procedures in place and achieving targets: primarily operations, purchasing, marketing and sales.

Climate-related issues are monitored by means of monthly, quarterly and annual steering meetings, depending on the issue. Examples include:

- Monthly steering: marketing with new product launch meetings;
- Quarterly steering by the Operations Department, the Carbon Committee and the Executive Committee;
- Bi-annual steering: CSR Department with countries on the basis of country performances;
- Annual steering: country performance, country budgets, Group annual performance.

In addition, since 2017, Legrand has been a signatory to the declaration of support for the Task Force on Climate- related Financial Disclosures (TCFD).

A steering committee has been set up, chaired by the Head of CSR, and includes representatives of the internal audit and risk management, operational performance, innovation and real estate departments. It is in charge of developing the Group's approach to climate-related risks, identifying material risks and implementing strategies to prevent and mitigate those risks. Regular updates on the work done are presented to the Audit Committee.

4.3.6 - Biodiversity

Legrand does not directly use soil and has little impact on biodiversity within the framework of its direct operations. The majority of the Group's production sites are located within commercial or industrial areas subject to regulations.

To reduce its impact on the environment and on biodiversity in particular, Legrand has implemented:

- preventive measures with the adoption of ISO 14001 at its industrial sites;
- the principles of the circular economy throughout the product life cycle (reducing the impact on the environment, consumption of resources, various forms of pollution, etc.);
- providing environmental information about Legrand products in the form of Product Sustainability Profiles (PSP), containing all environmental information relating to a product, including the environmental impact of manufacturing, distribution, installation, use and end of life, as well as recycling instructions.

At the end of 2022, the Group launched a study to calculate its biodiversity footprint with the support of CDC Biodiversité and consulting firm I-Care. The study will be finalized in 2023 and a specific action plan will be set up.

4.3.7 - Water

Legrand monitors its water use separately and takes the scarcity of the local water supply into consideration, measuring the impact of its operations by taking account of:

- industrial sites' water consumption;
- the local value of water, estimated based on its natural availability and the conditions for accessing it.

For this reason, the Group uses public benchmarks to assess its exposure and dependency on water. By combining the consumption reported by the sites and the WSI (Water Stress Index) mapping data published by the UNEP (United Nations Environment Programme), the Group has identified 20 sites that account for 80% of Legrand's water stress worldwide.

This analysis has revealed that approximately 70% of the Group's water consumption occurs at industrial sites situated in zones where there is low or moderate water consumption (WSI index less than or equal to 0.7). This approach allows for actions to be more focused on the most sensitive sites in terms of their environmental impact on local water resources.

Legrand uses domestic quality water as most of its water consumption is for domestic use by staff in the workplace. The treatment of wastewater is therefore similar to the treatment of water used by the local community. The few Legrand facilities that use water for industrial purposes are rigorously monitored to avoid any risk of pollution. For example, surface treatment workshops have effluent treatment plants that are strictly maintained and regularly upgraded.

The ISO 14001 certification policy of Group sites entails responsible industrial processes and practices in water management.

In 2022, the Group's water consumption amounted to 792,000 m^3 compared with 727,000 m^3 in 2021, an increase of 9% at current scope. The increase was partly due to higher production volumes and the integration of new entities following acquisitions carried out in North America: Universal Electric Corporation, Connectrac, Kenall and Focal Point. Excluding these acquisitions, water consumption totaled 764,000 m^3 in 2022.

Per million euros of revenue, average water use intensity was 95 m^3 in 2022 compared with 117 m^3 in 2019, representing a reduction of 19% over the period.

Methods of recycling and reusing water have been adopted in certain countries:

- a rainwater recovery installation has enabled the Wuxi site in China to reduce its water consumption by about 40%;
- the Jalgaon site in India and the Diadema site in Brazil also recover rainwater to supply the domestic water network;
- in Australia, rainwater is collected and used to water green spaces at the Prestons site.

Focus: rainwater recovery

The Diadema site in Brazil launched the "H_2O Saving the resource" project in 2022, consisting of collecting rainwater to be used in the site's sanitation facilities. This project resulted in a 21% reduction in the site's drinking water consumption.

4.3.8 - Waste management

4.3.8.1 Industrial waste management and recovery

Legrand is seeking to reduce waste in four ways:

- product design and industrialization, to minimize production waste and scrap. Injection mold sprues are ground down and reincorporated with virgin material in the thermoplastic injection process, while scrap from the metal cutting process is legally classified as production waste and is systematically recycled outside the company;
- sharing of best practices and identification of local improvement initiatives to limit the amount of waste at source;
- waste identification and the definition of sorting guidelines to facilitate recycling. The identification of hazardous waste in particular is essential to ensure that it is correctly handled;
- selection of service providers that offer the best waste recycling while minimizing landfill and incineration without energy recovery.

The volume of waste (non-hazardous waste and hazardous waste) generated in 2022 was 61,000 metric tons as opposed to 56,000 metric tons in 2021, at current scope. The increase was due to higher production volumes and the integration of new entities following acquisitions carried out in North America: Universal Electric Corporation, Connectrac, Kenall and Focal Point. Excluding these acquisitions, the volume of waste generated in 2022 was 56,600 metric tons.

The recovery rate, i.e. the percentage of waste generated from Legrand's industrial operations sent to the recovery sector, remained stable in 2022 at 92%.

4.3.8.2 Product end-of-life: management of Waste from Electrical and Electronic Equipment (WEEE)

Legrand makes every effort to collect and recycle its products at the end of their lives. Historically, the Group has been a pioneer as, for over 20 years, it has organized the recovery and recycling of self-contained emergency lighting units in France.

The WEEE (waste from electrical and electronic equipment) Directive has created rules and a structure for dealing with WEEE in Europe. In response to its regulatory obligations, Legrand helps fund recovery and recycling facilities throughout Europe that process products placed on the market through retail channels.

In France for example, Legrand participated, as a founding member, in the launch of the Ecosystem organization, which recovers end-of-life electrical and electronic equipment. The recycling rate for "WEEEPro" (for management of WEEE from business equipment) handled by Ecosystem is more than 75%.

4.3.9 - Combating air pollution

Reducing Volatile Organic Compounds (VOC) emissions

Legrand's business mainly consists of various forms of assembly and processing. The Group does not directly use large quantities of chemicals. However, it pays close attention to emissions of volatile organic compounds (VOCs), mainly from hydrocarbons and their chemical derivatives, because of their adverse health effects.

Air pollution arising from the Group's activities consists mainly of volatile organic compounds (VOCs) produced by certain processes, such as the depositing of paint or ink on the surface of products for production or decorative purposes, metal degreasing, the use of evanescent oils, the soldering of electronic components and the molding of unsaturated polyesters.

Policies in place

Legrand's strategy with respect to VOCs follows four steps:

- distinguish between sites that emit VOCs and those that do not;
- among those that do, identify the activities that produce the emissions;
- adopt eco-design methods to reduce emissions or eliminate them, such as using solvent-free paints or using laser marking rather than paints;
- where emissions still occur, capture the VOCs and eliminate them using active carbon filters.

In 2022, Legrand's VOC emissions amounted to 134 tons compared with 124 tons in 2021, an increase of 8% at current scope. The increase was due to higher production volumes and the integration of new entities following acquisitions carried out in North America: Universal Electric Corporation, Connectrac, Kenall and Focal Point. Excluding these acquisitions, VOC emissions remained stable at 124 tons in 2022.

4.3.10 - Monitoring of environmental regulations

Over the last few years, the vast majority of the world's legislators have addressed the issue of protecting the environment and across the planet as a whole, the volume of regulations and frequency of new regulations have increased considerably.

Legrand anticipates these regulatory changes, which impact both its products and its production sites, by means of an environmental regulation monitoring process based on:

- software application solutions using artificial intelligence tailored to Legrand's operations, delivering real-time information about regulatory changes covering all topics relating to the environment for all countries in which the Group's products are sold;
- a network of 50 local correspondents with in-depth understanding of the subtleties of regulations, based in the regions concerned, allowing for local requirements to be taken into account;
- a Corporate management team heading up the network and in charge of analyzing the impact on the Group in relation to these regulatory changes.

The expertise of teams on the ground covering all areas in which the Group operates around the world has allowed for regulatory changes to be implemented efficiently, whether in terms of the environmental management system relating to production or product storage (the main sites are ISO 14001 certified) or eco-design requirements.

Legrand is also heavily involved in all the federations and unions for industries offering eclectic and digital solutions, particularly in Europe, where environmental regulations require industrials to constantly reinvent themselves to create a healthier and more sustainable environment. This sector momentum allows for constructive dialogue with all parties involved and facilitates the emergence of innovative solutions to better protect the environment in anticipation of regulatory changes.

This regulatory monitoring also enables Legrand to manage changes in its business model as a result of regulatory changes, by controlling the associated risks.

4.3.11 - Management of hazardous substances

Aware that the use, collection and end-of-life processing of certain Legrand products may release harmful substances that can cause environmental or health problems, the Group has endeavored since 2004 to eliminate these substances from its products in line with regulatory changes:

- 2004: elimination of regulated fire retardants;
- 2007: adoption of lead-free soldering processes;
- 2009: use of lead-free PVC.

It is also gradually introducing passivation alternatives to hexavalent chromium (Cr(VI)) for metallic item surface treatments.

Legrand has applied Directive 2011/65/EU of the European Parliament and of the Council of June 8, 2011, on the restriction of the use of certain hazardous substances in electrical and electronic equipment to all its products sold in the EU and also gone further by applying the resulting requirements to all its products sold worldwide. This is the same approach used to align Legrand's operations with the taxonomy regulation.

At the end of 2022, 88% of sales was generated from products meeting requirements relating to restricting the use of certain hazardous substances. New acquisitions outside Europe generally have a dilutive effect because the entities concerned have historically not been subject to the obligations arising from the EU directive.

Legrand has also made a commitment to protect human health and the environment against the potential risks of chemical substances by not using substances of very high concern (SVHCs) within the meaning of Regulation (EC) 1907/2006 of the European Parliament and of the Council of December 18, 2006, concerning the Registration, evaluation, authorization and restriction of chemicals (REACH), whenever a substitution exists. The Group's CSR department heads up a group of Substances and Materials experts working in laboratories to anticipate changes by means of a substitution plan jointly developed with buyers.

To provide its customers with full information about the chemical substances contained in its products, Legrand provides its Customer Service teams for all brands in Europe with an answer system connected to the Group's intranet.

4.4 - Promoting the circular economy

Protecting the environment is done by adopting circular economy principles. The Group's process consists of moving from a linear consumption system (extracting raw materials, manufacture, use, end of life and waste management) to a circular approach. This means innovating in order to build an economy in which a product's end of life is taken into account at the design stage to limit its environmental impact. This approach allows for better use of natural resources, in particular by using recycled materials and gradually eliminating plastic packaging. By fostering innovation, it creates new business opportunities and business models for the Group.

At the same time, building construction and renovation works are subject to an increasing number of environmental standards, resulting in growing demand for eco-designed products on which manufacturers are able to provide environmental information obtained from analyzing the product life cycle with complete transparency. Legrand's eco-design approach has been in place for many years and enables it to provide product environment profiles.

As the circular economy is an increasingly important issue for Legrand and its stakeholders, the Group has incorporated it into its 2022-2024 CSR Roadmap, setting a number of objectives that are explained below.

4.4.1 - Legrand's eco-design approach

Eco-design: Incorporating circular economy principles into the development of new products

Legrand incorporates eco-design into the development of its new products as a key aspect of its circular economy approach. These principles concern all stages of the product life cycle, from extracting raw materials until the end of life of the products, in particular choosing materials that have less of an impact such as those that contain more recycled materials.

Legrand Way for Eco-design

Eco-design relies on objective, technical and scientific criteria, aiming to bring to market products that have less of an environmental impact. The Legrand Way for Eco-design provides the structure for this approach on the basis of nine practices rolled out within each design office. In 2022, work began on revising this approach at Group level in order to incorporate the objectives of the new CSR Roadmap relating to the circular economy and regulatory changes, primarily in Europe (EU ESPR). R&D units that had already adopted the approach in 2021 continued to apply it in 2022. New entities that have not yet been involved will be included in the "new" approach as of 2023.

In 2022, the Group's 52 design offices around the world aimed to continue to use all or some of these practices depending on how long they had been part of the Group. They were credited with points for each practice for which implementation was justified. In 2022, 110% of this target was achieved. This target is not part of the CSR Roadmap but is still monitored.

Practice 1: Assessing the risk of hazardous substances being present

Legrand voluntarily applies European RoHS (Restriction of Hazardous Substances) regulations to all of its products sold around the world. Legrand has also implemented a tool for assessing the risk of hazardous substances being present, allowing decision-making to be driven towards technical solutions that guarantee the absence of hazardous substances from the product design phase onward.

Practice 2: Incorporating the Group's environmental requirements

This involves taking into account not just regulatory and market requirements but also the Group's voluntary commitments made as part of its eco-design approach. For example, it includes instructions for marking plastic parts, recommendations to make it easier to dismantle products at the end of their lives, and a ban on single-use packaging.

Practice 3: Use of Life Cycle Analysis (LCA)

During the upstream phase of product development, the R&D unit must always use an LCA tool when defining concepts. In this way, it can estimate and/or compare the environmental impacts of various solutions and thus improve the product's environmental footprint over its entire life cycle.

Practice 4: Determining products' Significant Environmental Aspects (SEAs)

Each R&D unit determines the SEAs of its representative product families based on ISO 14001:2015 and the ISO 14040 series standards.

Practice 5: ISO 14001:2015 certification for R&D centers

The EMS represents a solid framework for ensuring the continuous improvement of R&D processes.

Practice 6: Supply chain integration

This means involving suppliers in the R&D unit's eco-design approach. In this practice, members of the R&D and Purchasing teams work in partnership with suppliers to find solutions to improve the environmental performance of the Group's products.

Practice 7: Improving the supply chain

Following on from the previous phase, the aim here is to achieve a genuine improvement over the product life cycle through the upstream supply chain. To be regarded as successful, collaboration with a supplier must for example result in:

- the elimination or substitution of hazardous substances in the materials provided;
- the development of products that use less energy;
- a significant reduction in the environmental impact of the technological components (materials or processes).

Practice 8: Eco-packaging design

The aim here is to limit the environmental impact of packaging, for example by reducing mass and using recycled and recyclable materials, and using water-based inks and acrylic adhesives that emit fewer VOCs (volatile organic compounds, etc.).

Practice 9: Product eco-design for a circular economy

The aim of this practice is to end up with a product that has less of an impact on the environment as a result of optimizing the impacts throughout its life cycle, during one or more phases of its life cycle: material/manufacturing, distribution, installation, use and end of life. The LCA principles established under ISO 14040 are used.

This aim can also be achieved by applying the principles of the circular economy, which have a recognized effect in reducing the environmental impacts of the product life cycle:

- using recycled materials;
- designing products specifically to increase durability;
- certifying products with environmental labels;
- making a product end-of-life plan (reuse and recycling).

Focus: eco-design means fewer materials and less energy

In Brazil, the eco-designed PIAL Plus switch has reduced energy dissipation by 15% (reducing the environmental impact during the "Use" phase), while also reducing the volume of conducting materials required by 47%, thus avoiding the depletion of natural resources (reducing the environmental impact of the "Material/ Manufacturing" phase and in particular depletion of natural resources as well as the impact of the product end of life).

4.4.2 - Use of recycled materials

4.4.2.1 Legrand's policy regarding the use of recycled materials

Legrand takes particular care to use recycled materials whenever possible. The benefits of using recycled material are multiple:

- protecting natural resources;
- limiting the impact on the environment by reducing the volume of virgin raw material used;
- reducing the Group's Scope 3 greenhouse gas (GHG) emissions;
- giving a new lease of life to used plastics (reducing the volume of waste sent to landfill);
- providing customers with more sustainable products.

The integration of recycled materials is promoted as part of the Legrand Way for Eco-design, which frames the Group's eco-design approach.

Legrand has set targets for use of recycled materials in its products in its 2022-2024 CSR Roadmap of 15% recycled plastic and 40% recycled metal in the Group's products by 2024.

4.4.2.2 Recycled plastics

The use of recycled plastics for technical and highly regulated products is generally complex as it requires specific R&D work. However, recycled plastics represent a growing proportion of the raw materials used by the Group, which has made a commitment to use 15% recycled plastics in its products by 2024 to play a part in the development of plastics recycling for plastics that are still not widely recycled. In 2022, the volume of recycled plastics used in the Group's products was 5.4% of total volumes bought compared with a target of 10%, representing an attainment rate of 54%. Incorporating recycled plastics in industrial processes and the development of new products takes time, which explains the low rate in 2022.

Examples:

- in its cable management products, Legrand has for more than 10 years included up to 20% of "post-consumer" recycled plastic (polyethylene from soap and washing-up liquid bottles);
- since 2018, Legrand has rolled out the project selected through the ORPLAST call for proposals aimed at including a high percentage (up to 50%) of recycled polyolefins (post-consumer waste) in some of its cable management products. ORPLAST is a program run by the French environment and energy management agency (ADEME) to encourage the use of recycled plastics. Legrand has since continued to develop its cable management products to include more and more regenerated materials;
- since 2016, Legrand's Brazilian subsidiaries have used "post-consumer" recycled polypropylene (PP) for the injection molding of plastic parts, and since 2021, the subsidiary has used other regenerated materials with a view to continuous improvement;
- flush-mounting boxes are produced in Italy using polystyrene (PS) from recycled household packaging (yogurt pots);
- all products in the Batibox range in France (flush-mounting boxes for masonry) are made using polystyrene (PS) from recycled household appliances (refrigerators, etc.). All flush-mounting boxes in the Batibox masonry range have been made from recycled plastic since 2020;
- overmolds for Celiane and Mosaic products are made with polyamide (PA66) from recycled automobiles;
- working with a major European producer of recycled polystyrene (PS), which in 2017 led to the use of recycled PS in the production of the flush-mounting box for the Practibox range;
- many Legrand products are delivered with on-site protection – to avoid any degradation during painting works – made from 100% recycled polyethylene terephthalate (PET);
- since 2018, polycarbonate from the automotive industry has been used in the molding of opaque components in some equipment ranges;
- in the U.S., PET felt acoustic panels in the OCL Acoustic Solutions range are made from 75% post-consumer recycled material (water and carbonated drinks bottles).

Bio-based materials

The Group's R&D teams are continuing their research into bio-based materials in accordance with the Group's strategy of favoring use of materials that do not compete with human or animal food, and not contributing to deforestation.

4.4.2.3 Recycled metals

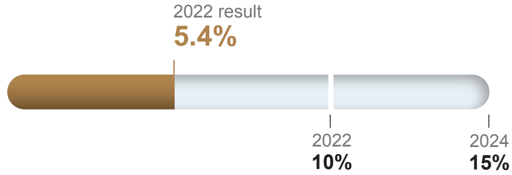
The incorporation of recycled material is common practice for metal suppliers. The percentage of recycled metal varies from one metal to another between 15% and 80%. Legrand has made a commitment to use 40% recycled metals in products manufactured by the Group by 2024.

In 2022, the Group Purchasing Department asked 250 metals suppliers in 20 countries for the percentage of recycled metal in its aluminum, brass, bronze, copper, silver and steel purchases. This survey, with a response rate of 87%, showed that the percentage of recycled metals used in 2022 was 19.4% of total purchasing volumes, just below the target of 20%, which represents an attainment rate of 97%.

This resulted in concrete actions being launched with product design teams to significantly increase use of recycled metal while also maintaining product quality and solidity. The requirement to use recycled steel is taken into account during the upstream stage of the design process so that steel grades with a high proportion of recycled metal can be used. The same applies to aluminum and copper alloys, which the Group uses in large quantities.

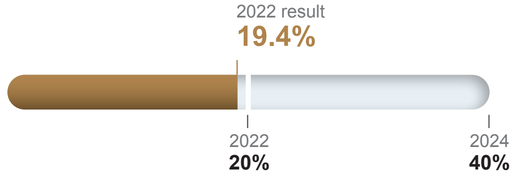
Use of recycled materials

Achieve a 15% **recycled plastics** use rate in products manufactured by the Group



➔ 2022 achievement rate: **54%**

Achieve a 40% **recycled metals** use rate in products manufactured by the Group



➔ 2022 achievement rate: **97%**

4.4.3 - Phasing out single-use plastic in packaging

Legrand is determined to limit pollution of the soil and oceans by single-use plastic (SUP) packaging waste.

The Group has therefore made a commitment to eliminate from its packaging two categories of SUP by the end of 2024: plastic flow pack wrappers and expanded polystyrene (EPS) blocks. Due to their material, weight and size, these types of packaging are not suitable for recycling and several tens of millions of units are produced every year to sell finished products. It is therefore essential that their use is reduced and ultimately eliminated.

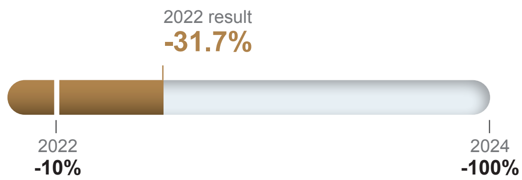
Phase out single-use plastic

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Eliminate 100% of single-use **plastic in flow pack** packaging

➔ 2022 achievement rate: **0%**

Eliminate 100% of single-use plastic in **expanded polystyrene** packaging



➔ 2022 achievement rate: **150%**

At the end of 2022, measures taken by the Group allowed for a 32% reduction in use of EPS blocks. The 2.1% increase in use of plastic flow pack wrappers in 2022 was due to the increase in sales volumes. Design offices worked in 2022 on finding alternatives to these plastic wrappers (eliminating packaging or substituting it with paper wrappers) and the first applications are expected to be reflected in the results for 2023.

Actions and resources:

In 2020, Legrand launched a project to overhaul its product packaging policy, the objectives of which were incorporated into its 2022-2024 CSR Roadmap.

R&D teams and the Group Purchasing Department work together from designing packaging through to the purchasing process in order to move the project forward.

Since 2022, 25 countries representing 99% of packaging purchases have implemented the following rules:

- prohibiting plastic and EPS flow pack wrappers during the process of creating new finished products;
- using alternative packaging for finished products sold by replacing plastic, developing new packaging systems or getting rid of packaging where it is not of use;
- not using bio-based plastics, as the benefits of this solution have not been proven.

In 2022:

- the removal of EPS blocks from Atlantic industrial cabinets avoided using 8 tons of EPS;
- single-material individual paper packaging alternatives are currently being developed to replace plastic flow packs for new Legrand and BTicino products for the commercial and consumer market.

4.4.4 - Product environmental information

As reducing buildings' environmental impact is linked to the decisions made during the design phase, it is important to inform customers of the environmental impact of the products they buy and use. Developed primarily under the impulse of Legrand, the PEP (Product Environmental Profile) ecopassport® has become the leading environmental declaration for electrical and digital equipment.

In 2022, 69% of revenues were covered by PEPs (excluding acquisitions carried out in 2020, 2021 and 2022), down 1.4% relative to 2021 due to the integration of recent acquisitions in North America.

Environmental declarations

Cover 72% of the Group's annual revenue with **Product Sustainable Profiles**

➔ 2022 achievement rate: **98%**

Actions and resources:

Product Sustainability Profiles (PSP)

The PSP is a proprietary concept defined by Legrand to provide environmental or health-related information about its products. PSPs include two types of product-related disclosures:

- the Environmental Product Declaration (EPD);
- the Health Product Declaration (HPD) or the Declare Label.

Where one of these two declarations is provided in relation to a product, the product is regarded as covered by a Legrand PSP.

Environmental Product Declaration (EPD)

An EPD is a document designed to provide transparent and comparable information about a product's environmental impact over its lifetime:

- production (including impacts arising from the extraction of natural resources to obtain raw materials);
- transportation before installation;
- energy consumption (if any) during the use phase;
- maintenance;
- end-of-life collection and processing.

The impacts highlighted include climate change, the depletion of natural resources, water consumption and waste generation.

For Legrand, an EPD must comply with ISO 14025 Environmental labels and declarations – Type III, which itself is based on the ISO 14040 series of standards describing the methodological rules for quantifying the environmental impact of a product or process.

To be compliant with ISO 14025, the EPD must be registered with a Program Operator to ensure compliance with ISO 14025, particularly by carrying out independent verification of each EPD published.

Legrand has chosen PEP Ecopassport® as its Program Operator and provides EPDs that it calls Product Environmental Profiles or PEPs.

Focus: Legrand, a founding member of the PEP Ecopassport® program in France

The PEP Ecopassport® program is the international benchmark for environmental declarations relating to electrical, electronic and HVAC equipment. The environmental data contained in a PEP is produced by analyzing multiple criteria relating to the product life cycle from cradle to grave, and are checked according to the requirements of the PEP Ecopassport® program and registered. The PEPs available for Legrand products provide customers with tangible and verified environmental data based on technical and scientific data. PEPs are also recognized as a powerful marketing tool. For example, in LEED® v4 certification for residential buildings, the building score is higher when products featuring PEPs are installed.

Health Product Declaration (HPD) and Declare Label

The HPD and the Declare Label are two formats used to disclose information about the content and health impact of products and materials. They provide comprehensive information about chemical substances contained in products by cross-referencing them with a wide range of "hazard" lists published by public authorities, non-governmental organizations (NGOs) and scientific associations.

4.5 - Commitment to employees

With around 33,900 employees worldwide, and sales and production sites in some 90 countries, Legrand pursues its business development while paying particular attention to its responsibilities towards its employees and their working conditions.

Fundamental principles

Legrand's human resources management has four key aspects:

- attractiveness, which consists of attracting, developing and retaining talent, and thus matching the Group's human resources with its future needs;
- diversity and inclusion, particularly by encouraging greater female representation in its workforce and ensuring that the Group's HR processes comply with the principles of non-discrimination and equal opportunities;
- employee development, by implementing tailored strategies for identifying and supporting talent and for recognizing performance;
- employee engagement, by looking after employees' well-being, health and safety and creating fulfilling work environments.

Organization

The human resources policy is the responsibility of the Head of Human Resources, who is a member of the Group Executive Committee. It is managed horizontally, with centralized management targeting key positions and resources. It is deployed in subsidiaries and managed by local human resources departments.

In addition, an HR manager responsible for social issues is given specific responsibility for:

- implementing the HR initiatives and priorities contained in the CSR Roadmap;
- providing a functional link with the CSR Department;
- being the sole point of contact for all HR departments within the subsidiaries on topics associated with Legrand's CSR commitments in this area.

For more information on the Group's human resources policy, visit the Careers section of the www.legrandgroup.com website.

4.5.1 - Respecting human rights and local communities

4.5.1.1 Complying with the Group's commitment to human rights

The Group's commitment

Respect for human rights is a core value at Legrand.

International and national laws on human rights, and particularly France's duty-of-care act, apply to the Group and its subsidiaries globally.

The Group complies with national regulations in force in the countries in which it operates. Regardless of the local context, Legrand abides by voluntary principles and standards of responsible behavior with regard to human rights and, in particular with:

- the Universal Declaration of Human Rights;
- the International Labour Organization (ILO) Declaration, particularly the 10 conventions on fundamental principles and rights at work;
- the Global Compact's principles for Human Rights and labor standards;
- the UN Guiding Principles on Business and Human Rights (the John Ruggie Report), which recommends a three-pronged approach: protect, respect and remedy;
- the United Nations Sustainable Development Goals (SDGs).

In line with the standards and principles listed above, the Legrand Human Rights Charter, published in 2017, sets out, in operational terms, the Group's commitments on:

- child labor and young workers;
- forced labor;
- health and safety;
- decent working conditions;
- freedom of association;
- discrimination.

This charter is publicly accessible on the www.legrandgroup.com website.

It aims to inform internal and external stakeholders about the principles and commitments that the Group has adopted for itself and its partners.

The Group also operates a sustainable purchasing policy that takes into account the rights of employees working for the Group's suppliers. For more information on the Group's sustainable purchasing policy, see section 4.7 "Supplier commitment" of this Universal Registration Document.

Focus: Legrand's public commitments to defending human rights

Legrand has been a member of the "Entreprises pour les Droits de l'Homme" (companies for human rights or EDH) association in France since 2016. EDH acts as a forum for discussion, initiatives and proposals for multinational companies, making human rights an integral part of business policies and practices.

In 2019, Legrand CEO Benoît Coquart signed the "Call to Action for Business Leadership on Human Rights" led by the World Business Council for Sustainable Development (WBCSD).

Procedure and management

The duty of care systems in place are described in the "Duty of Care" section in section 4.9 of this Universal Registration Document. The systems cover not only Legrand employees but also those working in its supply chain and at its suppliers.

In practical terms, countries must:

- complete the Legrand self-assessment in relation to human rights and share it with the Group;
- define their own action plans if areas for improvement are found.

Results

Special attention is paid to around 20 countries that potentially show the greatest risks.

The list of countries assessed as being most at risk, along with information on any identified discrepancies and action plans in place, is presented in section 4.9 "Duty of Care" in this Document.

4.5.1.2 Respecting and getting involved in local communities

Because electricity is a crucial factor in a country's development, Legrand aims to contribute to the life of the regions in which it operates. The Group considers it its duty to enable as many people as possible to have sustainable access to electricity, wherever they are in the world, and to take action against energy poverty. Legrand also strives to provide sponsorship initiatives in areas close to its expertise and business lines, more specifically, helping the elderly and people with disabilities (assisted living), and combating energy poverty and exclusion.

This responsibility is reflected by a three-tier sponsorship policy:

- the partnership with NGO *Électriciens Sans Frontières* since 2007 to enable as many people as possible to benefit from access to electricity, primarily within the framework of development aid and emergency aid;
- the Legrand Foundation for independent living, set up in 2014 under the aegis of the *Fondation Agir Contre l'Exclusion* (FACE) to combat exclusion and energy poverty;
- initiatives by Group subsidiaries defined according to local needs and in line with the priority concerns identified by the Group and the sustainable development goals.

Sponsorship activities enable the Group to contribute to public interest initiatives, convey its values, build and develop relationships with partners and raise employee awareness of issues of shared interest.

Legrand's "Sponsorship Guide" helps countries select organizations to benefit from its support and defines three main themes of sponsorship:

- taking action to ensure suitable housing;
- combating energy poverty;
- promoting equal opportunities in the electrical industry.

Support is provided mainly in the form of:

- financial donations;
- products;
- contribution of skills;
- other gifts in kind.

In 2022, the total budget allocated to charitable activities amounted to more than €4.55 million, breaking down as follows:

- cash donations: €1.8 million;
- product donations or other gifts in kind: €2.75 million.

Legrand pays particular attention to slow-moving products which, rather than being scrapped, are offered free of charge to charities and local training centers.

Legrand has several country programs that enable employees to take part in community initiatives during working hours. In 2022, employees spent a total of 1,002 working days on community engagement projects addressing issues of shared interest.

Focus: partnership with *Électriciens Sans Frontières*

Since 2007, the Group has been a partner of *Électriciens Sans Frontières*, an international NGO campaigning for wider access to energy and drinking water for people in developing countries. Legrand's support for *Électriciens Sans Frontières* takes the form of financial aid, the supply of equipment, the provision of the Group's premises for use by the NGO, and the involvement of employees who offer their skills and become directly involved on the ground or who provide training or technical support.

Legrand offers long-term support for development projects and donates occasional aid to emergency humanitarian actions.

Since 2007, Legrand has supported *Électriciens Sans Frontières* in some 265 projects to increase access to electricity and provide emergency aid in 44 countries. Joint initiatives with *Électriciens Sans Frontières* have given more than 3 million people access to electricity.

In 2021, in line with the agreement signed in 2017, Legrand renewed its commitment to *Électriciens Sans Frontières* and the crisis and support center set up by the French Ministry for Europe and Foreign Affairs for managing emergency humanitarian situations. The agreement was signed by 14 companies or corporate foundations in the electricity sector and enables *Électriciens Sans Frontières* to assist the crisis and support center on a case-by-case basis when emergency situations arise, or during reconstruction efforts or when the contribution of skills is needed. The partners to the agreement will provide material and financial resources for that purpose.

In particular, Legrand has provided assistance to the NGO during the following emergency interventions:

- Palu (Indonesia) in 2018;
- Beira (Mozambique) in 2019;
- Beirut (Lebanon) and Yerevan (Armenia) in 2020;
- Moldova on the border with Ukraine in 2022.

In 2022, Legrand celebrated the fifteenth anniversary of its partnership with *Électriciens Sans Frontières*.

To find out more, visit www.electriciens-sansfrontieres.org.

Focus: Remote medicine centers in India

In 2022, Legrand India opened its third remote medicine center in Rohad, Haryana, in collaboration with Apollo Telemedicine Networking Foundation.

Since the first remote medicine center opened in 2017 in Jalgaon followed by Haridwar, more than 15,000 people have received medical consultations. Each center is equipped to be able to see more than 3,500 people a year.

These remote medicine centers attest to Legrand's commitment to SDG 3: ensure healthy lives and promote well-being for all at all ages.

4.5.1.3 Ensuring union representation and management-employee dialogue

Legrand believes that improving employee-management dialogue involves creating connections and trust within staff representation bodies at both the country and regional level.

Supporting organizational change to allow ongoing dialogue within the company, and thus constantly adapting the organization and its people to the issues facing the Group, is crucial.

Managers receive training in labor relations to help them fulfill their role as local labor relations contacts. In France and Italy, for example, regular "Labor Relations Management" meetings are held with key managers and HR.

At the European level, an amendment to Legrand's European Works Council (EWC) agreement of 2013 was signed in 2016 by representatives from the various countries. The purpose of the amendment is to improve the way this body operates, particularly by developing relations with the EWC's bureau and by giving it additional resources.

As of the filing date of the Universal Registration Document, two employee representatives sat on the Board of Directors, one appointed in 2018 and the other in 2020.

Certain indicators, monitored *via* the HR reporting process, give an overview of dialogue taking place within the Group in 2022:

- 63% of the workforce was employed in entities in which there was an employee-representation body and/or a union;
- 47% of employees were covered by collective agreements or agreements applicable to their entity;

- 36% of HR reporting scopes have consultation rules;
- 939 information or consultation meetings with employee representative bodies or unions were held during the year;
- 133 new collective agreements were signed, covering 14,384 people within the Group in both mature countries and new economies. The agreements essentially cover pay and working conditions, health, the organization of management-employee dialogue and the operating procedures of staff representative bodies;
- in terms of health and safety, further to the 2014 agreement on managerial best practice in France, an agreement on quality of life at work was signed by all unions in 2017. In Italy, an agreement was signed in 2016 on workplace harassment and abuse.

4.5.1.4 Ensuring responsible reorganization

A company that can take changes into account and respond to them in a responsible manner is more efficient and can offer new development opportunities to its employees.

It may be necessary to provide information to and consult staff before changes are made, depending on the type of change being considered and local statutory rules. By anticipating developments in employees' roles, working conditions and employment in general, a company can prepare each employee for change. Appropriate training initiatives maintain employees' internal and external employability and allow them to develop the skills needed to adapt before the changes take place. In more exceptional circumstances, in which a transformation may have consequences for employment, the focus is on training, internal transfers and help to find jobs outside the Group.

At all stages of support, the Group pays attention to ensuring fairness and respecting individuals, as well as complying with national and supranational regulations.

4.5.2 - Occupational health and safety

As Legrand's 2018 and 2021 Materiality Assessments show, Health and Safety (H&S) and well-being at work are priorities for the Group and for its stakeholders.

4.5.2.1 Policy in place

To reduce the frequency of work-related accidents, occupational risk management processes have been put in place and the Legrand Way health and safety program has been rolled out.

Policy and fundamental principles

Legrand's health and safety policy was updated in 2019 and was designed in accordance with international standard ISO 45001.

It applies to all Group subsidiaries and sites. It encompasses occupational risk management and improvements to health and safety at work and is based on four principles:

- protecting employees within a sustainable working environment;
- incorporating health and safety into all activities;
- making sustained improvements to performance and to the management system;
- fostering accountability among all participants and involving partners.

The Prevention Charter, signed by the Chief Executive Officer, is promoted broadly among employees by the managers of each entity. This charter is accessible on the Group intranet and can be found on the www.legrandgroup.com website.

Organization

The Occupational Health and Safety (OHS) policy is coordinated and implemented by the Head of OHS, who reports to the Operational Performance department.

He is supported by a network of Health & Safety correspondents present on the various sites as well as QSE (Quality, Safety and Environment) officers.

ISO 45001 certification

The Group is in the process of obtaining ISO 45001 certification for most of its industrial and logistics sites. At the end of 2022, 61 sites had obtained the management system certification.

According to the employee engagement survey carried out in 2021, 86% of respondents felt that the company was concerned for their health and safety at work.

Focus: Safety talks

Safety talks are informal discussions led by managers with their teams. They deal with topics relating to health and safety and resulting in one or two collective commitments made by the team to modify the way they work and make progress in terms of the safety culture.

In 2022, 481,245 people took part in the safety talks across the Group's consolidated scope (excluding recent acquisitions).

Focus: health campaigns

For several years, Legrand has held awareness days in India for employees and visitors to the company to address health topics. In 2022, topics addressed included the effects of smoking and drinking, mental health and road safety.

Focus: use of exoskeletons in France

In Limoges, France, an exoskeleton is used to make material preparation more ergonomic. Handling 25 kg bags cotaining plastic components presents risks associated with the corresponding total and unit mass, as well as the various handling problems (grip, posture, etc.). Using a "posture harness" exoskeleton helps relieve the musculoskeletal system and prevent the development of musculoskeletal disorders, in particular lumbago.

4.5.2.2 Rollout and training

Priority is given to reducing the accident frequency rates in order to reduce the number and severity of injuries among employees.

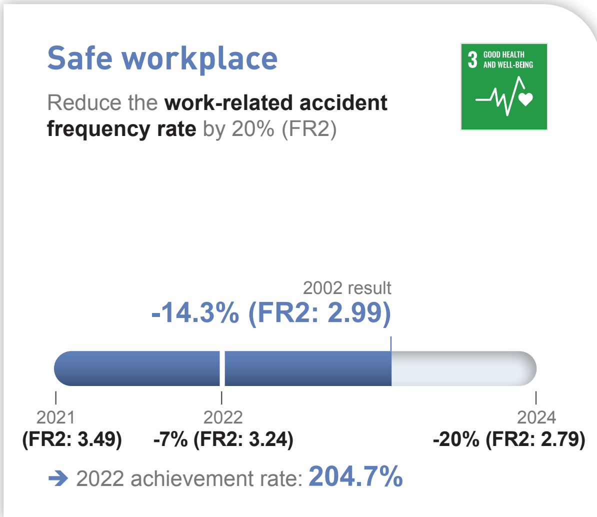
Until 2018, the Group had set a target in its CSR Roadmap of reducing the FR1 indicator (lost-time accident frequency rate). The lost-time accident rate was halved between 2014 and 2018.

The FR1 continued to improve in 2022 to 1.92.

For the 2019-2021 CSR Roadmap, the decision was made to adopt a different key indicator, i.e. FR2, which covers work-related accidents both with and without lost time. The ambitious objective was to reduce this indicator by 20%. This target was beaten, with an FR2 of 3.49 at the end of 2021[(1)].

For the 2022-2024 CSR Roadmap, the Group has set an ambitious target of a further 20% reduction in the FR2.

This will be achieved by training employees in occupational health and safety. In 2022, more than 250,000 hours of occupational health and safety training were provided, representing an average of 7.7 hours per person (5.7 in 2021).



As of 2022, published FR1 and FR2 figures include a cut-off adjustment. This means taking into account in the FR1 and FR2 for year N any changes that occurred after the external audit at the end of January of a given year concerning events in the previous year. This concerns accidents not recognized as work-related or accidents reported late (*e.g.* an accident that was initially minor but eventually required external treatment).

FR2 = Number of accidents involving Group employees with or without lost time x 1,000,000 / number of hours worked.

This target covers all consolidated entities, excluding companies acquired less than two years ago. Therefore, the result stated below does not include 2021 and 2022 acquisitions.

(1) After taking account of the cut-off adjustment. The 2021 pre-cut off FR2 published last year was 3.52.

The FR2 was 2.99 at the end of 2022, achieving the target set for the first year of the 2022-2024 CSR Roadmap.

Performance measurement

Occupational health and safety and the associated metrics are included when measuring the operational performance of industrial sites, subsidiaries and functional departments. They are subject to a monthly review by the Operations department. This topic is also routinely covered in annual budget presentations.

A comprehensive three-level reporting process is in place:

- real-time reporting of work-related accidents (immediate disclosure to the Group's General Management). This procedure has been in place since 2015;
- monthly reporting of accident data (accidents with or without lost time, monitoring of FR2), completed each quarter using additional indicators (days lost, occupational illness, accidents involving external companies, including temporary workers);
- four-monthly reporting on the rollout of OHS best practices as set out in the Legrand Way.

4.5.2.3 Action plans

The Group launched the Legrand Way for health and safety to foster a culture of safety and to allow ongoing monitoring of this issue.

This commitment covers managing occupational risks, monitoring the effectiveness of preventive measures, and implementing a continuous improvement approach.

In addition to obtaining ISO 45001 certification for most of its industrial and logistics sites, the key aspects of the Legrand Way program are:

- Must Have no. 1: provide clear safety instructions at each workstation (risk assessment, definition of safety rules, application of individual protection);
- Must Have no. 2: raise employee awareness, through communication and training regarding the importance of looking out for one's own safety and that of others. This also involves adopting road risk prevention measures;
- Must Have no. 3: learn from each accident (analysis of root causes and definition of action plans, information displays to mark where an accident has taken place) and manage the risk where external companies are involved;
- Must Have no. 4: prevent future accidents through a near-miss reporting system;
- Must Have no. 5: adopt five key methods:
  - promote the Group's health and safety policy;
  - set up a health and safety committee, even where not required by local legislation;
  - carry out monthly safety visits with management (industrial environments only);
  - arrange periodic safety discussions for all employees;
  - provide an occupational health and safety update at all management meetings;
- Must Have no. 6: adopt four major health-related themes:
  - monitor employee health through regular check-ups;
  - prevent musculoskeletal disorders;
  - make significant efforts, in accordance with the UN goals, to ensure healthy lives and promote well-being;
  - prevent psychosocial risks.

These initiatives are assessed according to their deployment and implementation progress, measured out of a score of 60 points (each "Must Have" is scored out of 10 points).

Focus: Management of contractors working on site

The aim is to coordinate external companies' involvement in order to assess and control the risks resulting from joint activity and ensure that the entity's OHS rules are respected by all service providers working on site.

A guide has been drawn up for the attention of all Group sites, describing how to ensure safe intervention by external companies, particularly when working at Legrand's premises. The guide sets out best practices to be respected during the six stages of the approach, from selecting external companies through to feedback at the end of the service.

At the end of 2022, 99.7% of the Group's employees were covered by a formal risk prevention approach during intervention by external companies.

Annual reporting shows that 81% of the Group's employees are covered by a psychosocial risk prevention methodology.

Focus: OHS training

Occupational health and safety (OHS) training is a key aspect of occupational risk prevention. In 2022, more than 250,000 hours of OHS training were provided, representing an average of 7.7 hours per person (5.7 in 2021).

The topics covered related to the regulatory framework, introducing new employees to safety procedures, electrical risk, fire prevention the various driving authorizations, as well as other topics according to entities' requirements. For example, a number of sessions were held in relation to ISO 45001 certification in countries such as China, Colombia, Spain and Italy.

E-learning tools have developed significantly over the last few years and OHS modules are available on topics such as road risk or tools to develop the safety culture.

4.5.3 - Quality of life and well-being at work and employee commitment

Focus: Sustainable Development Goal no. 3: ensure healthy lives and promote well-being for all at all ages

Each unit is asked to take one significant action every year in connection with the examples given by the UN.

These actions may be aimed at employees themselves but can be extended to their families or local communities.

For example, a unit could organize a vaccination campaign, arrange a program to prevent road risks or devise a communication plan to help people stop smoking.

As a major international company, and in line with its purpose of "Improving Lives", the Group has a duty of care towards its employees, which may go beyond national legislation or market practices where these fall below the Group's requirements. Providing employees with attractive compensation and a good working environment helps to improve the Group's employer brand. It also helps it to attract and retain employees more effectively.

4.5.3.1 Deploying the Serenity On program

Initial deployment (2018-2021)

Legrand launched the Serenity On program in 2017 to guarantee minimum welfare benefits for all employees at all Group subsidiaries, over and above those arising from local legislation, which often offers a lower level of protection.

The program focuses on three key areas:

- **parenthood:** to promote a better work/life balance, and in keeping with the spirit of the International Labour Organization's (ILO) recommendations, Serenity On sets a minimum standard for maternity leave and paternity leave in terms of duration and pay (respectively 14 weeks and 5 days at 100% of gross basic salary);
- **Healthcare:** Legrand ensures that each employee is protected during any health emergency, by covering hospitalization and surgery costs. In most countries, this involves a health insurance policy whose premiums are mainly paid by the Group;
- **Death and disability:** in the event of death or total and permanent disability of any employee due to illness or accident, Legrand offers the employee's family protection equal to at least one year of gross basic salary. The related benefit is paid through an insurance policy.

Each Group entity was tasked with implementing these locally between 2018 and 2021. As at December 31, 2021, 97% of the Group's employees were covered.

Extension of the Serenity On program (2022-2024)

On the back of this success and in order to step up its commitment to its employees' health, in the sense of the World Health Organization definition of a state of complete physical, mental and social well-being, the healthcare aspect of Legrand's Serenity On program involved in 2022 with the aim of offering all employees the following by 2024:

- high quality family medical cover:
  - covering, in addition to hospital care and surgery, outpatient treatment, prescription medicines and maternity costs;

- which may be extended to employees' partners and children with a (minimum) financial contribution from Legrand;
- access to targeted physical and psychological well-being programs to foster a prevention-based approach and incorporate the growing issues relating to mental health at work.

As a result of these changes, Legrand has made protecting and promoting physical and mental health one of the minimum goals of Serenity On, putting the emphasis on prevention, training and raising awareness.

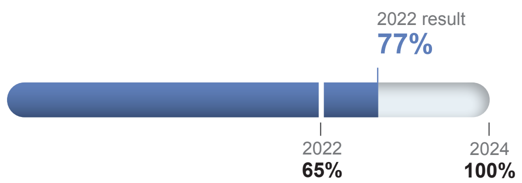
Each subsidiary is responsible for rolling out Serenity On at its own level and implementing action plans tailored to specific local requirements, in particular local regulations, market practices and employees' needs.

In 2022, the rollout of the Serenity On program was extended to cover 77% of the Group's employees (excluding acquisitions carried out in 2021 and 2022). This score is a weighted average rollout rate for each pillar of the program within each entity:

- Serenity On – initial basis: 100% (vs. 97% as at December 31, 2021);
- high quality medical cover for employees: 73%;
- family medical cover: 62%;
- promoting well-being: 91%.

Expanded social coverage

Expand the **Serenity On program** to cover 100% of employees



➔ 2022 achievement rate: **118.5%**

During 2022, emphasis was placed on the following priorities:

- identifying key persons in charge of well-being at each entity, including:
  - in Peru, the appointment of a Wellness Agent with a dedicated announcement about their role;
  - in the United Kingdom, training mental health experts at each site;
- training on psychosocial risk prevention and raising awareness about mental health, including:
  - in France, a three-year plan to train all managers and Human Resources officers in psychosocial risk using a specialist external service provider;
  - in a number of countries (United States, India, Hungary, Turkey, Mexico, United Arab Emirates, Singapore, etc.), workshops and webinars, held face-to-face or remotely, on physical and mental health (stress management, resilience, emotional regulation, nutrition, sleep, everyday mental health, etc.);
- organization of dedicated well-being days or weeks, including:
  - a video disseminated within Southeast Asia setting out management's commitment and all well-being initiatives in place;
  - laughter therapy during a mental health day in Peru;
  - a well-being week in Chile with a variety of workshops on offer (yoga, mindfulness, medical check-ups, etc.);
- implementation of concrete measures and solutions supporting employees' physical and psychological well-being:
  - in Spain and Portugal, launch of a dedicated app to help employees take care of their mental health;
  - in a number of countries (United States, Mexico and Germany), creation of counseling units and/or enhanced communication about existing solutions (Employee Assistance Program, on-site psychologist, etc.).

4.5.3.2 Employee support measures

A number of initiatives have been launched to allow for a good work-life balance and help employees reconcile their professional and personal responsibilities.

As part of its efforts to improve quality of life at work, in 2015 all members of the Group Executive Committee ratified a charter comprising 15 commitments for work/life balance to adapt to the technological and sociological changes to which the Company is exposed. The main goal is to maintain the work/life balance of all employees.

For jobs for which it is possible, employees are offered the option of working remotely at more than 86% of entities.

In accordance with a framework defining working hours, variable hours systems give employees flexibility, allowing them to manage their personal needs, at around 70% of entities.

People wanting to reduce their working hours can ask to work part time.

Assistance with childcare, in the form of financial support or nursery places, can be offered. This is the case in countries such as Brazil, Spain, Egypt, France, Peru, Hungary, Chile, the United Kingdom, Italy and India.

For women who are breastfeeding, dedicated areas are provided at around 40% of entities.

Special access to flexible working hours systems is considered favorably for people having to care for parents, partners or children who are sick or need assistance.

These various measures help increase employee satisfaction. They are also a means of attracting and retaining employees.

According to the employee engagement survey conducted in 2021, 83% of respondents said that they generally managed to find a satisfactory balance between work and home life.

4.5.3.3 Actions to promote physical activity and sport

The practice of physical and sporting activities is promoted through local initiatives linked to the Serenity On program, and networks such as Elle@Legrand, or through local entities' specific initiatives. Here are some examples of these initiatives:

- Yoga & Pilate classes (physical and mental well-being) in Mexico, Algeria and France;
- Massage, stretching or gymnastics sessions organized in the workplace, in Chile, Brazil, France and Malaysia;
- One-off sports events such as Zumba classes in Chile, football tournaments in Brazil, walks in France as part of Pink October, a combination of hiking and environmental protection in China and "Sports day" in Thailand;
- Financial support and partnerships with sports halls in Peru, Spain and Poland;
- Regular challenges organized by the Elle@Legrand network. In 2022, the Elle@Sport challenge encouraged employees to walk, run, cycle and challenge themselves to cover at least 40,075 km (the circumference of the earth). In the end, the employees covered 121,333 km, which enabled the network to donate €3,000 to *"Plan International".*

4.5.3.4 Measuring and improving employee engagement by listening

Employee engagement results from several factors: recognition, trust, working conditions, development and well-being.

Internal employee engagement surveys are a crucial tool for Legrand to develop policies to attract, retain and ensure the career progression of the best employees.

The well-being and satisfaction of the Group's employees are addressed through different processes:

- **CAPP** – Competency Appraisal Performance and Perspectives (see section 4.4.2 on developing the skills and talent of all employees);
- **surveys about specific projects**;
- **global employee engagement surveys** conducted by an external service provider. The survey offers all employees an opportunity to discuss their engagement.

In 2021, Legrand conducted its second employee engagement survey among all employees. The participation rate improved to 79%. The engagement score was 80%. In addition, 87% of respondents said that they were proud to work for the company.

Following the survey, more than 1,000 action plans have been launched in countries to respond to the expectations expressed by employees. For example:

- Egypt has introduced annual meetings with all employees to share the entity's results;
- the Africa region has launched its "We've got talent" program to respond to employees' development aspirations;
- India has increased the visibility given to the international mobility platform, allowing interested employees to apply for jobs anywhere within the Group;
- Colombia has introduced regular interviews between managers and employees to discuss performance, training needs and any support requirements;
- Switzerland has introduced more flexible working arrangements to encourage a good work-life balance for employees;
- Spain has introduced training on physical and emotional well-being;
- in the United States, more than 270 managers were invited to organize career interviews with their employees. In addition, potential career paths were drawn up based on expected skills within the most common job categories. This allows for discussion with employees about development opportunities.

4.5.4 - Skills development, attracting and retaining talent

Legrand pays special attention to managing and developing its employees. It encourages internal mobility and invests in career development.

The Group aims to foster engagement among its employees, as well as attracting and retaining new talent, in order to ensure that it has the appropriate human resources and skills to meet its future needs.

4.5.4.1 Developing the skills and talents of all employees

The employee development strategy is based on a number of aspects:

- training for all employees;
- talent management;
- managerial relations, by means of meetings between managers and employees, known as CAPP (Competency Appraisal Performance and Perspectives) interviews.

The 2022-2024 CSR Roadmap sets the target of gradually achieving seven hours of training for 85% of employees in 2024. This target will enable the company to help guarantee the employability of its human resources. It is based on the goal of providing quality education (SDG 4).

4.5.4.1.1 Provide training

Training not only ensures that the Group has the appropriate skill set to execute its business strategy and respond to employees' expectations in terms of development, but also enables it to attract and retain talent and to motivate employees.

Global training strategy

To roll out this strategy on an operational level, the Group has drawn up and disseminated a medium-term roadmap based on the following priorities:

- **core training for all**: initiatives are carried out at Group level in areas such as compliance, health and safety at work, cybersecurity, diversity and anti-discrimination;
- **training programs for non-connected employees, at site level**, their aim to promote health and safety at work, versatility, the maintenance or transfer of skills in line with site requirements, and employability (arranging training courses allowing employees to gain qualifications and access higher grades, etc.);
- **managerial training**: the objective is to provide managerial training to equip new managers with core management skills and strengthen the leadership skills of more experienced managers. For example, there are focuses on the role of manager and the themes of talent development, change management, managing uncertainty, intrapreneurship and decision-making ability;
- **for customer-facing employees:** the aim is to provide training in relation to new solutions, products and systems in order to increase revenue, boost market share and improve customer relations. Training programs in connection with the priorities of the Roadmap are organized by regional marketing departments in relation to the IoT (Internet of Things), green building and datacenters;
- **targeted training for employees with potential**: the aim is to introduce individual training courses to support the development of people with potential. Depending on the program, individual training courses provide the tools to prepare for a broader horizon or future job opportunities (see section on "Training for employees with potential"). These employees also receive enhanced training on diversity to help them embody this aspect in their managerial expertise.

In 2022, more than 654,300 hours of training were provided, compared with around 556,600 in 2021.

According to the employee engagement survey conducted in 2021, 80% of respondents felt that the training they received was appropriate for their job.

Focus: Learning with Legrand, the digital training platform

In 2019, Legrand launched a digital training platform for its employees worldwide.

The platform contains standard modules, accessible to all, that provide detailed information about major topics concerning the Group, key aspects of its strategy and its corporate culture.

Employees are also provided with a personalized learning path according to their work-related requirements. This resource is supplemented with classroom-based training sessions.

Employees can also take modules on other topics depending on their interests.

The platform has been rolled out across almost all the Group's countries and had 20,000 active users in 2022.

More than 100 courses are offered to employees on topics such as compliance, purchasing, cybersecurity, digital, day-to-day use of digital tools, language learning and soft skills such as management. To enhance learning, the tool is accessible in multiple languages. Employees have taken part in more than 900 training sessions representing more than 140,000 hours of training on the platform.

Each year, a schedule of available modules and digital training campaigns to be launched in connection with the roadmap is shared with all HR departments so that it can be drilled down to local level.

Regular communication events, such as training weeks (two weeks of ten days) and newsletters support the roadmap and help to develop the training culture among employees. Each month, a limited selection of modules on a core theme are made available to employees and managers.

Employees can access these resources *via* their smartphone and follow the training module as and when they wish.

Onboarding

To help new hires reach the required competency level as quickly as possible, some countries (such as France, the United States and India) have implemented local onboarding programs. In some cases, Early-in-Career development programs are in place. These consist of assigning a talented young employee to different functions in turn, or to major projects within the same business line.

Management and leadership

Based on annual appraisals and talent reviews, targeted training for different categories is put in place at Group level and in some entities. The training is sometimes combined with external potential assessment tools.

Talent training program

To respond to the different organizational categories and potentials identified, the Group has established a policy of supporting employees with potential by means of a variety of programs. Each of these programs is centered around a specific target, on the basis of four core priorities:

- Self-awareness and individual development plan;
- Bespoke training;
- Exposure to senior management;
- Networking.
- **Legrand Global Leaders**, aimed at people with senior management potential, uses an upstream assessment of participants to help them put together a personalized development program comprising courses from elite universities, coaching from managers and discussions with top management. This plan aims to support the process of appointing people into key roles within the Group, by creating a pool of talented people who have been assessed and are known to members of the Executive Committee. A class of some 20 experienced managers with the potential to take on top management positions is launched every 18 months.
- **Legrand Promising Group Talents** is intended for people in established management positions, who will be given greater responsibility within a given scope, providing a set of processes and tools to employees identified as showing a high probability of career progression. This program covers 70 to 80 intermediate managers with potential each year from a diverse range of functions and geographical origins.
- **Legrand Rising**: for talented employees with potential on the first rungs of management, the Group has established a standard program that is adapted by each country to local requirements. Participants have access to a digital assessment tool, individual online training courses and group coaching sessions.

This framework formed the basis for the launches of the Effective Leadership Program, Emerging Leader Program, Rising Star and We've got talent programs in Mexico, the United States, India and Africa.

Focus: "We've got talent" program – Africa

Around 10 talented employees from countries in Africa (Mauritius, Morocco, Algeria, Egypt, Burkina Faso) took part in a talent program centered around the model defined by the Group, with:

- group training sessions (results-oriented approach, positive collaboration, diversity and inclusion for managers, managerial skills) with digital joint development workshops;
- individual training sessions in connection with their assessments;
- digital seminars involving country directors;
- an end-of-program event.

In 2022, 95.8% of the workforce received at least five hours of training. This percentage excludes acquisitions made in 2021 and 2022 and is the number of hours of training delivered divided by the number of people in the workforce at the year-end, less the number of people absent for the entire year on long-term leave. It takes account of country limitation rates being limited to 100%.

Employability and skills development

Provide training for 85% of employees each year and attain 7 hours of annual training for each employee (5 hours in 2022, 6 hours in 2023, 7 hours in 2024)

→ 2022 achievement rate: **112.7%**

4.5.4.1.2 Carry out annual performance appraisals

Regular appraisals and performance reviews help employees develop their skills and enhance their employability. They allow methods of managing staff to be harmonized within the Group, which helps increase employee motivation, commitment and loyalty.

Competency Appraisal Performance and Perspectives (CAPP) interviews are an opportunity for dialogue between managers and employees on various topics:

- setting individual targets;
- assessing performance;
- evaluating skills;
- defining development action plans;
- taking into account employee aspirations regarding promotions or geographical transfers.

To help with this, the Group has adopted a global tool called Tohm.

A training session has been added to the Learning with Legrand platform to make managers more comfortable with the process.

In 2022, the proportion of managers taking part in a CAPP interview was 96.2%. This figure excludes acquisitions made in 2021 and 2022 and is the number of annual manager interviews held divided by the number of managers in the workforce at the end of the year, less the number of managers absent for the entire year on long-term leave. It takes account of country limitation rates being limited to 100%.

According to the employee engagement survey conducted in 2021, 81% of respondents thought that the aims and objectives on which they were assessed were clearly defined.

4.5.4.2 Promoting mobility

Mobility management promotes employability and is a way of developing skills. It contributes to both personal progress and business performance. The Group has a wide range of roles, business sectors and geographical locations, creating multiple opportunities and possibilities for career development. Employee mobility platforms allow for Group-wide management of talented staff in key positions, helping them achieve ongoing professional development.

Mobility committees are organized by industry and geographical region to provide the coverage required to encourage employee transfers and meet operational requirements.

Vacancies are posted on the Group intranet (Job Trotter or local platform), helping to drive professional and geographical mobility. Talented Group employees identified during the OSR (Organization and Staffing Review) process, who are ready for mobility, are systematically taken into account in the various Group Mobility Committees.

In addition, each year around 10 opportunities are taken up by applicants from a different country from that where the opportunity arose. This is in addition to around 100 employees in international assignments.

Forward-looking skills management

Succession plan management has been in place within the company for more than 15 years.

For the 30 top jobs within the organization, an annual sharing process has been established with the Board of Directors' Nomination and Governance Committee. This draws on discussions with members of the Executive Committee and the annual talent review.

In addition, the annual Organizational Staffing Review (OSR) conducted with the various countries helps identify key skills, local proposed succession plans for the local executive committee, critical situations such as experts or talented staff at risk of leaving the company, and people with potential.

This review ensures that the organizational structure is suited to market developments in terms of the quality and quantity of resources. As a result, management teams define skills development routes, anticipate the effects of the age pyramid, draw on the Group's skills and decide where recruitment is needed.

4.5.4.3 Compensation and employee benefits

In addition to talent management programs and given the strong bias towards internal promotion, Legrand also relies on its compensation policy to retain managers.

Long-term incentive plans

These plans are distributed either in performance shares or in long-term bonuses.

A selection process involving line management and General Management seeks to identify the best-performing employees in all countries who help to create value in a responsible way across the organization. Performance share plans cover around 12% of the Group's managers (about 1,400 people).

4.5.5 - Inclusion, diversity and equal opportunity

The Group is deeply committed to combating discrimination and promoting diversity. In 2004, it published its first Ethics Charter and in 2009 formalized its guidelines in a Charter of Fundamental Principles.

In the 2021 employee engagement survey, the theme of Diversity and Inclusion came out top of the most positively perceived aspects, with 81% favorable responses.

90% of respondents felt that their manager treated them with respect. 83% believed that the company provides an inclusive working environment that accepts personal differences.

Focus: Diversity and Inclusion Policy

The Diversity and Inclusion Policy applies to all Legrand establishments and companies worldwide, and mainly focuses on the following five areas:

- gender balance;
- inclusion of disabled workers;
- intergenerational collaboration;
- social, cultural and ethno-racial diversity;
- inclusion of LGBT+ people.

4.5.5.1 Encourage diversity at work

Gender diversity is a key business imperative for Legrand and policies and procedures have been put in place to achieve this objective. Legrand intends to make diversity in the workplace a reality with tangible effects.

The outcome of the employee engagement survey shows that there is very little difference in the way men and women perceive the aspects measured.

Promoting diversity, particularly by placing more women in management positions

Following on from previous CSR Roadmaps and to contribute to the goal of gender equality (SDG 5), Legrand has set itself the target of 30% of management roles being held by women in 2024, defined as positions grade 14 and above according to the Hay methodology.

Legrand actively encourages the recruitment of more female managers:

- **Executive Committee**: at the end of 2022, women made up 33% of the Executive Committee;
- **key roles**: these are roles that have a significant impact on the strategic objectives and performance of the various entities. Between 2014 and 2018, the Group's aim was to increase the percentage of women in key positions by 25%. The percentage had increased by 32% by the end of the last CSR Roadmap;
- **managerial positions**: in 2018, female managers made up 22.6% of the workforce. This figure had risen to 28.5% by the end of 2022.

Discrimination awareness and training for managers

Independent experts advised members of the HR department and workforce representatives involved in negotiating gender equality agreements. They were also involved in awareness-raising efforts among new hires during onboarding sessions, particularly in Australia, the United Arab Emirates, the United States, Germany, Italy, France and Canada.

Ensuring that HR processes comply with the principles of non-discrimination

Legrand has produced a recruitment guide that is consistent with the principle of non-discrimination, drafted by an international working group composed of HR managers from four countries (France, Italy, Turkey and the United States). A series of agreements on employment parity and equality have also been signed, particularly in France in 2012 and 2014 (renewed in 2018), and in Italy. These factors are taken into account in the annual pay review process.

Coordinating a network of gender equality and anti-discrimination officers

In France, for example, these officers have a mediation and advisory role, and share best practices. They must ensure that no discriminatory situations occur in terms of hiring, vocational training, career paths and development, women's ability to access positions of responsibility, compensation policy, work/life balance or the organization of working hours.

Gender equality officers reviewed 31 potential cases of discrimination in France in 2022 (versus 25 in 2021), 20 of which resulted in salary adjustments being made (versus 15 in 2021).

Combating stereotypes through training

Since 2013, nearly 900 of the Group's French managers have received training in combating stereotypes. In 2018, the initiative was supplemented in France, with efforts to raise awareness of everyday sexism, among 150 managers. In 2019, efforts continued in France with HR teams and prevention officers training on regarding efforts to combat sexual harassment and sexist behavior. Almost 500 further people received training on this topic in 2021. In 2022, a training program on harassment was provided for 818 employees. Face-to-face workshops provided awareness-raising for a further 70 people working in a production environment on sexist behavior and sexual harassment.

Focus: ratification of the Women Empowerment Principles

The CEO, Executive Committee members and country and regional heads have formalized their commitment in favor of gender equality by ratifying the Women Empowerment Principles.

Their commitment is borne out by the action taken:

- appointment of a Head of Diversity and Inclusion;
- affirmation of anti-discrimination principles within charters and policies;
- training initiatives;
- flexible working arrangements;
- development of the Elle@legrand internal network;
- targets for increasing female representation.

Promoting the Elle@legrand gender equality network

This network is an initiative developed by Group employees, run by an independent governing body and funded by General Management. The network discusses skills development, career progression and work/life balance, arranges programs such as mentoring and organizes presentations and exchanges of views with other networks.

At the end of 2022, the network was present in 33 countries. These initiatives confirm Legrand's commitment to providing a secure, caring work environment for all employees and more particularly for women employees who have suffered violence. In line with its purpose of improving lives, the Group takes action to raise employee awareness and direct victims towards the competent networks. Emergency numbers and support for victims are provided locally.

Focus: combating gender-based violence

As part of its commitment to combating gender-based violence, Legrand has signed two charters aiming to protect victims of domestic violence:

- the Commitment Charter against Gender-Based Violence developed by oneINthreeWOMEN, the first European network of companies to engage in this combat, and *Fondation Agir Contre l'Exclusion* (FACE);
- the manifesto of French economic actors against violence, backed by the Ministry in charge of gender equality, diversity and equal opportunity.

On the occasion of the International Day for the Elimination of Violence against Women, initiatives such as conferences, self-defense workshops, charity donations, a communications campaign, training on signs of violence and to identify what steps to take were organized in Germany, the Netherlands, Switzerland, Colombia, Peru, Chile, Spain, Italy, the Gulf states, Australia, Senegal, Mexico, Egypt, the United Kingdom, Greece, France and India.

Focus: Empower Girls by Legrand India

Legrand India has been helping deserving female students pursue their engineering studies at local universities since 2018. The aim is to make women more self-sufficient by providing them with high-quality vocational training, and to train the female managers of the future.

The initiative currently supports 390 female students.

In 2021, this initiative won the GEEIS-SDG award for actions in favor of gender equality as a means of achieving the UN sustainable development goals.

Reducing the pay gap between men and women

Legrand champions gender equality and works to reduce the pay gap between male and female employees in equivalent roles wherever it is found to exist.

The aim of this priority is to promote diversity, for example by increasing the number of women in skilled roles. This commitment applies to the non-managerial population, and perfectly complements the commitment described above.

Focus: Legrand's gender equality index

As required by the French act of September 5, 2018, and the related implementing decree of January 8, 2019, aiming to eliminate gender pay gaps within companies, Legrand has published its gender equality index in France, showing a score of 91 out of 100. That score has risen by 6 points compared with the 2018 figure of 85 (out of 100). It is calculated using the following five criteria:

- pay gap between women and men (score out of 40);
- gap in the distribution of individual pay rises (score out of 20);
- gap in the distribution of promotions (score out of 15);
- number of female employees who received a pay rise on returning from maternity leave (score out of 15);
- number of people among the top ten earners whose gender is underrepresented in that group (score out of 10).

The index is the result of an HR policy in place for more than seven years: the first gender balance agreement was signed by all relevant parties in 2012, and it was renewed most recently, again unanimously, on January 30, 2018.

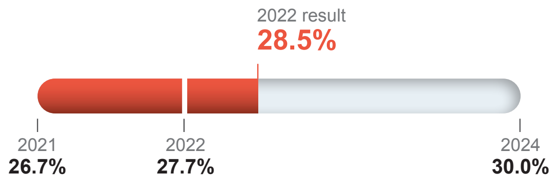
In 2022, the agreement was extended to take account of the inclusion of all employees.

All entities in each country must increase the proportion of women in managerial positions (*i.e.* with a Hay grade of 14 or over).

In 2022, female managers made up 28.5% of managers. Figures exclude acquisitions made in 2021 and 2022.

Gender diversity

Achieve a level of **30% of management** positions filled by women



→ 2022 achievement rate: **102.9%**

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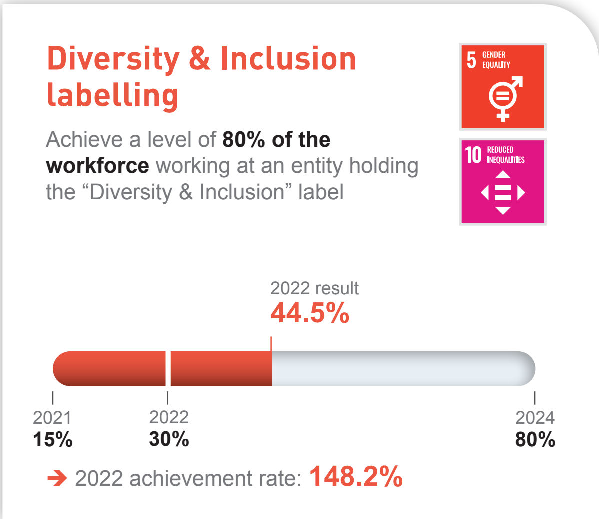
4.5.5.2 Diversity and inclusion: multidimensional issues

In keeping with its purpose of improving lives and in order to help reduce inequality (SDG 10), support gender equality (SDG 5) and create decent jobs fostering economic growth (SDG 8), Legrand supports all forms of diversity.

With the target of more than 80% of employees working for an entity with Diversity & Inclusion accreditation, diversity and inclusion have become a more important part of Legrand's strategy.

Based on the Gender Equality European and International Standard – Diversity (GEEIS – Diversity) comprising nine analysis criteria, this accreditation allows for systematic implementation of Diversity and Inclusion standards. A third-party organization checks the Group's compliance with the requirements of this standard. To obtain the GEEIS – Diversity label, the entity must meet the requirements of the standard relating to gender diversity and at least one other aspect of diversity of the five in the Group's policy (see above Focus on the Diversity & Inclusion policy).

At the end of 2022, 44.5% of employees worked for entities with the GEEIS – Diversity label, excluding acquisitions made in 2021 and 2022.



Focus: GEEIS - Diversity label

In 2020, the Group's head office and France entities obtained the Gender Equality European & International Standard (GEEIS) – Diversity label, created by Arborus and audited by Bureau Veritas Certification, for its head office and operations in France, followed in 2021 by its subsidiaries in Chile, Colombia, Egypt and Switzerland. The subsidiaries in the United Arab Emirates, Italy, Germany and Austria, India, Peru, Southeast Asia, Iberia and Hungary obtained the label in 2022.

This acknowledges the progress made by the Group over many years in terms of diversity, gender balance and inclusion, principles that are at the heart of Legrand's HR and CSR strategies.

The GEEIS label was created in 2010 to give companies effective ways to oversee their gender balance and enable them to ensure equal opportunities.

In 2017, the GEEIS Diversity label was added to the certification options. Based on its conviction that diversity and inclusion are key drivers of innovation, performance and wellbeing within a company, Legrand encourages gender equality at work and seeks to diversify the profiles of the talented people who support the Group's growth.

In 2020, a diversity training course was made available to employees on the Learning with Legrand platform. By the end of 2022, more than 2,500 employees had taken the course.

Inclusion and disabilities

For many years, Legrand has sought to include disabled people in its workforce. This approach is a natural fit with the Group's commitment to "Promote equal opportunities through an improved awareness of diversity in Human Resources management".

Overall, people with a disability make up 2.15% of the Group's workforce.

Internships are also granted to people with disabilities by various Group entities.

In France

Prevention and integration agreement

Implementation of the agreement on preventing discrimination and integrating people with disabilities for the 2021-2023 period continued. It comprises a hiring plan, an integration and training plan with adapted workstations, and a retention plan for disabled employees.

In France, Legrand has also set up a disability unit to manage the initiatives contained in the anti-discrimination and integration agreement, and to raise awareness of the issues faced by disabled people both inside and outside the company.

Under the agreement, Legrand allocates a budget for donating disability-related electrical equipment to refurbishment or new-build projects.

Links with ESATs

The Group has close relationships with sheltered employment centers in France (*Etablissements de Service et d'Aide par le Travail* or ESATs):

- annual contracts for the provision of services as well as production work are signed every year;
- free training is provided to the personnel of ESATs regarding safety rules and the use of firefighting resources;
- ESATs have been set up in-house at two of the Group's sites in France. The system offers experience of professional life in a less sheltered work environment.

Communication

As part of the European Disability Employment Week (EDEW), a conference on the theme of autism was held at the Group's head office in Limoges in 2022. The aim was to foster better understanding of the various forms of autistic spectrum disorders (ASDs) and provide better support for employees dealing with this condition. The conference was relayed across all the Group's sites in France.

In addition, events are organized at head office and elsewhere to change the perception of disability, such as receptions for visually impaired students and disability sports events.

A training module on the integration of workers with disabilities is also available on the Learning with Legrand platform.

In 2022, Legrand once again took part in DuoDays. a national initiative launched in 2016 to help people with disabilities learn about a trade or validate a career choice by spending the day in a company, local authority or association. In France, the six pairs created worked together and learned from each other based around a chosen job. This day provides an opportunity for participants to look at things differently and overcome their prejudices together.

Other initiatives around the world

Initiatives of this kind are also carried out in other countries, particularly to raise awareness of different disabilities:

- Group sites in Brazil are also committed to employing disabled people, either directly or through institutions. People with disabilities can thus participate in remunerated industrial projects, which enables them to stay in work;
- in Italy, subsidiary BTicino has partnered with CFPIL (Varese Center for Vocational Training and Integration through Work) and the Italian province of Varese to facilitate the workplace integration of young people with mental and motor disabilities. This commitment results in trainees being integrated into the Group's Italian teams;
- awareness-raising initiatives have been organized in Poland and Chile (poster campaign or conference), the United Kingdom (disability training) and Greece (staging of a play) as part of European Disability Employment Week. In Hungary, in 2021, almost 50 employees took part in the Special Olympics Summer National Games organized by the city of Szentes, during which some 700 athletes with moderate, severe and multiple intellectual disabilities competed in 16 disciplines;
- in India, a skills development program specifically for people with disabilities was launched in 2022.

Focus: Skills development program for people with disabilities

To help young people with disabilities enter the world of work, Legrand India launched a six-month skills development program specifically for this vulnerable group. This initiative is in partnership with non-profit MAYACARE. In 2022, 52 young people with disabilities benefited from the program, with the aim of getting the best employment opportunities.

Inclusion and LGBT+

Legrand has made the inclusion of LGBT+ people one of the five pillars of its Diversity and Inclusion policy. The company has also ratified the *L'Autre Cercle*'s LGBT+ Commitment Charter (see Focus below), as well as the UN's standards of conduct for business to tackle discrimination against lesbian, gay, bi, trans and intersex people.

In addition, Legrand supports the employee initiative to create an internal network that is open to all and aims to support the inclusion of LGBT+ within the company. In 2022, local satellites of this network were in place in France, Italy, the United States, Mexico and Colombia. A training module on LGBT+ inclusion is also available on the Learning with Legrand platform.

Around 10 employees took part in the "Odyssey for Equality" project, whose work on "How should the workplace look for LGBTQIA+ people?" was presented at the Human Rights forum in Copenhagen.

The Group also set up a support mechanism for transitioners. It also supports two charitable organizations, Le Refuge in France and Migrabo in Italy.

In France, the LGBT+ ambassadors program was launched in 2022. These volunteers serve as the face of HR on the theme of LGBT+ rights, with the goal of helping adopt measures to encourage the inclusion of LGBT+ people. They are also the main points of contact for LGBT+ people. They also play a role in training managers in how to incorporate best practices for the inclusion of LGBT+ people in their everyday management. Around 20 LGBT+ ambassadors have been identified so far in France.

Focus: Signature of *L'Autre Cercle*'s LGBT+ Commitment Charter by the Executive Committee

As part of its Diversity and Inclusion policy, Legrand has continued its strong commitment to human rights and inclusion within the company. Accordingly, the Executive Committee has signed *L'Autre Cercle*'s LGBT+ Commitment Charter.

Benoît Coquart was named among *L'Autre Cercle*'s "2020 LGBT+ ally role models" in the manager category. This recognition results from the Group's commitment and efforts to promote greater diversity, inclusion and respect for differences within the company. In 2021 and 2022, four other employees won awards in the LGBT+ first job, LGBT+ leader, ally executive and ally leader categories.

Intergenerational inclusion

One of the priorities of the 2022-2024 CSR Roadmap is to offer 4,000 new training opportunities each year in the form of internships or work-based training contracts, or even jobs, for people starting out in their career. On this basis, Legrand hopes to contribute to offering decent work to this vulnerable group (SDG 8). This indicator includes all Group entities excluding acquisitions made in 2021 and 2022.

Many young people around the world benefit daily from the support provided by experienced employees during internships and apprenticeships.

Legrand raises awareness of the electrical industry among boys and girls, throughout their education from middle school to university, by sending employees to speak at schools, universities and training establishments, and by inviting groups of students to attend events organized by the Group.

Technical challenges are held on a regular basis with university students. Legrand also supports the world vocational training championships organized by Worldskills in the "Electrical installation" category.

In many countries, initiatives are being developed to make it easier for all young people to learn about and access the job market.

In Italy, through the "BTicino at the teacher's desk" program, employees pass on their technical skills to young people who want to develop careers in the electrical, electronic or mechanical engineering industries. This program also helps young people choose their career path.

In the United Kingdom, Legrand's partnership with Job Centre Plus enabled more than 8,000 students aged over 16 to find out more about working at Legrand during National Apprenticeship Week.

In Germany, Legrand's initiatives included organizing the Apprentice Business Games. Team Future is in charge of establishing direct contact with school and university students looking for internships or work-based training contracts. A Team Future program is also available for potential interns and apprentices at university.

In Mexico, a program has already allowed 16 young interns and apprentices with limited financial resources to join the Group.

In Spain, Legrand has formed agreements with universities to offer work experience to students.

In Indonesia, 22 interns were supported during a one-year university course at Politeknik Negeri Sriwijaya with Legrand technical solutions.

In India, as part of the Legrand Empowering Scholarship Program, 390 students received scholarships for higher education courses in engineering, architecture or other fields at Indian universities. In 2022, the program was extended to 20 people with disabilities and six transgender students. Eight Indian students had the opportunity to continue their studies at prestigious French universities such as ESSEC, ESCP, EDHEC, EPITA and NEOMA. In addition, 50 students benefited from mentoring support. As part of the apprenticeship program, more than 350 young apprentices benefited from opportunities at factories and offices. A center of excellence has been set up in partnership with GLA University in India to offer certification in inverter maintenance. The first cohort (2022-2023) comprises 34 students, four of whom are female, with the target of recruiting 60-80% of students. Under the summer internship program (for engineering and management graduates), 98 students were offered internships.

Employability of early-in-careers

Offer **4,000 new opportunities** to early-in-careers each year

→ 2022 achievement rate: **96.9%**

Social, cultural and ethno-racial inclusion

Legrand has several locations in France and supports the development of the communities wherever it operates. Through the "*La France, une chance, les entreprises s'engagent*" program, Legrand pursues various practical initiatives in favor of employment, inclusion and professional integration for all.

Legrand France is a partner of the "Capital Filles" charity which mentors female high-school students and gives them career guidance.

A training module on ethnic discrimination is available on the Learning with Legrand platform.

In the United States, a Black Professional Network (BPN) for visible minorities was set up in 2020. In 2021, a mentoring program was set up bringing together African American senior executives and employees to extend the networking process. A pilot reverse mentoring scheme between senior executives and employees has been developed to discuss what African Americans experience in their working lives. Many employees have enjoyed career progression thanks to their more extensive networks.

In addition, an inclusive leadership program has been launched, beginning with the company's senior executives and top managers. The program includes an online training model and a series of webinars focusing on the four pillars of inclusive leadership, *i.e.* impartiality, ability to listen, sense of belonging and growth mindset. More than 90 executives followed this program in 2021.

In 2022, the Black Professional Network launched its Courageous Conversations series, three events designed to facilitate dialogue, destigmatize attitudes and help employees feel safe so that they can be themselves at work.

4.6 - Commitment to customers

Customer satisfaction is one of Legrand's main priorities. In a fiercely competitive environment and with the rapid pace of technological change, the Group has stepped up its quality control procedures and implements continuous improvement plans to ensure the quality of its products while also developing how customer experience is taken into account throughout the product life cycle.

Focus: Development of ETEQ (End to End Quality) at Legrand

Quality is a priority for all Legrand brands, with no compromises. Each Legrand employee has a clearly defined role and pays close attention to quality in order to ensure optimum customer service.

Legrand's quality control approach has been updated to include the principle of ETEQ (End To End Quality), ensuring quality over the entire product life cycle, from design through to the end user.

Quality control initiatives implemented in accordance with the ETEQ principle over the last few years include the introduction of a QR code on products and packaging to improve the customer experience, providing user information and data.

4.6.1 - Legrand's customer-centric strategy

Legrand firmly believes that customer satisfaction is a driver of profitable and responsible performance and employee engagement. It has therefore built on its customer-centric strategy with the Best of Us multi-year program aiming to enhance the customer experience on the basis of four key values: listening, simplicity, responsiveness and expertise.

By regularly sounding out their expectations, Legrand can therefore offer its customers an experience that meets their needs throughout the customer journey, starting from initial advice about the product range, followed by all physical and digital commercial contact points, right through to after-sales assistance.

The program brings together the best initiatives that can improve the customer experience, including service quality, the relevance of tools provided, responsiveness and the way Legrand interacts with customers in general.

4.6.1.1 Methodology and results

Customer satisfaction is measured each year by means of the Customer Satisfaction Survey (CSS), sent out simultaneously to all subsidiaries and geographical regions for business customers, such as distributors, installers and product specifiers, covering 90% of revenue generated in 2022. The questionnaire is designed to ascertain the level of customer satisfaction during various interactions with Legrand and for the various Group brands, as well as whether or not customers would recommend Legrand to their colleagues and business contacts.

Legrand has a number of indicators allowing it to monitor the quality of the customer experience offered, in addition to the quality feedback provided in the questionnaire. This extremely valuable feedback is also taken into consideration by the Group as part of its policy of continuous improvement.

The main indicators used include:

- **Customer Satisfaction (CSAT)** to directly measure customer satisfaction, which was 78% in 2022. This is down relative to the previous year, mainly due to the change of methodology decided by Legrand. The Group now questions its customers on their level of satisfaction with each area of interaction, such as placing orders or the delivery process, rather than their overall level of satisfaction. This gives more precise information and allows for specific measures to be taken.
- **NPS (Net Promoter Score)**, which measures how likely customers are to recommend Legrand to others, such as business contacts, friends and family. Using a scale of 0 to 10, this allows for customers to be put into three categories: detractor, neutral and promoter. The NPS makes it possible to measure brand attachment and the level of customer loyalty. In addition to the annual CSS, the Net Promoter Score (NPS) is also used on most of the Group's commercial websites (71 countries) to measure the quality of the customer's experience throughout their digital journey. The process is validated and audited by an external auditing firm.
- **Service rate**

  Product availability is key to customer satisfaction. As a result, Legrand monitors the service rate of its various subsidiaries to measure the Group's ability to fill customer orders in the desired quantities and timeframes.

  Overall, the 2022 service rate was 82%, compared with 81% in 2021, 85% in 2020 and 92.2% in 2019.

In its 2022-2024 CSR Roadmap, Legrand has set the target to achieve 90% of sales made to satisfied customers. The achievement rate of this objective in 2022 was 100%. It is the result of the combination of coverage of the CSS (over 90% of sales) and the CSAT result (78% = satisfied and very satisfied customers). This performance demonstrates the Group's resilience to the Covid-19 pandemic and the acute supply chain difficulties, particularly with regard to electronic components, encountered in 2021 and 2022.

Customer satisfaction

17 PARTNERSHIPS FOR THE GOALS

Achieve 90% of sales made to **satisfied customers** (satisfaction surveys)

→ 2022 achievement rate: **100%**

4.6.1.2 Findings and action plans

Customer feedback is an extremely valuable source of information and allows for better understanding of what customers expect.

In the most recent customer satisfaction survey, customers emphasized the quality of Legrand's products and accompanying technical and sales documentation. They also appreciated the fact that these products help them lower their energy consumption. However, the training provided is deemed insufficient at present in certain geographical regions.

This is therefore one of the areas for improvement that the Group is working on, drawing on the best practices in place in certain countries. This is the case in Colombia, where changes to this service have resulted in a higher level of satisfaction.

Legrand has also adopted the "close-loop feedback" principle, which consists of contacting dissatisfied customers within a specified time frame.

Focus: Legrand customer testimony

"We find the products offered by Legrand to be high quality and convincing enough to be recommended to our customers and friends. Thanks to stock availability, deliveries in the time you want and technological innovations to enable you to enter new market segments, we are able to increase our rate of business activity. Thank you for your exceptional service."

Sunil Ved, Chairman and Chief Executive Officer, Yogeshwar Enterprises, India

4.6.1.3 Legrand, a customer-centric company

Legrand has taken the necessary steps to propagate a customer-centric culture as widely as possible within the company. A series of training tools and resources, such as best practices, processes and organization charts, are made available to all Group employees.

This is backed up by a network of 86 Group champions responsible for passing on the principles of customer-centricity and customer values. Its role is to share best practices in terms of customer experience and promote internal initiatives.

The Group has also introduced a Customer Experience Day (CX Day), based on the principles of share, inspire, learn, allowing all employees to appropriate the concepts needed to continue to put customers at the heart of their concerns.

Finally, Legrand aims to ensure that the customer experience approach in place is approved by its customers. The Group has chosen to measure its degree of "customer centricity" using four indicators: simplicity, responsiveness, expertise and listening. Legrand now measures the level of customer satisfaction on the basis of these themes. It also uses a VOCE (Customer Voice through Employees) survey to ensure that employees' perception of the customer experience is aligned with the reality expressed by its customers in the CSS.

4.6.2 - High quality, sustainable products and solutions

Offering high quality products that protect the health and safety of users and meet the most demanding standards is one of Legrand's priorities. As part of its quality control approach, Legrand develops its products on the basis of a quality control system at each stage of product development.

Legrand also applies a quality governance model that allows it to respond rapidly and in a structured manner to any major customer incidents or those considered to pose a risk.

4.6.2.1 Protect the health and safety of product users

The quality policy, managed by the Quality Control department created in 2022, reports to the Operations department and is applied by each country individually. The policy sets out Legrand's commitments in terms of meeting regulatory requirements. It also defines the organizational structure, as well as the ways in which processes are controlled, measured and monitored. Streamlined management systems (which are ISO-certified) help to reduce and prevent risks.

The Group's quality policy can be viewed online at https://www.legrandgroup.com/en/our-commitments/csr-resource-center

The Group's quality policy is essentially implemented through:

- ISO 9001 certification by independent bodies, based on quality management systems in place at each of the Group's sites. At the end of 2022, 86% of sites were certified;

- product accreditation by certified laboratories, carried out before products are brought to market;
- production quality control procedures, which require frequent or systematic checks to be introduced, depending on the characteristics and criticality of products and functions;
- additional tests, called “surveillance plans”, to ensure that basic product performance remains consistent with initial quality and certification standards throughout the manufacturing and marketing phases. After products have been introduced into the market, independent, random checks are carried out on them, either internally or by an external provider. This monitoring plan includes a list of products to be assessed, procedures for testing and analyzing them, and progress reporting;
- the customer dissatisfaction management process ranks instances of dissatisfaction according to various levels of severity. Those that could result in implications for the safety of goods or people, or that have significant financial implications, are dealt with according to the rules laid down in the product risk management procedure;
- the product risk management procedure is applicable to all the Group’s finished products. It includes rules for the fast-track internal response to potentially critical situations.

In the most sensitive cases, product withdrawal or recall actions may be launched. For trade products, the same qualification and quality control processes are implemented.

Various performance indicators are closely monitored at the country and operational department levels:

- the number of recorded customer complaints associated with a low, medium or high risk;
- the internal and external cost of poor quality arising due to the cost of defects in manufactured products;
- the external poor quality rate expressed in ppm (parts per million), calculated as the ratio of the number of faulty products (exchanged, repaired or refunded) to the number of products sold.

Any divergence from these indicators is systematically analyzed and gives rise to action plans.

Legrand’s industrial system is continuing to evolve with the gradual and expanded rollout of Industry 4.0 equipment to achieve zero defect manufacturing, for example by using integrated visualization systems.

4.6.2.2 Innovation for customers

Legrand’s organic growth is driven primarily by its ability to innovate. The Group spends around 5% of its revenue on research and development. This solid level of investment ensures a constant flow of new products offering new aesthetics and functions, in line with customers’ expectations.

Innovation increases commercial value by:

- creating products that are suited to new uses, in particular those that are most sustainable;
- making the company stand out in its market;
- creating barriers to entry for competitors;
- preventing commoditization of products;
- increasing productivity and reducing costs.

This enables Legrand to increase the level of trust among distributors, as well as the loyalty of installers, specifiers and end users, and strengthen its numerous market-leading positions.

4.6.2.2.1 Innovation by adopting new technologies

In order to seize the opportunities offered by the changing technical landscape, Legrand has defined its “technological roadmap” managed at Group level. A total of 24 technologies are included in the roadmap and classified by level of maturity. These technologies are managed and monitored as they can influence the Group’s ability to develop incremental and breakthrough innovations in the short and long term. To better understand the issues involved and limit the risks relating to future new technologies, Legrand works on POCs (proofs of concept) and exploratory programs to increase skills and fill in any knowledge gaps.

4.6.2.2.2 Innovation through knowledge sharing

Promoting and sharing innovation initiatives within Legrand structures with different cultures, mentalities and skills sets helps generate ideas and optimizes the exploratory phase.

To this end, the Group’s Strategy department organizes regular Innovation Events each year on strategic innovation topics. In 2022, the focus was on “Innovation for sustainability”. Nine speakers from Legrand and three guests from external organizations had the opportunity to share their initiatives.

In addition, the Group’s Strategy and Purchasing departments organize a yearly Techno Day on a specific technology theme in collaboration with the Operations department. In 2022, the theme was “energy recovery”, giving the opportunity for four partners from outside the Group to discuss their business and solutions.

4.6.2.2.3 Innovation through partnerships

Legrand and its ecosystem together face challenges that are too significant to be addressed individually. Innovative and more effective solutions are needed on a global scale to address challenges such as sustainability, climate change, the energy crisis, healthcare needs and transportation. Open innovation methodologies add an essential component to traditional innovation approaches and speed up collective learning and value creation.

The Group firmly believes that stimulating innovation requires partnerships to accelerate the pace of development and help achieve progress across the entire electrical and digital industry.

To achieve this, Legrand works closely with the industrial, scientific and academic communities.

Partnerships with start-ups, SMEs and large companies

Each year, Legrand launches dozens of innovation projects in collaboration with start-ups, scale-ups, SMEs and large companies facing a variety of issues. Examples include:

- a partnership with a young Canadian company specializing in strain sensor technologies to identify a possible solution for tracking the installation status of cable trays during the product life cycle and associated maintenance requirements;
- a partnership with a French start-up to develop innovative monitoring solution and come up with ways of optimizing energy consumption using artificial intelligence;
- Kenall, a Legrand group company, thanks to a collaboration with NASA spin-off BIOS, now offers some of the top-selling lighting solutions using BIOS SkyBlue™ technology, the first artificial light spectrum to align with the key signals of blue sky. This increases vigilance during daylight hours and encourages better sleep;
- a partnership with one of the world's largest glass producers to explore the added value of using glass in certain product lines for the residential and hotel market, and promote an innovative user experience using haptic solutions (exploring the sense of touch and kinesthetic phenomena), i.e. the body's perception of its environment, by analogy with acoustic or optical techniques;
- a partnership with a Chinese company specializing in datacenters, developing Container Datacenter solutions for the Chinese market;
- partnerships with companies specializing in megatrends such as hydrogen, the metaverse and NFTs, which are useful to Legrand to anticipate the risks and benefits for the Group's main activities and define an innovative user experience.

Partnerships with research laboratories and universities

There are numerous examples of collaborations with public and private research institutions that aim to look into opportunities associated with new technologies and the adoption of innovative governance and business models. Examples include:

- in France, Legrand has established a long-term partnership with CEA-Tech, a French organization specializing in research, development, innovation and the technology transfer program. This collaboration has led to the development of autonomous power supply solutions. Legrand and CEA are now working actively on energy recovery applications and exploring the area of predictive maintenance;
- in the United States, Legrand is collaborating with the University of California's Lawrence Berkeley National Laboratory on a research project focusing on improving building efficiency and resilience with the help of low-voltage direct current power supply networks and predictive software that manage electricity consumption, including renewables and energy storage systems;
- in Italy, Legrand has a long-term collaboration with the Politecnico di Milano, focusing on transforming technological trends in the area of digital technology into business opportunities for Legrand's portfolio of connected solutions and identify promising start-ups;
- in the United Kingdom, Legrand is collaborating with Aston Business School on exploring opportunities related to the functionality economy and assessing associated business opportunities.

Other major collaborations with leading universities are also in place in countries such as Brazil, India, China and Singapore.

Technological alliances and with standardizing bodies

Legrand promotes innovation within a number of ecosystems by contributing to the activities of 10 or so alliances and numerous standardization bodies on a local and international level.

Examples of technological alliances in which Legrand is involved include:

- Connectivity Standard Alliance: to build the foundations and future of the IoT (Internet of Things) by allowing all objects to connect and share data creation opportunities for the entire value chain in a simple, secure and transparent way;
- Open Charge Alliance: a global consortium of public and private sector leading names in electric vehicle infrastructure coming together to promote open standards;

- Wireless Power Consortium: a collaborative open standard development group that aims to promote worldwide compatibility of all wireless chargers and wireless power sources.

Legrand is also involved in more than 60 standardizing bodies and promotes the development of standards. Within many of these bodies, the proactive role played by the Group's representatives has been recognized through prestigious awards such as the Lord Kelvin and Thomas Edison awards.

Partnerships within business clusters

Legrand is a member of business clusters. These are designed to bring together, in a given region, local businesses, start-ups, training organizations, research laboratories and universities, to develop synergies and cooperation through innovative projects. In France, Legrand is a member of ALPHA RLH, a high-tech cluster specializing in the fields of photonics and microwaves, and S2E2 (*Science et Système de l'Énergie Électrique* – Science and Electrical Power System), which focuses on electrical energy on topics such as energy efficiency, smart grids, sustainable building and energy storage.

4.6.2.3 Legrand's support of the electrical industry

Work done in the electrical and digital industries is becoming increasingly high-tech. Legrand works with industry participants to help them develop their skills and adopt best practices, in terms of installation at all times, in all locations and using all kinds of tools.

To achieve this, Legrand has set up around 30 Innoval training centers around the world, providing training for distributors, specifiers and installers to keep their skills up to date, consolidate their knowledge and develop their commercial offerings.

The training programs offered by Legrand include modules to obtain practical experience or training in current technical regulations and standards, online self-learning modules, virtual classes and tailor-made courses for professionals at each stage of their projects.

By way of illustration, in 2022, the Innoval centers in France provided training for around 2,700 interns and welcomed more than 1,900 customers.

4.6.3 - Combating counterfeiting and respecting intellectual property

4.6.3.1 Combat counterfeiting

Due to its international presence, the Group faces a greater risk of its products being counterfeited. Its aim is to guarantee that all products available on the market comply with current standards and ensure user safety. Both directly and in collaboration with the electrical industry, Legrand is involved in ongoing efforts to prevent counterfeiting on three levels:

- through internal anti-counterfeiting mechanisms (see Copytracer, below), supported in particular by intellectual property representatives at the operational level;
- through active involvement in the seizure and destruction of counterfeit electrical products, working closely with the customs agencies of the countries concerned;
- through global communication strategies *via* trade unions or industry associations, *i.e.* the FFB (*Fédération Française du Bâtiment*), IGNES (*Industries du Génie Numérique Énergétique et Sécuritaire*), the BEAMA (British Electrical and Allied Manufacturers' Association), as well as UNIFAB and QBPC in China). Through these efforts, Legrand seeks to raise awareness among all participants, particularly installers and distributors.

Since 2006, more than 1,000 seizures have been made, resulting in close to 8 million counterfeit electrical products being removed from the market and around 60 production tools being seized and destroyed.

4.6.3.2 Respect and ensure respect for intellectual property

The Intellectual Property department, which reports to the Group's Legal department, works on combating counterfeiting and managing trademarks, patents, models and domain names.

Legrand holds extensive portfolios of patents, models and trademarks, some of which apply worldwide.

The Group's entities take all necessary precautions to not infringe on the rights of third parties. The Intellectual Property department relies on a network of intellectual property advisors, in association with internal correspondents within the Group's main subsidiaries.

As projects come up, Legrand acquires intellectual property rights, protects its immaterial assets and ensures that its rights are respected, in particular by allowing for the withdrawal from the market of poor-quality product copies.

In keeping with Legrand's purpose, the entire intellectual property policy in place makes it possible to protect innovation, the Group's trademarks and its customers and users.

Focus: Copytracer: protecting the user

Customer satisfaction also depends on the Group's ability to guarantee the authenticity of its products to customers.

To combat counterfeiting, Legrand has introduced a system known as Copytracer. This involves a unique registration number being applied to certain Legrand products.

The system makes it possible to distinguish original products from copies and other counterfeits.

4.7 - Supplier commitment

4.7.1 - The Group's sustainable purchasing approach

Principle

Legrand's sustainable purchasing strategy is based on the principle that its ethical, environmental and workforce-related rules also apply to its suppliers and subcontractors.

This concerns internal and external stakeholders involved in purchasing in all countries in which the Group operates, including those with less stringent environmental and workforce-related standards than OECD countries and where manufacturing and bought goods can damage the environment, or fail to uphold the human rights and fundamental freedoms of workers and local communities.

Sustainable purchasing is one of the fundamental principles of Legrand's social responsibility. Because Legrand is a signatory of the Global Compact, the Group's suppliers are also encouraged to comply with the Global Compact's principles. As a result, more than 68% of purchases from the Group's panel are from suppliers that embrace these principles.

Structural basis

Sustainable purchasing is based on:

- gradually adopting a purchasing approach that takes into account the life cycle cost of the relevant purchases;
- training efforts covering employees involved in purchasing decisions and processes;
- identifying and monitoring higher-risk suppliers in terms of CSR;
- getting suppliers to reduce their carbon impact and apply the principles of the circular economy (see section 4.3.3 "Scope 3 greenhouse gas emissions" and section 4.4.2 "Use of recycled materials";
- developing additional business with suppliers working in favor of diversity and inclusion;
- vigilance with regard to regulated substances, resources that are being depleted and minerals from conflict zones.

Organization

The person in charge of sustainable purchasing is attached to the Group's Purchasing department and reports to the CSR department, and ensures that the process is followed and implemented *via* a network of sustainable purchasing correspondents in the 30 or so countries that have a purchasing department.

Purchasing Quality Management System (QMS)

Sustainable purchasing is managed by means of a Purchasing Quality Management System (QMS) that is ISO 9001 certified for the France and Corporate purchasing scope. The corresponding procedures are applied by purchasing teams internationally.

Each stage of the supplier relationship is governed by the Group's sustainable purchasing rules, in particular:

- Purchasing Specifications: a contractual document containing Legrand's requirements of its suppliers in relation to environmental and workforce-related matters. The Ten Principles of the Global Compact form a part of this document;
- a Contract or General Terms and Conditions of Purchase, which provide for a supplier mediation process in the event of a dispute in France;
- a supplier selection procedure, the scope of which depends on the purchasing category, the issue, the type of supplier and the risk, regardless of location.

Reporting

Group reporting regarding purchasing is carried out by the person responsible for overseeing purchasing performance. Sustainable purchasing performance indicators are included when measuring the Group's purchasing performance. These indicators are monitored on a monthly basis by the Purchasing department and quarterly by the CSR department and the Operations department, and twice a year by the Group's Risk Committee.

Life cycle cost

Purchasing processes comply with ISO 20400 recommendations concerning life cycle cost (LCC). 98% of the Group's purchases in 30 countries use an LCC matrix to compare what suppliers offer with regard to relevant purchases. This takes account of all costs associated with goods or services to be bought, from purchase through to end of life. CSR criteria make up 17.5% of the overall score given to suppliers. Since 2019, around 700 LCC matrices have been carried out in 30 countries.

Training

Between 2019 and 2021, more than 1,500 buyers and internal stakeholders involved in the purchasing process were trained in sustainable purchasing and using the LCC matrix to be able to understand the principles and their role. These efforts continued in 2022 concerning 230 people in 30 different countries who attended the Group's sustainable purchasing conference.

Focus: Legrand suppliers and sustainable purchasing

Since 2012, in France, Legrand has held the Supplier Relations and Sustainable Procurement label, which has been aligned with the ISO 20400 sustainable procurement guidelines since the end of 2017. In 2019, Legrand's purchasing operations in Italy were assessed as being very mature in relation to ISO 20400, a level confirmed by the Bureau Veritas audit performed in December 2020.

4.7.2 - Monitoring and measuring higher-risk suppliers in terms of CSR

Sustainable purchasing forms part of a collaborative continuous improvement approach. The Purchasing department assesses its suppliers in terms of CSR and provides assistance if any shortcomings are identified in terms of their ethical, environmental and workforce-related practices.

Higher-risk suppliers in terms of CSR are assessed and monitored on a centralized basis within the Supplier Value Management (SVM) platform.

CSR risk mapping

Higher-risk suppliers in terms of CSR are identified each year according to the risk mapping criteria:

- purchasing category;
- supplier country;
- purchasing volume;
- Legrand's exposure.

Evaluation of purchasing categories uses the EcoVadis methodology and allowed for the identification of 20 higher risk purchasing groups in terms of CSR in 2022.

Evaluation of higher-risk suppliers in terms of CSR

For suppliers identified as higher risk, a two-tier evaluation is carried out:

- a documentary audit based on a CSR questionnaire and analysis of the evidence provided. This is used to establish suppliers' CSR score. A supplier is considered compliant if they obtain a score of over 55. A score of 35 to 55 means they pose a risk. A score below 35 is considered critical and means the supplier cannot be approved. In 2022, 242 CSR assessments were carried out. A total of eight suppliers were deemed to be at risk and one supplier was assessed as critical;
- an on-site audit for suppliers deemed at risk or critical. This goes deeper than the documentary audit and is carried out by a purchasing officer and a QSE (Quality, Safety and Environment) expert. In 2022, 61 audits were carried out, 13 of which were with external auditors, primarily in China, Hong Kong, the Netherlands and Colombia.

Supporting higher-risk suppliers in terms of CSR

A formal action plan is mandatory for suppliers deemed at risk or critical in terms of CSR. Action plans are prepared with the suppliers. Where a supplier has not sought to make any improvements, it may be phased out of the supplier portfolio.

Action plans continue until the suppliers comply with CSR requirements. At the end of 2022, of the nine suppliers concerned (eight at risk and one critical), all showed improvement in their CSR score, apart from four at-risk suppliers, which are being phased out of the supplier portfolio.

Action plans are shared periodically between the Group's country purchasing managers and the sustainable purchasing manager.

For more details, see section 4.9 "Duty of care" and section 4.9.4 "Supplier activities".

4.7.3 - Suppliers committed to diversity and inclusion

Legrand supports employment of people who have difficulty accessing the job market due to their personal situation (*e.g.* people with disabilities, people of diverse ethnic origins or from a diverse social or cultural background).

Since 2019, diversity has been one of the CSR criteria taken into consideration in selecting Legrand's suppliers. Since 2022, the Group has specifically targeted suppliers supporting diversity and inclusion, in other words, those recognized as being an inclusive company and with accreditation, a public policy or concrete actions in these areas.

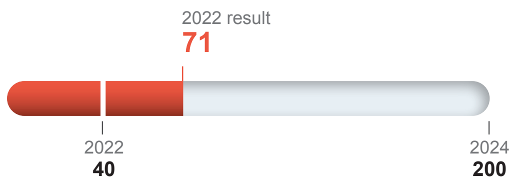
These suppliers are identified in the Supplier Value Management (SVM) platform.

Actions and resources

In 2022, the 12 main countries in which the Group operates allocated some of their purchasing budgets to Diversity & Inclusion suppliers, representing 71 additional business dealings, or 177% of the Group's target of 40.

Diversity and inclusion among suppliers

Develop **200 additional businesses** with suppliers qualified as "Diversity & Inclusion" by 2024



→ 2022 achievement rate: **177.5%**

Legrand aims to foster long-term relationships with these suppliers. This additional business concerns new suppliers as well as existing suppliers with which Legrand has chosen to do more business. They are selected specifically on the basis of Diversity & Inclusion criteria and provide evidence of their commitment, which is analyzed and checked by the person in charge of sustainable purchasing.

Focus: Legrand North and Central America (LNCA) Diversity and Inclusion program

Since 2021, LNCA has increased the volume of business with more than 30 diversity-certified suppliers and has signed agreements with eight new suppliers in the United States and Asia, representing an increase in purchasing volumes of more than USD 8 million. Formal partnerships have been established with the National Minority Supplier Development Council (NMSDC) and the Women's Business Enterprise National Council (WBENC). More than 90% of LNCA's active suppliers are classified according to Diversity and Inclusion criteria.

4.7.4 - Managing the presence of regulated substances in the Group's purchases

Experts from the central materials laboratory, the Environment department, designers and buyers identify the types of materials and items purchased with a high probability of containing regulated substances, particularly those governed by RoHS and REACH. Specific monitoring is carried out regarding the SVHC (substances of very high concern) candidate list for authorization under REACH so that substitution programs can be adopted if necessary with the suppliers concerned.

The purchasing categories concerned are identified in the Supplier Value Management (SVM) platform, which allows buyers to activate the process for verifying suppliers' compliance with these regulations upon approval. A certificate or any other form of proof is provided by suppliers to attest that they comply with requirements relating to regulated substances. The corresponding compliance documents are managed in the SVM platform.

The Group's requirements with regard to regulated substances are set out in its contractual documents, in which it is specified that the goods supplied must not contain prohibited substances under current regulations and that suppliers are required to inform Legrand of the presence of authorized substances that are subject to regulations, the measures to be adopted for using these gooends and any instructions concerning destruction after use, regardless of where the goods are manufactured or sold.

4.7.5 - Minerals from conflict zones

In a number of countries around the world, but especially in the Democratic Republic of Congo and neighboring countries, the extraction and trade of certain minerals fund armed groups, conflicts and crimes against the population. These "conflict minerals", known as 3TG (tin, tantalum, tungsten, gold), are cassiterite (tin ore), coltan (tantalum ore), wolframite (tungsten ore) and gold.

Legrand is never in a position where it has to purchase minerals directly. However, in accordance with its conflict minerals policy, the Group supports OECD initiatives and follows the guidance contained in the "OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas".

Legrand has identified and evaluated the risks associated with its supply chain. A total of 25 purchasing categories are potentially exposed, primarily electronic components, metals and contacts. Potentially exposed suppliers are identified in the Supplier Value Management (SVM) platform.

In 2022, the 39 suppliers of the purchasing categories concerned sent undertakings not to source materials from conflict zones (conflict minerals policy or completed CFSI CMRT template). Investigations conducted confirmed that the suppliers used conflict-free sources.

Since 2020, Legrand has also taken account of Delegated Regulation (EU) 2020/1588 of June 25, 2020, amending Annex 1 of Regulation (EU) 2017/821 of May 17, 2017, laying down supply chain due diligence obligations for Union importers of tin, tantalum and tungsten, their ores, and gold originating from conflict-affected and high-risk areas. Legrand does not purchase any of the ores listed in Annex 1 of the regulation and few of the metals listed concern Legrand; where they do, they are mainly purchased in the form of alloys or processed products, and so to its current knowledge are not affected.

Legrand North and Central America (LNCA) is also committed to meeting the requirements arising under section 1502 of the Dodd Frank Act. LNCA requires suppliers concerned:

- to pledge to be or become conflict-free;
- to undertake to source supplies from guaranteed conflict-free foundries;
- to issue comprehensive statements based on the EICC-GeSI format by highlighting the commitment of the supplier concerned to become conflict-free;
- to find out the country of origin of the tin, tantalum, tungsten and gold that it purchases.

4.8 - Act ethically

In most of the markets where it sells its products, Legrand is subject to local and international regulations in the areas of competition law, embargoes, export control and efforts to combat money laundering and terrorist financing, as well as corruption and fraud. A dispute involving Legrand with regard to these regulations could have a material impact on the Group's business, reputation, results and financial position.

Because of its international exposure, the Group faces a risk of non-compliance with these laws and regulations.

Legrand has therefore implemented a Compliance Program to ensure that its efforts are fully transparent and that it acts with integrity.

4.8.1 - Legrand's business ethics policy

One of the basic tenets of Legrand's social responsibility is to abide by ethical principles. General Management's commitment is set out in the Compliance Program, based on a dedicated organizational structure that aims to ensure compliance with the rules and policies in place.

Group General Management's commitment

General Management is directly involved in ensuring compliance with business ethics and plays a role in enforcing the Group's Compliance Program and works to ensure that it is properly applied through dedicated governance efforts. The Group adheres to major universal principles and international reference texts:

- The OECD convention on combating bribery of foreign public officials in international business transactions;
- The OECD guidelines for multinational enterprises;
- The United Nations convention against corruption;
- European directives relating to competition;
- All national competition and anti-corruption laws;
- The Universal Declaration of Human Rights and additional covenants.

Focus: country directors pledging support for the Compliance Program by signing a letter of commitment

Since June 2015, the commitment of General Management has cascaded down to the Group's various departments and countries through the signature of a letter pledging compliance with rules on business ethics.

This pledge reflects the priorities of the CSR Roadmap and confirms the signatories' commitment to training local staff and effectively implementing the rules and procedures of the Group's compliance program.

Executive Committee members signed the pledge again in September 2021 to renew their commitment and reaffirm the importance of the compliance program within the Group.

Organization of business ethics within the Group

Business ethics is the responsibility of the Group Legal and Compliance Department supported by a network of Compliance Officers tasked with ensuring that the Compliance Program is fully in place across the Group.

The Group Compliance Officer works directly with the Group Risk Committee, the Audit Committee and Board of Directors.

Compliance control arrangements form an integral part of the Group's internal control program, which is responsible for risk management.

Business ethics guidelines and charters

Legrand's commitments and rules regarding business ethics are enshrined in its guidelines and charters.

- The Guide to Good Business Practices, updated in 2022, sets out the values shared by the Group's employees. It therefore reflects General Management's commitment to unreservedly and unequivocally involve the Legrand Group in the prevention and detection of corruption and fraud. Its aim is to foster a culture of compliance. The Guide defines and illustrates situations and behaviors that could constitute corruption or fraud and that must be prohibited. Behaviors that are contrary to the commitments and principles of the Guide may lead to penalties, notably as defined in the Group's internal procedures.
- In terms of trade relations, Legrand's Competition Charter sets out the best practices to adopt and explains how to abide by competition rules.
- These documents supplement the Group's Charter of Fundamental Principles; these are annexed to its rules of procedure and enforceable against Group employees, who must comply with the rules they contain. Group guides and charters apply to all Group employees and are adopted wherever it operates, including outside France, without prejudicing the application of stricter laws where relevant.

All employees must adhere to these rules, particularly if they are in contact with customers, suppliers or business partners. Ethical business rules also apply to the Group's suppliers and subcontractors. Legrand expects them to adhere to the sustainability standards contained in its Ethical Supplier Relations Code. Compliance with these rules is a major factor in supplier selection and management.

All these documents can be found at https://www.legrandgroup.com/en.

Overseeing lobbying activity

Lobbying efforts are not part of the Group's strategy. In 2022, no money was used to fund political parties. The Guide to Good Business Practices requires prior approval to be sought for these types of contributions. The Group primarily takes part in joint initiatives with other market operators within professional organizations (GIMELEC, IGNES, ASEC, etc.).

4.8.2 - Deployment of the business ethics and training policy

Group Compliance Program

The Compliance Program, set up in 2012, is based on the regulatory and legislative framework, best practice rules defined by Legrand and analysis of the risks relating to business ethics for the Group. The program was strengthened in 2017 following the principles of France's Sapin II act, which is applicable to all countries.

The program is based on four key pillars:

- compliance with competition rules;
- efforts to combat bribery and influence peddling;
- prevention of conflicts of interest and management of fraud risks;
- compliance with international embargoes and sanctions and the prevention of money laundering and terrorist financing.

The Compliance Program has five phases:

Phase 1. Strong commitment from the Group's General Management

This is supported by local departments, which sign a formal pledge to comply with the rules on business ethics. Country Compliance Officers are responsible for applying the program and report to the Country Compliance Committees.

Phase 2. Analysis of the Group's compliance risks

Compliance risk mapping provides insights into the risk factors that could affect the Group's business and performance. It enables the Group to guard against the legal, human, economic and financial consequences that could result from a lack of vigilance. Its aim is to ensure that the Group's compliance program is effective and appropriate. Legrand has identified compliance risks within the four pillars of the program, namely competition, anti-corruption, fraud, and embargoes and money laundering. The compliance risk map is evaluated regularly and updated on the basis of changes in the business or in the regulatory or economic environment.

Phase 3. Clear control policies and mechanisms

These policies are designed to meet Legrand's requirements and are applied locally. They are supplemented by practical guides tailored to local contexts and intended to define the Group's rules and tools.

Phase 4. Training and communication

The program is promoted *via* a communication plan. The Group's messages and tools are translated into local languages and circulated among employees. The Group provides training through e-learning platforms and classroom-based sessions for the employees concerned.

Phase 5. Supervision and audit

Each Group subsidiary undergoes a self-assessment of its internal control system which includes checks on compliance with business ethics. In addition, business ethics are included in the internal audit programs.

Communication and training

In order to raise awareness of the ethical behavior to be adopted and to avoid internal and external solicitation, a specific communication and training plan is implemented locally by the Group's various entities.

Communication plan

The communication plan addresses the Group's commitments concerning the prevention and detection of corruption and fraud, the various aspects of the compliance program, and the risk training policy. The information and materials are translated into local languages.

Training

Each year, the Group provides training for its most exposed employees:

- Managers;
- Country heads;
- Operational managers;
- Chief Financial Officers;
- Other people dealing with third parties, particularly those working in sales and purchasing.

They are the main contributors to efforts to prevent and detect corruption and fraud. It is therefore necessary that they clearly identify the behaviors to be adopted and their roles and responsibilities when faced with situations of non-compliance. They must encourage the broad dissemination of the commitments made by General Management, ensure that their employees embrace these, and establish a common knowledge base.

In addition to and regardless of their risk exposure, the Group educates all employees on the rules of compliance. The Group's different areas set up their own training methods adapted to their particular environment and risks.

Training covers the following themes:

- definition of compliance in general, compliance issues and the applicable legal obligations;
- the commitment made by General Management;
- the Group's compliance program and its application;
- rules of conduct and best practice, and behaviors to be adopted;
- the role and responsibilities of each person when faced with corruption or fraud;
- the applicable sanctions as the case may be.

Training may be provided *via* e-learning or in person.

4.8.3 - Monitoring and reporting

Legrand's commitment to business ethics covers three aspects: framing, training and ensuring compliance.

Framing: this means ensuring that Legrand's commitments are supported by management and known by all employees;

Training: this aims to ensure training of key personnel;

Ensuring compliance: this aims to ensure that the Group's compliance policies and procedures are observed.

Evaluation of the Compliance Program

Evaluation of the Compliance Program covers the program's five themes as described above, and is based on the arithmetic mean of the three aspects set out above.

Some of these controls are reviewed annually as part of an internal control self-assessment exercise, coordinated and checked by internal audit. The aim is to measure coverage of the Group's charters and guidelines, as well as the effectiveness of the various controls and procedures implemented.

Controls are also tested during on-site internal audits. Together with training, the internal control of these compliance practices is a crucial tool for Legrand's business ethics. It helps to disseminate and foster a solid understanding of and respect for business ethics.

In 2022, 35 audits were performed, including a "business ethics" review. Of those audits, five were performed on recently acquired companies.

Whistleblowing

Legrand has introduced a whistleblowing system that is accessible to all, allowing it to receive alerts about the existence of conduct or situations contrary to charters and guidelines.

Procedures for the protection of whistleblowers exist to protect the rights of whistleblowers and, more importantly, their identity, as well as the details of the alleged events and the people implicated.

In 2022, the Group received 34 ethics alerts *via* SignalEthic. None of those alerts had a significant impact. They were examined and handled in accordance with Group procedures as detailed in the Charter of Fundamental Principles.

Focus: Legrand's whistleblowing portal

The Group's whistleblowing platform meets the requirements of France's Sapin II act and duty-of-care act. It allows all Group employees and stakeholders to report ethics breaches. It can therefore be accessed internally and externally.

Disclosures are made *via* the legrand.signalement.net website, which is available in various languages.

This system complements the Group's other whistleblowing channels (line management; Human Resources Department; ethics correspondents; compliance officers; Group Internal Audit; Group Management Control, etc.).

The following alert categories are covered:

- Bribery and influence peddling
- Child labor
- Discrimination and harassment at work
- Competition law
- Money laundering
- Failure to comply with international sanctions and embargoes
- Fraud
- Forced labor
- Freedom of association and union rights
- Decent working conditions
- Occupational health and safety
- Environmental protection

Statutory provisions relating to whistleblowers cover all disclosures. The banning of all sanctions or retaliatory measures against anyone making a report in good faith is guaranteed by the Group and reasserted in its Charter of Fundamental Principles and its Guide to Good Business Practices.

Litigation

A legal action relating to failures to comply with business ethics regulations is underway.

Responsible taxation

According to the United Nations, taxes play a vital role in contributing to the economies of the countries in which companies operate.

Because of the Group's international presence and the complexity of the various tax systems around the world, Legrand may be exposed to the risk of changes in tax regulations or of having its positions challenged during tax inspections.

Such challenges may give rise to financial costs that are potentially significant and, in some countries, criminal penalties that would damage the Group's image and reputation among its stakeholders. The Group Tax Department and local experts are committed to refraining from using aggressive tax strategies disconnected from operational reality or artificial tax arrangements.

If necessary, operational teams use the services of tax firms that are internationally renowned or have a very strong local reputation. The Group Tax Department carries out permanent monitoring of the most significant regulatory developments. It ensures that the Company complies with the applicable rules and laws in the main countries, and checks overall compliance with the Group policy defined in accordance with OECD rules.

The Tax Department has also set up country-by-country reporting in accordance with international recommendations. This enables it to detect potential discrepancies in tax expense or in the distribution of earnings.

Each month, the Group tax department monitors the overall tax expense borne by Legrand and for all Group subsidiaries.

Quarterly discussions take place between the Group Tax Department and finance officers in the main countries to review major tax matters.

Material tax items and any disputes and regulatory developments relating to tax are examined every quarter with the Finance Department and every year with General Management. The main matters are also shared with the Audit Committee at each quarterly publication.

4.9 - Duty of care

In accordance with France's 2017 act on the duty of care of parent companies and ordering companies and with its CSR strategy, Legrand has set up a duty of care plan, the structure and results of which are presented below. The aim is to ensure that Legrand's partners are committed to meeting its standards in terms of working practices, business ethics, the environment and health and safety.

4.9.1 - Scope and implementation

The plan applies to all of the Group's consolidated entities, without exception. The Group's acquisitions are included within business-line systems (procedures and reporting processes) at the earliest opportunity. This process is completed within a period of maximum 36 months from the date of acquisition. The table below (section 4.9.3 "Overview of the duty of care plan") summarizes Legrand's duty of care plan to ensure respect for human rights, the environment and personal health and safety, in its own activities and those of its suppliers. The plan has three dimensions:

- the five stages of implementing a duty of care plan under the act;
- three types of issues: human rights, personal health and safety and the environment; and
- two business scopes: the activities of Legrand, and its subsidiaries, and the activities of its suppliers and subcontractors with which it has commercial relationships.

4.9.2 - Governance

The CSR department is in charge of the duty of care plan. A working group involving the finance, purchasing, operations, health and safety at work, human resources, environment and legal functions has been set up. It helped design the duty of care plan and meets regularly to coordinate its implementation. The working group reports on its work to the Risk Committee (as regards the system, action plan and results), since the duty of care plan has been identified as a way of reducing risk for the Group and its stakeholders. Members of the Executive Committee attend the relevant Risk Committee meetings. The duty of care plan has also been presented and discussed in meetings of the Commitments and CSR Committee and Audit Committee. The duty of care plan was presented to union representatives at French and European levels in 2017.

4.9.3 - Overview of the duty of care plan

	Human rights and fundamental freedoms	Occupational health and safety (OHS)	Environment
STAKEHOLDER RISK MAPPING			
Legrand	Risk mapping Human rights	Accident reporting (in real time, monthly and annually) Safety while traveling: identifying at-risk areas	ISO 14001 certification (identification of Significant Environmental Aspects)
Suppliers	CSR risk mapping (environment, OHS, human rights, ethics and supply chain) Targeting of the most exposed purchasing categories and the most relevant suppliers		
REGULAR ASSESSMENT PROCEDURE			
	Human rights self-assessment by subsidiaries	Monitoring of OHS reporting results (process and accident rate)	Annual environmental reporting ISO 14001 certification (regular audits)
Suppliers	Periodic review of risk mapping, adjusting the list of higher-risk suppliers accordingly Documentary audits: defining the supplier's risk level (CSR scorecard), on-site audits		
PREVENTION OF SERIOUS BREACHES AND RISK MITIGATION			
Legrand	Human Rights Charter Follow-up self-assessment if risks are detected, action plan monitored by the Group	Deployment of the Legrand Way Health and Safety Action plans monitored by the Group if a risk is detected *via* Support International SOS reporting	Local risk mitigation action plans as part of the ISO 14001 approach Centralized monitoring of action plans aimed at reducing energy consumption and industrial waste recovery
Suppliers	Sustainable purchasing training Purchasing specifications (or contracts or general terms of conditions of purchase) stipulating compliance with regulations and Legrand's CSR commitments Procedure for approving and managing "higher-risk suppliers in terms of CSR" Risk mitigation: centrally monitored action plans of suppliers exposed to CSR risks		
ALERT OR WHISTLEBLOWING MECHANISMS			
Legrand and suppliers	Group whistleblowing mechanism – see "Focus: Legrand's whistleblowing portal" in section 4.8.3 Group internal audit and audits carried out by Legrand on suppliers		
METHODS FOR MONITORING MEASURES TAKEN AND ASSESSING THEIR EFFECTIVENESS			
Legrand	Comply with the Group's commitment to human rights	Deploy best practices on health and safety at work	CSR Roadmap priority: target of reducing Scope 1&2 CO_2 emissions by 10% a year Annual monitoring of waste produced and VOC emissions
Suppliers	Raise awareness and provide training about sustainable purchasing Measure progress of higher-risk suppliers in terms of CSR Encourage suppliers to adopt a low-carbon approach geared towards the circular economy Develop additional business with suppliers working in favor of diversity and inclusion		

4.9.4 - Supplier activities

4.9.4.1 Regular risk mapping and assessment

Environmental, workforce-related and ethical risk mapping of the Group's suppliers is carried out every three years to prepare for each new CSR Roadmap. The aim is to identify the risks associated with the activities of suppliers and subcontracters for the Group's internal and external stakeholders.

Higher-risk suppliers in terms of CSR are identified each year according to the risk mapping criteria: purchasing category, supplier country, purchasing volume and Legrand's exposure.

In 2018, the purchasing categories were revised and classified by level of CSR risk with the help of EcoVadis, which specializes in assessing CSR practices in supply chains using the following methodology:

- 70% of the total CSR risk is calculated on the basis of environmental, workforce-related and ethical risks relating to the purchasing category and the supply chain;
- 30% of the total CSR risk is calculated on the basis of purchasing risk, taking into account the volume of purchases and Legrand's exposure.

Each purchasing category is given a CSR risk score between 1 and 6, where 6 denotes the highest level of risk. In 2022, 20 purchasing categories had a risk score of 6, such as purchasing categories exposed to chemicals risk: surface treatment, galvanization, painting and battery production. These are targeted specifically as they could present a risk to employees' health and safety and to the environment. The suppliers of the 20 highest-risk purchasing categories are subject to risk analysis by the purchasing departments in around 30 countries. Suppliers with which significant business is conducted are treated as priority.

Suppliers based in countries exposed to CSR risks, particularly workforce-related risks, and economically dependent on Legrand are also monitored as priority.

In 2022, this methodology allowed for the risk assessment of 242 Corporate and local suppliers potentially at risk in terms of CSR. Eight suppliers were deemed to be at risk and one supplier was assessed as critical in terms of CSR. They all showed improvement in their CSR score, apart from four at-risk suppliers, which are being phased out of the supplier portfolio.

4.9.4.2 Regular assessment procedure

Suppliers identified on the basis of risk mapping that may pose a higher risk in terms of CSR, apply the following risk management procedure:

4.9.4.2.1 Documentary audit

This is established using a detailed questionnaire, the result of which gives the supplier's CSR score. The questionnaire covers four main areas:

- respect for human rights and fundamental freedoms (including compliance with the eight fundamental conventions of the ILO);
- employee health and safety (including the assessment of occupational risks, the identification of personal and collective protective equipment and their use by employees);
- management of environmental issues (*e.g.* effluent treatment);
- the supplier's sustainable purchasing approach (including the identification of its own suppliers that present CSR risks).

The maximum score is 100 points:

- score over 55: the supplier is CSR compliant;
- score between 35 and 55: the supplier presents risks in terms of CSR;
- score below 35: the supplier is critical in terms of CSR.

For each supplier identified as presenting risks and critical, an improvement plan must be put in place. Historically, certain countries such as the United States, India and Colombia have used a different questionnaire and scoring system. This is accepted if the questionnaire is at least as demanding as the Group's.

In 2022, 242 CSR scorecards were produced for suppliers identified as higher risk in terms of CSR during the risk mapping process. At the end of 2022, the situation was as follows:

- 233 suppliers were found to be compliant in terms of CSR (96.3%);
- eight were found to be critical in terms of CSR (3.3%);
- one was found to be critical in terms of CSR (0.4%).

Action plans are prepared for risky and critical suppliers.

4.9.4.2.2 On-site audit

For suppliers deemed at risk or critical, an on-site audit is performed to expand on the documentary audit. This is carried out on the basis of evidence provided by the supplier. In 2022, 61 supplier CSR audits were carried out, 13 of which were with external auditors, primarily in China, Hong Kong, the Netherlands, Colombia, Italy, the United States, France and Egypt. This assessment and monitoring system is being gradually automated *via* the Supplier Value Management (SVM) digital platform.

4.9.4.3 Risk prevention and mitigation measures

The main measures to prevent and mitigate risks are:

- informing suppliers of the CSR commitments expected by Legrand, particularly via purchasing specifications, contracts and general terms and conditions of purchase;
- applying the approval process, which includes a CSR questionnaire;
- training employees in sustainable purchasing (1,500 people trained since 2019);
- incorporating CSR criteria into the criteria for selecting suppliers, including the supplier's management of CSR risk (28 countries use these criteria and matrices of their choice incorporating the life cycle cost);
- implementing improvement plans with 100% of suppliers identified as at risk or critical (the nine suppliers assessed as at risk or critical in 2022 showed improvement in their CSR score, apart from four at-risk suppliers, which are being phased out of the supplier portfolio);
- sharing information about progress with action plans and critical situations periodically between the Group's country purchasing managers and sustainable purchasing managers. A quarterly review is carried out by the Purchasing Management Committee and the Purchasing CSR Steering Committee, and data are also shared twice yearly with the Operations Department and the Risk Committee.

Formal action plans are coordinated locally by the country's head of purchasing or by a sustainable purchasing correspondent (as is the case in India, China, Italy and the United States), and continue until the suppliers are no longer at risk.

The action plans implemented relate directly to the shortcomings observed during documentary or on-site audits. Examples include carrying out personnel evacuation exercises, appropriately displaying safety guidelines in workshops, defining an environmental policy, ensuring the conformity of effluent treatment stations, and ensuring the conformity of the supplier's employee working hours and overtime payment. See section 4.7.2 "Monitoring and measuring supplier progress".

4.9.4.4 Effectiveness and results of the monitoring plan

Since 2014, Legrand has discontinued relations with 10 higher risk suppliers because of major discrepancies or for failing to engage with the improvement plan. No serious discrepancies were detected, for example involving child labor. Action plans mainly highlight:

- the need to produce periodically the necessary documentary information (environmental certificates for example);
- the need to formalize health and safety procedures (for example, hazard warning notices in factories, reminders to wear safety masks, gloves and footwear, preparation of an evacuation plan and associated drills, better chemical storage, etc.).

Indicators relating to the supplier duty of care plan

Resource indicators	
Number of people receiving sustainable purchasing training since 2019	More than 1,500
Coverage rate of the purchasing risk analysis	100%
Number of documentary audits in 2022 (CSR scorecards)	242
Number of on-site audits in 2022	61
Risk indicators	
Total number of suppliers in 2022	36,000
Number of higher-risk suppliers in terms of CSR	273
Number of risky suppliers in terms of CSR	8
Number of critical suppliers in terms of CSR	1
Performance indicators	
Number of ethical alerts (internal and external) concerning suppliers in 2022	1
% of suppliers presenting risks in terms of CSR to have shown an improvement in their situation	100%
Number of suppliers whose contracts have been terminated	2 between 2014 and 2018; 1 in 2021 4 in progress at end-2021 3 in 2022 and 1 in progress

For more details, see section 4.7 "Supplier commitment".

4.9.5 - Group activities

4.9.5.1 Human rights

4.9.5.1.1 Regular risk mapping and assessment

Theoretical risk mapping

Since 2012, Legrand has mapped risks regarding human rights at work. It classifies the countries where the Group operates, based on the ratification of the ILO conventions on fundamental principles and rights at work and the Freedom in the World index. Through this approach, the Group determined that in 2022:

- 58% of the Group's workforce was based in "free" countries;
- 42% of the workforce was based in countries that are either "not free" or "partially free" according to the Freedom in the World index.

This analysis helps to prioritize these countries in terms of trade and work done.

In 2018, Legrand developed its approach by mapping theoretical risks relating to six main issues: child labor, forced labor, health and safety, working conditions, freedom of association and discrimination. These theoretical risks were ranked according to the following criteria:

- potential severity of the breach measured through its potential extent (size of workforce);
- difficulty of remedial measures and scale;
- probability of occurrence.

This ranking exercise was carried out using external resources such as ITUC's Global Rights Index and US Department of State reports on forced labor, child labor and the human rights situation worldwide (classified by country). Legrand also took into account whether or not ILO conventions had been ratified and whether or not local legislative provisions existed.

Based on these resources, the Group ranked theoretical risks in order to find the most relevant ones in each country.

The countries identified as theoretically presenting the greatest risks are: Algeria, China, Colombia, Egypt, India, Indonesia, Kazakhstan, Malaysia, Morocco, Mexico, Philippines, Russia, Saudi Arabia, Singapore, South Korea, Thailand, Turkey, Ukraine and the United Arab Emirates.

Inherent risk mapping

Until 2018, Legrand based its due diligence within these countries on the Danish Institute for Human Rights methodology. The subsidiary self-assessment process was supplemented by a meeting with the person responsible for social issues. After that assessment, certain inherent risks were identified. An action plan to address them was then defined with the local Human Resources manager. Since 2019, Legrand has been deploying a new investigation matrix, still inspired by the Danish Institute questionnaire and, using that tool, will regularly assess how closely its subsidiaries' practices comply with its Human Rights Charter.

4.9.5.1.2 Risk prevention and mitigation measures

In 2017, Legrand drew up a Charter on Human Rights based on the principles and standards previously detailed. The Charter was approved by the Chief Executive Officer. It sets out, in operational terms, the Group's commitments to comply with the aforementioned texts. It seeks to inform all internal and external stakeholders about the principles and commitments that the Group has adopted for itself and its partners in connection with its activities. In 2018, the Charter was rolled out to those in charge of subsidiaries and local purchasing and human resource managers. Since 2019, all countries have carried out a self-assessment regarding respect for fundamental rights at work, covering 100% of the workforce.

4.9.5.1.3 Effectiveness and results of the monitoring plan

No forced labor or child labor situations, as defined by ILO conventions, were detected within the Group. Questionnaire results have identified areas of potential progress, relating to practices that already exist within the Group but are insufficiently deployed. Among the improvement initiatives being undertaken, the main themes are:

- raising awareness of non-discrimination;
- improving employment conditions and taking action to improve health and safety;
- communicating about the existence of the whistleblowing system.

Action plans are therefore being implemented as part of a continuous improvement process. In addition, awareness-raising and training measures are provided for employees. In 2022, this was the case in Hungary, Mexico, Peru, the United Kingdom, Indonesia, South Korea, India and Poland.

4.9.5.2 Occupational health and safety

4.9.5.2.1 Regular risk mapping and assessment

As part of Legrand's approach to human rights (see section above), the questionnaire sent to all Group subsidiaries in 2019 addresses the theme of occupational health and safety (OHS). The OHS theme and remedial measures are assigned "high" importance.

Action taken on the basis of results is prioritized according to the country ranking referred to in section 4.9.5.1.

The method produces a score related to the environment in which the Group carries out its activities. This analysis is supplemented by identifying the scopes in which accidents are most common, based on actual accident frequency rates with and without lost time.

This gives a list ranked according to country risk criteria (country rating) and criteria related to site activity (accident data).

Based on the country risk criteria, the analysis shows that the following Group scopes are the riskiest: China and India.

As regards accident data, the countries with the highest FR1 lost-time accident frequency rates are France and Germany. The countries with the highest FR2 accident frequency rates (with and without lost time) are the United States, Malaysia and Egypt. Specific action plans are underway in these countries. Work-related accidents with or without lost time are classified by standard cause, of which the three main ones in 2022 were:

- object being handled (27%);
- fall or collision not at height (19%);
- machinery (15%).

4.9.5.2.2 Risk prevention and mitigation measures

Overriding OHS requirements

The Group has defined overriding OHS requirements. They relate to the following themes:

- formal safety guidelines based on risk assessments;
- communication and training (awareness-raising campaigns and results, hours of OHS training, number of first aiders, road risk);
- treatment of accidents (systematic analysis of root causes and definition of an action plan, use of "totems" to mark incident locations and management of external companies);
- treatment of near misses (disclosure and treatment system extended to hazardous situations);
- management (promotion of the Group's OHS policy, OHS committees, safety visits and 15-minute safety briefings);
- health (health monitoring, prevention of musculoskeletal disorders, UN targets and prevention of psychosocial risks).

These overriding requirements form part of the OHS criteria expected by the Group for all sites, regardless of their activity. For more details about these criteria, please refer to section 4.5.2 of this Universal Registration Document.

Comprehensive reporting

A four-level reporting process is in place:

- real-time reporting of work-related accidents (immediate disclosure to the Group's General Management);
- monthly reporting on key accident statistics;
- quarterly reporting of additional accident data (days of lost time, occupational illness, subcontractor accidents);
- annual reporting: three annual campaigns on the rollout of the OHS best practices of the Legrand Way (April, August and November).

Targeted action plans

In France, a specific system is in place that takes accident data into account. The aim is to deploy tools intended to enhance the safety culture among all employees.

In the United States, the FR2 indicator saw improvement in 2022 but a specific action plan is still in progress at the few sites where performance can still be improved.

4.9.5.2.3 Effectiveness and results of the monitoring plan

Following the 2014-2018 Roadmap, the Group changed its reference indicator and now uses the FR2 indicator, which covers accidents with and without lost time.

Legrand recorded a continuous fall in the FR2 over three years of the previous roadmap, with a rate of 3.49 at the end of 2021, beating the target set in the 2019-2021 CSR Roadmap.

In 2022, the FR2 improved further to 2.99.

Indicators relating to the duty of care at sites **Human rights and occupational health and safety**	
Resource indicators	
Hours of occupational health and safety training	251,574 hours (average of 7.7 hours per person)
Human rights risk map coverage rate	100%
Occupational health and safety reporting coverage rate	100%
Risk indicators	
% of the workforce working in countries that are “not free” or “partially free”	42%
Performance indicators	
Number of ethical alerts (internal and external) concerning the rights of employees or human rights more generally	18
FR1 rate (lost-time accident frequency)	1.92
FR2 rate (frequency of accidents with or without lost time)	2.99
Number of entities with a preventive or remedial human rights action plans	2
Number of human rights action plans in progress	2

4.9.5.3 Environment

4.9.5.3.1 Regular risk mapping and assessment

For more than 16 years, Legrand has ensured that each site[1] reports data that allows its environmental impact to be assessed in terms of energy consumption, water consumption, emissions of pollutants (VOCs or volatile organic compounds) into the air, and waste production and management (see section 4.10.3 regarding the environmental reporting system). These elements are identified as the Group’s main risk factors.

On the basis of energy consumption, the Group calculates its GHG emissions each year, particularly for Scope 1&2.

Each site’s environmental impacts are identified, measured and managed using the ISO 14001 environmental management system (EMS), which defines a continuous improvement loop: identification and management of Significant Environmental Aspects (SEAs) allow each site to produce its own risk map. Through centralized monitoring, the Group checks that this continuous improvement is reflected in its consolidated indicators. The significant challenge of reducing direct GHG emissions has a reduction target as part of the 2022-2024 CSR Roadmap.

4.9.5.3.2 Risk prevention and mitigation measures

ISO 14001 is used as a common reference. Each Group site must have an Environment Management System (EMS), and its compliance with ISO 14001 is certified by a third party. That compliance is declared each year in environmental reporting.

To meet ISO 14001 targets as well as targets set by the CSR Roadmap, each site is encouraged to produce an ambitious action plan that is monitored locally as part of the EMS. This decentralized way of defining initiatives ensures that they are suited to local conditions, which vary widely from site to site depending on location, the environment and the production processes used. Industrial best practices, as set out in the Legrand Way, form a benchmark to guide sites in their improvement plans. The effectiveness of measures taken is monitored as part of the ISO 14001 EMS. Results are consolidated, which shows progress towards targets at the Group level and allows the definition of remedial action targeting some or all sites where results are not satisfactory.

(1) Production sites with more than 25 people, administrative or commercial sites with more than 200 employees, and logistics sites larger than 15,000 m^2.

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4.9.5.3.3 Effectiveness and results of the monitoring plan

The process for issuing immediate alerts in the event of an accident or environmental alerts did not reveal any incidents in 2020, 2021 or 2022. Indicators regarding the Group's environmental indicators (energy consumption, water consumption, emissions of VOCs into the air and waste production and management) showed an increase in these indicators in 2022 as a result of the integration of new entities following acquisitions in North America: Universal Electric Corporation, Kenall and Focal Point. At constant scope, these indicators were stable or down. The Group also sets aside financial reserves to cover environmental risks. They relate to past pollution resulting from industrial activities prior to Legrand's arrival at the relevant sites and are subject to analysis and treatment plans.

Indicators relating to the duty of care at Legrand sites – Environmental issues

Resource indicators	
Proportion of sites with ISO 14001 certification	87.5%
Risk indicators	
Number of ethical alerts (internal and external) concerning the environment	0
Amount of reserves set aside to cover environmental risks	€5.6 million
Performance indicators	
% change in energy consumption since 2021	+3.8%
% reduction in Scope 1&2 CO_2 emissions since 2019 (SBTi basis)	-33%
% of waste sent to the recovery sector [(1)]	92%
% change in VOC emissions (2021, current scope) [(1)]	+8%

(1) These indicators cover the Group's industrial sites.

4.9.6 - Future development of the duty of care plan

The following areas for improvement have been identified:

- risk map review in 2023;
- consultation with stakeholders. Look into the possibility of incorporating duty of care into stakeholder consultations in 2023;
- duty of care update in line with the EU's new CSRD directive in 2024.

4.10 - Summary of indicators and cross-reference tables

4.10.1 - Reporting procedures

Occupational Health and Safety reports

These reports periodically consolidate statistical data on occupational risk prevention. They covered 100% of the Group's workforce (excluding acquisitions made in the last two years[(1)]) in 2022.

New acquisitions receive training in reporting rules and standards in the first year of their consolidation into the Group. Their prevention indicators are taken into account within the overall figures provided by the Group only after the third year following their consolidation because of the time needed to conform to the Group's methods and standards.

In 2022, five entities joined the scope of reporting. They were entities that joined the Group in 2020: three Universal Electric entities (United States, United Kingdom and Singapore), Connectrac and Focal Point in the United States.

Human resources reports

These periodically consolidate statistical data on human resources management. In 2022, they covered 98.5% of the workforce.

New acquisitions are integrated not later than two years following their inclusion in the Group's scope of consolidation[(1)]. In 2022, the following entities joined the reporting scope:

- Champion One in the United States;
- Ensto Building System and its countries of operation;
- Orvibo in China.

Environmental reports

These allow periodic consolidation of environmental data. They concern production sites with more than 25 people, administrative or commercial sites with more than 200 employees, and logistics sites larger than 15,000 m^2.

New acquisitions are integrated no later than two years following their inclusion in the Group's scope of consolidation[(1)] (three years for Product Sustainability Profiles).

In 2022, seven sites were included in the reporting scope: Canonsburg, Reading and Singapore (Universal Electric Corporation), Kenosha (Kenall), Dallas (Connectrac), Chicago (Focal Point) and the Volga site in Russia. Seven sites were removed. All reporting tools include documents giving an overview of the reporting process plus a user guide. Online help, data consistency checks and mandatory comments are integrated into these applications to help with inputting the entities' qualitative data.

(1) The year of acquisition is the year of financial consolidation of the new entity into Legrand's accounts.

4.10.2 - Overview of workforce-related indicators

4.10.2.1 Health and safety indicators

The data presented correspond to the Occupational Health and Safety scope of reporting, which covers all Group employees excluding acquisitions under two years(1) (*i.e.* 32,643 people at the end of 2022).

Risk indicators are consolidated across almost all employees covered by health and safety reporting, except for a few cases of isolated or seconded employees.

For reasons related to the reporting process, the results below (excluding accident data) were calculated on the basis of the end-November 2022 headcount, *i.e.*, 32,702.

	2020	2021	2022
FR1 - Frequency rate of lost-time work accidents: (Number of accidents x 1,000,000) / (Number of hours worked)	2.87	2.06	1.92
FR2 - Frequency rate of work accidents with or without lost time: (Number of accidents x 1,000,000) / (Number of hours worked)	4.45	3.49	2.99
Health and Safety Committees (HSCs) (% of Group workforce covered by this process)	95%	97%	99%
Occupational health (% of Group workforce who have had a check-up within the last 5 years)	77%	77%	85%
Severity rate of accidents at work (Number of days of lost time × 1,000) / (Number of hours worked)	0.16	0.12	0.10
Number of accidents among subcontractors	56	88	70
Training Number of health and safety training hours per person	5.2	5.8	7.7
Occupational illness (Number of recognized occupational illnesses)	38	45	45
Frequency rate of occupational illnesses (Number of recognized occupational illnesses x 1,000,000) / (Number of hours worked)	0.68	0.75	0.74
Number of fatal accidents	0	0	0

4.10.2.2 Indicators on employment, organization of labor, labor relations and training

Group workforce at the end of 2022

Registered workforce (open-ended and fixed-term contracts): at the end of 2022, the registered workforce consisted of 33,895 people. The scope of HR reporting is 33,371 people, 98.5% of the total workforce. It does not include acquisitions made in 2022.

Average workforce (open-ended and fixed-term contracts): average headcount in 2022 was 37,931. The breakdown by geographical location and main business sector is set out below.

	2020		2021		2022	
TOTAL NUMBER OF EMPLOYEES (ANNUAL AVERAGE)		**36,726**		**38,207**		**37,931**
By geographical location:						
Rest of Europe		14 009		14 890		15,403
North and Central America		6,819		7,084		6,917
Rest of the world		15,898		16,233		15,611
	of which Back Office	*of which Front Office*	*of which Back Office*	*of which Front Office*	*of which Back Office*	*of which Front Office*
TOTAL NUMBER OF EMPLOYEES (ANNUAL AVERAGE)	**80%**	**20%**	**81%**	**19%**	**80%**	**20%**
By geographical location:						
Europe	79%	21%	79%	21%	78%	22%
North and Central America	79%	21%	79%	21%	78%	22%
Rest of the world	83%	17%	84%	16%	83%	17%

(1) *The year of acquisition is the year of financial consolidation of the new entity into Legrand's accounts.*

Organization of working hours – Worldwide

	2020	2021	2022
% employees working full-time	97.4%	97.6%	97.6%
% employees working part-time	2.6%	2.4%	2.4%

N.B. The definition of full time and part time is given in the HR reporting user guide.

Absenteeism – Worldwide

	2020	2021	2022
All job categories	2.98%	3.11%	3.38%

N.B. The following are excluded: days of temporary layoff, disciplinary suspension, strikes, maternity leave, absence for family events (statutory or under agreements), statutory holidays and unpaid leave. Days of long-term sickness leave, i.e. days when the employee is no longer compensated by the company, are excluded from the calculation.

The absenteeism indicator covered 83.2% of the year-end workforce in HR reporting (excluding U.S. and Saudi Arabia data).

Employee-management dialogue and freedom of association – Worldwide

	2020	2021	2022
% of employees covered by a collective bargaining agreement and/or convention	45%	48%	47%

N.B. The percentage of employees covered by a collective bargaining agreement is the percentage of the total year-end workforce in the HR reporting scope.

Restructuring and reorganization – Worldwide

	2020	2021	2022
% of reporting scopes with consultation rules	33%	36%	36%

Compensation – Worldwide

	2020	2021	2022
% of non-managers on minimum wage	1.7%	0.9%	0.8%

N.B.

- *the minimum wage is the legal minimum wage of the country;*
- *13 reporting areas have employees on the minimum wage;*
- *the indicator above covers 97.9% of the Group's non managerial employees.*

Compensation by gender and occupational category – Worldwide

	2020	2021	2022
Gender pay gap: managers	12.8%	13.3%	13.9%
Gender pay gap: non-managers	10.4%	10.3%	9.2%

N.B. The calculation of the gender pay gap, for both non-managers and managers, is based on the weighted workforce in each reporting scope. It covers 99.3 % of the Group's non-managerial employees and 98.1 % of the Group's managerial employees.

With respect to the pay gap for non-managers, Legrand's industrial operations are assembly-intensive. Workshops are essentially staffed by women and the qualification level required is low. Concerning the pay gap for managers, note that these roles are essentially filled by men, the explanation for which lies in the nature of the Group's engineering businesses (electronic, electrotechnical and electromechanical fields) and sales and marketing activities (sales engineers). Pay for those jobs is above the Group average for managers.

Geographical breakdown of workforce

	2020	2021	2022
Mature countries	49%	49%	50%
New economies	51%	51%	50%
TOTAL	**100%**	**100%**	**100%**

N.B. The breakdown covers 100% of employees on permanent or fixed-term contracts of the HR reporting.

Breakdown by occupational category – Worldwide

	2020	2021	2022
Managers	32%	34%	36%
Non-Managers	68%	66%	64%

N.B. Definitions of occupational categories are included in the HR reporting user guide.

Breakdown by age – Worldwide

	2020	2021	2022
Employees < 26 years	6%	7%	7%
Employees ≥ 26 years and < 36 years	25%	25%	24%
Employees ≥ 36 years and < 46 years	31%	30%	30%
Employees ≥ 46 years and < 56 years	26%	26%	26%
Employees ≥ 56 years	12%	12%	13%

N.B. The age pyramid takes into account employees with fixed-term or open-ended employment contracts.

Breakdown by type of contract

	2020	2021	2022
Open-ended worldwide	85%	85%	86%
Fixed-term worldwide	15%	15%	14%

N.B. It should be noted that the proportion of fixed-term contracts is inherently affected by the large number of temporary contracts in China, a common local practice.

Hirings and departures – Worldwide

	2020	2021	2022
Proportion of open-ended contracts in hiring of employees on open-ended and fixed-term contracts (excluding fixed-term contracts converted into open-ended contracts)	38%	44%	55%
Proportion of fixed-term converted into open-ended contracts in hiring of employees on open-ended contracts	27%	22%	18%
Open-ended contract turnover	15%	14%	15%
O/Wh voluntary open-ended contract turnover (resignations)	5.1%	8.3%	8.6%

In 2022:

- *the total number of hires was 5,883;*
- *the number of open-ended contracts among new hires on open-ended and fixed-term contracts totaled 3,210;*
- *the number of fixed-term contracts converted into open-ended contracts was 724.*

“Open-ended contract turnover” takes into account resignations, retirements, layoffs for personal reasons, layoffs for economic reasons, departures by stipulated agreement, employees with an open-ended contract not remaining in the company at the end of their probationary period, and other reasons (according to the methodology recommended by the GRI). This “open-ended contract turnover” indicator is calculated by taking the total number of terminated open-ended contracts and dividing it by the open-ended contract workforce at the beginning of the financial year. "Volontary open-ended contract turnover" is calculated dividing the number of resignations by the open-ended contract workforce at the beginning of the financial year.

Moreover, it should be noted that the proportion of fixed-term contracts is inherently affected by the large number of temporary contracts in China, a common local practice.

*Departures**	2020	2021	2022
Of which resignations	33%	57%	56%
Of which retirement	8%	9%	8%
Of which other departures	59%	34%	36%
TOTAL	**100%**	**100%**	**100%**

N.B.: Data relating to departures include open-ended contracts. The “other departures” indicator takes into account collective agreements, layoffs for personal and economic reasons, employees with an open-ended contract not remaining in the Company at the end of their trial period, and various other reasons.

For 2022, the total number of departures was 6,754 for all reasons and for all types of contracts combined (of which 16.87% were departures for personal reasons, layoffs for economic reasons, and fixed-term contracts terminated early by the employer). Out of that total, 4,466 departures concerned employees on open-ended contracts; 2,288 departures concerned employees on fixed-term contracts, of which 43% were in the Group’s Chinese entities on account of the high proportion of fixed-term contracts in China. Note that 71% of departures of employees on fixed-term contracts took place at the employee’s initiative.

Hirings by gender – Worldwide

	2020	2021	2022
Percentage of women among persons hired	49%	50%	44%
Percentage of men among persons hired	51%	50%	56%

N.B.: These figures take into account open-ended and fixed-term contracts and exclude fixed-term contracts converted into open-ended contracts.

Employee training (fixed-term and open-ended contracts)

	2020	2021	2022
Number of training hours per employee (Worldwide)	17 h	17 h	20 h
Number of training hours per employee – Managers	22 h	20 h	22 h
Number of training hours per employee – Non-managers	14 h	15 h	19 h
Percentage of the Group's workforce receiving training during the year	89%	93%	96%

These figures are calculated by taking into account the number of training hours completed, divided by the number of people registered in the headcount at the end of the year, excluding acquisitions made during the year and the previous year . The calculation of the training rate takes into account the limitation at 100% of the achievement rates of countries.

Talent management – Worldwide

	2020	2021	2022
Rate of Individual Appraisal Reviews (CAPPs) – Managers	98%	97%	96%
Manager retention rate	97%	94%	93%

The rate of Individual Appraisal Reviews (CAPPs) - Manager is calculated by taking the number of annual manager interviews conducted divided by the number of managers registered in the headcount at the end of the year, excluding acquisitions made during the year and the previous year. It takes into account the limitation at 100% of the achievement rates of countries.

4.10.2.3 Diversity indicators

The tables below summarize the main Group indicators in terms of diversity. All data are reported unadjusted for changes in scope of consolidation.

Breakdown of employees by gender – Worldwide – Open-ended and fixed-term contracts

	2020	2021	2022
Women	36%	38%	38%
Men	64%	62%	62%

Breakdown of employees by gender and age – Worldwide – Open-ended and fixed-term contracts

	2020	2021	2022
Female employees < 26 years	2.8%	3.2%	3.1%
Male employees < 26 years	3.6%	3.7%	3.8%
Female employees ≥ 26 years and < 36 years	9.4%	9.8%	9.5%
Male employees ≥ 26 years and < 36 years	15.5%	14.9%	14.0%
Female employees ≥ 36 years and < 46 years	11.8%	11.9%	12,1%
Male employees ≥ 36 years and < 46 years	19.0%	18.3%	18,1%
Female employees ≥ 46 years and < 56 years	8.4%	8.8%	8.9%
Male employees ≥ 46 years and < 56 years	17.3%	17.1%	17.3%
Female employees ≥ 56 years	4.0%	4.0%	4.2%
Male employees ≥ 56 years	8.2%	8.3%	9.0%

N.B. At the end of 2022, the average age of male employees was 43.15 years, compared with 41.4 years for women.

Breakdown of employees by gender and occupational categories – Worldwide – Open-ended and fixed-term contracts

	2020	2021	2022
Percentage of female managers	24.7%	26.7%	28.5%
Percentage of male managers	75.3%	73.3%	71.5%
Percentage of female non-managers	42.1%	43.3%	43.1%
Percentage of male non-managers	57.9%	56.7%	56.9%
Percentage of women in key positions	17.5%	20.0%	24.4%

All the above percentages are calculated on the basis of registered headcount end of the year, excluding acquisitions made in the year and the previous year, with the exception of the proportion of women in key positions, which only excludes acquisitions made in the year.

Percentage of disabled workers – Worldwide

	2020	2021	2022
Percentage of disabled workers	2.22%	2.16%	2.15%

4.10.3 - Overview of environmental indicators

The tables below show the main Group environmental indicators. All data correspond to the Environment reporting scope, except for greenhouse gas emissions expressed in metric tons of CO_2 equivalent, which cover 100% of the Group's activities (excluding acquisitions made in 2020, 2021 and 2022). For more information on the rules for including newly merged acquisitions in the reporting process, please refer to section 4.1.6. of this Universal Registration Document.

4.10.3.1 Environmental indicators – sites

The table below shows the main indicators monitored by the Group as regards impacts related to site activities. The data are unadjusted for changes in the scope of consolidation. Environmental reporting is based on a special calendar always consisting of the fourth quarter of year Y-1 and of the first three quarters of year Y.

	2020	2021	2022
Energy consumption *(GWh)*	406	453	469
Direct energy consumption (mainly gas) *(GWh)*	160	179	190
Indirect energy consumption (mainly electricity) *(GWh)*	246	274	279
Total CO_2 emissions related to energy usage or Scope 1&2 (in thousands of metric tons of CO_2 equivalent)*	148	139	118
Emissions from product transportation *(in thousands of metric tons of CO_2 equivalent)**	119.0	123.0	129
Indirect CO_2 emissions or Scope 3 (thousands of metric tons of CO_2 equivalent)*	3331****	3464****	2802****
ISO 14001-certified sites *(%)*	91%	88%	88%
Water consumption *(in thousands of m^3)*	698	727	792
Waste produced *(in thousands of metric tons)*(1)	50	56	61
of which hazardous waste(1)	4%	5%	5%
Waste recovered** *(%)*(1)	90%	92%	92%
Volatile Organic Compound (VOC) *emissions (metric tons)****	125	124	134

* *Recovery complies with the requirements of the GHG Protocol.*
** *Sent for recovery.*
*** *Only business-related emissions are taken into account.*
**** *Including an initial estimate of emissions from products sold.*
(1) *These indicators cover industrial sites of the Group.*

4.10.3.2 Environmental indicators – products

	2020	2021	2022
Share of Group sales generated by products with PEPs	67%	70%	69.0%
Share of Group sales(1) compliant with RoHS regulations	91%	92%	88%

(1) *Including Group products outside the scope of RoHS regulations, excluding acquisitions in 2020-2021 and 2022 and sales of services. The elimination of RoHS substances contained in these products is a voluntary commitment by the Group.*

4.10.3.3 Environmental indicators - other

	2020	2021	2022
Environment-related contingency provisions and guarantees *(in millions of euros)*	7.0	5.3	5.6
Convictions, fines, closures	0.0	0.0	0.0

4.10.4 - GRI correspondance table

This report has been prepared in accordance with the Core level of the GRI Standards (2022 version). The full cross-reference table can be found on the Group website. https://www.legrandgroup.com/en/our-commitments/csr-resource-center

4.10.5 - UN Global Compact cross-reference table

	Global Compact principle	Sections of the Universal Registration Document
1.	Businesses should support and respect the protection of internationally proclaimed Human Rights	4.7.1. The Group's sustainable purchasing approach 4.5.1.1. Comply with the Group's commitment to human rights
2.	Businesses should ensure that they are not complicit in human rights abuses	4.5.1.1. Comply with the Group's commitment to human rights
3.	Businesses should uphold freedom of association and the effective recognition of the right to collective bargaining	
4.	The elimination of all forms of forced or compulsory labor	
5.	The effective abolition of child labor	
6.	The elimination of discrimination with respect to employment and occupation	4.5.5. Inclusion, diversity and equal opportunity
7.	Businesses should support a precautionary approach to environmental challenges	4.3. Reducing the Group's environmental impact
8.	The undertaking of initiatives to promote greater environmental responsibility	
9.	The encouragement of the development and diffusion of environmentally friendly technologies	4.3. Reducing the Group's environmental impact 4.4. Promoting the circular economy
10.	Businesses should work against corruption in all its forms, including extortion and bribery	4.8. Act ethically 4.7.1 The Group's sustainable purchasing approach

4.10.6 - TCFD recommendations cross-reference table

TCFD recommendation - Governance	Relevant section of the Declaration of extra-financial Performance
a) Describe the board's oversight of climate-related risks and opportunities.	4.1.1 - Longstanding commitment reflecting the company's purpose and contributing to its performance See "Strong CSR governance" and "CSR governance bodies" sections
b) Describe management's role in assessing and managing climate-related risks and opportunities.	4.3.5.2 - Governance and steering
TCFD info requirement – Strategy	
a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	4.3.5 - Managing environmental risks and opportunities 4.3.5.1 - Identification of climate-related risks and opportunities 4.3.1 - Sources of the Group's greenhouse gas emissions 4.1.5 - A vision for the future
b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	4.3.5 - Managing environmental risks and opportunities 4.3.5.1 - Identification of climate-related risks and opportunities
c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	2.2 - Faster growth momentum 4.1.1 - Longstanding commitment reflecting the company's purpose and contributing to its performance 4.3.1 - Sources of the Group's greenhouse gas emissions
TCFD info requirement – Risk management	
a) Describe the organization's processes for identifying and assessing climate-related risks.	4.3.5 - Managing environmental risks and opportunities 4.3.5.1 - Identification of climate-related risks and opportunities 3.6.1.1 - Environmental impacts and risks related to climate change
b) Describe the organization's processes for managing climate-related risks.	3.3.2 - Risk management procedure 3.6.1.1 - Environmental impacts and risks related to climate change
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	3.3 - Risk management system 3.6 - Risk factors and control mechanisms in place
TCFD info requirement – Metrics and Targets	
a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	3.3.2 - Risk management procedure 4.3.5 - Managing environmental risks and opportunities
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	4.3 - Reducing the Group's environmental impact 4.3.1 - Sources of the Group's greenhouse gas emissions
c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	4.3.5 - Managing environmental risks and opportunities 4.3.5.1 - Identification of climate-related risks and opportunities

4.10.7 - SASB cross-reference table

The full cross-reference table can be found on the Group website.

https://www.legrandgroup.com/en/our-commitments/csr-resource-center

4.11 - Statutory Auditors' report

Report of one of the Statutory Auditors, appointed as independent third party, on the verification of the consolidated non-financial performance statement

This is a free English translation of the report by one of the Statutory Auditors issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Year ended December 31, 2022

To the Shareholders' Meeting,

In our capacity as Statutory Auditor of Legrand SA (hereinafter the "Company"), appointed as independent third party ("third party") and accredited by the French Accreditation Committee (Cofrac), under number 3-1886 rév. 0 (Cofrac Inspection Accreditation, scope available at www.cofrac.fr), we have conducted procedures to express a limited assurance conclusion on the historical information (observed or extrapolated) in the consolidated non-financial performance statement, prepared in accordance with the Company's procedures (hereinafter the "Guidelines"), for the year ended December 31, 2022 (hereinafter the "Information" and the "Statement", respectively), presented in the Group management report pursuant to the legal and regulatory provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (*Code de commerce*).

Moderate assurance conclusion on the consolidated statement of extra-performance financial in accordance with Article L.225-102-1 of the French Commercial Code

Based on the procedures we have implemented, as described in the "Nature and scope of work" section, and the elements we have collected, we have not identified any material misstatement likely to call into question the fact that the statement of extra-financial performance complies with the applicable regulatory provisions and that the Information, taken as a whole, is presented, in a sincere manner, in accordance with the Reference Framework.

Reasonable assurance conclusion on a selection of information included in the Statement

In our view, the rate of achievement of the 2022 objectives of the Roadmap 2022-2024, taken as a whole are presented, in all their significant aspects, in a sincere manner, in accordance with the Repository.

Preparation of the non-financial performance statement

The absence of a generally accepted and commonly used reference framework or established practices on which to base the assessment and measurement of the Information enables the use of different but acceptable measurement techniques that may impact comparability between entities and over time.

Accordingly, the Information must be read and interpreted with reference to the Guidelines, summarized in the Statement and available on the Company's website or on request from its headquarters.

Limits inherent in the preparation of the information relating to the Statement

The Information may be subject to uncertainty inherent to the state of scientific and economic knowledge and the quality of external data used. Some information is sensitive to the choice of methodology and the assumptions or estimates used for its preparation and presented in the Statement.

Responsibility of the Company

Management is responsible for:

- selecting or determining the appropriate criteria for the preparation of the Information;
- preparing a Statement pursuant to legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies implemented with respect to these risks as well as the outcomes of these policies, including key performance indicators and the information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy);
- implementing such internal control as it determines is necessary to enable the preparation of Information that is free from material misstatement, whether due to fraud or error.

The Statement has been prepared by applying the Company's Guidelines as referred to above.

Responsibility of the Statutory Auditor appointed as independent third party

Based on our work, our responsibility is to express a limited assurance conclusion on:

- the compliance of the Statement with the requirements of Article R. 225-105 of the French Commercial Code;
- the fairness of the information provided pursuant to part 3 of sections I and II of Article R. 225-105 of the French Commercial Code, *i.e.* the outcomes of policies, including key performance indicators, and measures relating to the main risks, hereinafter the "Information."

As it is our responsibility to issue an independent conclusion on the information prepared by management, we are not authorized to participate in the preparation of the Information, as this could compromise our independence.

It is not our responsibility to provide a conclusion on:

- the Company's compliance with other applicable legal and regulatory provisions (particularly with regard to the information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy), the duty of vigilance and the fight against corruption and tax evasion);
- the fairness of information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy);
- the compliance of products and services with the applicable regulations.

Applicable regulatory provisions and professional guidance

We performed the work described below in accordance with our audit verification program in application of Articles A. 225-1 *et seq.* of the French Commercial Code, the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement and with the international standard ISAE 3000 (revised - Assurance engagements other than audits or reviews of historical financial information).

Independence and quality control

Our independence is defined by Article L. 822-11-3 of the French Commercial Code and French Code of Ethics for Statutory Auditors (*Code de déontologie*). In addition, we have implemented a system of quality control including documented policies and procedures aimed at ensuring compliance with applicable legal and regulatory requirements, ethical requirements and the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement.

Means and resources

Our work engaged the skills of seven people between October 2022 and March 2023 and took a total of twenty weeks.

To assist us in conducting our work, we referred to our corporate social responsibility and sustainable development experts. We conducted around twenty interviews with people responsible for preparing the Statement.

This work involved the use of information and communication technologies allowing the work and interviews to be carried out remotely, without hindering the good execution of the verification process.

Nature and scope of procedures

We planned and performed our work taking account of the risk of material misstatement of the Information.

We consider that the procedures conducted in exercising our professional judgement enable us to express a limited assurance conclusion:

- We familiarized ourselves with the activities of all companies in the consolidation scope and the description of the principal risks.
- We assessed the suitability of the Guidelines with respect to their relevance, completeness, reliability, neutrality and clarity, taking into account, where appropriate, best practices within the sector.
- We verified that the Statement covers each category of information stipulated in section III of Article L. 225-102-1 governing social and environmental affairs, respect for human rights and the fight against corruption and tax evasion.
- We verified that the Statement provides the information required under Article R.225-105 II of the French Commercial Code where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the information required under Article L.225-102-1 III, paragraph 2 of the French Commercial Code.
- We verified that the Statement presents the business model and a description of the principal risks associated with the activities of all the consolidated entities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks.

- We referred to documentary sources and conducted interviews to:
  - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented; and
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important, namely that relating to the roadmap, with work carried out at the level of the consolidating entity, while for other risks, our work was carried out on the consolidating entity and on a selection of entities.
- We verified that the Statement covers the consolidated scope, *i.e.* all companies within the consolidation scope in accordance with Article L. 233-16, with the limits specified in the Statement.
- We obtained an understanding of internal control and risk management procedures implemented by the Company and assessed the data collection process aimed at ensuring the completeness and fairness of the Information.
- For the key performance indicators and other quantitative outcomes – disclosed in Annex 1 – that we considered to be the most important, we implemented:
  - analytical procedures that consisted in verifying the correct consolidation of collected data as well as the consistency of changes thereto;
  - substantive tests, on a sample basis and using other selection methods, that consisted in verifying the proper application of definitions and procedures and reconciling data with supporting documents. These procedures were conducted for a selection of contributing entities – disclosed in Annex 2 – and covered between 15% and 27% of the consolidated data selected for these tests.
- We assessed the overall consistency of the Statement in relation to our knowledge of the entire Company.

The procedures conducted in a limited assurance review are substantially less in scope than those required to issue a reasonable assurance opinion in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*); a higher level of assurance would have required us to carry out more extensive procedures.

Paris-La Défense, March 8, 2023

One of the Statutory Auditors,

Deloitte & Associés

Olivier Broissand	**Olivier Jan**
Partner, Audit	Partner, Sustainability Services

Annex 1

The information considered most important and on which detailed work has been carried out are the following:

Key performance indicators and other quantitative outcomes
Quantitative health and safety information
Frequency rate of lost-time work accidents
Severity of accidents at work
Number of recognized occupational illnesses
Other quantitative social information
Registered workforce at the end of 2022
Total number of hires
Departures (of which layoffs)
Number of training hours per employee (Worldwide)
Absenteeism (All job categories)
Quantitative environmental information
Water consumption (in thousands m^3)
Direct and indirect energy consumption (GWh)
Total CO_2 emissions linked to energy consumption or Scope 1&2 emissions (in thousands of metric tons of CO_2 equivalent)
Volatile Organic Compound (VOC) emissions (metric tons)
Waste produced (in thousands of metric tons) – of which hazardous waste
Waste recovered (Sent for recycling) (%)
Share of renewable energy used
Energy produced on Legrand sites (GWh)
Number of ISO 45001 certified sites
Qualitative environmental information
Review of the Indirect or Scope 3 CO_2 emissions methodology (Indirect or Scope 3 CO_2 emissions)

Annex 2

The sample of selected entities and sites is presented below:

Quantitative information on occupational health and safety**:**

Legrand BRAZIL, Rocom (China), Edia (France), Finelite (USA), Kenall (USA), Pass&Seymour (USA).

Quantitative social information:

Rocom (China), EMB Egypt, Legrand Turkey, LNA (USA).

Quantitative environmental information:

Rocom (China), Legrand Fontaine (France), Legrand Malaunay (France), Bticino (Italy), Zabkowice (Poland), AFCO System (USA), Finelite (USA), Lastar (USA), Pass&Seymour (USA).

05

Management report on the consolidated financial statements for the financial year ended December 31, 2022

5.1 - Preliminary disclaimer

This selected financial data of the Company should be read together with the consolidated financial statements and their related notes in chapter 8 of this Universal Registration Document. Financial statements of the Company have been prepared in accordance with IFRS and IFRS Interpretations Committee interpretations as adopted by the European Union. The following information includes forward-looking statements based on estimates relating to the future activity of Legrand and which may differ materially from actual results.

Percentages may be calculated on non-rounded figures and therefore may vary from percentages calculated on rounded figures.

5.2 - 2022 Highlights

Consolidated sales

In 2022, full-year sales rose +19.2% from 2021 to reach €8,339.4 million.

Organic growth in sales was +9.7%, with +10.2% in mature countries and +8.1% in new economies. Buoyed by the Group's business momentum and its pricing power, these showings also result from very active supply chain management on a backdrop of pressure on procurement channels.

The impact of broader scope of consolidation was +3.0%. Based on acquisitions announced and their likely dates of consolidation, the full-year impact should be around +1.5% in 2023.

The exchange-rate effect added +5.5% to sales for the year. Based on average exchange rates in the month of January 2023, the full-year impact on 2023 sales should be around -2%.

Adjusted operating profit and margin

In 2022, adjusted operating profit came to €1.7 billion, up +18.7% from 2021. This set adjusted operating margin at 20.4% of sales for the period.

Before acquisitions (at 2021 scope of consolidation), adjusted operating margin was 20.7% of 2022 sales, up +0.2 points from 2021.

Against a backdrop of persistently strong inflation throughout the year (with raw materials and components rising by around +12%, including some +4% in the fourth quarter alone), continued high front-running profitability reflects once again the Group's firm management of both expenses and sales prices.

Operating profit came to €1.4 billion including expenses in the amount of €147.9 million corresponding to assets impairment in Russia.

Net profit attributable to the Group

At December 31, 2022, net profit attributable to the Group was up +10.5% from 2021 to total €1.0 billion. This €95 million increase resulted primarily from:

- a rise in operating profit (+€102 million);
- a favorable trend (+€24 million) in financial and foreign-exchange results; and
- a rise in corporate income tax (-€32 million).

Excluding expenses in the amount of €147.1 million corresponding to assets impairment in Russia, adjusted net profit attributable to the Group rose +26.8% from 2021 to over €1.1 billion.

Cash generation and balance sheet structure

Cash flow from operations stood at €1.5 billion or 17.8% of sales in 2022, down one point from 2021.

Normalized free cash flow was equal to 14.5% of sales and up +12.7% from 2021.

Free cash flow came to €1.0 billion, at 12.4% of sales in 2022, against a backdrop of strengthened coverage of inventories linked to supply chain pressures and to priority given to customer service. Free cash flow of €419 million in the fourth quarter was particularly high, representing 19.2% of sales.

The ratio of net debt to EBITDA stood at 1.2 on December 31, 2022.

2022 extra-financial performance

In 2022, Legrand reached a 123% achievement rate for its 2022-2024 CSR roadmap, which is built around 4 pillars and 15 priorities contributing to 10 Sustainable Development Goals (SDGs).

Broken down along the 4 pillars, full-year achievement rates stood at 131% for diversity and inclusion, 148% for carbon footprint, 79% for the circular economy, and 127% as a responsible business. Specific achievements included:

- reduced carbon footprint: the Group's CO_2 emissions (Scope 1&2) were down -15% year-on-year at current scope, far better than targets set for the year. These efforts came with stepped-up use of renewable energy (55% of electricity consumption at year-end 2022);
- improved diversity and inclusion: at year-end 2022, women in management positions ratio (defined as Grade Hay 14+) increased to 28.5%, and 44.5% of all employees already work in units awarded the "Gender Equality European & International Standard (GEEIS) Diversity" label, in some 30 countries;
- circular economy: average use of recycled plastics and metals in Legrand products was respectively 5% and 19%;
- as a responsible business: in 2022, Legrand extended its "Serenity On" program, which offers guaranteed standard cover, to include family members and a wider range of care, thus covering a scope of 77% of its total headcount in 2022. Moreover, nearly 96% of employees received at least 5 hours of training.

Legrand's responsible commitment was once again recognized by outside parties in 2022, with:

- inclusion in Euronext's *Equileap Gender Equality Eurozone 100* and *France 40* lists, company-benchmarks for promoting gender equality;
- the "Allié.es Leaders" prize at the 4th edition of the French awards by "*L'autre Cercle*" for corporate role models *vis à vis* the LGBT+ community. This came as a recognition for individuals who distinguished themselves during the year for work promoting inclusivity to LGBT+ people at the workplace;
- inclusion, for the third year running, in Forbes' ranking of the World's Best Employers.

These awards recognize employees' investment to deploy the Group's CSR policy.

Acquisitions

The acquisitions completed in 2022 were as follows:

- Emos, the leader in Central and Eastern Europe in electrical installation components. Based in the Czech Republic, Emos has annual sales of around €85 million;
- Usystems, a specialist in datacenter solutions. Usystems' portfolio of cooling solutions and racks helps its clients reduce their datacenter energy bills and therefore their carbon footprint. Founded in 2003 and based in Bedford in the United Kingdom, the company has some 70 employees and recorded annual sales of around €11 million, including 50% stemming in the United States;
- A. & H. Meyer, Germany's leading player in "power in furniture" connectivity solutions for commercial buildings. Based in Dörentrup (Germany), A. & H. Meyer has nearly 200 employees and annual sales of over €20 million;
- Power Control, a British specialist in UPS systems (equipment, services and maintenance). Based in Sheffield (United Kingdom), the company has annual sales of around €15 million and a workforce of over 70;
- Voltadis, a French player in datacenter services. From design to commissioning, including equipment supply and installation, Voltadis offers comprehensive support in defining tailored electrical power supply systems for datacenters' grey rooms. Based in Cournon d'Auvergne, France, the company has some 20 employees and annual sales of around €13 million;
- Encelium, a U.S. player in lighting systems for commercial buildings, with a particular focus on energy-efficient, connected products. Based in Boston (Massachusetts) in the U.S., Encelium has annual sales of over $20 million.

Acquisitions of subsidiaries (net of cash acquired) came to a total of €235.6 million in 2022.

As of December 31, 2022, these acquisitions led to the recognition of €16.7 million in intangible assets excluding goodwill, €55.1 million in other acquired assets net of liabilities, and €163.8 million in provisional goodwill.

Valuation of assets in Russia

Legrand's activities in Russia accounted for approximately 1.5% of full-year sales in 2022. As of December 31, 2022, the Group's balance-sheet exposure to Russia, including currency translation reserves, amounted to approximately €200 million.

Of this amount, €147.9 million in assets impairment has been recognized in the 2022 consolidated financial statements, mainly in other operating income and expenses, with no impact on adjusted operating profit.

Impact on net profit is €147.4 million and on net profit attributable to the Group is €147.1 million.

5.3 - Operating income

5.3.1 - Introduction

The Group reports its finances and operating results on the basis of three operating segments that correspond to the regions of origin of invoicing. Information concerning the results of operations and financial positions for each of these three operating segments is presented for 2021 and 2022 in note 2.1 to the consolidated financial statements shown in chapter 8 of this Universal Registration Document. A segment corresponds either to a country or groups of countries. These three operating segments are:

- Europe, including France, Italy and Rest of Europe, mainly including Benelux, Germany, Iberia (including Spain and Portugal), Poland, Russia, Turkey and the UK;
- North and Central America including Canada, Mexico, the United States and Central American countries; and
- Rest of the World, mainly including Australia, China, India and South America (including particularly Brazil, Chile and Colombia).

Since local market conditions are the determining factors in business performance and net sales by zone, consolidated financial information for multi-country zones does not accurately reflect financial performance in each national market. Furthermore, products may be manufactured and sold locally or imported from or exported to another Group entity. These factors may make it difficult to compare results for different operating segments. Consequently, with the exception of information relating to net sales, the discussion of results below focuses primarily on consolidated results, with reference to national markets where these have a material impact on consolidated accounts.

5.3.2 - Main factors affecting Group results

5.3.2.1 Net sales

Markets in the countries and regions where Legrand operates have their own features, essentially as a result of local economic conditions and lifestyles, which affect the scale of renovation and new construction of homes, stores and office buildings, as well as the level of corporate investment in industrial facilities.

Changes in consolidated net sales principally reflect the following factors:

- changes in sales volume (*i.e.*, the number of products sold in each period) due to changes in product demand and business levels in all markets;
- product mix;
- changes in sales prices (including discounts and rebates, cash discounts for prompt payment, general price changes relating to local market conditions, and specific price changes, such as those designed to pass on inflation in all costs);
- fluctuations in exchange rates between the euro and the different billing currencies, which affect the level of consolidated net sales after conversion; and
- changes in the subsidiaries consolidated by Legrand, mainly as a result of acquisitions or disposals (which are referred to as “changes in the scope of consolidation”).

The table below presents a breakdown by geographic zone of the Company’s consolidated net sales (by destination: market where customers are based) for the years ended December 31, 2022 and 2021. Sales “by destination” means all sales by the Group to third parties in a given geographic market.

(in € million, except %)	12 months ended December 31, 2022 €	%	December 31, 2021 €	%
Net sales by destination				
Europe	3,343.7	40.1	2,859.7	40.9
North and Central America	3,378.4	40.5	2,700.7	38.6
Rest of the World	1,617.3	19.4	1,433.8	20.5
Total	**8,339.4**	**100.0**	**6,994.2**	**100.0**

5.3.2.2 Discussion and analysis of changes in net sales

In the discussion below, changes in net sales are analyzed by distinguishing variations due to changes in the scope of consolidation, organic growth (changes in net sales "using constant scope of consolidation and exchange rates"), and the impact of exchange-rate variations between the euro and other currencies. The Company believes that this measure is a useful tool for analyzing changes and trends in its historical consolidated net sales over different periods. Measures of organic growth are computed by making the following adjustments.

Companies acquired during the current period

Where companies are acquired during the current period, the net sales of the acquired company are reflected in the consolidated statement of income only for the portion of the current period from the date of first consolidation of such company. The calculation of the change in consolidated net sales at constant scope of consolidation takes into account sales of the acquired company, based on sales information of the acquired company prepared in a manner consistent with accounting policies, for the portion of the prior period equal to the portion of the current period during which Legrand actually consolidated the acquired entity.

Companies acquired during a prior period

Where companies were acquired during the prior period, net sales of the acquired company are reflected in the consolidated statement of income for the entirety of the current period but only for the portion of the prior period from the date of first consolidation of such company. The calculation of the change in consolidated net sales at constant scope of consolidation takes into account the sales of the acquired company, based on sales data for the acquired company prepared in a manner consistent with accounting policies, for the portion of the previous year during which it was not consolidated.

Disposals during the current period

Where companies are disposed of during the current period, the net sales of the company sold are reflected in the consolidated statement of income for only the portion of the current period prior to the date of disposal and deconsolidation. The calculation of the change in consolidated net sales at constant scope of consolidation does not take into account the sales of the divested company during the period of the previous year corresponding to the period of the current year after disposal.

Disposals during a prior period

Where companies were disposed of during the prior period, the net sales of the company sold are not reflected in the consolidated statement of income for the current period. The calculation of the change in consolidated net sales at constant scope of consolidation does not take into account sales of the divested company in the prior period.

Activity suspended during the current period

Where activities are suspended during the current period, the net sales of the activity suspended are reflected in the consolidated statement of income only for the period up to suspension. The calculation of the change in consolidated net sales at constant scope of consolidation does not take into account the sales of the activity suspended during the period of the previous year corresponding to the period of the current year after suspension.

Activity suspended during a prior period

Where activities were suspended during the prior period, the net sales of the activity suspended are not reflected in the consolidated statement of income for the current period. The calculation of the change in consolidated net sales at constant scope of consolidation does not take into account sales of the activity suspended in the prior period.

Using constant exchange rates

Consolidated historical net sales include the effects of exchange rate differences between the euro and other currencies. To analyze the variation of consolidated net sales excluding the effects of these exchange rate changes, Legrand uses constant exchange rates (calculated by adjusting net sales reported for a given financial year using the exchange rates for the prior financial year) to compare year-to-year changes in net sales.

5.3.2.3 Cost of sales

Cost of sales consists primarily of the following:

Cost of raw materials and components. The cost of raw materials and components accounted for, on average, approximately 71% of consolidated cost of sales over the last two financial years. Likewise, on average approximately 71% of this cost relates to components and approximately 29% relates to raw materials. The breakdown between raw materials, components and semi-finished products varies according to product mix, trends in market prices and choices for industrial organization, in particular with the implementation of good practices ("Legrand way").

Legrand purchases some of its raw materials and components locally. However, Company policy is to increase the percentage of raw materials and components purchased by the Group on world markets in order to benefit from economies of scale. The cost of raw materials and components may also fluctuate with macro-economic trends.

Production costs. In general, these costs change on an aggregate basis in proportion to fluctuations in production volumes; they rise due to inflation and decline as a result of productivity initiatives and economies of scale associated with the increase in production volumes.

Other items included in production costs are:

- payroll costs;
- depreciation of fixed assets;
- subcontracted added value; and
- other general manufacturing expenses, such as for instance expenses linked to energy consumption.

The main factors that influence cost of sales, in particular as a percentage of net sales, include:

- trends in net sales;
- production volumes, insofar as the Company achieves economies of scale through higher production volumes, thereby spreading fixed production costs over a larger number of units produced;
- the mix of products sold, insofar as consumption and production costs vary depending on the cost of raw materials and other components needed to manufacture a given product;
- changes in the prices of raw materials, components and semi-finished goods due to local or global economic conditions;
- effective purchasing following deployment of the cost-reduction policy through the centralization of purchasing management at Group level and standardization of components;
- trends in inflation for other cost components (salaries, energy, etc.);
- depreciation of industrial capital expenditures needed to manufacture goods;
- initiatives aiming at improving Group operating efficiency, through the implementation of best practices designed to improve productivity and inventory management optimization; and
- product life cycles.

5.3.2.4 Administrative and selling expenses

Legrand's administrative and selling expenses consist essentially of the following:

- salary costs and benefit charges for administrative staff and sales personnel;
- expenses relating to logistics, information systems and miscellaneous expenses;
- amortization of intangible assets, such as trademarks revalued following acquisitions; and
- other selling expenses, such as expenses incurred in connection with travel, advertising and communication.

5.3.2.5 Research and development costs

Research and development costs consist principally of the following:

- salary costs and benefit charges for research and development employees;
- miscellaneous expenses related to research and development, such as software, prototypes and patent registration costs, less R&D tax credits granted in various countries;
- expenses related to the use and maintenance of administrative offices, as well as expenses related to information systems, in each case, concerning research and development activities; and
- amortization of capitalized development costs. Costs incurred on significant development projects relating to the design and testing of new or improved products are recognized as intangible assets when it is probable that the project, considering its technical, commercial and technological feasibility, will be a success, and the costs can be reliably quantified. Once these conditions are satisfied, a portion of the relevant development expense is capitalized. Development costs are amortized from the starting date of the sale of the product on a straight-line basis over the period of its expected benefit, not exceeding a period of ten years.

5.3.2.6 Other operating income and expenses

Other operating income and expenses include restructuring costs and other expenses and provisions.

5.3.2.7 Operating profit

Operating profit consists of net sales, less cost of sales, administrative and selling expenses, research and development costs, and other operating expenses.

5.3.2.8 Other factors affecting the Group's results

- The acquisition of Legrand France in 2002 and associated purchase accounting adjustments and transactions related thereto have affected net income. In particular, the significant intangible assets recorded in connection with the acquisition of Legrand France increased the amortization charges of the Group. The purchase accounting adjustments relating to the acquisition of Legrand France essentially concern the revaluation of trademarks that are being amortized on a straight-line basis until 2026 at the latest,
- Acquisitions made since 2002 have also had an impact on the Group's net income. This is because intangible assets revalued as part of the purchase-price allocation of entities acquired generate additional amortization.

5.4 - Year-on-year comparison: 2022 and 2021

(in € millions)	12 months ended December 31, 2022	12 months ended December 31, 2021
Net sales	**8,339.4**	**6,994.2**
Operating expenses		
Cost of sales	(4,192.7)	(3,439.2)
Administrative and selling expenses	(2,054.6)	(1,765.0)
Research and development costs	(357.4)	(329.1)
Other operating income (expenses)	(288.2)	(116.8)
Operating profit	**1,446.5**	**1,344.1**
Financial expenses	(108.6)	(92.4)
Financial income	45.8	6.8
Exchange gains (losses)	(0.4)	(1.5)
Financial profit (loss)	**(63.2)**	**(87.1)**
Profit before tax	**1,383.3**	**1,257.0**
Income tax expense	(383.8)	(351.9)
Share of profits (losses) of equity-accounted entities	0.0	0.0
Profit for the period	**999.5**	**905.1**
Of which:		
– **Net profit attributable to the Group**	**999.5**	**904.5**
– **Minority interests**	**0.0**	**0.6**

The table below shows the calculation of adjusted operating income (defined as operating income adjusted i/ for amortization and depreciation of revaluation of assets at the time of acquisitions and for other P&L impacts relating to acquisitions, ii/ for assets impairment in Russia and, where applicable, iii/ for impairment of goodwill), and maintainable adjusted operating income (*i.e.*, excluding restructuring charges) for the periods under review:

(in € millions)	12 months ended December 31, 2022	12 months ended December 31, 2021
Profit for the period	**999.5**	**905.1**
Share of profits (losses) of equity-accounted entities	**0.0**	**0.0**
Income tax expense	383.8	351.9
Exchange (gains) losses	0.4	1.5
Financial income	(45.8)	(6.8)
Financial expenses	108.6	92.4
Operating profit	**1,446.5**	**1,344.1**
i) Acquisition-related amortization, depreciation, expenses and income, and ii) assets impairment in Russia	226.8	89.9
Goodwill impairment	28.2	0.0
Adjusted operating profit	**1,701.5**	**1,434.0**
Adjusted restructuring costs(1)	49.7	34.8
Maintainable adjusted operating profit	**1,751.2**	**1,468.8**

(1) Adjusted restructuring costs are defined as restructuring costs adjusted for revaluation of assets at the time of acquisitions.

5.4.1 - Net sales

Consolidated net sales rose 19.2% to €8,339.4 million in 2022, compared with €6,994.2 million in 2021, reflecting the combined impact of:

- +9.7% organic rise (at constant scope of consolidation and exchange rates);
- +3.0% due to the broader scope of consolidation that resulted from acquisitions with carry-over effect of 2021 acquisitions consolidated for 12 months in 2022 including Ecotap (Netherlands) and Ensto Building Systems (Finland) for 6 and 2 months in 2021; Geiger (Germany) balance sheet only in 2021 and to the first-time consolidation in 2022 for Emos (Czech Republic) for 9 months and Usystems (United Kingdom) for 7 months;
- +5.5% due to exchange-rate effects over the period.

5.4.1.1 Analysis of changes in net sales by destination from 2021 to 2022

The table below shows a breakdown of changes in net sales to third parties as reported by zone of **destination** (market where sales are recorded) between 2021 and 2022.

	12 months ended December 31					
Net sales *(in € million, except %)*	2022	2021	Total change	Change in scope of consolidation	Organic growth(1)	Exchange-rate effect
Europe	3,343.7	2,859.7	16.9%	7.1%	9.8%	(0.6%)
North and Central America	3,378.4	2,700.7	25.1%	0.2%	11.1%	12.3%
Rest of the World	1,617.3	1,433.8	12.8%	0.1%	6.6%	5.7%
Consolidated total	**8,339.4**	**6,994.2**	**19.2%**	**3.0%**	**9.7%**	**5.5%**

(1) At constant scope of consolidation and exchange rates.

Comments below concern sales by destination:

Europe:

Net sales in the Europe zone for 2022 came to €3,343.7 million compared with €2,859.7 million in 2021, an increase of +16.9%. This reflects:

- a +7.1% change in scope of consolidation;
- the unfavorable -0.6% impact of exchange-rate fluctuations;
- and +9.8% organic evolution.

In Europe's mature countries (33.9% of Group revenues), organic growth in sales came to +10.0% over the year, including +12.5% in the fourth quarter alone. 2022 performance was more particularly driven by the success of energy-consumption management products and charging solutions for electric vehicles.

Sales in Europe's new economies rose +8.8% over the year, including a -8.4% decline in the fourth quarter alone, with a negative impact from the war between Russia and Ukraine since the second quarter. Legrand has decided to divest its Russian operations and is currently reviewing options for transferring their control in a timely and orderly manner. Russia accounted for around 1.5% of the Group's full-year sales in 2022.

North and Central America:

Net sales in the North and Central America zone in 2022 came to €3,378.4 million compared with €2,700.7 million in 2021, an increase of +25.1%. This reflects:

- a +0.2% change in scope of consolidation;
- the favorable +12.3% impact of exchange-rate fluctuations;
- and +11.1% organic evolution.

In the United States alone (37.2% of Group revenue), organic sales rose +11.3%, including +11.9% in the fourth quarter alone. Full-year growth was driven by sales for non-residential applications and for datacenters.

In 2022, sales rose sharply in Mexico and increased in Canada.

Rest of the World:

Net sales in the Rest of the World zone for 2022 came to €1,617.3 million compared with €1,433.8 million in 2021, an increase of +12.8%. This reflects:

- a +0.1% change in scope of consolidation;
- the favorable +5.7% impact of exchange-rate fluctuations;
- and +6.6% organic evolution.

In Asia-Pacific (12.5% of Group revenue), sales were up +6.3% in 2022, with a -2.5% negative trend in the fourth quarter alone. Growth over 12 months reflected very robust momentum in India that significantly offset a marked retreat in China.

In Africa and the Middle East (3.6% of Group revenue), sales rose +13.9% over the year, and +21.1% in the fourth quarter alone. This reflects solid performances recorded over the full-year in both Africa and the Middle East, with double-digit gains in many countries.

In South America (3.3% of Group revenue), sales were almost unchanged at +0.2%, with a +4.0% rise in the fourth quarter alone. The full-year 2022 performance reflects an unsettled economic and political environment, particularly in Brazil.

5.4.1.2 Breakdown of changes in net sales by origin from 2021 to 2022

The following table presents the breakdown of changes in net sales to third parties as reported by zone of **origin** between 2021 and 2022:

	12 months ended December 31					
***Net sales** (in € million, except %)*	2022	2021	Total change	Change in scope of consolidation	Organic growth[(1)]	Exchange-rate effect
Europe	3,506.4	2,993.3	17.1%	7.0%	10.2%	(0.7%)
North and Central America	3,428.4	2,747.8	24.8%	0.0%	11.0%	12.4%
Rest of the World	1,404.6	1,253.1	12.1%	0.0%	5.3%	6.4%
Consolidated total	**8,339.4**	**6,994.2**	**19.2%**	**3.0%**	**9.7%**	**5.5%**

(1) At constant scope of consolidation and exchange rates.

5.4.2 - Cost of sales

The consolidated cost of sales rose 21.9% to €4,192.7 million in 2022, compared with €3,439.2 million in 2021. This was primarily due to:

- the increase in the volume of raw materials and components consumed as production increased;
- higher raw material and component prices in 2022 than in 2021;
- consolidation of new acquisitions.

These were partly offset by:

- ongoing efforts to raise productivity and adjust to changing conditions.

As a percentage of net sales, the cost of sales came to 49.2% in 2021 compared with 50.3% in 2022.

5.4.3 - Administrative and selling expenses

Administrative and selling expenses rose by 16.4% to €2,054.6 million in 2022, compared with €1,765.0 million in 2021. This was essentially attributable to:

- acceleration of the Group's digitalization;
- consolidation of new acquisitions.

Expressed as a percentage of sales, administrative and selling expenses decreased to 24.6% in 2022 from 25.2% in 2021.

5.4.4 - Research and development costs

(in € millions)	12 months ended December 31, 2022	12 months ended December 31, 2021
Research and development costs	(357.4)	(329.1)
Acquisition-related amortization and R&D tax credit	16.4	11.4
Amortization of capitalized development costs	28.8	27.0
R&D costs before capitalized development costs	**(312.2)**	**(290.7)**
Capitalized development costs	(28.1)	(30.6)
Research and development expenditure for the period	**(340.3)**	**(321.3)**

In accordance with IAS 38 "Intangible Assets", Legrand has implemented an internal measurement and accounting system for development costs to be recognized as intangible assets.

On this basis, €28.1 million in development costs were capitalized in 2022 compared with €30.6 million in 2021.

Amortization charges for capitalized development costs amounted to 28.8 million in 2022, compared with 27.0 million in 2021.

Research and development costs totaled €357.4 million in 2022 compared with €329.1 million in 2021. Excluding the impact of the capitalization of development costs and purchase accounting charges relating to acquisitions, as well as the tax credit for research and development activities, R&D expenditure stood at €340.3 million in 2022 (4.1% of net sales), compared with €321.3 million in 2021 (4.6% of net sales).

In 2022, research and development operations had nearly 2,700 employees in more than 20 countries.

5.4.5 - Other operating income and expenses

In 2022, other operating income and expenses totaled €288.2 million compared with €116.8 million in the same period of 2021, including the impact of assets impairment in Russia.

5.4.6 - Operating profit

The Group consolidated operating profit rose 7.6% to €1,446.5 million in 2022 compared with €1,344.1 million in 2021. This increase resulted from:

- a 19.2% rise in net sales;
- an 21.9% rise in cost of sales;
- a 15.2% rise in administrative, selling and research & development costs; and
- a €171.4 million rise in other income and operating expenses.

As a percentage of net sales, operating profit came to 17.3% in 2022 compared with 19.2% in 2021.

5.4.7 - Adjusted operating profit

Adjusted operating profit is defined as operating profit adjusted for i/ amortization and depreciation of revaluation of assets at the time of acquisitions and for other P&L impacts relating to acquisitions, ii/ assets impairment in Russia and, iii/ where applicable, for impairment of goodwill.

Adjusted operating income rose 18.7% to stand at €1,701.5 million in 2022 compared with €1,434.0 million in 2021, and broke down as follows by geographical zone (as indicated in 3.1, consolidated financial information for multi-country zones does not reflect the financial performance of each national market):

- **Europe**: a 9.8% rise to €752.1 million in 2022 compared with €685.1 million in 2021, representing 21.4% of net sales in 2022 compared with 22.9% in 2021;

- **North and Central America**: a 25.4% rise to €668.6 million in 2022, compared with €533.2 million in 2021, representing 19.5% of net sales in 2022 compared with 19.4% in 2021; and
- **Rest of the World**: a 30.2% rise to €280.8 million in 2022 compared with €215.7 million in 2021, representing 20.0% of net sales in 2022 compared to 17.2% in 2021.

In 2022, Group adjusted operating margin before acquisitions (at 2021 scope of consolidation) stood at 20.7% of net sales, an improvement of 0.2 points compared with 2021 figure of 20.5%. Taking acquisitions into account, the Group's adjusted operating margin came to 20.4% of net sales in 2022.

5.4.8 - Net financial expenses

Net financial expenses principally correspond to financial expenses related to Yankee bonds; the 2012, 2015, 2017, 2018, 2019, 2020 and 2021 bond issues and other bank borrowings (for a description of these arrangements, see paragraph 5.5.2 of this chapter), less financial income arising from the investment of cash and cash equivalents.

Finance expenses stood at €108.6 million in 2022 compared with €92.4 million in 2021. Financial income came to €45.8 million in 2022 compared with €6.8 million in 2021.

Net financial expenses decreased €22.8 million in 2022 from the same period of 2021, including the positive impact of €3.4 million from the revaluation of assets and liabilities in Turkey on the basis of IAS 29 into other financial income.

Net financial expenses represent 0.8% of net sales in 2022 compared with 1.2% in 2021.

5.4.9 - Exchange gains and losses

Exchange gains and losses correspond mainly to translation differences recognized on settlement of foreign currency transactions, as well as the translation impact at the closing exchange rate of monetary assets and liabilities denominated in foreign currencies.

Exchange losses amounted to €0.4 million in 2022 compared with €1.5 million losses in the same period of 2021.

5.4.10 - Income tax expense

In 2022 Legrand’s pre-tax income amounted to €1,383.3 million up from €1,257.0 million in 2021.

Consolidated income tax expense amounted to €383.8 million in 2022 compared with €351.9 million in 2021. The effective tax rate stood at 27.7% in 2022 compared with 28.0% in the same period of 2021.

5.4.11 - Net profit attributable to the Group

Net income amounted to €999.5 million in 2022 (€95.0 million increase or +10.5% compared with 2021) and reflects:

- a €102.4 million rise in operating profit;
- a €22.8 million rise in net financial expenses;
- a €1.1 million rise in exchange gains and losses;
- a €31.9 million rise in income tax expense.

5.5 - Cash flows and indebtedness

5.5.1 - Cash flows

The table below summarizes cash flows of the Company for the years ended December 31, 2022 and 2021:

	12 months ended	
(in € millions)	December 31, 2022	December 31, 2021
Net cash from operating activities	1,236.2	1,112.7
Net cash from investing activities*	(463.5)	(466.9)
Net cash from financing activities	(1,234.4)	(687.1)
Translation net change in cash and cash equivalents	20.2	37.9
Increase (decrease) in cash and cash equivalents	**(441.5)**	**(3.4)**
* *Of which capital expenditure and capitalized development costs.*	*(205.7)*	*(170.5)*

For a detailed analysis of cash flows, investors should refer to the consolidated statement of cash flows provided in the Group's consolidated financial statements in chapter 8 of this Universal Registration Document.

5.5.1.1 Net cash from operating activities

Net cash provided by operating activities stood at €1,236.2 million at December 31, 2022 compared with €1,112.7 million at December 31, 2021.

This increase is due to opposite effects of a €166,5 million increase in cash flow from operations (defined as net cash generated by operating activities, plus or minus changes in current operating assets and liabilities) reaching €1,484,6 million at December 31, 2022 compared with €1,318.1 million on December 31, 2021, offset by changes in working capital requirement which set cash generation at €248.4 million in 2022 compared with €205.4 million cash generation in the same period of 2021.

5.5.1.2 Net cash from investing activities

Net cash used in investing activities for the period ended December 31, 2022 amounted to €463.5 million compared with €466.9 million for the period ended December 31, 2021.

The amount of acquisitions (net of cash acquired) totaled €235.6 million in 2022 (compared with €296.2 million in 2020).

Capital expenditure and capitalized development costs amounted to €205.7 million for the period ended December 31, 2022 (including €28.1 million in capitalized development costs), or a 20.6% rise compared with investments and capitalized development costs of €170.5 million in the period ending December 31, 2021 (of which €30.6 million in capitalized development costs).

5.5.1.3 Net cash from financing activities

Net cash generated by financing activities amounted to €1,234.4 million in 2022, including primarily the payment of dividends in an amount of €439.3 million, buybacks of treasury shares for €44.6 million, €740.3 million decrease in short-term financing, repayment of long-term financing for €106.9 million, offset by a €100 million increase in long-term financing.

5.5.2 - Debt

Gross debt (defined as the sum of long-term and short-term borrowings, including commercial paper and bank overdrafts) came to €4,665.7 million at December 31, 2022 compared to €5,312.5 million at December 31, 2021.

Cash and cash equivalents and marketable securities amounted to €2,346.8 million at December 31, 2022 compared to €2,788.3 million at December 31, 2021. Net debt (defined as gross debt less cash and cash equivalents and marketable securities) totaled €2,318.9 million at December 31, 2022 compared to €2,524.2 million at December 31, 2021.

The ratio of consolidated net debt to consolidated shareholders' equity was around 35% at December 31, 2022 compared with around 44% at December 31, 2021.

At December 31, 2022, the Group's gross debt consisted of the following:

- €3,700.0 million in bonds issued in December 2015 (€300 million), July 2017 (€1 billion), October 2017 (€400 million), March 2018 (€400 million), June 2019 (€400 million) and May 2020 (€600 million) and October 2021 (€600 million);
- €320 million in negotiable commercial paper (of which €155.0 million short-term and €165.0 million medium-term);
- €291.6 million in Yankee bonds;
- €276.3 million in lease financial liabilities; and
- €77.8 million in other debt, consisting mainly of bank borrowings and overdrafts, net of debt issuance costs.

The repayment schedule for the non-current portion of this borrowing appears in note 4.6.1 to the consolidated financial statements referred to in chapter 8 of this Universal Registration Document.

5.6 - Capital expenditure

Capital expenditure takes into account the capitalization of some development costs pursuant to IAS 38.

Capital expenditure and capitalized development costs amounted to €205.7 million for the period ended December 31, 2022 representing 2.5% of net sales compared with investments and capitalized development costs of €170.5 million in the period ending December 31, 2021 representing 2.4% of net sales.

Capital expenditure consists mainly of investment in new products, in productivity and digitalization of the Group. Meanwhile, the Group is pursuing ongoing initiatives to control capital employed.

5.7 - Off-balance sheet commitments

The Group does not have any *off-balance* sheet arrangements that have or can be considered reasonably likely to have a current or future impact on its finances, revenues, expenses, results, operating income, cash, capital expenditure or capital reserves, and that would be material to investors. (See note 5.4 to the consolidated financial statements referred to in chapter 8 of this Universal Registration Document). There is no significant off-balance sheet commitment given linked to acquisitions.

5.8 - Subsequent events

In February 2023, the Group announced the acquisition of Clamper, Brazilian leader in surge protection devices, used in particular for photovoltaic infrastructures. Based in Belo Horizonte, Clamper has over 600 employees and annual sales of nearly €40 million.

5.9 - Variations in exchange rates

A significant number of the Group's foreign subsidiaries operate in countries outside the euro zone. In 2022, approximately 66% of the Group's net sales were denominated in currencies other than the euro. As a consequence, the Group's consolidated sales, operating income and free cash flow could be affected by variations in exchange rates between the euro and other currencies.

In order to prepare its consolidated financial statements, the Group must convert assets, liabilities, income and expenses that are recognized in other currencies into euros. Variations in exchange rates affect such items in the Group's consolidated financial statements, even if the value of the item remains unchanged in its original currency.

The Group uses end-of-period exchange rates for the translation of balance sheet data and period-average exchange rates for the translation of income statement and cash flow data.

The following table shows, for the periods indicated, data on euro/U.S. dollar exchange rates from 2018 through 2022, expressed in euro per U.S. dollar. This exchange rate information is provided as an indication only and does not represent the exchange rates used by Legrand in the preparation of its consolidated financial statements:

(euro per U.S. dollar)	Period-end rate	Average rate[1]	High	Low
2018	0.87	0.85	0.88	0.81
2019	0.89	0.89	0.92	0.87
2020	0.81	0.88	0.94	0.81
2021	0.88	0.85	0.89	0.81
2022	0.94	0.95	1.04	0.87

(1) The average exchange rate for the euro is calculated as the average monthly figures for the relevant year-long period.

Readers are referred to note 5.1.2.2 appended to the consolidated financial statements mentioned in chapter 8 of the present Universal Registration Document for a description of management of exchange risk.

5.10 - Quantitative and qualitative disclosures relating to financial risks

Legrand's exposure to financial risk mainly concerns the following areas:

- interest rate risk;
- currency risk;
- commodity risk;
- credit risk;
- counterparty risk; and
- liquidity risk.

The Group's cash management strategy is based on overall financial risk management principles and involves taking specific measures to manage the risks associated with interest rates, exchange rates, commodity prices and the investment of available cash. The Group does not conduct trading in financial instruments, in line with its policy of not carrying out any speculative transactions. Transactions involving financial instruments are conducted with the sole purpose of managing interest-rate, exchange-rate and commodity price risks, and as such are limited in duration and amount.

This strategy is centralized at Group level. Deployment is managed by the Financing and Treasury Department, which recommends appropriate measures and implements these after they have been validated by the Corporate Finance Department and the Group's senior management. A detailed reporting system has been set up to permit permanent tracking of the Group's positions and effective oversight of the management of financial risks.

A detailed description of risks and Legrand's risk management appears in note 5.1.2 appended to the consolidated financial statements referred to in chapter 8 of this Universal Registration Document.

Main characteristics of internal audit and risk management procedures for preparing and processing accounting and financial information are described in the chapter 3 of this Universal Registration Document.

5.11 - Summary of critical accounting policies

The accounting policies described below are those the Company considers critical in preparing its consolidated financial statements:

- intangible assets;
- fair value of financial instruments;
- accounting for stock option plans;
- employee benefits;
- deferred taxes; and
- use of estimates.

These policies include significant estimates made by management using information available at the time the estimates are made. A more detailed description of the main accounting policies used by the Company in preparing its consolidated financial statements is included in notes to the consolidated financial statements referred to in chapter 8 of this Universal Registration Document, and in particular in note 1.2.3.

5.12 - New IFRS pronouncements

Summaries of these publications and their possible consequences as regards the financial information provided by the Group are presented in note 1.2.1. to the consolidated financial statements referred to in chapter 8 of this Universal Registration Document.

5.13 - Trends and prospects

In 2023, the Group will pursue its profitable and responsible development laid out in its strategic roadmap.

Taking into account the world's current macroeconomic outlook, with confidence in its model for creating integrated value, and excluding impacts linked to the Group's disengagement from Russia, Legrand has set the following full-year targets for 2023:

- sales growth at constant exchange rates of between +2% and +6%, including a scope of consolidation effect of around +3%;
- an adjusted operating margin before acquisitions (at 2022 scope of consolidation, excluding Russia and related impacts) of around 20% of sales;
- at least 100% CSR achievement rate for the second year of its 2022-2024 Roadmap.

5.14 - Table of consolidated financial results over the last five years

(in € millions except number of shares, earnings per share and number of employees)	2018	2019	2020	2021	2022
End of period share capital					
Share capital	1,070.0	1,069.1	1,069.8	1,069.8	1,067.3
Number of shares	267,495,149	267,276,128	267,447,746	267,447,746	266,817,746
Earnings					
Net sales	5,997.2	6,622.3	6,099.5	6,994.2	8,339.4
Profit before tax, depreciation and amortization	1,281.3	1,462.8	1,296.2	1,563.4	1,795.7
Income tax expense	(301.3)	(318.3)	(279.2)	(351.9)	(383.8)
Share of profits (losses) of equity-accounted entities	(0.4)	(1.8)	(0.7)	0.0	0.0
Profit for the period	772.4	836.1	682.0	905.1	999.5
Dividends paid	336.8	357.1	357.4	377.9	439.3
Earnings per share(1)					
Profit before tax, depreciation and amortization	4.801	5.482	4.852	5.858	6.735
Basic earnings per share	2.892	3.129	2.550	3.389	3.749
Dividend per share	1.26	1.34	1.34	1.42	1.65
Personnel					
End of period number of employees	34,384	34,955	32,954	34,244	33,895
Personnel costs	1,512.3	1,641.6	1,597.9	1,695.0	1,854.6

(1) Earnings per share are computed on the basis of the number of circulating ordinary shares during the period, or 266,878,862 shares in 2018, 266,833,977 shares in 2019, 267,172,454 shares in 2020, 266,896,342 shares in 2021 and 266,608,415 shares in 2022.

5.15 - Selected financial information

The selected financial information for the years ended December 31, 2022, 2021 and 2020 has been drawn from the consolidated financial statements prepared in accordance with IFRS which can be found in chapter 8 of this Universal Registration Document and have been audited by PricewaterhouseCoopers Audit and Deloitte & Associés.

Please read this selected financial information in tandem with the information in the Group's consolidated financial statements, the Notes thereto (included in chapter 8 of this Universal Registration Document) and all other financial information included elsewhere in this Universal Registration Document.

(in € millions except %)	2022	2021	2020
Net sales	**8,339.4**	**6,994.2**	**6,099.5**
Total sales growth	19.2%	14.7%	(7.9%)
Sales growth at constant scope of consolidation and exchange rates	9.7%	13.6%	(8.7%)
EBITDA(1)	**1,858.9**	**1,650.5**	**1,399.7**
Maintainable EBITDA(2)	1,904.5	1,675.0	1,457.6
Adjusted operating profit(3)	**1,701.5**	**1,434.0**	**1,156.0**
As % of net sales	20.4%	20.5%	19.0%
Maintainable adjusted operating profit(2)	1,751.2	1,468.8	1,220.0
Adjusted net profit attributable to the Group(4)	**1,146.6**	**904.5**	**681.2**
As % of net sales	13.7%	12.9%	11.2%
Profit for the period(5)	**999.5**	**905.1**	**682.0**
As % of net sales	12.0%	12.9%	11.2%
Free cash flow(6)	**1,035.5**	**952.4**	**1,029.1**
As % of net sales	12.4%	13.6%	16.9%
Normalized free cash flow(7)	**1,210.4**	**1,074.1**	**1,034.2**
As % of net sales	14.5%	15.4%	17.0%
Net financial debt at December 31(8)	**2,318.9**	**2,524.2**	**2,602.8**

(1) EBITDA is defined as operating profit plus depreciation and impairment of tangible assets, amortization and impairment of intangible assets (including capitalized development costs) and impairment of goodwill.

(2) Maintainable EBITDA and maintainable adjusted operating income are used to analyze EBITDA and adjusted operating income excluding the impact of restructuring costs (including capital gains or losses on the sale of assets).

(3) Adjusted operating income is defined as operating income adjusted for amortization of revaluation of intangible assets at the time of acquisitions and for expense/income relating to acquisitions and, where applicable, for impairment of goodwill.

(4) Adjusted net profit attributable to the Group for 2022 is excluding the effect of expenses in the amount of €147.1 million corresponding to assets impairment in Russia.

(5) Profit corresponds to published net income (before minority interests).

(6) Free cash flow is defined as the sum of net cash from operating activities and net proceeds from sales of fixed and financial assets, less capital expenditure and capitalized development costs.

(7) Normalized free cash flow is defined as the sum of net cash from operating activities — based on a normalized working capital requirement representing 10% of the last 12 month's sales and whose change at constant scope of consolidation and exchange rates is adjusted for the period considered — and net proceeds of sales from fixed and financial assets, less capital expenditure and capitalized development costs.

(8) Net financial debt is defined as the sum of short-term borrowings and long-term borrowings, less cash and cash equivalents and marketable securities.

The table below shows a reconciliation of adjusted operating profit and maintainable adjusted operating profit with profit for the period and operating profit:

(in € millions)	2022	2021	2020
Profit for the period	**999.5**	**905.1**	**682.0**
Share of profits (losses) of equity-accounted entities	0.0	0.0	0.7
Income tax expense	383.8	351.9	279.2
Exchange (gains) losses	0.4	1.5	10.3
Financial income	(45.8)	(6.8)	(6.1)
Financial expenses	108.6	92.4	99.3
Operating profit	**1,446.5**	**1,344.1**	**1,065.4**
Amortization and depreciation of tangible assets	237.6	179.4	187.4
Amortization and depreciation of intangible assets (including capitalized development costs)	146.6	127.0	146.9
Goodwill impairment	28.2	0.0	0.0
EBITDA	**1,858.9**	**1,650.5**	**1,399.7**
Restructuring costs	45.6	24.5	57.9
Maintainable EBITDA	**1,904.5**	**1,675.0**	**1,457.6**

The table below shows a reconciliation of the Group's adjusted operating income and maintainable adjusted operating income with net income and operating income:

(in € millions)	2022	2021	2020
Profit for the period	**999.5**	**905.1**	**682.0**
Share of profits (losses) of equity-accounted entities	0.0	0.0	0.7
Income tax expense	383.8	351.9	279.2
Exchange (gains) losses	0.4	1.5	10.3
Financial income	(45.8)	(6.8)	(6.1)
Financial expenses	108.6	92.4	99.3
Operating profit	**1,446.5**	**1,344.1**	**1,065.4**
i/ Amortization and other P&L impacts relating to acquisitions, and ii/ assets impairment in Russia	226.8	89.9	90.6
Goodwill impairment	28.2	0.0	0.0
Adjusted operating profit	**1,701.5**	**1,434.0**	**1,156.0**
Adjusted restructuring costs(1)	49.7	34.8	64.0
Maintainable adjusted operating profit	**1,751.2**	**1,468.8**	**1,220.0**

(1) Adjusted restructuring costs are defined as restructuring costs adjusted for revaluation of assets at the time of acquisitions.

The table below shows a reconciliation of research and development expenditure with research and development costs:

(in € millions)	2022	2021	2020
Research and development costs	(357.4)	(329.1)	(319.4)
Acquisition-related amortization and R&D tax credit	16.4	11.4	11.2
Amortization of capitalized development costs	28.8	27.0	27.9
R&D costs before capitalized development costs	**(312.2)**	**(290.7)**	**(280.3)**
Capitalized development costs	(28.1)	(30.6)	(28.3)
Research and development expenditure for the period	**(340.3)**	**(321.3)**	**(308.6)**

The table below shows a reconciliation of the Group's free and normalized free cash flow with net cash from operating activities:

(in € millions)	2022	2021	2020
Net cash from operating activities	**1,236.2**	**1,112.7**	**1,161.9**
Net proceeds from sales of fixed and financial assets	5.0	10.2	22.3
Capital expenditures	(177.6)	(139.9)	(126.8)
Capitalized development costs	(28.1)	(30.6)	(28.3)
Free cash flow	**1,035.5**	**952.4**	**1,029.1**
Increase (decrease) in working capital requirement	248.4	205.4	(53.2)
(Increase) decrease in normalized working capital requirement	(73.5)	(83.7)	58.3
Normalized free cash flow	**1,210.4**	**1,074.1**	**1,034.2**

The table below shows changes in the net financial debt of Legrand:

(in € millions)	2022	2021	2020
Long-term borrowings	4,014.4	4,485.9	4,073.8
Short-term borrowings	651.3	826.6	1,320.7
Cash and cash equivalents and marketable securities	(2,346.8)	(2,788.3)	(2,791.7)
Net financial debt	**2,318.9**	**2,524.2**	**2,602.8**

The table below shows the changes in Legrand's equity:

(in € millions)	2022	2021	2020
Share capital	1,067.3	1,069.8	1,069.8
Retained earnings	5,900.3	5,268.5	4,788.3
Translation reserves	(330.4)	(621.8)	(962.3)
Equity attributable to equity holders of Legrand	**6,637.2**	**5,716.5**	**4,895.8**

06

Corporate governance

6.1 - Administration and Management of the Company

The Company refers to the Afep-Medef Corporate Governance Code for Listed Corporations (the "**Code of Corporate Governance**"). This Code of Corporate Governance can be consulted on the Medef website: www.medef.com.

Under the "comply or explain" rule provided for in Article L. 22-10-10 of the French Commercial Code and Article 28.1 of the Code of Corporate Governance, the Company considers that its practices are compliant with all the recommendations of the Code of Corporate Governance.

6.1.1 - Board of Directors

6.1.1.1 Composition of the Board of Directors

Principles

The Articles of Association of the Company and the internal rules of the Board of Directors[1] (the "**Internal Rules**") define the following principles:

- **number of directors**: the Board of Directors has at least three members and no more than the maximum number of members authorized by the applicable legal and regulatory provisions;
- **length of directors' term of office**: the length of the term of office of directors is three years[2]. It expires at the end of the Ordinary Shareholders' Meeting 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 without limitation;
- **ownership of Legrand shares**: subject to the exceptions provided for in law, each director (with the exception of directors representing the employees) must own at least 500 shares, registered in his/her name, for the entire duration of their term of office. In addition to this requirement laid down in the Articles of Association, the Internal Rules recommend that each director should gradually acquire in the course of his/her term of office a number of shares equivalent to one full year of compensation for his/her duties as a director;
- **age limit for directors**: no one over the age of 70 may be appointed to the Board of Directors if such appointment means that more than one third of Board members will be over that age. If, during their term of office, the number of members of the Board of Directors aged over 70 makes up more than one third of the Board, the oldest member will be deemed to have resigned at the end of the Ordinary Shareholders' Meeting convened to consider the financial statements for the previous financial year and held during the year in which the age limit is reached;
- **Chair of the Board of Directors**: the Chair is appointed by the Board of Directors from among its members. He/she must be a natural person aged under 65 at the time of appointment. When the Chair has reached this age limit, he/she is considered as having resigned at the end of the Ordinary Shareholders' Meeting convened to consider the financial statements for the previous financial year and held during the year in which the age limit is reached. The Chair may be reappointed for consecutive terms without limitation;
- **Vice-Chair of the Board of Directors**: the Board of Directors may appoint a Vice-Chair if necessary. His/her role is to take the place of the Chair if the latter is prevented from fulfilling his/her duties. The Vice-Chair is subject to the same age limit as the Chair;
- **Lead Director** (the "**Lead Director**"): the Board of Directors may appoint a Lead Director. In accordance with the Code of Corporate Governance, the Lead Director must be appointed from among the independent directors. The appointment becomes mandatory if the offices of Chair of the Board of Directors and Chief Executive Officer are combined. If necessary, the Lead Director may directly convene a meeting of the Board of Directors to consider a specific agenda whose importance or urgent nature would justify holding an extraordinary meeting of the Board. Please see section 6.1.2 for details of all the Lead Director's duties and powers;
- **co-opting**: when the conditions provided for in law are met, the Board of Directors may appoint members of the Board temporarily, for the remaining term of office of their predecessor. By law, temporary appointments are subject to ratification by the next Ordinary Shareholders' Meeting.

(1) The Company's Articles of Association and the Internal Rules are available on the Company's website www.legrandgroup.com/en, in the "INVESTORS AND SHAREHOLDERS/Corporate governance/Home" section.

(2) The standard term of office of directors was shortened from four years to three years by the Shareholders' Meeting of May 27, 2020 (sixteenth resolution). This change applies only to appointments and reappointments approved with effect from said Shareholders' Meeting.

Current composition of the Board of Directors

The following table provides a summary overview of the members of the Board of Directors at March 15, 2023:

	Personal information					Experience	Position on the Board				Membership of specialized Committees			
	as of March 15, 2023	Age	Gender	Nationality	Number of shares	Number of appointments in listed companies(1)	Independence	Date of first appointment	End date of term of office	Length of service on the Board	Audit	Nomination and Governance	Compensation	Commitments / CSR
Executive officers	Angeles Garcia-Poveda (Chairwoman)	52	F	Spanish	5,800	2	X	May 25, 2012	2023 SM	10				●
	Benoît Coquart (Chief Executive Officer)	49	M	French	102,150	0		May 27, 2020	2023 SM	2				
Directors	Olivier Bazil	76	M	French	2,034,047	0		Dec. 10, 2002	2025 SM	20		●		●
	Isabelle Boccon-Gibod	54	F	French	1,153	2	X	May 27, 2016	2023 SM	6	●			●
	Christel Bories	58	F	French	1,470	1	X	May 25, 2012	2023 SM	10	●			C
	Jean-Marc Chéry	62	M	French	500	1	X	May 26, 2021	2024 SM	1				
	Edward A. Gilhuly	63	M	American	119,712	0	X	May 30, 2018	2025 SM	4				●
	Patrick Koller	64	M	Dual French/ German	1,000	1	X	May 30, 2018	2025 SM	4		●	●	
	Michel Landel (Lead Director)	71	M	French	1,600	1	X	May 29, 2019	2023 SM	3		C	●	
	Annalisa Loustau Elia	57	F	Italian	1,340	3	X	May 24, 2013	2024 SM	9			C	
	Florent Menegaux	61	M	French	815	1	X	May 25, 2022	2025 SM	<1				
	Éliane Rouyer-Chevalier	70	F	French	1,350	1	X	May 26, 2011	2023 SM	11	C		●	
Directors representing employees	Sophie Bourdais	55	F	French	N/A	0		Sept. 30, 2020	2023 SM	2			●	
	Daniel Buisson	59	M	French	N/A	0		Sept. 30, 2021	2023 SM	1				

(1) The office held at the Company is not counted in this calculation.

SM: Shareholders' Meeting. ●: Committee member. C: Chair of a Committee.

At the date of this Universal Registration Document, the Board of Directors has 14 members including the Chairwoman of the Board, the Lead Director and the two directors representing employees. Biographical details of the Company's directors are provided below.

BENOÎT COQUART

Chief Executive Officer of Legrand*

Aged 49(1)

French citizen

Professional address:

128, avenue du Maréchal de Lattre de Tassigny
87000 Limoges

Number of Legrand shares held:

102,150

Education

Benoît Coquart is a graduate of the *Institut d'Etudes Politiques de Paris* (*Sciences Po Paris*) and the *École Supérieure des Sciences Économiques et Commerciales* (ESSEC).

Professional Background

Benoît Coquart joined Legrand* immediately after completing his studies in 1997 to manage the Group's activities in South Korea.

Pursuing his career within the Group, Benoît Coquart has held several positions, including Executive Vice President Investor Relations, Executive Vice President Corporate Development (M&A), Executive Vice-President Strategy and Development and Executive Vice President France. On February 8, 2018, he was appointed Chief Executive Officer of Legrand*.

He became a Director of Legrand* on May 27, 2020.

He has also been Chairman of Ignes (*Industries du Génie Numérique, Énergétique et Sécuritaire)* and Vice President building of the FIEEC (*Fédération des Industries Électriques, Électroniques et de Communication*) since 2019 and a member of the Board of ESSEC since 2022.

Term of office

Date of 1st appointment:

2020

Expiry date of current term of office:

2023

Directorships and other roles held in companies or other types of organization in France or abroad during the last five financial years

Directorships and other roles within the Legrand Group

Current:

- Chief Executive Officer of Legrand* (since 2018)
- Director of Legrand* (since 2020)
- Chairman of Legrand Holding Inc(2)

Over the last five financial years:

- Executive VP France (until 2018)
- Roles in various subsidiaries

Directorships and other roles outside the Legrand Group

Current:

Companies

- None

Non-corporate roles

- Chairman of Ignes (since 2019)
- Vice President building of the FIEEC (since 2019)
- Member of the Board of Directors of ESSEC (since 2022)

Over the last five financial years:

Companies

- None

Non-corporate roles

- None

* *Listed company.*

(1) *Age as at March 15, 2023, the date on which the Board of Directors approved the Management Report.*

(2) *No compensation in any form is paid or due in respect of directorships held in Legrand or in Group subsidiaries.*

ANGELES GARCIA-POVEDA

Chairwoman of Legrand*'s Board of Directors

Aged 52(1)

Spanish citizen

Professional address:

128, avenue du Maréchal de Lattre de Tassigny
87000 Limoges

Number of Legrand shares held:

5,800

Education

Angeles Garcia-Poveda is a graduate of ICADE business school in Madrid. She also attended the Business Case Study Program at Harvard University.

Professional Background

Angeles Garcia-Poveda has been the Independent Chairwoman of the Board of Directors of Legrand* since July 2020. Prior to this appointment, she was Lead Director from 2013 having been elected to the Board of the World Specialist in Electrical and Digital Building Infrastructures in 2012.

Angeles Garcia-Poveda has been a Senior Advisor of Spencer Stuart and a member of the governance practice until March 2023. In 2008, she joined the executive search consulting firm becoming Managing Director for France in 2011 before being appointed Managing Director EMEA and member of the Global Executive Committee, then a member of the worldwide Board from 2018 to 2021. Angeles Garcia-Poveda began her career at The Boston Consulting Group (BCG) where she worked for 14 years as a strategy consultant and then as head of global recruitment. She is Director of Edenred* and of Bridgepoint*. She is Director of the IFA (*Institut Français des administrateurs*), of NEOMA Business School, of the IFD (*Institut de la Finance Durable*) and sits on the executive council of the MEDEF.

She is also sponsor of Chapter Zero France, member of the Climate Governance Initiative.

Term of office

Date of 1st appointment:

2012

Expiry date of current term of office:

2023

Directorships and other roles held in companies or other types of organization in France or abroad during the last five financial years

Directorships and other roles within the Legrand Group

Current:

- Director of Legrand*:
  - Chairwoman of the Board of Directors (since 2020)
  - Member of the Commitments and CSR Committee (since 2013)

Over the last five financial years:

- Lead Director (until 2020)
- Chairwoman of the Compensation Committee (until 2020)
- Chairwoman of the Nomination and Governance Committee (until 2020)

Directorships and other roles outside the Legrand Group

Current:

Companies

- Director of Edenred* (since 2021)
  - Member of the Compensation, Appointments and CSR Committee (since 2022)
- Director of Bridgepoint* (since 2021)
  - Chairwoman of the Remuneration Committee (since 2021)
  - Member of the Nomination Committee (since 2021)

Non-corporate roles

- Director of the IFA (since 2020)
- Director of NEOMA (since 2021)
- Member of the Executive Council of MEDEF (since 2022)
- Sponsor of Chapter Zero France, member of the Climate Governance Initiative (since 2022)
- Director of the IFD (since January 2023)

Over the last five financial years:

Companies

- Senior Advisor with Spencer Stuart (until March 2023)
- Managing Director EMEA of Spencer Stuart (until 2018)
- Partner with Spencer Stuart (until 2021)
- Member of the Supervisory Board of Spencer Stuart (until 2021)
- Member of the Supervisory Board of AdVini* (until 2022)
- Censor of AdVini* (until 2022)

Non-corporate roles

- None

* Listed company.

(1) Age as at March 15, 2023, the date on which the Board of Directors approved the Management Report.

OLIVIER BAZIL

Company Director
Aged 76(1)
French citizen

Professional address:
128, avenue du Maréchal de Lattre de Tassigny
87000 Limoges

Number of Legrand shares held:
2,034,047

Education

Olivier Bazil is a graduate of the *École des Hautes Études Commerciales* (HEC) and holds an MBA (Master of Business Administration) from Harvard Business School.

Professional Background

Olivier Bazil joined Legrand* in 1973 as Deputy Company Secretary responsible for financial communications and developing the Group's growth strategy. He became Chief Financial Officer of the Legrand Group in 1979, Deputy Chief Executive Officer in 1993, and then held the position of Vice Chairman and Chief Operating Officer from 2000 until the General Meeting of Shareholders on May 26, 2011.

Term of office

Date of 1st appointment:
2002

Expiry date of current term of office:
2025

Directorships and other roles held in companies or other types of organization in France or abroad during the last five financial years

Directorships and other roles within the Legrand Group

Current:

- Director of Legrand*:
  - Member of the Nomination and Governance Committee (since 2015)
  - Member of the Commitments and CSR Committee (since 2006)

Over the last five financial years:

- None

Directorships and other roles outside the Legrand Group

Current:

Companies

- None

Non-corporate roles

- None

Over the last five financial years:

Companies

- Chairman of Fritz SAS (until 2019)
- Member of the Supervisory Board of *Société Civile du Château Palmer* (until 2019)
- Member of the Supervisory Board of *Compagnie Générale des Établissements Michelin** (until 2020)

Non-corporate roles

- None

* *Listed company.*
(1) *Age as at March 15, 2023, the date on which the Board of Directors approved the Management Report.*

ISABELLE BOCCON-GIBOD

Company Director
Aged 54(1)
French citizen

Professional address:
128, avenue du Maréchal de Lattre de Tassigny
87000 Limoges

Number of Legrand shares held:
1,153

Education

Isabelle Boccon-Gibod is a graduate of *the Ecole Centrale de Paris* and Columbia University in the United States.

Professional Background

Isabelle Boccon-Gibod began her career in 1991 with the International Paper Group as an engineer for the Cardboard division first in the United States, which she then joined and managed in the United Kingdom from 1997 to 2001. She was then Head of Strategic Development for Europe until 2004.

She joined the Sequana* Group in 2006 as Special Advisor to General Management.

She was appointed as Vice Executive President of the Sequana* Group in 2008 and Executive Director of the Arjowiggins Group in 2009.

Isabelle Boccon-Gibod is also a photographer and writer.

Isabelle Boccon-Gibod is a Director of Arkema*, the Paprec Group, Arc Holdings and Constellium*. She is also Chairwoman of Observatoire Conseil. Lastly, she is, on a voluntary basis, President of Demeter, and director of the Adie fund (*Association pour le Droit à l'Initiative Économique*).

Term of office

Date of 1st appointment:
2016

Expiry date of current term of office:
2023

Directorships and other roles held in companies or other types of organization in France or abroad during the last five financial years

Directorships and other roles within the Legrand Group

Current:

- Director of Legrand*:
  - Member of the Audit Committee (since 2016)
  - Member of the Commitments and CSR Committee (since 2017)

Over the last five financial years:

- None

Directorships and other roles outside the Legrand Group

Current:

Companies

- Director (Permanent representative of the *Fonds Stratégique de Participations*) of Arkema* (since 2014)
  - Member of the Audit and Accounts Committee (since 2014)
  - Member of the Innovation and Sustainable Growth Committee (since 2021)
- Director of Paprec (since 2014)
- Chairwoman of Demeter (since 2018)
- Director of Arc Holdings (since 2020)
- Chairwoman of Observatoire Conseil (since 2020)
- Director of Constellium* (since 2021)
  - Member of the Nominating and Governance Committee (since 2021)
  - Member of the Audit Committee (since 2022)

Non-corporate roles

- Director of Adie fund (since 2018)

Over the last five financial years:

Companies

- Zodiac Aerospace*
  - Director (until 2018)
  - Member of the Audit Committee (until 2018)
- Director of Sequana* (until 2019)
- Director of SilMach (until 2021)
- Director of GTT* (until 2022)

Non-corporate roles

- Member of the National Steering Committee of *BPI Groupe* (until 2018)
- Director of *Centre Technique du Papier* (until 2020)

* *Listed company.*

(1) *Age as at March 15, 2023, the date on which the Board of Directors approved the Management Report.*

CHRISTEL BORIES

Chairwoman and Chief Executive Officer of Eramet*

Aged 58(1)

French citizen

Professional address:

128, avenue du Maréchal de Lattre de Tassigny
87000 Limoges

Number of Legrand shares held:

1,470

Education

Christel Bories is a graduate of the *École des Hautes Études Commerciales* (HEC).

Professional Background

Christel Bories began her career in 1986 as a strategy consultant with Booz-Allen & Hamilton before moving to Corporate Value Associates. She then held several executive positions with Umicore and the Pechiney Group. When Pechiney became part of the Alcan Group, Christel Bories was appointed Chairwoman and Chief Executive Officer of Alcan Packaging, then Chairwoman and Chief Executive Officer of Alcan Engineered Products and finally Chief Executive Officer of Constellium (ex-Alcan) until her departure in December 2011.

She was appointed Deputy Chief Executive Officer of Ipsen* on February 27, 2013, a position she held until March 2016. She joined Eramet* in February 2017, where she has been Chairwoman and Chief Executive Officer since May 2017. Christel Bories has also been a director of non-profit organization *France Industrie* since 2020.

Term of office

Date of 1st appointment:

2012

Expiry date of current term of office:

2023

Directorships and other roles held in companies or other types of organization in France or abroad during the last five financial years

Directorships and other roles within the Legrand Group

Current:

- Director of Legrand*:
  - Chairwoman of the Commitments and CSR Committee (since 2012)
  - Member of the Audit Committee (since 2013)

Over the last five financial years:

- None

Directorships and other roles outside the Legrand Group

Current:

Companies

- Chairwoman and Chief Executive Officer of Eramet* (since 2017)
  - Member of the Strategy and CSR Committee (since 2017)

Non-corporate roles

- Director of non-profit organization *France Industrie* (since 2020)

Over the last five financial years:

Companies

- Director of Smurfit Kappa* (until 2019)

Non-corporate roles

- None

* *Listed company.*

(1) *Age as at March 15, 2023, the date on which the Board of Directors approved the Management Report.*

SOPHIE BOURDAIS

Legrand's national delegate for relations with the technical education sector

Aged 55(1)

French citizen

Professional address:

128, avenue du Maréchal de Lattre de Tassigny
87000 Limoges

Number of Legrand shares held:

NA

Education

Sophie Bourdais is a graduate of *the Ecole Supérieure de Gestion* in Paris.

Professional Background

Sophie Bourdais joined Legrand* in 1991. Until 2019, she held various positions at Legrand*, particularly in the Sales Department. Sophie Bourdais is currently national delegate for relations with the technical education sector.

Sophie Bourdais took up her role as Director representing employees within the Legrand* Board of Directors, on September 30, 2020.

Term of office

Date of 1st appointment:

2020

Expiry date of current term of office:

2023

Directorships and other roles held in companies or other types of organization in France or abroad during the last five financial years

Directorships and other roles within the Legrand Group

Current:

- Director representing employees of Legrand*:
  - Member of the Compensation Committee (since 2020)
- National delegate for relations with the technical education sector (since 2019)

Over the last five financial years:

- Various positions in particular in sales Department (until 2019)

Directorships and other roles outside the Legrand Group

Current:

Companies

- None

Non-corporate roles

- None

Over the last five financial years:

Companies

- None

Non-corporate roles

- None

* *Listed company.*

(1) *Age as at March 15, 2023, the date on which the Board of Directors approved the Management Report.*

DANIEL BUISSON

Product Quality Manager
Aged 59(1)
French citizen

Professional address:
128, avenue du Maréchal de Lattre de Tassigny
87000 Limoges

Number of Legrand shares held:
NA

Education

Daniel Buisson holds a bachelor's degree in electrical engineering.

Professional Background

Daniel Buisson joined Legrand in 1981. Until 2002, he successively held various positions at Legrand* in particular within the manufacturing area. From 2002 to 2005, he worked as a Supplier Quality coordinator. Since 2005, Daniel Buisson is a Product Quality Manager.

Daniel Buisson took office as director representing employees within the Legrand* Board of Directors on September 30, 2021.

Term of office

Date of 1st appointment:
2021

Expiry date of current term of office:
2023

Directorships and other roles held in companies or other types of organization in France or abroad during the last five financial years

Directorships and other roles within the Legrand Group

Current:

- Director representing employees of Legrand* (since 2021)
- Product Quality Manager (since 2005)

Over the last five financial years:

- None

Directorships and other roles outside the Legrand Group

Current:

Companies
- None

Non-corporate roles
- None

Over the last five financial years:

Companies
- None

Non-corporate roles
- None

* Listed company.
(1) Age as at March 15, 2023, the date on which the Board of Directors approved the Management Report.

JEAN-MARC CHÉRY

Chairman of the Managing Board and Chief Executive Officer of STMicroelectronics*

Aged 62(1)

French citizen

Professional address:

128, avenue du Maréchal de Lattre de Tassigny
87000 Limoges

Number of Legrand shares held:

500

Education

École Nationale Supérieure d'Arts et Métiers (ENSAM) à Paris.

Professional Background

Jean-Marc Chéry has been President of the Managing Board and Chief Executive Officer of STMicroelectronics* since 2018. He is the sole member of the Managing Board and is Chairman of STMicroelectronics*'s Executive Committee.

Jean-Marc Chéry began his career in the French group Matra. In 1986, he joined Thomson Semiconducteurs (which became STMicroelectronics) and held various management positions, rising to lead STMicroelectronics's fabs. In 2008, he was promoted to Chief Technology Officer. In 2014, he was appointed as Chief Operating Officer. In 2017, he was appointed Deputy CEO.

Jean-Marc Chéry is also President of the Council of France-Malaysia Business Leaders of Medef International and member of the Board of Directors at the Global Semiconductor Alliance (GSA) since 2022. In July 2019, Jean-Marc Chéry was awarded the title of *Chevalier de la Légion d'Honneur* by the Ministry of the Economy and Finance.

Term of office

Date of 1st appointment:

2021

Expiry date of current term of office:

2024

Directorships and other roles held in companies or other types of organization in France or abroad during the last five financial years

Directorships and other roles within the Legrand Group

Current:

- Director of Legrand*

Over the last five financial years:

- None

Directorships and other roles outside the Legrand Group

Current:

Companies

- STMicroelectronics*
  - President of the Managing Board (since 2018)
  - Chief Executive Officer (since 2018)
  - Sole member of the Managing Board (since 2018)
  - Chairman of the Executive Committee (since 2018)

Non-corporate roles

- President of the Council of France-Malaysia Business Leaders of Medef International (since 2018)
- Member of the Board of Directors at the Global Semiconductor Alliance (GSA) (since 2022)

Over the last five financial years:

Companies

- STMicroelectronics*
  - Deputy General Manager (until 2018)

Non-corporate roles

- President of ESIA (until 2021)
- President of the European Microelectronics Research and Development Program AENEAS (until 2021)

* *Listed company.*

(1) *Age as at March 15, 2023, the date on which the Board of Directors approved the Management Report.*

EDWARD A. GILHULY

Co-founder and Managing Partner of Sageview Capital LP

Aged 63(1)

U.S. citizen

Professional address:

128, avenue du Maréchal de Lattre de Tassigny
87000 Limoges

Number of Legrand shares held:

119,712

Education

Edward A. Gilhuly holds a B.A. in Economics and History from Duke University and an MBA from Stanford University.

Professional Background

Edward A. Gilhuly is the Co-founder and Managing Partner of Sageview Capital, a technology-focused investment firm with over USD 1 billion in assets under management. Before founding Sageview Capital in 2006, he worked from 1986 to 2005 at Kohlberg Kravis Roberts & Co (KKR), where he became a partner in 1995, started and oversaw KKR's business in Europe from 1998 to 2005, and was a member of KKR's Investment Committee from 2000 until his departure in 2005.

Edward A. Gilhuly is a director of Anitian DemandBase, ElasticPath Software, Exaro Energy III, MetricStream and Pantheon Systems.

Term of office

Date of 1st appointment:

2018

Expiry date of current term of office:

2025

Directorships and other roles held in companies or other types of organization in France or abroad during the last five financial years

Directorships and other roles within the Legrand Group

Current:

- Director of Legrand*:
  - Member of the Commitments and CSR Committee (since 2018)

Over the last five financial years:

- None

Directorships and other roles outside the Legrand Group

Current:

Companies

- Co-founder and Managing Partner of Sageview Capital LP (since 2005)
- Director of Exaro Energy III (since 2012)
- Director of MetricStream (since 2014)
- Director of DemandBase (since 2015)
- Director of ElasticPath Software (since 2018)
- Director of Pantheon Systems (since 2019)
- Director of Anitian (since 2022)

Non-corporate roles

- Trustee of Duke University (since 2013)
- Chairman of the Board of Directors of Duke Management Company (since 2014)

Over the last five financial years:

Companies

- Director of Alfresco (until 2018)
- Avalara*
  - Director (until 2022)
  - Chairman of the Nominating and Corporate Governance Committee (until 2022)

Non-corporate roles

- None

* *Listed company.*

(1) *Age as at March 15, 2023, the date on which the Board of Directors approved the Management Report.*

PATRICK KOLLER

Chief Executive Officer of Faurecia*
Aged 64 (1)
Dual French and German citizen

Professional address:
128, avenue du Maréchal de Lattre de Tassigny
87000 Limoges

Number of Legrand shares held:
1,000

Education

Patrick Koller is a graduate of Nancy Polytech (formerly *École Supérieure des Sciences et Technologies de l'Ingénieur de Nancy* — ESSTIN) and of the French Institute of Management (*Institut Français de Gestion* – IFG).

Professional Background

Patrick Koller has been the Chief Executive Officer of Faurecia* since July 1, 2016 and Vice Chairman of the Shareholders' Committee of HELLA* since 2022. He first joined the Faurecia* Group in 2006 as Executive Vice President of the Business Group Faurecia Automotive Seating (now called Faurecia Seating), a position he held until February 2, 2015. During that period, he held many executive roles in Faurecia group subsidiaries, including Faurecia China Holding Co., Ltd. (China), Faurecia Components Pisek, S.r.o. (Czech Republic), Faurecia Automotive GmbH (Germany), and Faurecia NHK Co., Ltd. (Japan). On February 2, 2015, he was appointed Deputy Chief Operating Officer, a position he held until June 30, 2016.

He has also held senior management positions in several other major industrial companies: he was Chief Executive Officer of Rhodia* Polyamide Intermediates until 2003 and then Group Industrial and Purchasing Director until 2006. He was also Managing Director of the Engine Cooling Europe Division at Valeo* until 2000.

Term of office

Date of 1st appointment:
2018

Expiry date of current term of office:
2025

Directorships and other roles held in companies or other types of organization in France or abroad during the last five financial years

Directorships and other roles within the Legrand Group

Current:

- Director of Legrand*:
  - Member of the Nomination and Governance Committee (since 2018)
  - Member of the Compensation Committee (since 2019)

Over the last five financial years:

- None

Directorships and other roles outside the Legrand Group

Current:

Companies

- Faurecia*
  - Chief Executive Officer (since 2016)
  - Director (since 2017)
- Vice Chairman of the Shareholders' Committee of HELLA* (since 2022)

Non-corporate roles

- Director of the *Fondation du Collège de France* (since 2017)

Over the last five financial years:

Companies

- None

Non-corporate roles

- None

* *Listed company.*
(1) *Age as at March 15, 2023, the date on which the Board of Directors approved the Management Report.*

MICHEL LANDEL

Company Director

Aged 71(1)

French citizen

Professional address:

128, avenue du Maréchal de Lattre de Tassigny
87000 Limoges

Number of Legrand shares held:

1,600

Education

European Business School.

Professional Background

Michel Landel started his career in 1977 at Chase Manhattan Bank. In 1980, he became a plant manager at Poliet. In 1984, he joined the Sodexo* group as Operations Manager for Africa. In 1989, he was appointed Chief Executive Officer for Sodexo in North America. In 2000, he became Vice-Chairman of the group's Executive Committee and, in 2003, the Group's Deputy Chief Executive Officer. Between 2005 and January 2018, he was Chief Executive Officer of Sodexo and Chairman of the Executive Committee. Between 2007 and 2018 he was a director of Sodexo.

Since 2018, Michel Landel has been director at Danone* and Chairman of Astrolabe Services.

Michel Landel was awarded the title of Chevalier de la Légion d'Honneur in 2007.

Term of office

Date of 1st appointment:

2019

Expiry date of current term of office:

2023

Directorships and other roles held in companies or other types of organization in France or abroad during the last five financial years

Directorships and other roles within the Legrand Group

Current:

- Director of Legrand*:
  - Lead Director (since 2020)
  - Chairman of the Nomination and Governance Committee (since 2020)
  - Member of the Compensation Committee (since 2020)

Over the last five financial years:

- None

Directorships and other roles outside the Legrand Group

Current:

Companies

- Chairman of Astrolabe Services (since 2018)
- Danone*
  - Director (since 2018)
  - Member of the Nomination, Compensation and Governance Committee (since 2018)
  - Member of the CSR Committee (since 2021)

Non-corporate roles

- None

Over the last five financial years:

Companies

- Danone*
  - Lead Director (until 2021)
  - Chairman of the Governance Committee (until 2021)
- Sodexo*
  - Chief Executive Officer (until 2018)
  - Director (until 2018)
  - Member of the Executive Committee of Sodexo Pass International (until 2018)
  - Director of Sodexo Inc (until 2018)
- Member of the Supervisory Board of ONE SCA (until 2018)
- Chairman of the Board of Directors of Louis Delhaize (until 2020)

Non-corporate roles

- None

* *Listed company.*

(1) *Age as at March 15, 2023, the date on which the Board of Directors approved the Management Report.*

ANNALISA LOUSTAU ELIA

Company Director
Aged 57(1)
Italian citizen

Professional address:
128, avenue du Maréchal de Lattre de Tassigny
87000 Limoges

Number of Legrand shares held:
1,340

Education

Annalisa Loustau Elia is a law graduate from La Sapienza University in Rome.

Professional Background

Annalisa Loustau Elia started her career at Procter & Gamble* in 1989, firstly at the Group's subsidiaries in Rome and Paris, then until 2001 at its international headquarters in Geneva, where she was in charge of global marketing for Pampers, the group's leading brand. She then joined L'Oréal* as Managing Director of several brands.

In 2004, Annalisa Loustau Elia joined Cartier, where she sat on the global Executive Committee for four years as Managing Director with responsibilities including product development and marketing. From 2008 until January 2021 she was Chief Marketing and Communication Officer and member of the Executive Committee at the Printemps group. As part of that role, she worked specifically on digital transformation and the customer experience.

Annalisa Loustau Elia has been a director of Salvatore Ferragamo SpA*, Kaufman & Broad* and Swarovski International Holdings and a member of the Supervisory Board of Roche Bobois* and of Williams Grant & Sons.

Term of office

Date of 1st appointment:
2013

Expiry date of current term of office:
2024

Directorships and other roles held in companies or other types of organization in France or abroad during the last five financial years

Directorships and other roles within the Legrand Group

Current:

- Director of Legrand*:
  - Chairwoman of the Compensation Committee (since 2020)

Over the last five financial years:

- None

Directorships and other roles outside the Legrand Group

Current:

Companies

- Roche Bobois*
  - Member of the Supervisory Board (since 2018)
  - Member of the Audit Committee (since 2018)
- Kaufman & Broad*
  - Director (since 2021)
- Salvatore Ferragamo SpA*
  - Director (since 2021)
  - Member of the Compensation and Nominations Committee (since 2021)
- Swarovski International Holdings
  - Director (since 2021)
  - Member of the Compensation and Nominations Committee (since 2021)
- Williams Grant & Sons
  - Member of the Supervisory Board (since 2022)

Non-corporate roles

- None

Over the last five financial years:

Companies

- Printemps
  - Member of the Executive Committee (until 2021)
  - Head of Marketing (until 2021)
- Campari*
  - Director (until 2022)

Non-corporate roles

- None

* *Listed company.*
(1) *Age as at March 15, 2023, the date on which the Board of Directors approved the Management Report.*

FLORENT MENEGAUX

Managing General Partner and Managing Chairman of *Compagnie Générale des Établissements Michelin** ('Michelin')

Aged 61(1)

French citizen

Professional address:

128, avenue du Maréchal de Lattre de Tassigny
87000 Limoges

Number of Legrand shares held:

815

Education

Florent Menegaux studied finance, management and economics at the University of Paris Dauphine.

Professional Background

Florent Menegaux joined Price Waterhouse in 1986 as a consultant. In 1991, Exel Logistics France, a logistics and transport company, offered him the position of Finance Director. Six months later, he was promoted General Manager.

From 1995 to 1996, Florent Menegaux was General Manager of the General Cargo Transport division for the Norbert Dentressangle Group.

In 1997, Florent Menegaux joined Michelin* as Commercial Director for truck tires in the United Kingdom and the Republic of Ireland. In 2000, Michelin appointed him Sales Director for Truck Tires Original Equipment and Replacement markets for North America. In 2003, he became head of Truck Tires for South America.

In 2005, he was appointed head of the Africa – Middle East Zone.

In January 2006, Florent Menegaux became responsible for the Michelin Group's Passenger Car and Light Truck Tire Replacement Business Unit for Europe, before being appointed Executive Vice President for the Passenger Car and Light Truck worldwide activities, becoming a member of the Group Executive Committee, in 2008. He also oversees Michelin*'s Motorsports activities and Materials business.

In December 2014, he was appointed Chief Operating Officer and then Senior Executive Vice President of the Michelin* Group in 2017.

In January 2018, he also supervises the Michelin* Group's Business Directions, and the Manufacturing, Supply Chain and Customer Experience Operational Directions.

On May 18, 2018, Florent Menegaux is named Managing General Partner and he became Managing Chairman of Michelin* on May 17, 2019.

He is also Chairman of the *Manufacture Française des Pneumatiques Michelin* since 2019.

Term of office

Date of 1st appointment:

2022

Expiry date of current term of office:

2025

Directorships and other roles held in companies or other types of organization in France or abroad during the last five financial years

Directorships and other roles within the Legrand Group

Current:

- Director of Legrand*

Over the last five financial years:

- None

Directorships and other roles outside the Legrand Group

Current:

Companies

- *Compagnie Générale des Etablissements Michelin**
  - Managing General Partner (since 2018)
  - Managing Chairman (since 2019)
- Chairman of the *Manufacture Française des Pneumatiques Michelin* (since 2019)

Non-corporate roles

- None

Over the last five financial years:

Companies

- Manager of *Compagnie Financière Michelin* SCmA (until 2020)

Non-corporate roles

- None

* *Listed company.*

(1) *Age as at March 15, 2023, the date on which the Board of Directors approved the Management Report.*

ÉLIANE ROUYER-CHEVALIER

Company Director
Aged 70(1)
French citizen

Professional address:
128, avenue du Maréchal de Lattre de Tassigny
87000 Limoges

Number of Legrand shares held:
1,350

Education

Éliane Rouyer-Chevalier holds a degree in economics from *Université Paris II Assas*.

Professional Background

Éliane Rouyer-Chevalier joined the Accor* Group in 1983, where she was in charge of international financing and foreign currency cash management before becoming Head of Investor Relations and Financial Communication in 1992. From 2010 to 2012, she was a member of the Executive Committee of Edenred*, a spin-off from the Accor* Group, with the role of Vice President of Corporate and Financial Communications & Social Responsibility. She has been Chairwoman of ERC Consulting since 2013 and consultant to the World Bank (IFC) since 2016 and was an Independent Director of Vigeo Eiris from 2018 to 2019. Since 2019, she has been a Director of Ipsos* and a member of its Audit Committee. She has led a financial communication course at *Université Paris Dauphine* since 2012 and a Governance & Climate course since 2022. She is a Senior Advisor at CogitoPraxis on corporate citizenship since 2021. In the not-for-profit sector, Éliane Rouyer-Chevalier is the Honorary President of the French Association for Investor Relations (CLIFF) having served as President from 2004 to 2014. She was Vice President of the *Observatoire de la Communication Financière* from 2005 to 2018 and has been Director of France's Federation of Individual Investors and Investment Clubs (F2IC) since 2014. She was a Director of Time2Start, an organization that helps young people from suburban areas to set up their own companies, from 2016 to 2019.

Term of office

Date of 1st appointment:
2011

Expiry date of current term of office:
2023

Directorships and other roles held in companies or other types of organization in France or abroad during the last five financial years

Directorships and other roles within the Legrand Group

Current:

- Director of Legrand*:
  - Chairwoman of the Audit Committee (since 2015)
  - Member of the Compensation Committee (since 2016)

Over the last five financial years:

- None

Directorships and other roles outside the Legrand Group

Current:

Companies

- Ipsos*
  - Director (since 2019)
  - Member of the Audit Committee (since 2019)
- Chairwoman of ERC Consulting (since 2013)
- Senior Advisor at CogitoPraxis (since 2021)

Non-corporate roles

- Director of F2IC (since 2014)

Over the last five financial years:

Companies

- Director of Time2Start (until 2019)
- Independent Director of Vigeo Eiris (until 2020)

Non-corporate roles

- Vice-President of the *Observatoire de la Communication Financière* (until 2018)

* *Listed company.*
(1) *Age as at March 15, 2023, the date on which the Board of Directors approved the Management Report.*

Directors representing employees

Pursuant to Article L. 225-27-1 of the French Commercial Code, the Board of Directors ruled on March 19, 2018 on the appointment procedures for directors representing employees. It decided that they should be appointed by the Central Works Council, since renamed the Central Workforce and Economic Committee (the "**CWEC**").

The law no. 2019-486 of May 22, 2019, on growth and business transformation (the "**Pacte Law**"), lowered the threshold from which a second director is required from twelve to eight directors.

Since the Company's Board of Directors currently has more than eight directors(1), the appointment of two directors representing employees is required. The CWEC of September 30, 2020 appointed Sophie Bourdais as a director representing employees for a three-year term of office, that is until the Shareholders' Meeting to be called in 2023 to approve the financial statements for the financial year ended December 31, 2022.

The CWEC of September 30, 2021 then appointed Daniel Buisson as a director representing employees on the Company's Board of Directors effective September 30, 2021, replacing Philippe Jeulin, due to his retirement on the same date.

Daniel Buisson was appointed for a term lasting until the end date of the term of office of the other directors appointed pursuant to article L. 225-27-1 of the French Commercial Code, that is until the Shareholders' Meeting to be called in 2023 to approve the financial statements for the financial year ended December 31, 2022.

Since the term of office of both the directors representing employees expires at the end of the Shareholders' Meeting to be called in 2023 to approve the financial statements for the financial year ended December 31, 2022, the appointment of their successors is on the agenda for the CWEC of May 11, 2023. Their term of office will begin at the close of the Shareholders' Meeting on May 31, 2023.

The directors appointed to represent the employees have the same status, same rights, and same responsibilities as the other directors.

Representatives of the CWEC

Two representatives of the CWEC also attend meetings of the Board of Directors in an advisory capacity.

Staggering of directors' terms of office

Directors' terms of office have been staggered. Eight directors' terms of office will expire at the Shareholders' Meeting to be called on May 31, 2023 (including directors representing employees). Thereafter, two terms of office will expire in 2024, and a further four in 2025.

No convictions or conflicts of interest

As of the filing date of this Universal Registration Document and as far as the Company is aware, none of the Company directors:

- have family ties with another Company director;
- have been convicted of fraud within the last five years;
- have been involved in any bankruptcy, receivership, liquidation or court administration of a business within the last five years;
- have been convicted of any charge and/or received an official public penalty issued by the statutory or regulatory authorities (including professional bodies);
- have been prohibited by a court from sitting on an administrative, management or supervisory body of an issuer or from taking part in the management or conduct of an issuer's business over the last five years.

To uphold its commitment to good corporate governance, the Board of Directors adopted a Directors' Charter, which has been integrated into the Internal Rules. This Directors' Charter sets forth the rights and obligations of the directors and is binding upon each director. In accordance with the Directors' Charter, directors undertake to:

- inform the Lead Director and the Board of Directors of any actual or potential conflict of interest, abstain from participating in the related discussions and votes, in accordance with the Code of Corporate Governance, and
- avoid any personal involvement with businesses that are competitors of the Company and its Group without having informed the Board of Directors and obtained its consent.

In addition, the Internal Rules lay down the rules for preventing and managing conflicts of interest. This document states that the Lead Director is responsible for preventing conflicts of interest from arising. To achieve this, he/she raises awareness about situations that could potentially give rise to conflicts of interest. He/she is also kept informed by each director of any actual or potential conflict of interest. He/she then reports on these to the Board of Directors, as they do on any actual or potential conflict of interest which they may detect independently.

No actual or potential conflict of interest was reported to the Lead Director or to the Board of Directors during the 2022 financial year.

In addition, the directors have undertaken to keep the Board of Directors informed of directorships held in other companies, including membership of such companies' board committees, both in France and abroad.

(1) The director representing employees is not counted when these percentages are calculated.

A Board of Directors with 83%[1] of its members designated as independent directors

Definition of independent director and applicable criteria

A director is considered to be independent if he/she has no relationship of any kind with the Company, its management or the Group which might compromise his/her free judgment or create a conflict of interest with the Company, its management or the Group. In this regard, the Internal Rules list the independence criteria set forth in the Code of Corporate Governance. Accordingly, an independent director must not:

- be or have been in the past five years:
  - an employee or executive officer of the Company or Group,
  - an employee, executive officer or director of a company consolidated by the Company,
  - an employee, executive officer or director of the Company's parent company or of a company consolidated by that parent company;
- be an executive officer of a company in which the Company directly or indirectly holds a directorship or in which an employee appointed as such or an executive officer of the Company (currently in office or having held such office during the last past five previous years) is a director;
- be a customer, supplier, commercial banker, investment banker or advisor:
  - that is significant to the Company or its Group; or
  - for which the Company or its Group accounts for a material proportion of its business[2];
- be related by close family ties to a company officer of the Company or Group;
- have been a statutory auditor for the Company or a Group company in the course of the five previous years;
- have been a director of the Company for more than 12 years, with the status of independent director being lost on the date at which this 12-year period is reached;
- be a non-executive officer and receive variable compensation in cash or in the form of securities or any compensation linked to the performance of the Company or the Group;
- be a major shareholder in the Company taking part in its control.

However, when a director represents a shareholder of the Company directly or indirectly holding more than 10% of the Company's capital or voting rights, the Board of Directors, after receiving a report from the Nomination and Governance Committee, must systematically review his/her status as an independent director. As part of this process, it must give due regard to the Company's share ownership structure and any potential conflicts of interest.

Qualification procedure for independent directors

In accordance with the Internal Rules, qualifications as independent directors are discussed by the Nomination and Governance Committee with regard to the independence criteria defined above, and are approved by the Board of Directors when a director is appointed and annually for all directors. The findings of the Board of Directors' review are made available to shareholders.

Findings of the review conducted by the Nomination and Governance Committee and the Board of Directors concerning the criterion of business relationships between the Company and its directors

During the annual review of directors' independence, the Nomination and Governance Committee and then the Board of Directors at its meeting of March 15, 2023 analyzed any business relationships that may exist between the Group, on the one hand, and each director or companies with which they are associated (as a customer, supplier, commercial banker, investment banker or advisor) on the other hand.

To prepare the evaluation, the Nomination and Governance Committee asked directors to complete an independence questionnaire. The Committee then analyzed the position of each director based on the responses given, with the following objectives:

- determine whether a business relationship exists;
- and where applicable, assess whether this relationship is significant by applying qualitative criteria (context, background and structure of the relationship, and parties' respective powers) as well as quantitative criteria (materiality of the relationship to the parties).

The review showed none of the directors had business relationships with Legrand, except for Jean-Marc Chéry.

The business relationship between Legrand and the STMicroelectronics group, of which Jean-Marc Chéry is CEO, consists mainly of indirect purchases. Certain Group entities buy electronic components manufactured by STMicroelectronics from specialized distributors.

With regard to the respective powers of Legrand and Jean-Marc Chéry, the Committee found:

- the purchase of STMicroelectronics' electronic components by the Company and its entities preceded the appointment of Jean-Marc Chéry as a director of the Company;
- Jean-Marc Chéry, in his capacity as a director of the Company, had no decision-making authority within the Group with regard to the establishment or continuation of this business relationship. Lastly, the financial stakes involved are not significant for either Legrand or for STMicroelectronics.

(1) Directors representing employees are not counted for the purpose of calculating the proportion of independent directors, in accordance with the recommendations of the Corporate Governance Code.

(2) The assessment of whether the relationship with the Company or the Group is significant or non-significant must be considered by the Board of Directors. The qualitative and quantitative criteria leading to that assessment (continuity, economic dependence, exclusivity, etc.) are explicitly stated in this Universal Registration Document.

Accordingly, the Nomination and Governance Committee considered the business relationship between Legrand and Jean-Marc Chéry to be "non-significant" from both a qualitative and quantitative standpoint because the financial stakes involved are of low significance for both the groups involved. The Board of Directors subsequently approved the conclusion drawn by the Nomination and Governance Committee.

Findings of the review conducted by the Nomination and Governance Committee and the Board of Directors concerning other independence criteria

On March 15, 2023, the Board of Directors reviewed the individual status of each director in relation to the independence criteria stated above. On the recommendation of the Nomination and Governance Committee, it found that Isabelle Boccon-Gibod, Christel Bories, Jean-Marc Chéry, Angeles Garcia-Poveda, Edward A. Gilhuly, Patrick Koller, Michel Landel, Annalisa Loustau Elia, Florent Menegaux and Éliane Rouyer-Chevalier, could be designated as independent directors:

	Angeles Garcia-Poveda	Olivier Bazil	Isabelle Boccon-Gibod	Christel Bories	Benoît Coquart	Jean-Marc Chéry	Edward A. Gilhuly	Patrick Koller	Michel Landel	Annalisa Loustau Elia	Florent Menegaux	Éliane Rouyer-Chevalier
Executive officer during the previous 5 years	●	●	●	●	X	●	●	●	●	●	●	●
Cross-directorships	●	●	●	●	●	●	●	●	●	●	●	●
Significant business relationships	●	●	●	●	●	●	●	●	●	●	●	●
Family ties	●	●	●	●	●	●	●	●	●	●	●	●
Statutory Auditor	●	●	●	●	●	●	●	●	●	●	●	●
Term of office of over 12 years	●	X	●	●	●	●	●	●	●	●	●	●
Non-executive officer status	●	●	●	●	●	●	●	●	●	●	●	●
Major shareholder status[(1)]	●	●	●	●	●	●	●	●	●	●	●	●

●: *indicates independence criterion met.*

X: indicates independence criterion not met.

(1) Shareholder holding, directly or indirectly, more than 10% of the Company's share capital or voting rights.

The proportion of independent directors on the Company's Board of Directors thus stands at 83%[(1)]. This level is higher than the minimum ratio of 50% recommended by the Code of Corporate Governance for non-controlled companies.

With respect to the Board of Directors' specialized Committees:

- the Audit Committee has three members, all of whom are independent, therefore 100% of its members are independent directors. This is in line with the Code of Corporate Governance, which recommends that at least two thirds of the Committee's members should be independent directors;
- the Nomination and Governance Committee has three members, two of whom are independent, therefore 67% of its members are independent directors. This is in line with the Code of Corporate Governance, which recommends that the majority of the Committee's members should be independent directors;
- the Compensation Committee has five members, four of whom are independent directors, and so the proportion of independent directors is 100% (Directors representing employees are not counted for the purpose of calculating the proportion of independent directors, in accordance with the recommendations of the Corporate Governance Code). This is in line with the Code of Corporate Governance, which recommends that the majority of the Committee's members should be independent directors;
- the Commitments and CSR Committee has five[(2)] members, four of whom are independent, and so the proportion of independent directors is 80%.

The Lead Director is also independent, in accordance with the Code of Corporate Governance.

(1) Directors representing employees are not counted for the purpose of calculating the proportion of independent directors, in accordance with the recommendations of the Corporate Governance Code. The percentage of independent directors will stand at 83% at the end of the Combined Shareholders' Meeting on May 31, 2023 subject to the approval of the reappointment as directors of Isabelle Boccon-Gibod, Benoît Coquart, Angeles Garcia-Poveda and Michel Landel and the appointment as independent directors of Valérie Chort and Clare Scherrer.

(2) Gilles Schnepp was a member of the Commitments and CSR Committee until May 25, 2022, the end date of his term of office as a director.

Multiple directorships

The Internal Rules states that each director must devote the necessary time and attention to their duties. In accordance with the recommendations of the Code of Corporate Governance, a director must not hold more than four other directorships in listed companies not affiliated with the Group, including those outside France. In addition, the French Commercial Code states that an individual may not simultaneously hold directorships in more than five *sociétés anonymes* (corporations) having their registered office in France. The Company also applies the rules on multiple directorships set by proxy advisors and investors. Based on the information provided by the directors, they are all in compliance with the rules on multiple directorships.

Selection process for director candidates

Selection process for independent directors appointed by the Shareholders' Meeting

Pursuant to the recommendations of the Code of Corporate Governance, the Nomination and Governance Committee established a procedure for selecting future members of the Board of Directors in the event of a new appointment or a vacancy arising. This procedure was applied for the proposal to appoint Valérie Chort and Clare Scherrer.

The process is as follows:

- the Board of Directors, based on the work performed by the Nomination and Governance Committee, has set objectives for changes in its composition, the profiles targeted based on its diversity policy and the requisite skills identified, in particular during the annual assessment of how the Board of Directors and its Committees operate and the selection criteria in line with the requirements of the Company, and its strategic and operational challenges;
- the Nomination and Governance Committee is assisted by a recruitment firm with the process of identifying candidates who match the target profiles set by the Board of Directors;
- based on a detailed report and conversations with the recruitment firm, the Chairwoman of the Board of Directors and the Chair of the Nomination and Governance Committee draw up a shortlist of candidates and contact them individually;
- the Nomination and Governance Committee discusses on the proposed profiles with regard to the predefined selection criteria, the compliance with the rules of the Code of Corporate Governance and proxy advisors' and investors' voting policies (independence, multiple directorships) and their availability;
- the candidates chosen then meet with the other members of the Nomination and Governance Committee and with management;
- the Nomination and Governance Committee considers the results of these interviews and submits its recommendations to the Board of Directors;
- the Board of Directors approves the draft resolutions for the appointment of any new directors for the Shareholders' Meeting.

Selection process for directors representing employees

Directors representing employees are appointed by the CWEC.

Changes in the composition of the Board of Directors in 2022

During the 2022 financial year, the composition of the Board of Directors changed as follows:

Departures	Appointments	Reappointments
Gilles Schnepp (May 25, 2022)	Florent Menegaux (May 25, 2022)	Olivier Bazil (May 25, 2022) Edward A. Gilhuly (May 25, 2022) Patrick Koller (May 25, 2022)

Terms of office as directors that expired in 2022

The terms of office as a director of Olivier Bazil, Edward A. Gilhuly, Patrick Koller and Gilles Schnepp expired in 2022.

Olivier Bazil, Edward A. Gilhuly and Patrick Koller stated their intention to stand for reappointment.

Gilles Schnepp, a director of the Company since 2002, did not seek a renewal of his term of office.

Olivier Bazil, a French national, has been a director of Legrand since 2002 and has more than 35 years' professional experience within the Group. He is a member of the Nomination and Governance Committee and of the Commitments and CSR Committee. He brings to the Board his experience along with his knowledge of the Group and its business.

Edward A. Gilhuly, a U.S. national, independent director since 2018, is a member of the Commitments and CSR Committee. Edward A. Gilhuly is a founding partner of the Sageview Capital investment fund. He brings to the Board his financial expertise, his experience in acquisition strategy and his knowledge of the American market.

Patrick Koller, a dual French and German national, independent director since 2018, is a member of the Compensation Committee and of the Nomination and Governance Committee. Patrick Koller is Chief Executive Officer of the Faurecia group. Through his experience as a senior executive of a large listed industrial company, Patrick Koller makes a valuable contribution to the Board of Directors' work.

At its meeting on March 15, 2022, the Board of Directors again found Edward A. Gilhuly and Patrick Koller could be designated as independent directors based on the recommendation of the Nomination and Governance Committee.

The Board of Directors assessed the number of directorships held by Olivier Bazil, Edward A. Gilhuly and Patrick Koller outside the Company based on recommendation of the Nomination and Governance Committee. That analysis confirmed compliance with the rules of the French Commercial Code and the Code of Corporate Governance.

For these reasons, the Board of Directors on March 15, 2022, proposed a resolution at the Shareholders' Meeting on May 25, 2022, to renew their term of office as a director for three years. The shareholders voted in favor these reappointments.

Appointment of a director in 2022

In addition, to enrich its composition, the Board of Directors, on the recommendation of the Nomination and Governance Committee, proposed the appointment of Florent Menegaux as an independent director at the Shareholders' Meeting of May 25, 2022. The shareholders voted in favor of this appointment.

Given his experience as a senior executive of a large listed industrial group, the Board of Directors decided that Florent Menegaux could make a valuable contribution to the Board of Directors' work.

Changes in the composition of the Board of Directors in 2023

Directorships due for renewal in 2023

The terms of office as a director of Isabelle Boccon-Gibod, Christel Bories, Benoît Coquart, Angeles Garcia-Poveda, Michel Landel and Éliane Rouyer-Chevalier expire in 2023.

Christel Bories and Éliane Rouyer-Chevalier did not seek a renewal of their term of office.

Isabelle Boccon-Gibod, a French national, director of the Company since 2016, is a member of the Audit Committee since 2016 and of the Commitments and CSR Committee since 2017. The Company has benefited from her financial skills and her experience within various industrial groups.

Angeles Garcia-Poveda, a Spanish national, director of the Company since 2012, was Lead Director, Chair of the Nomination and Governance Committee and Chair of the Compensation Committee until June 30, 2020. She is Chairwoman of the Board of Directors since July 1, 2020. Angeles Garcia-Poveda was Senior Advisor in Spencer Stuart's governance practice from 2021 until March 2023. The Board of Directors benefits from her talent management skills and her expertise in governance and strategy.

Benoît Coquart, a French national, is Chief Executive Officer of the Company since February 8, 2018 and a director of the Company since 2020. He brings to the Board his experience in acquisition strategy, his expertise in strategy and corporate social responsibility and his knowledge of the Group and its business activities.

Michel Landel, a French national, director of the Company since 2019, is also the Lead Director, the Chair of the Nomination and Governance Committee and a member of the Compensation Committee since July 1, 2020. With his experience as a senior executive and a director of a CAC 40 group and his major pioneering commitments to diversity and, more generally, his knowledge of corporate social responsibility matters, Michel Landel makes a valuable contribution to the work of the Board of Directors.

On March 15, 2023, the Board of Directors found that Isabelle Boccon-Gibod, Angeles Garcia-Poveda and Michel Landel could be designated as independent directors on the recommendation of the Nomination and Governance Committee.

The Board of Directors assessed the number of directorships held by Isabelle Boccon-Gibod, Angeles Garcia-Poveda, Benoît Coquart and Michel Landel outside the Company based on the recommendation of the Nomination and Governance Committee. That analysis was in line with the rules of the French Commercial Code, the Code of Corporate Governance and the voting policy of proxy advisors and investors.

The Board of Directors has thus decided to propose at the Shareholders' Meeting on May 31, 2023, the renewal of Isabelle Boccon-Gibod, Benoît Coquart, Angeles Garcia-Poveda and Michel Landel's term of office as directors for a three-year term of office. For further information, please refer to the presentation of the agenda and the draft resolutions available on the Company's website: www.legrandgroup.com/en in the section "INVESTORS AND SHAREHOLDERS / Shareholders' meetings / 2023 General Meeting".

Appointment of two independent directors in 2023

Following the decision of Christel Bories and Eliane Rouyer-Chevalier not to seek a renewal of their term of office, the Board of Directors, based on a proposal made by the Nomination and Governance Committee, recommended the appointment of Valérie Chort and Clare Scherrer as directors.

These proposed appointments are aligned with the goal of further enriching the diversity of its members' profiles and the complementary mix of skills within the Board of Directors. These new directors were selected in line with the arrangements laid down in the "Selection process for independent directors appointed by the Shareholders' Meeting" section above. Upon completion of this selection process, the appointments of Valérie Chort and Clare Scherrer were proposed by the Nomination and Governance Committee and approved by the Board of Directors on February 8, 2023 and March 15, 2023.

Given her expertise in strategy and CSR, and her extensive experience of North and Latin America, it came to the conclusion that Valérie Chort could make a valuable contribution to the work of the Board of Directors.

The Board of Directors concluded that Clare Scherrer would bring the benefit of her financial expertise and acquisitions strategy in view of her international experience as Chief Financial Officer at a company listed in the United Kingdom.

During the course of its meetings, the Board of Directors, on the recommendation of the Nomination and Governance Committee, examined Valérie Chort's individual situation and found (i) that there was no material business relationship between Valérie Chort and Legrand and (ii) that Valérie Chort could be designated as an independent director. The Board of Directors also found that she would have the time required to perform her duties, since the number of directorships she holds outside the Company complies with the rules of the French Commercial Code and the Code of Corporate Governance and proxy advisors' and investors' voting policies.

The Board of Directors, on the recommendation of the Nomination and Governance Committee, also examined Clare Scherrer's individual situation and found (i) that there was no material business relationship between Clare Scherrer and Legrand and (ii) that Clare Scherrer could be designated as an independent director. The Board of Directors also found that she would have the time required to perform her duties, since the number of directorships she holds outside the Company complies with the rules of the French Commercial Code and the Code of Corporate Governance and proxy advisors' and investors' voting policies.

The Board of Directors thus decided to propose at the Shareholders' Meeting on May 31, 2023 the appointment of Valérie Chort and Clare Scherrer as independent directors for a three-year term. For further information, please refer to the presentation of the agenda and the draft resolutions available on the Company's website: www.legrandgroup.com/en in the section "INVESTORS AND SHAREHOLDERS / Shareholders' meetings / 2023 General Meeting".

Replacement of the two directors representing employees in 2023

The CWEC of May 11, 2023 will choose the directors representing employees who will take office following the Shareholders' Meeting of May 31, 2023, replacing Sophie Bourdais and Daniel Buisson.

Board of Directors' diversity policy

As part of the drive to increase the diversity of directors' profiles, the Board of Directors regularly reviews its composition and that of its committees, in accordance with article L. 22-10-10(2) of the French Commercial Code and the Code of Corporate Governance.

Objectives and requirements under the diversity policy

The Board of Directors pays special attention to its composition. Its goal is to ensure its composition and that of its specialized committees are diverse in the belief that this diversity improves the quality of the Board's discussions and decision-making.

The Board of Directors' policy on the diversity of its composition also aims to promote a varied and complementary range of skills and experience and to ensure the Board conducts its tasks in a fully objective and objective manner. Accordingly, based on the work of the Nomination and Governance Committee, the Board of Directors:

- aims to bring together the skills required for the Company's development and strategy. It carefully monitors the balance, complementary nature and relevance of directors' skill sets in relation to the Company's strategy. One particular priority is ensuring that their areas of expertise provide balanced coverage of strategy and external growth, audit, finance and risk management, international experience, corporate social responsibility, knowledge of industrial operations, experience of P&L management, digital technology, innovation and new technologies, governance and compensation, consumers knowledge and distribution channels;
- it endeavors to continue promoting the balanced representation of women and men;
- it continuously aims to improve the international profiles of its members;
- it aims to maintain a high overall independence rate (*i.e.* over 70%), which fits well with the Company's ownership structure.

Implementation of the diversity policy

The Nomination and Governance Committee reviews on a regular basis the suitability of the composition of the Board of Directors and that of its specialized committees and reports on its activities to the Board of Directors.

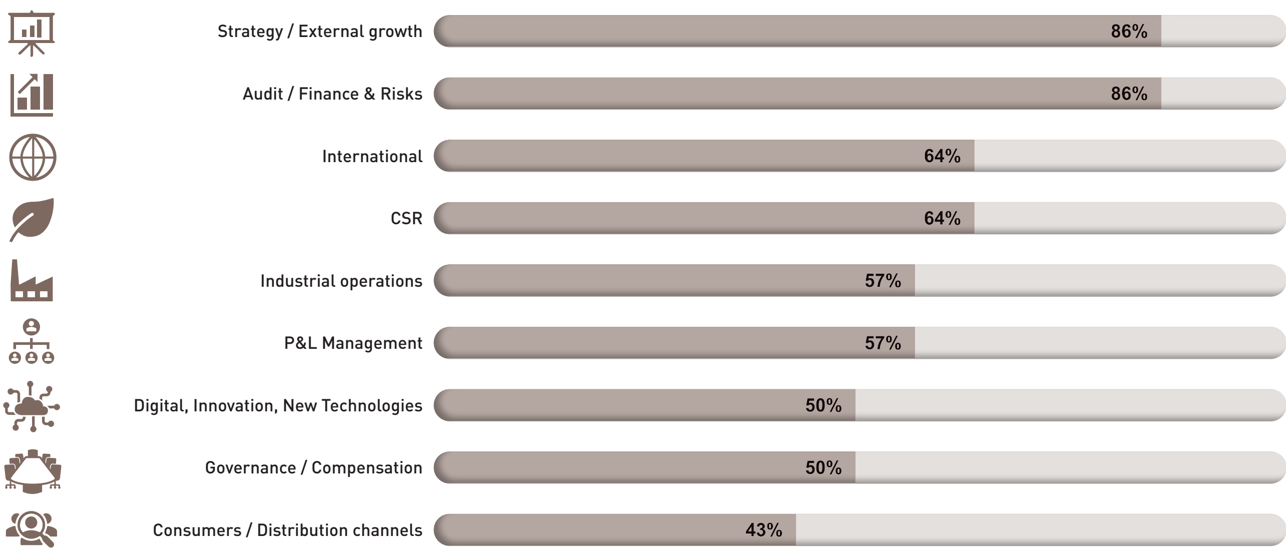
The Nomination and Governance Committee produced a matrix showing directors' skills in order to make it easier to monitor how its diversity policy is implemented. The matrix shown below will be updated on an annual basis and every time the composition of the Board of Directors changes.

Results of implementation of the diversity policy following the Shareholders’ Meeting on May 31, 2023

The following table summarizes progress achieved towards the various objectives of the diversity policy as regards the composition of the Board of Directors during 2022 and 2023 and following the Shareholders’ Meeting on May 31, 2023.

Targets	Results of implementation of the diversity policy following the Shareholders’ Meeting on May 31, 2023
Number of directors kept at a reasonable level	At the close of the Shareholders’ Meeting on May 31, 2023, there will be 12 directors, unchanged compared to 2022. The Board of Directors believes it should target between 10 and 12 members to safeguard a coherent, collegiate and effective decision-making process.
Promoting the balanced representation of women and men	At the close of the Shareholders’ Meeting of May 31, 2023, it will include five women, representing a percentage of 42%(1), which exceeds the 40% minimum requirements of the French Commercial Code and is stable compared to 2022.
Further internationalization	The proposals to appoint Valérie Chort, a Canadian national, and Clare Scherrer, a dual U.S./UK national, will advance efforts to enhance the international profile of the Board of Directors’ composition. At the close of the Shareholders’ Meeting of May 31, 2023, seven different nationalities (Canadian, French, German, Italian, Spanish, UK and U.S.), will be represented on the Board of Directors, up from five in 2022.
Diverse, complementary and relevant mix of skills and experience	The proposed appointments of Valérie Chort and Clare Scherrer will enrich the diversity of profiles and provide the benefit of their extensive experience. The directors’ skills matrix at the close of the Shareholders’ Meeting on May 31, 2023 is shown below.
High overall independence rate (*i.e.* over 70%) maintained, which fits well with the Company’s ownership structure	At the close of the Shareholders’ Meeting of May 31, 2023, it will include ten independent directors, representing a percentage of 83%(1), which exceeds the 50% minimum requirements of the French Commercial Code and is stable compared to 2022.

Directors’ skills matrix at the close of the Shareholders’ Meeting on May 31, 2023



(1) *Directors representing employees are not counted for the purpose of calculating (i) the minimum ratio of directors of a single gender, in accordance wih the provisions of law, or (ii) the proportion of independent directors, in accordance with the recommendations of the Corporate Governance Code. The rate is calculated subject to the renewal of the term of office as directors of Isabelle Boccon-Gibod, Benoît Coquart, Angeles Garcia-Poveda and Michel Landel and the appointment as independent directors of Valérie Chort and Clare Scherrer.*

As regards 2022, the Board of Directors considered directors' skills to be varied and complementary. Certain directors possess strategic skills or experience in the general management of industrial groups, and others have financial skills or more specific areas of expertise (governance and compensation, CSR, digital, innovation and new technologies, consumers knowledge and distribution channels).

Legrand has featured in the "CAC 40 Governance" index which recognizes companies with the best governance practice.

Given all these factors, the Board considers its composition in 2023 to be satisfactory with regard to the diversity criteria examined.

6.1.1.2 Operating procedures of the Board of Directors

The Company's Board of Directors has adopted Internal Rules pursuant to the Articles of Association. These Internal Rules are designed to establish, within the framework of current statutory and regulatory provisions and the Articles of Association, details of the composition, organization and operation of the Board of Directors and its Committees, as well as the rights and obligations of directors. The main rules relating to the organization and operation of the Company's administration bodies are outlined below.

Missions and duties of the Board of Directors and of its Chair

The Board of Directors carries out the duties that have been assigned to it by law in order to act at all times in the Company's interest. The Board of Directors determines how the Company is managed. The Board of Directors may decide to set up Committees to consider matters submitted to them by the Board of Directors or its Chair. It determines the composition and duties of its Committees. They perform their duties under its responsibility and without prejudice to the powers of the Board itself.

The Board's strategy and decisions are formulated within the framework of the Company's sustainable development policy. It endeavors to promote long-term value creation by the Company by considering in particular the social and environmental aspect of its activities.

Consequently, the Board's role is:

- to consider and approve all decisions relating to significant strategic, economic, social, financial and technological issues for the Company and the Group and ensure that General Management puts them into effect;
- concerning the matters mentioned below, to make related proposals to shareholders where they are subject to approval at Shareholders' Meetings or to grant prior authorization to the Chief Executive Officer to complete and implement them where they are matters for General Management:
  - delegation of powers or authority relating to the issue or purchase of shares or other securities giving access to the share capital,
  - arrangement of borrowings, whether as bonds or in any other form, or any voluntary early repayment of loans, advances or borrowings for an amount exceeding €100 million,
  - the establishment of joint venture(s) or the acquisition of any business(es) for an amount exceeding €100 million; the acquisition of any equity interest or business, or the formation of any joint-venture agreement where the amount involved exceeds €100 million,
  - the sale or transfer of any business(es) or asset(s) for an amount exceeding €100 million; the sale of any equity interest or business involving an amount exceeding €100 million,
  - the selection, replacement or removal of any or all of the Statutory Auditors,
  - merger transactions or proposals concerning the Company or, more generally, any transaction resulting in the transfer or sale of all or substantially all of its assets,
  - any transaction leading to an increase or reduction in the Company's share capital, including, as may be the case, through the issue of securities giving access to the Company's share capital, such as securities convertible into shares or exchangeable for or redeemable in shares or preferred shares (except for awards of bonus shares or stock options in the Company's normal course of business),
  - any introduction of double voting rights or any other change to the voting rights attached to Company shares,
  - any proposal for the appointment of new members to the Board of Directors,
  - the admission to trading of any shares issued by the Company on a regulated market other than Euronext or any other financial instrument issued by the Company,
  - insolvency filings, appointment of an *ad hoc* authorized agent, liquidation, any voluntary winding-up or agreed liquidation of the Company, and any decision that may result in the initiation of insolvency proceedings or the appointment of an *ad hoc* authorized agent,
  - any proposal for a decision entailing amendment of the Company's Articles of Association,
  - in the event of disputes, the conclusion of any agreement, settlement or arrangement, or acceptance of any compromise, where the amount concerned exceeds €100 million,
  - the grant of any surety on Company assets if the obligation for which surety is given or the assets pledged represents an amount in excess of €100 million,
  - and more generally, any material transaction outside the scope of the Legrand's stated strategy, where the amount concerned exceeds €100 million;
  - to examine and approve the reports on the activities of the Board of Directors and its Committees to be included in the corporate governance report;

- to examine and approve, based on a proposal made by the Nomination and Governance Committee, the presentation of directors to be included in the corporate governance report, in particular the list of independent directors, setting out the criteria applied;
- to co-opt directors where necessary, and present proposals for the reelection or appointment of directors to the Ordinary Shareholders' Meeting;
- to discuss the performance of the executive officers (without the interested parties being present), to determine, based on a proposal made by the Compensation Committee, the compensation due to executive officers and to apportion the compensation awarded to the directors, in accordance with the compensation policies approved every year by the Shareholders' Meeting;
- to consider stock option and bonus share plans and all other share-based payments or compensation indexed or otherwise linked to shares;
- to ensure that shareholders and investors receive relevant, balanced and instructive information about the strategy, development model, the way in which extra-financial issues that are material for the Company are taken into account and its long-term outlook;
- to review on a regular basis, along with the strategy it has formulated, the opportunities and risks, such as financial, legal, operational, social and environmental(1) risks, as well as the measures taken accordingly;
- to ensure, as appropriate, that a framework is implemented to detect and prevent corruption and influence peddling;
- to make certain that executive officers implement a policy of non-discrimination and diversity, in particular with regard to the balanced representation of women and men on its executive bodies;
- to approve the management report, including the corporate governance report and presenting the compensation policy;
- at the proposal of the General Management, the Board of Directors shall establish multi-annual strategic guidelines on corporate social responsibility ("**CSR**");
- to ensure the CSR strategy implemented by General Management includes an action plan and time frames within which these actions will be taken and review the implementation arrangements for this strategy, as presented by General Management, as well as the results obtained on an annual basis;
- on climate-related issues, to ensure the CSR strategy implemented by General Management carries precise objectives defined for different time frames and to review on an annual basis the results achieved and the relevance, if any, of adapting the action plan or changing the objectives in the light of, inter alia, the evolution of the company's strategy, technologies, shareholder expectations and the economic capacity to implement them;
- to make certain the climate strategy and the main actions taken for this purpose are presented at the Shareholders' Meeting.

The Board of Directors alone has the power to amend its Internal Rules.

The Chair of the Board of Directors organizes and directs the work of the Board. The Chair reports to the Shareholders' Meeting. The Chair is responsible for ensuring that the Company's corporate bodies operate effectively in line with the principles of good governance. The Chair sets the schedule and agenda for Board meetings and convenes them. The Chair coordinates the work of the Board of Directors with that of its specialized Committees. In dealings with the Company's other bodies and with external parties, the Chair of the Board of Directors is the only person with the power to act in the name of the Board of Directors and to speak on its behalf(2).

The Chair may hold discussions with the Statutory Auditors in order to prepare the work of the Board of Directors and its Committees. The Chair coordinates with the Chief Executive Officer, who alone is responsible for the general and executive management of the Company. The Chair may ask the Chief Executive Officer or any manager for any information that may assist the Board of Directors and its Committees with fulfilling their duties.

The Board of Directors and corporate social responsibility

When formulating and reviewing strategy, the Board of Directors considers social and environmental aspects of the Company's activities.

Within the Board of Directors, the Commitments and CSR Committee also makes certain the Group's strategy and its CSR efforts are aligned, in particular on climate risks and opportunities.

The Board of Directors' other specialized Committees are responsible for CSR issues related to their duties:

- the Audit Committee monitors the latest changes in the new extra-financial reporting requirements and the reliability of the calculation of extra-financial indicators, including those related to the European Taxonomy;

(1) *For more information on the governance and missions of the Commitments and CSR Committee and of the Board of Directors regarding the review and supervision of environmental and social risks and opportunities, the reader is invited to refer to the section "CSR governance bodies" in 4.1.1 of this Universal Registration Document.*

(2) *Except in exceptional circumstances, and excluding where a particular mission or specific mandate is entrusted by the Board of Directors to another director.*

- the Compensation Committee ensures CSR criteria, including the climate and environment, are integrated effectively in the annual variable compensation paid to the Chief Executive Officer and in the long-term compensation paid to the Chief Executive Officer and managers;
- the Nomination and Governance Committee makes certain that the Board of Directors possesses CSR skills.

Relationship between the Board of Directors and shareholders

After the offices of Chair of the Board of Directors and Chief Executive Officer were separated, a decision was made to entrust the duty of maintaining dialog on governance issues between the Board of Directors and shareholders with the Chair of the Board of Directors, together with the Executive VP Investor Relations. Depending on the topics being covered, managers may be invited to attend.

If the Chair of the Board of Directors is unavailable, this duty to maintain a dialog may be assigned by the Board of Directors to the Lead Director, based on the same arrangements (supported by the Executive VP Investor Relations and members of management depending on the topics addressed). In accordance with the Code of Corporate Governance, the Chair of the Board of Directors (or the Lead Director) reports to the Board regarding these duties.

Meetings of the Board of Directors

The Board of Directors meet as often as required in the interests of the Company, and in any event, must meet at least five times per year.

Members of the Board of Directors are convened to Board meetings by the Chair, or, in the event that the Chair is unable to do so, by the Vice-Chair.

The Lead Director may also:

- ask the Chair to convene a Board of Directors' meeting, or
- directly convene a meeting of the Board of Directors to consider a given agenda whose importance or urgent nature justifies holding an extraordinary meeting of the Board of Directors.

The Chief Executive Officer may also ask the Chair to convene a Board of Directors' meeting to consider a particular agenda. Whenever the Board of Directors has not met for more than two months, at least one third of the members of the Board of Directors may ask the Chair to convene a meeting of the Board of Directors to consider a particular agenda. The Chair is bound to act on these requests.

Subject to the above, the agenda is decided by the Chair and may not be set, where necessary, until the meeting itself.

The Internal Rules state that notices of meetings, which may be sent out by the secretary of the Board of Directors, may be issued by letter, email or orally. Meetings are held at the registered office or in any other place indicated in the notice of meeting, in France or abroad.

Where the notices of meeting so stipulate, Board of Directors' meetings may be held by means of videoconference or telecommunication, provided that these transmit at least the voices of participants and meet the technical requirements for the continuous and simultaneous relay of proceedings. In all instances permitted by law, directors participating in Board of Directors' meetings using such means are deemed present for the purposes of quorum and majority voting requirements.

If one or more directors notify the Chair of the Board of Directors that they cannot attend a Board meeting, the Chair must attempt to organize a Board meeting using the means described in the preceding paragraph. Board meetings may not be held using such means to adopt certain decisions where to do so is prohibited by law.

The Chair shall endeavor to issue notices of Board meetings five days prior to the actual meeting. The Chair shall also endeavor to take account of the diary constraints of Board members in order to ensure as many members as possible attend each meeting.

Decisions are made subject to the quorum and majority voting requirements provided for by law. If a vote is tied, the Chair has the casting vote. The Board may appoint a secretary who need not be one of its members.

Written consultation of the Board of Directors

In accordance with article 9.5 of the Articles of Association, decisions within the duties of the Board of Directors as referred to by the applicable regulations may be adopted by means of a written consultation of the directors.

The decision to launch this type of consultation is made by the Chair. When a written consultation is launched, the Chair sends the directors by email the text of the proposed decision(s) and any document or information needed for them to reach their decision.

The quorum and majority voting rules are those applicable to decisions made at meetings of the Board of Directors. The quorum requirement is calculated based on the number of members who respond to the written consultation by the stated deadline.

Decisions made by a written consultation must be recorded in minute by the Chair.

Attendance register

An attendance register is kept at the Company's registered office that is signed by the directors taking part at the meeting of the Board of Directors. Where appropriate, it contains the names of the directors who were present by means of videoconference or telecommunication, represented, excused or absent at each meeting. The Board secretary initials the attendance register in the place of directors represented or participating at the meeting of the Board of Directors *via* a videoconference or telecommunication (on their behalf and on behalf of those representing them, where appropriate). Proxies granted by mail or email are annexed to the attendance register.

Minutes of Board meetings

The Board's decisions are evidenced by minutes prepared, signed, and maintained in accordance with regulatory requirements. The minutes of each Board meeting must include:

- the name of each director present physically or by means of videoconference or telecommunication, represented, excused or absent;
- the occurrence of any technical videoconference or conference call incident that disrupted proceedings;
- the presence or absence of individuals convened to the meeting of the Board of Directors pursuant to a statutory requirement;
- the name of other persons attending all or part of the Board meeting;
- a summary of the debates and deliberations of the Board of Directors;
- questions raised and the reservations stated by participating directors, if any.

Notices and minutes of Board meetings are translated into English.

The draft minutes of the meeting of the Board of Directors are prepared by the Board secretary after each meeting.

The minutes are approved at meeting of the Board of Directors and signed by the chair of the meeting and a director.

The minutes may be prepared in electronic form. They may also be signed by means of an electronic signature, complying at the very least with the requirements applicable to advanced electronic signatures, as provided for in the statutory provisions in force.

Evaluation of the Board of Directors and its specialized Committees

The Board discusses its operating procedures at least once a year. That includes a review of the operating procedures of the specialized committees. An account of this is included in the Company's corporate governance report so that shareholders are kept informed each year of the evaluations carried out and, if applicable, any steps taken as a result (see section 6.1.1.3).

The evaluation of the Board's operating procedures and those of its specialized Committees is supervised by the Lead Director.

Directors' access to information

So that Board members can carry out their duties effectively, documentation containing all the documents and information needed for the consideration of the items on the agenda is made available to the directors a reasonable amount of time before the meeting by means including a secure digital platform.

Directors may request any documents they believe relevant for the preparation of the meeting, provided that they submit such requests with a reasonable notice period.

Between meetings, directors should be provided with all relevant information on events or transactions that are significant for the Company. Directors can meet with the Company's principal executive managers, including in the absence of the Chief Executive Officer. In the latter case, the Chief Executive Officer should be given prior notice.

The members of the Board of Directors are in regular contact with the Executive Committee members and management who speak during Strategy seminars, Board of Directors' meetings and committee meetings as and when current events require.

A monthly press review including articles about Legrand and its environment and a summary of investment analysts' research reports after each publication of results is also made available to directors on the secure digital platform.

In addition, the Chief Executive Officer and the Chairwoman of the Board of Directors may issue briefings on the latest news concerning Legrand's business in between meetings of the Board of Directors.

Management also provides information about Group events that the directors may attend. In 2022, the directors were invited to take part in the ESG investors' day, which went ahead online and was webcast from the Group's website.

Directors' training

Upon their appointment and throughout their term of office, each director can receive training related to the specific features of the Group, its activities, businesses, and challenges related to CSR.

An induction program is established for new directors to facilitate their onboarding and get them up to speed.

The main components of this program are as follows:

- every new director is given documentation that includes: (i) the Internal Rules, which state the rules on confidentiality and on the prevention of conflicts of interest applicable to members of the Board, (ii) the Code of Conduct for Stock Market Transactions, (iii) the Company's Articles of Association, (iv) the minutes of the meetings of the Board of Directors in the previous year, (v) various other documents presenting the Group, including presentations given at the Board of Directors' Strategy seminars in the previous five years;

- meetings are also held with Executive Committee members and the Company's senior executives, to deepen and enrich new directors' knowledge of the Group's business activities, its competitive environment, its acquisition strategy, its HR and Information Systems roadmaps, and to understand the Group's CSR strategy, especially its climate priorities;
- Lastly, site visits are also arranged to give new directors operational insights concerning the Group's various activities.

The induction program is also open to any other director who asks to take part.

For example, visits, presentations and meetings were arranged for Florent Menegaux following his appointment on May 25, 2022. In the course of this induction program, Florent Menegaux visited the product lab, the Innoval customer training center in Limoges, and the My Home Apartment, which showcases the technologies marketed by Legrand in its home systems. He met with several of Legrand's senior executives and operational managers, including the Executive VP Corporate Social Responsibility and the Executive VP Information Systems.

In addition, the Board makes certain that it holds various ongoing special training sessions throughout the year so that directors can deepen their knowledge of the Group (through presentations of its key challenges, business lines, products and services and some of its regions, and its competitive environment). These sessions are usually arranged as part of the Strategy seminars and working meetings to address a specific theme (see section 6.1.1.3).

The Internal Rules also stipulates that directors representing employees or employee-shareholders should receive appropriate training on the requirements of their role.

In addition, directors representing employees and CWEC representatives attending meetings of the Company's Board of Directors attended 30 hours of English classes during 2022.

Lastly, financial and legal training sessions can be arranged upon request for the CWEC representatives who attend the Company's Board of Directors' meetings.

Professional ethics for directors

In accordance with the Directors' Charter, before taking up their post, all directors must ensure that they are fully aware of their general and specific duties. These obligations arise from legislation and regulations, the Articles of Association, the Internal Rules and the Directors' Charter, as well as from various other legally binding documents:

Code of Conduct for Stock Market Transactions

In 2006, the Group adopted a Code of Conduct for Stock Market Transactions, which is available on the Company's website at www.legrandgroup.com/en. This Code of Conduct complies with the market abuse regulations in force.

The Code was adopted by the Board of Directors on June 2, 2006 and the new versions were presented at the Board of Directors' meeting of November 9, 2016 and then November 2, 2021. One of its purposes is to raise awareness among all Group staff ("**Staff**[(1)]" or "**Member of Staff**[(1)]") regarding:

- the legislation and regulations applicable to the possession, disclosure and use of "inside information" ("**Inside Information**[(2)]") concerning the Company which could apply to them since they may have access to such information by virtue of their positions or duties for the Group;
- compliance with the closed periods laid down by the Company;
- the rules for trading in Legrand Securities (the "**Legrand Securities**[(3)]") and the safeguards put in place to ensure that each employee may invest in Legrand Securities without breaching market integrity rules;
- the penalties incurred in the event that these rules are breached.

The Code also provides for:

- the appointment of the ethics officer, who is the Group's Executive VP Legal Affairs (the "**Ethics Officer**");
- rules on establishing, updating and making available to the AMF a list of all individuals privy to Inside Information who are working for the Group pursuant to an employment contract or who perform in any other manner tasks giving them access to the Inside Information (the "**Insider List**");

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(1) Member of Staff refers to any person discharging managerial responsibilities (Chair, Chief Executive Officer, directors), any employee or external service provider acting in the name and on behalf of Legrand.

(2) Inside Information is information of a precise nature not already in the public domain directly or indirectly concerning Legrand or the Legrand Group, or one or more Legrand shares, and that would be likely to have a significant impact on the price of Legrand shares were it to be made public.

(3) Legrand Securities refers to (i) any and all financial instruments issued by Legrand admitted to trading or covered by an application for admission to trading on a regulated market or a multi-lateral trading facility (MTF) or negotiated on an organized trading facility (OTF) and including the shares and any securities issued or to be issued in the future by Legrand giving access to the share capital of the Company or of one of the subsidiaries of the Legrand Group, the bonds and any other securities representing a debt claim on the Company or one of the Legrand Group's subsidiaries, the rights that may be detached from these various securities, including preferred subscription or allotment rights, and units or shares of collective investment undertakings, and (ii) any and all financial instruments the price or value of which depends on the price or value of the securities referred to in (i) above or that has an impact on this price or value.

- where the Insider is a service provider acting in the name and on behalf of the Company with access to Inside Information in the course of its business relationship with the Company, rules on having an individual within the organization who establishes and updates a list of Insiders stating those members of its staff and, if need be, of third parties conducting tasks for the service provider who are privy to Inside Information concerning Legrand;
- the embargo periods during which the Company will not give out any new information about its business or earnings to financial analysts and investors;
- the role of the committee set up in 2016 when the Company adopted an internal procedure for designating and publishing Inside Information (the "**MAR Committee**"). This role consists in evaluating, on a case-by-case basis, whether or not information is inside information and then determining and examining the consequences in the event that such information is disseminated.

Under this Code, the managers[1] and other individuals regularly or occasionally privy to Inside Information concerning Legrand or the Legrand Group must refrain from trading in the Legrand Securities during the periods laid down below:

- during the 30-calendar-day period prior to publication of the annual, half-yearly and quarterly financial statements or of an annual or half-yearly financial report, ending on the day after publication of the relevant information,
- during any other period defined and announced by the Ethics Officer.

In general, any person may, before performing a transaction in the Legrand Securities, request the opinion of the MAR Committee on such a transaction by contacting the Ethics Officer who will then call a meeting of the MAR Committee for said purpose.

All individuals must refrain from performing a transaction in the Legrand Securities when they appear on an Insider List. If an individual appears on the list without being privy to Insider Information, they may seek the Ethics Officer's opinion before performing a transaction in the Legrand Securities.

Conversely, an individual may hold Inside Information without appearing on an Insider List. In such a scenario, they may also seek the Ethics Officer's opinion before performing a transaction in the Legrand Securities.

These opinions are of consultative value only, and the decision on whether or not to perform the transaction in the Legrand Securities is the sole responsibility of the relevant individual.

Internal Charter on the Qualification of Agreements

The Company possesses an internal Group charter. This charter designates agreements when they are entered into by the Company and distinguishes agreements that need to undergo the procedure for related-party agreements from those relating to regular transactions concluded under normal conditions. It is available on the Company's website at legrandgroup.com/en in the "INVESTORS AND SHAREHOLDERS/Corporate governance/Home" section. In accordance with the latest relevant requirements, the charter was updated and adopted by the Board of Directors on May 6, 2020. Under this charter, the Board of Directors established a committee (the "**Agreement Committee**") responsible for analyzing the relevance of the criteria used to qualify agreements as regular and concluded under normal conditions within the Group (the "**Non-regulated Agreements**"). Application of this procedure during the year did not lead to any changes in the criteria used to qualify Non-regulated Agreements entered into by the Company.

(1) or "persons discharging managerial responsibilities" refers to the company officers and senior managers. For the purposes of the Code:

- *the company officers are (i) the Chair and Chief Executive Officer, the Chief Executive Officer or the Chief Operating Officer(s) of Legrand, and the members of Legrand's Board of Directors;*
- *the senior managers are individuals who, firstly, have decision-making powers at the Legrand Group concerning the future direction and strategy of Legrand or the Legrand Group and, secondly, who are regularly privy to Inside Information directly or indirectly concerning Legrand or the Legrand Group.*

6.1.1.3 Work performed by the Board of Directors in 2022

In 2022, the Board of Directors met eight times. Directors' attendance at Board of Directors' meetings was highly satisfactory since the attendance rate in 2022 was 94%.

Attendance record of the Board of Directors	Attendance rate (meetings attended/total number of meetings)
Angeles Garcia-Poveda	100% (8/8)
Olivier Bazil	100% (8/8)
Isabelle Boccon-Gibod	87.5% (7/8)
Christel Bories	87.5% (7/8)
Sophie Bourdais	100% (8/8)
Daniel Buisson	87.5% (7/8)
Jean-Marc Chéry	75% (6/8)
Benoît Coquart	100% (8/8)
Edward A. Gilhuly	75% (6/8)
Patrick Koller	100% (8/8)
Michel Landel	100% (8/8)
Annalisa Loustau Elia	100% (8/8)
Florent Menegaux(1)	100% (4/4)
Éliane Rouyer-Chevalier	100% (8/8)
Gilles Schnepp(2)	100% (4/4)

(1) Florent Menegaux was appointed on May 25, 2022.
(2) Gilles Schnepp's term of office came to an end on May 25, 2022.

According to the Internal Rules, some of its decisions may be prepared for by the Board of Directors' specialized Committees, enabling the Board of Directors to discharge its duties as effectively as possible. The average attendance rate at meetings of the various specialized committees was 98.5% in 2022. Information on these specialized Committees can be found in section 6.1.3 of this Universal Registration Document.

Topics covered by the Board of Directors in 2022

The Board's worked on matters including:

- the Company's results:
  - report on the Audit Committee's work, as set out in section 6.1.3.3 below,
  - approval of the consolidated and statutory financial statements for the year ended December 31, 2021, and the related reports, the consolidated financial statements for the three months ended March 31, 2022, the consolidated financial statements and management report for the six months ended June 30, 2022, and the consolidated financial statements for the nine-month period ended September 30, 2022,
  - review and approval of press releases on the annual, half-yearly and quarterly consolidated financial statements,
  - proposed allocation of results,
  - choice of dividend payment method and consequences in terms of share-related adjustments,
  - drawing up of forecast financial statements for 2022,
  - approval of the 2022 budget;
- governance:
  - report on the work performed by the Lead Director,
  - report on the work of the Nomination and Governance Committee, as set out in section 6.1.3.3 below,
  - qualification of independent directors,
  - review of the composition of the Board of Directors in view of the renewal of the term of office of three directors and the appointment of an independent director,
  - review of the composition of the specialized Committees,
  - definition of diversity targets for the Board of Directors' composition,
  - evaluation of the operating procedures of the Board of Directors and its Committees (summary and proposals),
  - review of regulated agreements;
- compensation:
  - report on the work of the Compensation Committee, as set out in section 6.1.3.3 below,
  - compensation paid to the company officers,
  - review of compensation in respect of 2021,
  - determination of the principles of compensation for 2022,
  - long-term incentive plans/performance share plans and stock-option plans,
  - use of the authority granted under the fifteenth resolution of the Combined Shareholders' Meeting on May 26, 2021,

- approval of the rules of the 2022 performance share plan for Group employees, the Chief Executive Officer, Executive Committee members resident in France for tax purposes and Executive Committee members resident outside France for tax purposes, and for long-term incentive bonuses,
- approval of individual performance share awards to Group employees and Executive Committee members,
- determination of the number of shares that the Chief Executive Officer is required to hold in registered form until the termination of his/her duties as concerns performance share awards,
- compensation granted to the directors: amounts awarded in respect of 2021,
- determination of the budget for reimbursement of directors' expenses;

- management of the Company's financial affairs:
  - annual renewal of financing authorizations,
  - annual renewal of powers granted to the Chief Executive Officer regarding sureties, endorsements, and guarantees,
  - grants of authority to the Board of Directors to be proposed at the Shareholders' Meeting,
  - use of the authority granted under the sixteenth resolution of the Combined Shareholders' Meeting on May 25, 2022,
  - use of the authority granted under the seventeenth resolution of the Combined Shareholders' Meeting on May 25, 2022,
  - authorization of the conclusion of an amendment to the syndicated credit agreement;
- Company strategy and growth:
  - report on the work of the Commitments and CSR Committee, as set out in section 6.1.3.3 below,
  - update on the Company's M&A policy,
  - regular progress reports on proposed acquisition plans,
  - presentation of the Group's HR roadmap,
  - the Company's shareholder structure,
  - feedback from the markets following publication of the full-year results,
  - presentations on strategic issues, especially during the Board of Directors' annual Strategy Seminar,
  - presentation of the 2019-2021 CSR Roadmap achievements,
  - presentation of the new 2022-2024 CSR Roadmap,
  - feedback on the ESG event for investors on March 29, 2022,
  - presentation of the Group's brands strategy;
- risk management: review of the risk management system;
- preparation for the annual Shareholders' Meeting on May 25, 2022:
  - notice of meeting for the annual Combined Shareholders' Meeting (finalization of the agenda and approval of draft resolutions),
  - drawing up of the reports to the Shareholders' Meeting;
- other:
  - recognition of the capital reduction following the cancellation of shares,
  - annual review of the policy regarding gender balance and equal pay,
  - update on the competition investigation being carried out by the Competition Authority and the financial public prosecutor's office,
  - update on the Ukraine/Russia situation.

Working meeting of the Board of Directors

Legrand's directors have taken part every year in a working meeting dedicated to specific topical and/or extra-financial themes related to the duties of the Board of Directors. External specialists are brought in to give presentations to Board members at this type of meeting. In 2021, the Board of Directors devoted its working meeting to climate change. In 2022, the Board of Directors devoted its working meeting to the Metaverse and Clean Hydrogen.

Board of Directors' annual Strategy Seminar

Every year, Legrand's directors and the representatives of the CWEC who attend meetings of the Board of Directors participate at a Strategy Seminar organized in France or abroad. The Seminar's program is tailored to help directors better understand their role on the Board and improve their knowledge of the Group, and its organization, its products and its markets. It also helps to spark discussions concerning the Company's strategy. In 2022, the Board of Directors' Strategy Seminar was held at a site in Strasbourg (France). Attendees visited Innoval and the Strasbourg site during the seminar.

Its objective was to present Legrand's activities in France and the rest of Europe and the focus was on two main areas: the Europe roadmap for the electric vehicle charging business and "Legrand Care", which specializes in the innovative development of connected solutions for assisted living.

Areas of improvement for the Board of Directors' performance further to the annual evaluation of the Board of Directors

Since 2007, an evaluation of the operating procedures of the Board of Directors and its specialized Committees has been conducted every year in order to evaluate, as required by the Code of Corporate Governance:

- the arrangements for the operation of the Board and its specialized Committees,
- the quality of preparation and debate regarding significant matters, and
- the actual contribution of each director to the work of the Board, and his/her involvement in decision-making.

In accordance with its Internal Rules, the Board of Directors discusses its operating procedures at least once a year. It reports on this in the Company's Universal Registration Document.

It should be noted that the Board approved the process for evaluating its work based on a three-year cycle. This alternates between an external evaluation and internal evaluations which may, depending on the year, include an evaluation of directors' individual contributions.

In 2022, the evaluation of the Board of Directors and its specialized Committees was carried out internally, under the oversight of the Lead Director based on a questionnaire hosted on the secure digital platform. The Directors were also given the option of arranging individual meetings with the Lead Director.

The results of the questionnaire were analyzed by the Nomination and Governance Committee. The results were fed back at the Board of Directors' meeting of March 15, 2022.

In brief, the evaluation carried out in 2022 with respect to 2021 showed that the Board of Directors' operating procedures are highly satisfactory, especially with regard to:

- **the composition of the Board of Directors**: (i) the Board is diverse, with a satisfactory proportion of independent directors, (ii) the composition is adequate in terms of its size, and (iii) the Board possesses complementary skills and expertise;
- **the documents and information provided to the Board of Directors**: the directors greatly appreciate the quality of the documents;
- **presentations, visits and training arranged by the Group**: these give the directors in-depth knowledge of the Group enabling new members to get up to speed rapidly;
- **the relationship between the Board of Directors and, firstly, the Chief Executive Officer and, secondly, the Chairwoman of the Board of Directors**: (i) the directors report a genuine trust-based relationship between the Board and the Chairwoman of the Board of Directors and between the Board and the Chief Executive Officer, and (ii) the directors are highly appreciative of the current affairs briefings provided to them by the Chief Executive Officer and by the Chairwoman of the Board of Directors between meetings.

During the 2022 financial year, the directors expressed the wish to maintain the continuous improvement process for the Board's operating procedures. These comments focused on:

- continuing to deepen directors' knowledge and broaden their understanding of the Group's competitive environment;
- continuing to bring in Executive Committee members and managers to address specific issues at Board of Directors' and Seminar meetings;
- continuing to organize working meetings covering specific topics;
- asking the Chief Executive Officer and by the Chairwoman of the Board of Directors to continue to send out current affairs briefings between meetings of the Board of Directors;
- continuing to provide information about events and the Group's latest news;
- a desire to spend more time on strategic, industrial and other non-financial issues;
- the organization of regular updates on the Group's HR and Information Systems roadmaps.

These recommendations were implemented in the remainder of 2022.

6.1.2 - Lead Director

The appointment of a Lead Director is one of the ways in which the Company safeguards an appropriate balance of powers in governance matters. The Lead Director is appointed from among the independent directors (in accordance with the Code of Corporate Governance) who have been members of the Board for at least one year, after soliciting the opinion of the Nomination and Governance Committee. The term of office of the Lead Director may not exceed his/her term as a director. The Lead Director may be reappointed based on a proposal made by the Nomination and Governance Committee.

After the offices of Chair and Chief Executive Officer were separated in 2020, a decision was made to retain the position of Lead Director.

Following the appointment of Angeles Garcia-Poveda as Chairwoman of the Board of Directors on July 1, 2020, the Board decided to entrust Michel Landel with the role of Lead Director until the expiration of his term of office as a director. Michel Landel, an independent director, is also a member of the Compensation Committee and Chair of the Nomination and Governance Committee.

As stated in the "Directorships due for renewal in 2023" section above, Michel Landel's term of office as a director expires at the close of the forthcoming Shareholders' Meeting. On the recommendation of the Nomination and Governance Committee, the Board of Directors declared its support on March 15, 2023 for the renewal of his term of office. Should he be renewed, the Board of Directors of March 15, 2023 decided that Michel Landel's role as Lead Director would be renewed for the duration of his term of office as a director.

6.1.2.1 Duties of the Lead Director

The Lead Director's duty is to ensure the proper operation of the Company's governance bodies. The Lead Director is tasked with:

- preventing and managing conflicts of interest: the Lead Director is responsible for preventing conflicts of interest from arising by raising awareness about situations likely to lead to such conflict. The Lead Director is kept informed by each director of any actual or potential conflict of interest. The Lead Director reports on these to the Board of Directors, as they do on any actual or potential conflict of interest which they may detect independently;
- supervising the periodic evaluation of the Board of Directors' operating procedures and of its specialized Committees;
- chairing and organizing annual directors' meetings not attended by internal and executive directors at which matters discussed include the performance of senior executives and future management plans;
- reporting to the Chair of the Board of Directors on the conclusions of annual directors' meetings not attended by internal and executive directors; and
- if the Chair of the Board of Directors is unavailable and at the latter's request, maintaining the dialog with the Company's shareholders.

6.1.2.2 Powers of the Lead Director

In the exercise of his/her duties, the Lead Director may:

- submit a proposal, as appropriate, to the Chair of the Board of Directors to add items to the agenda of Board of Directors' meetings;
- ask the Chair to convene a meeting of the Board of Directors or directly convene a meeting of the Board of Directors on a given agenda whose importance or urgent nature justifies holding an extraordinary meeting of the Board of Directors;
- chair meetings of the Board of Directors if the Chair is unable to attend; and
- if appropriate, attend meetings of Committees of which the Lead Director is not a member.

The Lead Director ensures that directors are able to meet with and hear from senior management and Statutory Auditors, as provided for by the Internal Rules. More generally, the Lead Director ensures that directors receive the information they need to discharge their duties as effectively as possible, as provided for in the Internal Rules. The Lead Director reports to the Board of Directors once a year on his/her activities.

6.1.2.3 Lead Director's 2022 report

In 2022, the Lead Director supervised the external evaluation of the operating procedures of the Board of Directors and its Committees.

He convened and chaired two annual directors' meetings not attended by internal and executive directors. During these meetings, the directors discussed various topics, including the evaluation of the performance of the Chief Executive Officer, his compensation, and succession planning. During the annual evaluation of the operating procedures of the Board and its specialized Committees, the Lead Director asked the directors to give their opinion on the quality of meetings of the directors' meeting not attended by internal and executive directors (scheduling, length, etc.) and to evaluate the quality and substance of the debates that took place at these meetings. The directors expressed their complete satisfaction regarding the above points during the most recent Board of Directors' evaluation.

In accordance with the Internal Rules, the Lead Director, Michel Landel presented a report on his activities in 2022 to the Board of Directors on March 15, 2023.

6.1.3 - Board of Directors' specialized Committees

To facilitate the work of the Board of Directors and make preparations for decision-making, the Board establishes specialized Committees to examine topics within their respective duties. These specialized Committees submit opinions, proposals and recommendations to the Board of Directors.

There are four permanent specialized Committees:

- the Audit Committee;
- the Nomination and Governance Committee;
- the Compensation Committee; and
- the Commitments and CSR Committee.

6.1.3.1 Composition of the Board of Directors' specialized Committees

Principles

The Board of Directors appoints members of the specialized Committees based on a proposal made by the Nomination and Governance Committee, for a term that may not exceed their term of office as directors. The Board of Directors may remove Committee members after consultation with the Nomination and Governance Committee.

The Audit Committee may have a maximum of five members. Executive officers may not be appointed to the Audit Committee. Members of the Audit Committee should possess finance or accounting skills. The Chair of the Audit Committee is chosen by the members of the Audit Committee based on a proposal made by the Nomination and Governance Committee, from among the Audit Committee's independent members. The appointment of the Audit Committee's Chair must be specifically considered by the Board of Directors. This procedure shall apply for the extension of the Chair's term of office.

The Nomination and Governance Committee may have a maximum of five members. Executive officers may not join the Compensation Committee. The Chair of the Nomination and Governance Committee is chosen by the Committee members from among its independent members.

The Compensation Committee may have a maximum of five members. Executive officers may not join the Compensation Committee. The Chair of the Compensation Committee is chosen by the Committee members from among its independent members, based on a proposal made by the Nomination and Governance Committee.

The Commitments and CSR Committee may have a maximum of six members. The Chair of the Commitments and CSR Committee is chosen by the members of said Committee from among its members, based on a proposal made by the Nomination and Governance Committee.

Current composition of the Board of Directors' specialized Committees

	Board of Directors' specialized Committees			
	Audit Committee	Nomination and Governance Committee	Compensation Committee	Commitments and CSR Committee
Angeles Garcia-Poveda				●
Olivier Bazil		●		●
Isabelle Boccon-Gibod	●			●
Christel Bories	●			C
Sophie Bourdais			●	
Daniel Buisson				
Jean-Marc Chéry				
Benoît Coquart				
Edward A. Gilhuly				●
Patrick Koller		●	●	
Michel Landel		C	●	
Annalisa Loustau Elia			C	
Florent Menegaux				
Éliane Rouyer-Chevalier	C		●	
Gilles Schnepp(1)				●

●: Member of a Committee.
C: Chair of a Committee.
(1) Gilles Schnepp was a member of the Commitments and CSR Committee until May 25, 2022, the end date of his term of office.

In 2022, and through until the filing date of this Universal Registration Document, the changes in the composition of the various Committees were as follows:

	Departures	Appointments	Reappointments
Audit Committee			
Nomination and Governance Committee			Olivier Bazil (May 25, 2022) Patrick Koller (May 25, 2022)
Compensation Committee			Patrick Koller (May 25, 2022)
Commitments and CSR Committee	Gilles Schnepp (May 25, 2022)		Olivier Bazil (May 25, 2022) Edward A. Gilhuly (May 25, 2022)

Composition of the Board of Directors' specialized Committees at the close of the Shareholders' Meeting on May 31, 2023

As stated in the "Directorships due for renewal in 2023" section, the terms of office as a director of Isabelle Boccon-Gibod, Christel Bories, Benoît Coquart, Angeles Garcia-Poveda, Michel Landel and Éliane Rouyer-Chevalier expire at the next Shareholders' Meeting. The Nomination and Governance Committee and the Board of Directors' meeting on March 15, 2023 supported the renewal of the terms of office of Isabelle Boccon-Gibod, Benoît Coquart, Angeles Garcia-Poveda and Michel Landel, as well as the appointment of Valérie Chort and Clare Scherrer.

Based on the work performed by the Nomination and Governance Committee on succession planning for the Board of Directors and its specialized committees, the Board of Directors decided on March 15, 2023 on the composition presented in the table below for the Board of Directors' specialized Committees at the close of that Shareholders' Meeting, assuming a vote in favor at the Shareholders' Meeting of May 31, 2023 on the proposals put forward to renew the terms of office and make the appointments submitted.

	Board of Directors' specialized Committees at the close of the Shareholders' Meeting on May 31, 2023			
	Audit Committee	Nomination and Governance Committee	Compensation Committee	Commitments and CSR Committee
Angeles Garcia-Poveda				●
Olivier Bazil		●		●
Isabelle Boccon-Gibod	C			●
Jean-Marc Chéry				C
Benoît Coquart				
Valérie Chort	●			●
Edward A. Gilhuly				●
Patrick Koller		●	●	
Michel Landel	●	C	●	
Annalisa Loustau Elia			C	
Florent Menegaux				
Clare Scherrer	●			
Director representing employees			●	
Director representing employees	●			

●: *Member of a Committee.*
C: *Chair of a Committee.*

At the close of the Shareholders' Meeting on May 31, 2023[(1)], the composition of the various committees will change as follows:

	Departures	Appointments	Reappointments
Audit Committee	Éliane Rouyer-Chevalier (May 31, 2023) Christel Bories (May 31, 2023)	Valérie Chort (May 31, 2023) Michel Landel (May 31, 2023) Clare Scherrer (May 31, 2023) Director representing employees (May 31, 2023)	Isabelle Boccon-Gibod (May 31, 2023)
Nomination and Governance Committee			Michel Landel (May 31, 2023)
Compensation Committee	Éliane Rouyer-Chevalier (May 31, 2023) Sophie Bourdais (May 31, 2023)	Director representing employees (May 31, 2023)	Michel Landel (May 31, 2023)
Commitments and CSR Committee	Christel Bories (May 31, 2023)	Jean-Marc Chéry (May 31, 2023) Valérie Chort (May 31, 2023)	Isabelle Boccon-Gibod (May 31, 2023) Angeles Garcia-Poveda (May 31, 2023)

Audit Committee

The Audit Committee has three independent members appointed by the Board of Directors, in accordance with the recommendations of the Code of Corporate Governance, which state that at least two thirds of members should be independent directors:

- Éliane Rouyer-Chevalier (independent director, Chairwoman),
- Isabelle Boccon-Gibod (independent director), and
- Christel Bories, independent director.

Their biographies can be found in section 6.1.1.1 "Composition of the Board of Directors" of this Universal Registration Document.

The Audit Committee is chaired by **Éliane Rouyer-Chevalier**, who holds financial and accounting qualifications. She makes an additional contribution through her understanding of key financial indicators and risk evaluation capabilities.

Isabelle Boccon-Gibod has expertise in finance and accounting as well as prior experiences as a member of audit committees of listed companies.

In addition, **Christel Bories** has gained senior management experience in industrial groups, which is useful to the Audit Committee.

As stated in the "Directorships due for renewal in 2023" section above, Christel Bories and Éliane Rouyer-Chevalier have not sought renewal of their term of office as directors. Isabelle Boccon-Gibod has indicated her intention to stand for reappointment as a director. The Nomination and Governance Committee and the Board of Directors' meeting on March 15, 2023 recommended her renewal. Should it be renewed, Isabelle Boccon-Gibod would retain her position on the Audit Committee.

The Nomination and Governance Committee also proposed Isabelle Boccon-Gibod as Chair of the Audit Committee to replace Éliane Rouyer-Chevalier, who had been a member of the Committee since 2016 and possesses in-depth knowledge of the Group's financial and accounting procedures.

In accordance with the Code of Corporate Governance, the proposed appointment of Isabelle Boccon-Gibod as Chairwoman of the Audit Committee effective May 31, 2023 as a replacement for Éliane Rouyer-Chevalier, was reviewed very carefully by the Board of Directors on March 15, 2023, which approved the proposal put forward by the Nomination and Governance Committee. The appointment of Isabelle Bocon-Gibod as Chairwoman of the Audit Committee is an item on the Audit Committee's agenda.

In addition, subject to the approval of the renewal of the term of office of Michel Landel and the appointment as directors of Valérie Chort and Clare Scherrer at the Shareholders' Meeting of May 31, 2023, the Nomination and Governance Committee proposed their appointment as Audit Committee members. On March 15, 2023, the Board of Directors approved these proposals.

The Nomination and Governance Committee also proposed that the new director representing employees to be named by the CWEC on May 11, 2023 should be appointed as an Audit Committee member.

(1) Subject to a vote in favor by the Shareholders' Meeting on the proposals to renew the directors' terms of office and make the relevant appointments.

Subject to a vote in favor at the Shareholders' Meeting on May 31, 2023 of the renewal of the terms of office as directors of Isabelle Boccon-Gibod and Michel Landel and the appointment of Valérie Chort and Clare Scherrer, the Audit Committee would have five members at the close of that Shareholders' Meeting, four of them independent[(1)] and appointed by the Board of Directors, in accordance with the recommendations of the Code of Corporate Governance, which states that at least two thirds of members should be independent directors:

- Isabelle Boccon-Gibod (independent director, Chairwoman effective May 31, 2023 subject to her reappointment as a director at the Shareholders' Meeting on May 31, 2023),
- Valérie Chort (independent director, Audit Committee member effective May 31, 2023 subject to her appointment as a director at the Shareholders' Meeting on May 31, 2023),
- Michel Landel (independent director, Audit Committee member effective May 31, 2023 subject to his reappointment as a director at the Shareholders' Meeting on May 31, 2023),
- Clare Scherrer (independent director, Audit Committee member effective May 31, 2023 subject to her appointment as a director at the Shareholders' Meeting on May 31, 2023),
- Director representing employees, appointed by the CWEC on May 11, 2023 (Audit Committee member effective May 31, 2023).

Nomination and Governance Committee

The Nomination and Governance Committee has three members appointed by the Board of Directors, including two independent directors, namely:

- Michel Landel (independent director, Chairman),
- Olivier Bazil, and
- Patrick Koller (independent director).

Their biographies can be found in section 6.1.1.1 "Composition of the Board of Directors" of this Universal Registration Document.

The Nomination and Governance Committee is chaired by **Michel Landel**. He possesses substantial experience as a senior executive and director of a CAC 40 company. He is renowned for his strong pioneering commitments to diversity and, more generally, for his extensive knowledge of CSR matters. In addition, Michel Landel previously served as lead director and governance committee chair for another CAC 40 company.

Olivier Bazil has vast knowledge of Legrand, having spent his entire career with the Group. As such, he knows the Group's business, industry and challenges inside-out, which is very useful for the Committee's work.

Patrick Koller brings to the Committee his experience as a member of the general management and board of directors of a large listed industrial group.

The Code of Corporate Governance recommends that a majority of the members of the Nomination and Governance Committee should be independent directors. With two of the three members designated as independent directors, the composition of the Nomination and Governance Committee is compliant with this recommendation.

As stated in the "Directorships due for renewal in 2023" section above, Michel Landel stated his intention to stand for reappointment as a director. The Nomination and Governance Committee and the Board of Directors' meeting on March 15, 2023 recommended his renewal. Should his term of office be renewed, Michel Landel would remain as Chair of the Nomination and Governance Committee.

Compensation Committee

The Compensation Committee has five members appointed by the Board of Directors, four of whom are independent:

- Annalisa Loustau Elia (independent director, Chairwoman),
- Sophie Bourdais (director representing employees),
- Patrick Koller (independent director),
- Michel Landel (independent director), and
- Éliane Rouyer-Chevalier (independent director).

Their biographies can be found in section 6.1.1.1 "Composition of the Board of Directors" of this Universal Registration Document.

The Compensation Committee is chaired by **Annalisa Loustau Elia**. Thanks to her set of skills, she is able to make pertinent assessments of the qualitative and extra-financial criteria used for compensation purposes.

In accordance with the Code of Corporate Governance, the Board of Directors, on the recommendation of the Nomination and Governance Committee, appointed **Sophie Bourdais**, a director representing employees, as a member of the Compensation Committee.

Patrick Koller brings to the Committee the benefit of his experience as a senior executive and board member of a listed industrial group and his knowledge of compensation practices at listed companies.

Michel Landel was appointed by the Board of Directors as a member of the Compensation Committee. The Board of Directors took into consideration his experience as a director of listed groups. Michel Landel is thus expected to make a valuable contribution to the Committee's work given his governance and CSR skills and expertise.

(1) Directors representing employees are not counted for the purpose of calculating the proportion of independent directors, in accordance with the recommendations of the Corporate Governance Code.

Lastly, **Éliane Rouyer-Chevalier** has expertise in corporate social responsibility, a major factor used to determine the compensation of the Group's executives. The Compensation Committee benefits from her experience and her corporate governance insights.

As stated in the "Directorships due for renewal in 2023" section above, Michel Landel stated his intention to stand for reappointment as a director. The Nomination and Governance Committee and the Board of Directors' meeting on March 15, 2023 recommended his renewal. Should his term of office be renewed, Michel Landel would retain his position on the Compensation Committee.

The Code of Corporate Governance recommends that a majority of the members of the Compensation Committee should be independent directors. With all its members designated as independent directors, the Compensation Committee's composition is compliant with this recommendation.

Commitments and CSR Committee

The Commitments and CSR Committee has five(1) members appointed by Board of Directors, four of whom are independent, namely

- Christel Bories (independent director, Chairwoman),
- Olivier Bazil,
- Isabelle Boccon-Gibod (independent director),
- Angeles Garcia-Poveda (independent director), and
- Edward A. Gilhuly (independent director).

Their biographies can be found in section 6.1.1.1 "Composition of the Board of Directors" of this Universal Registration Document.

The Commitments and CSR Committee is chaired by **Christel Bories**, whose senior management experience with industrial groups provides useful insights for the Committee.

Olivier Bazil provides the Committee with the benefit of his in-depth knowledge of the Group and its businesses.

Isabelle Boccon-Gibod's financial and CSR expertise is of great value to the Committee.

Angeles Garcia-Poveda provides the Committee with the benefit of her experience on the Company's Board of Directors.

Edward A. Gilhuly provides the Committee with the benefit of his skills in finance and external growth strategy and his knowledge of how business is done in the United States, which is genuinely invaluable because of the Group's presence there.

As stated in the "Directorships due for renewal in 2023" section above, Isabelle Boccon-Gibod and Angeles Garcia-Poveda have stated their intention to stand for reelection as directors. The Nomination and Governance Committee and the Board of Directors on March 15, 2023 recommended their renewal. Should their term of office be renewed, they would retain their position on the Commitments and CSR Committee.

In the light of Christel Bories' departure as a director and Chair of the Commitments and CSR Committee at the close of the next Shareholders' Meeting, the Nomination and Governance Committee proposed the appointment of Jean-Marc Chéry as a member of the Commitments and CSR Committee and as Chair of the Committee replacing Christel Bories effective May 31, 2023.

The Nomination and Governance Committee noted that Jean-Marc Chéry's senior management experience with industrial groups would be very useful for the operation of the Committee. On March 15, 2023, the Board of Directors approved the appointment of Jean-Marc Chéry as a member of the Commitments and CSR Committee effective May 31, 2023. The appointment of Jean-Marc Chéry as Committee Chair from May 31, 2023 is listed on the agenda of the Commitments and CSR Committee.

In addition, subject to the approval of the appointment as a director of Valérie Chort at the Shareholders' Meeting of May 31, 2023, the Nomination and Governance Committee proposed her appointment as a Commitments and CSR Committee member. On March 15, 2023, the Board of Directors approved this proposal.

The Nomination and Governance Committee noted that Valérie Chort's strategy and CSR expertise would be very useful for the operation of the Committee.

6.1.3.2 Operating procedures of the Board of Directors' specialized Committees

Each Committee meets as often as required to consider issues falling within its area of responsibility; meetings are convened by the chair of the Committee or by half of its members. If the Chair of the Board of Directors considers that a Committee has not met as required by the rules stated below, he/she may call a meeting of that Committee.

The chair of each Committee establishes the Committee meeting's agenda and gives notice of it to Committee members within a period of time sufficient to allow each Committee member to prepare for the meeting. The notice must contain the Committee meeting's agenda and any information and documentation useful for the consideration of agenda items. Committee meetings may be held at the Company's registered office, at any other location, or by videoconference. Committees are provided with secretarial assistance by the persons appointed by or in agreement with the Committee chair.

(1) Gilles Schnepp was a member of the Commitments and CSR Committee until May 25, 2022, the end date of his term of office as a director.

In performing its duties, each Committee may contact the Company's principal executives after having informed the Chair of the Board of Directors of its intention to do so and subject to briefing the Board of Directors on the discussions with such principal executives. The Committees make sure that the quality of reports to the Board of Directors keep it fully informed, thereby facilitating its decision-making.

Audit Committee

The duties and arrangements for the operation of the Audit Committee are outlined in the Internal Rules, the provisions of which are restated below. The duties and operating rules of the Company's Audit Committee were determined on the basis of the conclusions of the AMF working party on audit committees in July 2010 and order no. 2016-315 of March 17, 2016 on statutory audits.

Duties of the Audit Committee

The Audit Committee assists the Board of Directors in the conduct of its duties as regards the adoption of annual statutory and consolidated financial statements and the preparation of information presented to shareholders and the market. It monitors the effectiveness of internal controls and risk management. It is also charged with monitoring issues relating to the establishment and control of accounting, financial and extra-financial information, as well as the statutory audit. The Audit Committee holds regular meetings with the Statutory Auditors, including meetings not attended by any executives.

As regards internal control procedures and risk management, the Board of Directors entrusts the Audit Committee with the following tasks:

- ensuring that internal control and risk management systems, as well as internal audit systems, exist and monitoring their effectiveness, in relation to the procedures for preparing and processing accounting, financial and extra-financial information, without this affecting the Committee's independence;
- familiarizing itself with information about the procedures for preparing and processing the accounting and financial information included in the reports presented to the Shareholders' Meeting;
- assessing the effectiveness and quality of the Group's internal control procedures, in order to ensure that these contribute to the production of annual statutory and consolidated financial statements that provide a true and fair view of the Company and its Group, and complying with applicable accounting standards;
- giving its opinion on the organization of the internal audit and risk control departments;
- monitoring the implementation and effectiveness of risk management procedures;
- ensuring that remedial action is taken in the event of significant weaknesses or flaws;
- examining material risks and off-balance-sheet commitments, to assess the importance of any failures or weaknesses which are communicated to it and if necessary, to inform the Board of Directors;
- ensuring the relevance and quality of the Company's financial reporting;
- analyzing the risks, including with a view to mapping risks[1];
- to hear the conclusions of the independent third-party responsible for reviewing the extra-financial data.

The Audit Committee may decide, with the approval of the Board of Directors, to entrust special assignments to one of its members, it being stipulated that in accordance with the provisions of the Internal Rules, additional compensation may be awarded for undertaking such assignments.

At Audit Committee meetings devoted to evaluation of the process for preparing and processing accounting, financial and extra-financial information, the Statutory Auditors report on the performance of their duties and the conclusions of their work. The Audit Committee is informed of the main findings by the Statutory Auditors and internal audit as regards the effectiveness of internal control and risk management systems. It hears from managers responsible for the audit, internal control and risk management. It is kept informed of the internal audit program and receives internal audit reports or a regular summary of those reports.

As regards the review of the financial statements, the Board of Directors entrusts the Audit Committee with the following tasks:

- monitoring the financial reporting process and, where appropriate, to make recommendations to ensure its integrity;
- carrying out a prior review of the draft statutory and consolidated financial statements, whether annual, half-yearly or quarterly, in order to establish the conditions in which they were prepared and to ensure the relevance and consistency of the accounting rules and principles adopted;
- examining the method and scope of consolidation applied in the financial statements;
- ensuring the proper accounting treatment of material transactions at Group level;
- regularly establishing the financial position, cash flow and significant commitments of the Company and the Group.

During the Audit Committee's review of the financial statements, the Statutory Auditors present the key audit matters to the Committee covering in particular any audit adjustments and any material internal control weaknesses.

(1) For more information about the Group's governance and the duties of the Audit Committee and the Board concerning the review and monitoring of cybersecurity risk, please refer to section 3.1.4 "Resources allocated to internal control and risk management", 3.3.2 "Risk management procedure" and 3.6.2.1 "Cybersecurity and personal data protection" of this Universal Registration Document.

Management also gives a presentation to support the Audit Committee's review of the financial statements. During this presentation, management presents the Company's risk exposures, including social and environmental risks, its material off-balance-sheet commitments, and the accounting options selected.

More generally, for the review of financial statements, the Audit Committee may interview, without the executives or directors who play active roles in the Company being present, any person who takes part in preparing or auditing the financial statements (finance department, internal audit department and Statutory Auditors).

As regards external control procedures, the Audit Committee's main task is to ensure the proper examination of the annual statutory and consolidated financial statements by the Statutory Auditors, as well as their independence and objectivity:

- by ensuring that the Statutory Auditors perform their duty of conducting a statutory audit of the annual statutory and consolidated financial statements;
- by monitoring the selection procedure for the Statutory Auditors pursuant to the applicable regulations and examining the issues relating to the appointment, renewal, or removal of the Company's Statutory Auditors. At the end of the selection procedure for the Statutory Auditors, the Audit Committee issues a recommendation to the Board of Directors on the Statutory Auditors proposed for appointment or renewal by the Shareholders' Meeting in compliance with the applicable regulations;
- by receiving each year from the Statutory Auditors: (i) their declaration of independence; (ii) information about the fees paid to the network of Statutory Auditors by companies controlled by the Company or the entity controlling the Company; and (iii) information concerning the non-audit services ("**NAS**") performed;
- by receiving the supplementary report to the audit report;
- by approving the provision of the NAS by the Statutory Auditors, pursuant to the conditions provided for by the internal pre-authorization procedure, and in particular after having analyzed the risks to the independence of the Statutory Auditors and the safeguards applied by the latter;
- by examining the amount and details of the fees paid by the Group to the Statutory Auditors and to any network to which they may belong. In this respect, the Audit Committee must obtain details of the fees paid by the Company and its Group to the Statutory Auditors and to any network to which they may belong, and ensure that the amount of such fees, or the fraction they represent of the total revenues of the Statutory Auditors and their network, are not such that the independence of the Statutory Auditors might be compromised.

Meetings of the Audit Committee

The Audit Committee meets as often as may be necessary. It must report regularly to the Board of Directors, and as a minimum when the annual and interim financial statements are approved on:

- how it has conducted its missions,
- the results of the statutory audit, and
- how this audit assignment contributed to the integrity of financial reporting and its role in the process.

It immediately informs the Board of Directors of any difficulties encountered. The reports of the Audit Committee to the Board of Directors aim to keep the Board of Directors fully informed in order to facilitate its decision-making.

Meetings of the Audit Committee are valid only if at least half of its members are present. Decisions are made by simple majority, with a casting vote for the Committee Chair. Meetings of the Audit Committee may take place by conference call or videoconference.

Nomination and Governance Committee

The duties and arrangements for the operation of the Nomination and Governance Committee are outlined in the Internal Rules, the provisions of which are restated below.

Duties of the Nomination and Governance Committee

The Nomination and Governance Committee is tasked with:

- considering and submitting proposals to the Board of Directors on the various options for organizing the Company's management and control powers;
- considering and submitting proposals to the Board of Directors for appointments to the positions of director, Lead Director, Chief Executive Officer, Chief Operating Officer, Chair of the Board and members and chairs of the specialized Committees; to that end, it must assess the levels of expertise and experience required, define duties and assess the amount of time needed to carry them out;
- submitting proposals to the Board of Directors regarding the substance of the specialized Committees' duties;
- preparing, under the supervision of the Lead Director, the procedures for periodic self-assessments by the Board of Directors and governing bodies, and any evaluation of the Board of Directors by an external consultant;
- preparing a succession plan for executive officers so as to be in a position to recommend options to the Board of Directors, particularly in the event of an unforeseen vacancy arising; the succession planning for executive officers is reviewed annually by the Chair of the Nomination and Governance Committee and management;

- examining each year, on a case-by-case basis, the position of each director in relation to the independence criteria;
- examining changes in the corporate governance rules, monitoring the implementation of those rules by the Company (including the implementation of the Code of Corporate Governance to which the Company refers).

The Chief Executive Officer is involved in the Nomination and Governance Committee's work on the selection of new directors and succession planning for executive officers.

Meetings of the Nomination and Governance Committee

The Nomination and Governance Committee meets at least twice a year. If necessary, it also meets prior to the approval of the agenda of the annual Shareholders' Meeting, to review the draft resolutions that are to be submitted to it and that fall within the Committee's area of responsibility. It reports on its activities to the Board of Directors. Meetings of the Nomination and Governance Committee may validly transact business if at least half of its members are present. Decisions are made by simple majority, with a casting vote for the Committee Chair. Meetings of the Nomination and Governance Committee may be held by conference call or videoconference.

Compensation Committee

The duties and arrangements for the operation of the Compensation Committee are outlined in the Internal Rules, the provisions of which are restated below.

Duties of the Compensation Committee

As regards the compensation of executive officers, the Compensation Committee:

- assesses all forms of compensation, including benefits in kind, insurance and pension entitlements received from any company in the Group and any affiliated company;
- examines and makes proposals to the Board of Directors concerning all executive officers' compensation and benefits, including how the variable portion of their compensation should be determined;
- ensures that the Company fulfills its obligations regarding the transparency of compensation. To this end, it prepares an annual activity report which is submitted for the approval of the Board and for inclusion in the Company's Universal Registration Document, and ensures that all legally required information concerning compensation is fully and clearly set out in the Universal Registration Document;
- reviews the information relating to compensation in the corporate governance report and any other document required by applicable law and regulations and, more generally, ensures that the proper information on compensation is given to shareholders.

As regards directors' compensation, the Compensation Committee:

- issues a recommendation on the overall amount and conditions applicable to compensation for duties as a director in accordance with the provisions of the Internal Rules;
- issues a recommendation on the compensation policy for directors;
- makes recommendations concerning any compensation awarded to directors entrusted with special assignments.

As regards stock-option plans and all other share-based compensation or compensation indexed or otherwise linked to shares, the Compensation Committee is tasked with:

- examining the general policy for this type of compensation and submitting any proposals it may have in this area to the Board of Directors;
- reviewing the information on this subject provided in the Universal Registration Document and to the Shareholders' Meeting;
- submitting proposals to the Board of Directors concerning which of the options permitted by law to choose and explaining the reasons for that choice, together with its consequences;
- preparing the Board's decisions on compensation arrangements.

In addition, the Compensation Committee must be informed of the compensation policy for key executives who are not company officers. The Committee involves the Chief Executive Officer in this aspect of its work.

Meetings of the Compensation Committee

The Compensation Committee meets at least twice a year. It reports on its activities to the Board of Directors. Meetings of the Compensation Committee may validly transact business only if at least half of its members are present. Decisions are made by simple majority, with a casting vote for the Committee Chair. Meetings of the Compensation Committee may take place by conference call or videoconference.

Commitments and CSR Committee

The duties and arrangements for the operation of the Commitments and CSR Committee are outlined in the Board of Directors' Internal Rules, the provisions of which are restated below. For more information about the CSR organization and governance, please refer to section 4.1.1 of this Universal Registration Document.

Duties of the Commitments and CSR Committee

The duties of the Commitments and CSR Committee are to assist the Board of Directors in its decisions regarding the strategic direction of the Company, and in particular to:

- examine all significant projects concerning the Group's development, in particular projects for strategic partnerships and significant investments or divestments;
- examine draft annual budgets submitted to the Board of Directors; for this purpose, the Commitments and CSR Committee may meet with Company managers on the assumptions used to draw up or amend these budgets;
- assess the compliance of the Group's CSR objectives with its strategy;
- evaluate the adequacy of the resources available to the Group for successful implementation of its CSR strategy, in view of the objectives pursued;
- consider the main findings and observations of the independent third-party organization in connection with the CSR regulations.

Meetings of the Commitments and CSR Committee

The Commitments and CSR Committee meets as often as is necessary and in any event at least twice a year. It reports on its activities to the Board of Directors. Meetings of the Commitments and CSR Committee may validly transact business only if at least half of its members are present. Decisions are made by simple majority, with a casting vote for the Committee Chair. Meetings of the Commitments and CSR Committee may take place by conference call or videoconference.

Use of services provided by external consultants

The specialized committees may commission external technical studies on matters falling within their area of responsibility at the Company's expense, after they have informed the Chair of the Board of Directors or the Board of Directors itself. They are obliged to report back to the Board on the results of these studies. Should the Committees use the services of external consultants, the Committees must ensure that the consultant(s) concerned is/(are) objective.

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6.1.3.3 Work performed by the Board of Directors' specialized Committees in 2022

In 2022, directors' attendance rate at specialized committee meetings was 98.5%. In accordance with the recommendations of the Code of Corporate Governance, the table below provides details of each director's individual attendance rate.

Attendance record at Board of Directors' specialized Committees	Audit Committee	Nomination and Governance Committee	Compensation Committee	Commitments and CSR Committee
Angeles Garcia-Poveda	Not applicable	Not applicable	Not applicable	100%
Olivier Bazil	Not applicable	100%	Not applicable	67%
Isabelle Boccon-Gibod	100%	Not applicable	Not applicable	100%
Christel Bories	100%	Not applicable	Not applicable	100%
Sophie Bourdais	Not applicable	Not applicable	100%	Not applicable
Daniel Buisson	Not applicable	Not applicable	Not applicable	Not applicable
Jean-Marc Chéry	Not applicable	Not applicable	Not applicable	Not applicable
Benoît Coquart	Not applicable	Not applicable	Not applicable	Not applicable
Edward A. Gilhuly	Not applicable	Not applicable	Not applicable	100%
Patrick Koller	Not applicable	100%	100%	Not applicable
Michel Landel	Not applicable	100%	100%	Not applicable
Annalisa Loustau Elia	Not applicable	Not applicable	100%	Not applicable
Florent Menegaux	Not applicable	Not applicable	Not applicable	Not applicable
Éliane Rouyer-Chevalier	100%	Not applicable	100%	Not applicable
Gilles Schnepp(1)	Not applicable	Not applicable	Not applicable	100%

(1) Gilles Schnepp was a member of the Commitments and CSR Committee until May 25, 2022, the end date of his term of office as a director.

Work performed by the Audit Committee in 2022

The Audit Committee met six times in 2022. The attendance rate for the year was 100%. The Committee met to consider matters including the following:

- the Company's results:
  - a review of the annual parent-company's and consolidated financial statements at December 31, 2021,
  - a review of the consolidated management report,
  - a review of the consolidated financial statements for the three months ended March 31, 2022, the consolidated financial statements for the six months ended June 30, 2022, the half-year financial report, and the consolidated financial statements for the nine months ended September 30, 2022,
  - review of the Statutory Auditors' work at December 31, 2021, and June 30, 2022,
  - review of key figures in press releases on the annual, quarterly and half-yearly consolidated financial statements and assumptions on the outlook for 2022, as well as accounting options,
  - payment arrangements for dividends and their consequences for resolutions to be submitted to the Annual Shareholders' Meeting of May 25, 2022;
- risk management and internal control:
  - review of the Group's risk management policy and procedures, its internal audit and control procedures, and the related organization and resources,
  - review of risk mapping,
  - review of the risk management system,
  - presentation of the steering framework for certain specific risks:
    - supply chain, shortages and service level;
    - Corporate Social Responsibility (CSR): environmental damage and climate change;
    - financing for the model and cash flow management;
    - selling price increases to pass on the impact of inflation,
  - oversight of cybersecurity risks;
- audit and relations with external auditors:
  - Statutory Auditors' appointment:
    - selection of the Statutory Auditor for the 2023-2029 period,
  - internal audit: 2021 summary and review of the 2022 audit plan,
  - quarterly update on internal audits and fraud (review of audit summaries and fraud report),
  - review of the assignments of the Statutory Auditors, including additional assignments,
  - review of the budget for auditors' fees,
  - scrutiny of NAS;
- other:
  - ESEF reporting,
  - monitoring of extra-financial reporting obligations linked to the green taxonomy,
  - financial issues and management of the risks related to the Ukraine/Russia situation,
  - monitoring and forward planning for obligations under the Corporate Sustainability Directive (CSRD),
  - update on current tax issues, in particular forward planning for implementation of Pillar II,
  - presentation of section 3.1 to 3.5 the 2022 Universal Registration Document and of the 2022 declaration of non-financial performance.

Pursuant to the Internal Rules, the Audit Committee, as part of its duties, met with the Chief Financial Officer and the head of internal audit and risk control. The Audit Committee also met with Statutory Auditors, without any of the Company's general management team in attendance, in line with the recommendations of the Code of Corporate Governance.

Work performed by the Nomination and Governance Committee in 2022

The Nomination and Governance Committee met three times in 2022. The attendance rate for the year was 100%. The Committee met to consider matters including the following:

- membership of the Board of Directors and its specialized committees:
  - procedure for qualification of independent directors,
  - detailed review of the requirements and method of calculating attendance rates at meetings of the Board of Directors and its specialized committees by proxy advisors and investors following the approval rates of the thirteenth resolution at the Shareholders' Meeting of May 25, 2022,
  - introduction of a more robust process for succession planning for the Board of Directors and its specialized committees,
  - annual review of the Board of Directors' diversity policy,
  - recommendation to renew the terms of office as directors of Olivier Bazil, Edward A. Gilhuly and Patrick Koller,
  - recommendation to appoint Florent Menegaux;
- Group succession planning:
  - annual review of existing succession planning for the duties of Chair of the Board of Directors and of the directors sitting on the Board of Directors and on the Board of Directors' specialized committees, the Chief Executive Officer, and all key management posts within the Group;
- other:
  - review of the corporate governance report,
  - update of the self-assessment of the operating procedures of the Board of Directors and its specialized committees.

Work performed by the Compensation Committee in 2022

The Compensation Committee met four times in 2022. The attendance rate for the year was 100%. The Committee met to consider matters including the following:

- compensation paid to the company officers:
  - review of the overall compensation structure for executive officers,
  - determination of the compensation paid to the Chair of the Board of Directors with respect to 2021,
  - determination of the compensation paid to the Chief Executive Officer with respect to 2021 (including consideration of the qualitative portion of the Chief Executive Officer's 2021 annual variable compensation),
  - determination of the compensation policy for executive officers in respect of 2022,
  - variable compensation of the Chief Executive Officer, the CSR criteria used for the quantitative and qualitative portion, a higher weighting of the CSR criteria for the quantitative portion in view of the voting policies of proxy advisors and benchmarks of other CAC 40 companies,
  - recommendations concerning the equity ratios for inclusion in the 2022 Universal Registration Document;
- long-term incentive plans/performance share plans:
  - rules of the 2022 performance share plan,
  - approval of individual awards of performance shares to the Chief Executive Officer and the Group's key managers,
  - determination of the number of shares that the Chief Executive Officer is required to hold in registered form until the termination of his duties as concerns performance share awards;
- compensation granted to the directors:
  - amounts awarded in respect of 2021,
  - determination of the compensation policy for directors in respect of 2022;
- directors' expenses:
  - proposed overall annual reimbursement budget.

Work performed by the Commitments and CSR Committee in 2022

The Commitments and CSR Committee met three times in 2022. Attendance for the year was 94.4%. The Committee met to consider matters including the following:

- acquisitions:
  - review of acquisitions completed since 2004,
  - examination of proposed acquisitions,
  - definition of strategic guidelines for future acquisitions;
- budget:
  - presentation of the 2022 draft budget,
  - approval of the 2022 budget;
- CSR:
  - presentation of the 2019-2021 CSR Roadmap achievements,
  - recap on the Company's medium- and long-term CSR objectives to cut its carbon emissions,
  - presentation of the new 2022-2024 CSR Roadmap.

6.1.4 - General Management of the Company

6.1.4.1 Identity of the Chief Executive Officer

The Board of Directors on February 7, 2018, appointed Benoît Coquart as Chief Executive Officer.

Multiple directorships

The Code of Corporate Governance recommends that executive officers should hold no more than two other directorships in listed companies outside their group, including foreign ones. Benoît Coquart, Chief Executive Officer, does not hold any other directorship in another French or foreign listed company.

6.1.4.2 Operating procedures of general management

Choice of the Company's general management method

Principles

The Board of Directors shall decide, under the conditions set out in the Company's Articles of Association, whether the general management is performed by the Chair of the Board of Directors or by another individual bearing the title of Chief Executive Officer. Shareholders and third parties are kept informed of this decision in accordance with applicable laws and regulations. The general management structure may be changed at any time. The Board of Directors must discuss whether to retain the current system whenever the term of office of the Chair of the Board of Directors or the Chief Executive Officer comes to an end.

Where the Chair of the Board of Directors is responsible for the general management of the Company, the following provisions relating to the Chief Executive Officer apply.

The Chief Executive Officer must always be an individual below the age of 65 upon appointment. When the Chief Executive Officer has reached this age limit, they are considered as having resigned from the role after the Ordinary Shareholders' Meeting convened to approve the financial statements from the year then ended and held in the year the age limit is reached.

The Chief Executive Officer may be reappointed for consecutive terms without limitation. The Chief Executive Officer may or may not be a director. If not a director, the Chief Executive Officer attends meetings of the Board of Directors in an advisory capacity, except if the Board decides otherwise by a simple majority vote. If the Chief Executive Officer is temporarily unable to perform their functions, the Board of Directors may appoint a director to act as Chief Executive Officer. The Board of Directors determines the compensation and length of the Chief Executive Officer's duties.

If proposed by the Chief Executive Officer, the Board of Directors may appoint a maximum of five Chief Operating Officers to assist the Chief Executive Officer. A Chief Operating Officer must always be a natural person. They may or may not be directors. In agreement with the Chief Executive Officer, the Board shall determine the scope and duration of the Chief Operating Officer's powers. They may not exceed the powers or length of the term of office of the Chief Executive Officer. The Board determines the compensation of each Chief Operating Officer. If the Chief Executive Officer leaves, the Chief Operating Officer shall remain in office until a new Chief Executive Officer is appointed unless the Board decides otherwise. Chief Operating Officers may be reappointed for consecutive terms without limitation and are subject to the same age limits as the Chief Executive Officer.

Decision by the Board of Directors to separate the duties of Chair from those of Chief Executive Officer

According to the Code of Corporate Governance, "*corporations with Boards of Directors have a choice between separating and combining the offices of Chair and Chief Executive Officer. The law does not favor either formula and allows the Board of Directors to choose between these two forms of general management".*

Therefore, the Board of Directors decided to separate the offices of the Chair of the Board of Directors and Chief Executive Officer as of February 8, 2018. This option complies with best governance practices. It means both roles are given full and proper attention.

Benoît Coquart was appointed as Chief Executive Officer of the Company by the Board on February 7, 2018. With the appointment of Benoît Coquart, Legrand's general management is now headed up by an experienced executive, who has a perfect grasp of the challenges facing the Group and its industry. He has demonstrated his leadership skills in key strategic and operating positions at Legrand for a period of over 20 years.

At its meeting on February 27, 2020, Angeles Garcia-Poveda was appointed as Chairwoman of the Board of Directors replacing Gilles Schnepp with effect from July 1, 2020. A decision was made to maintain the separation between the duties of Chair and Chief Executive Officer effective July 1, 2020.

As stated in the "Directorships due for renewal in 2023" section above, Angeles Garcia-Poveda's term of office as a director expires at the close of the Shareholders' Meeting called on May 31, 2023. Angeles Garcia-Poveda has indicated her intention to stand for reappointment as a director. The Nomination and Governance Committee and the Board of Directors on March 15, 2023 recommended her reappointment. The Board of Directors also decided to maintain the separation between the duties of Chair and Chief Executive Officer effective May 31, 2023. Should she be reappointed, the Board of Directors decided that Angeles Garcia-Poveda would retain her office as Chairwoman of the Board of Directors for the duration of her term of office as a director.

Appointment of the Chief Executive Officer as a director

At its meeting of February 27, 2020, the Board of Directors decided to propose the appointment of Benoît Coquart, Chief Executive Officer of Legrand, as a director at the Shareholders' Meeting on May 27, 2020. The shareholders voted in favor of this appointment.

As stated in the "Directorships due for renewal in 2023" section above, Benoît Coquart's term of office as a director expires at the close of the Shareholders' Meeting called on May 31, 2023. Benoît Coquart has indicated his intention to stand for reappointment as a director. The Nomination and Governance Committee and the Board of Directors' meeting on March 15, 2023 recommended his renewal.

In accordance with the recommendations of the Nomination and Governance Committee, the Board of Directors took the view that Benoît Coquart's considerable experience within the Legrand group would represent a valuable asset for the Board of Directors.

6.1.4.3 Powers of the Chief Executive Officer

Subject to internal restrictions, not binding on third parties, that the Board of Directors may apply to his/her powers in its Internal Rules, the Chief Executive Officer holds the broadest powers to act under any circumstances on behalf of the Company. Those powers are to be exercised within the limits resulting from the Company's corporate purpose and the powers expressly reserved by law to Shareholders' Meetings and to the Board of Directors. The Internal rules list certain important decisions and transactions requiring prior approval from the Board of Directors. These decisions and transactions are presented in section 6.1.1.2 of this Universal Registration Document.

6.1.4.4 Executive Committee

The Executive Committee is made up of a close-knit team of nine members with a diverse mix of complementary expertise, who all understand the core business of the Group and its key drivers.

At the date of this Universal Registration Document, the Executive Committee, which includes three women, has the following members:

Name	Position	Date joined the Group
Benoît Coquart	Chief Executive Officer	1997
Bénédicte Bahier	Executive VP Human Resources	2007
Antoine Burel	Deputy Chief Executive Officer, Executive VP Group Operations	1993
Jean-Luc Cartet	Executive VP Asia-Pacific, Middle East & Africa and South America	1992
Virginie Gatin	Executive VP Corporate Social Responsibility	2021
Gloria Glang	Executive VP Strategy and Development	2019
Franck Lémery	Executive VP Chief Financial Officer	1994
John Selldorff	President and Chief Executive Officer of Legrand North & Central America	2002
Frédéric Xerri	Executive VP Europe	1993

6.1.4.5 Gender balance in senior management

As stated in section 4.4.3.3 of this Universal Registration Document, the Group is actively committed to combating discrimination and promoting diversity. The Group encourages the hiring of more female managers and intends to ensure that working conditions are the same for women as for men. Promoting women to the Group's key roles is part of an ongoing action plan that follows on from measures already implemented by the Group in recent years. Please refer to section 4.4.3.3 of this Universal Registration Document for further information.

At year-end 2022, 33% of the Executive Committee's members were women.

In addition, the Group had set a year-end 2030 objective of having women in one third of key management positions, which are defined as grade 20 or above according to Hay Job Evaluation methodology. At year-end 2022, the percentage stood at 24.4%. That compares to 20% at year-end 2021 and 17.5% at year-end 2020.

Lastly, the Group added a priority in its 2019-2021 CSR Roadmap of increasing by 20% the number of managerial positions held by women in order to sustain a gender-balanced pipeline of talent into senior management positions. These jobs are defined as positions rated as grade 14 or above according to the Hay Job Evaluation methodology. Between year-end 2018 and year-end 2021, the rate rose from 22.6% to 26.7%. Under its 2022-2024 CSR Roadmap, the Group has set itself the target of 30% of Executive Committee members being women. At year-end 2022, the rate was 28.5%.

6.1.5 - Service agreements

As of the date of this Universal Registration Document and as far as the Company is aware, no service agreement has been entered into between members of the administrative or management bodies and the Company or any of its subsidiaries that provides for the award of benefits.

6.2 - Company officers' compensation

Pursuant to article L. 22-10-8 of the French Commercial Code, the current compensation policy for company officers in respect of 2023 was established by the Board of Directors on the recommendation of the Compensation Committee.

This section includes the components of the corporate governance report prepared by the Board of Directors on March 15, 2023, on the recommendation of the Nomination and Governance Committee and the Compensation Committee.

6.2.1 - Objectives, principles and rules used to determine and implement the 2023 compensation policy applicable to all company officers

Objectives and principles of the compensation policy

In determining the compensation policy, the Board of Directors takes into account the following principles mentioned in the Code of Corporate Governance:

- comprehensiveness,
- balance between compensation components,
- comparability,
- consistency,
- clarity of the rules, and
- proportionality.

It also aims to make certain the compensation policy upholds the following principles:

- it is in line with market practice for comparable companies,
- it is tailored to the Company's strategy and context, and
- it promotes the Company's performance and its competitiveness in the medium and long term, while integrating criteria related to the corporate social responsibility including at least one criterion related to the company's climate objectives.

The principles applicable to the compensation policy for company officers in 2023 remain unchanged compared to 2022. Profitable, sustainable and responsible growth, value creation over the long term and taking into account all stakeholders' concerns, within a broad definition of the business, are central to the Company's compensation policy:

- total compensation should be balanced and consistent with the Company's business strategy;
- the compensation structure and, in particular, variable compensation based on financial and extra-financial performance, should be aligned with stakeholders' interests and contribute to the achievement of the Company's profitable, sustainable and responsible growth;
- performance criteria should be stringent and correspond to the key drivers of the Company's profitable, sustainable and responsible growth and, more generally, be aligned with the Company's short-, medium- and long-term objectives;
- a significant proportion of variable compensation is based on the Company's performance relating to corporate social responsibility;
- lastly, in keeping with its corporate interest, the compensation policy is simple and transparent and ensures a certain level of attractiveness for company officers without going beyond what is fair and acceptable to stakeholders.

The compensation policy thereby helps to underpin the Company's business strategy and future viability, while upholding its corporate interests.

Decision-making process for determining, adjusting and implementing the compensation policy

Determination of the compensation policy

The Compensation Committee examines and makes recommendations to the Board of Directors on all components of executive officer compensation. The Compensation Committee lays down the rules for setting this variable portion. It ensures that these rules are consistent with annual assessments of executive officers' performance and the medium-term strategy of the Company.

As regards directors' compensation, the Compensation Committee issues a recommendation on the overall allocation and method of apportionment for this compensation. That apportionment reflects directors' actual contribution to the Board of Directors and its committees, in accordance with the Code of Corporate Governance. The variable portion should be the larger.

The compensation policy for company officers is established in accordance with standard practice at CAC 40 companies as determined by benchmarking. It is assessed annually by the Compensation Committee.

The compensation policy for executive officers also takes into consideration the pay and employment conditions of the Company's employees. In particular, the Board of Directors, on the recommendation of the Compensation Committee, ensures that the compensation structure for its company officers, and in particular that of the Chief Executive Officer, is consistent with that applicable to the Group's main executives. This means that it should be made up of fixed compensation and variable compensation (annual and long-term).

The three main performance criteria set for long-term compensation are the same for all beneficiaries.

Finally, each year, equity ratios between the Chief Executive Officer's compensation and that of the Company's employees, in accordance with article L. 22-10-9 of the French Commercial Code, are presented to the Board of Directors. They are shown in section 6.2.3.3 of this Universal Registration Document.

Adjustments to the compensation policy

In accordance with the Code of Corporate Governance, executive officers' fixed compensation is reviewed only at relatively infrequent intervals and takes into consideration the pay and employment conditions of the Company's employees.

The fixed compensation policy for the company officers may still be reviewed by the Board of Directors earlier than anticipated. This may take place in the event of significant changes in the scope of the company officers' responsibilities or a shift in the positioning of company officers' compensation with regard to that of other comparable companies.

The last adjustment of the compensation policy for the Chief Executive Officer and the Directors was carried out in 2021 to put their compensation at a level that is consistent and reasonable relative to the market.

The last adjustment of the compensation policy for the Chair of the Board of Directors was carried out when the offices of Chairman and Chief Executive Officer were separated in 2018.

Change in the compensation policy

The Board of Directors decided on the recommendation of the Compensation Committee to leave the compensation policy applicable to the Chair of the Board of Directors, to the Chief Executive Officer and to the directors unchanged for 2023.

On March 15, 2023, the Board of Directors, acting on the recommendation of the Compensation Committee (i) adjusted the weighting of the quantifiable and qualitative criteria relating to the annual variable compensation of the Chief Executive Officer, and (ii) made adjustments to certain criteria influencing the qualitative portion of the Chief Executive Officer's annual variable compensation to align the compensation policy even more closely with the Group's medium- and long-term strategy, in line with best governance practices. These adjustments are shown in section 6.2.2.2 of this Universal Registration Document. The other components of the Chief Executive Officer's compensation remain unchanged.

Implementation of the compensation policy

The compensation policy is implemented by the Board of Directors in accordance with the resolutions passed by the Shareholders' Meeting. Every year the Board of Directors sets the targets for the variable compensation (annual and long-term) performance criteria.

Management of conflicts of interest

In accordance with the Code of Corporate Governance and the Internal Rules, executive officers are not present in meetings when the Board of Directors makes decisions concerning their compensation.

In the event of a potential conflict of interest affecting formulation of the compensation policy for executive officers by the Compensation Committee, the Board of Directors may decide to entrust the task to an *ad hoc* Committee.

Methods for assessing achievement of the performance criteria set for annual variable compensation

The first two criteria for the **quantifiable portion** of annual variable compensation are:

- organic sales growth, and
- adjusted operating margin before acquisitions.

They are aligned with the Company's public targets. These targets are usually announced to the market in February each year. The criteria are therefore transparent and measurable.

The third criterion for the quantifiable portion of annual variable compensation is related to Legrand's external growth. It is measured on the basis of sales growth resulting from changes in scope.

The fourth criterion for the quantifiable portion of annual variable compensation is related to the rate of achievement of the Group's CSR Roadmap. That rate is audited by independent third parties and announced to the market. For further details about the Group's CSR Roadmap, including Legrand's climate and environmental commitments, please refer to sections 4.2, 4.3 and 4.4 of this Universal Registration Document.

Achievement of the criteria for the **qualitative portion** of annual variable compensation is assessed by the Board of Directors based on the Compensation Committee's recommendation. The Compensation Committee forms its assessment using information provided by management.

Methods for assessing achievement of the performance criteria set for long-term compensation

The first two criteria for long-term compensation are the three-year average of organic sales growth and adjusted operating margin before acquisitions. They are aligned with the Company's public targets, which are usually announced to the market every year in February.

The third criterion for long-term compensation is the rate of achievement of the Group's CSR Roadmap over a three-year period. That rate is audited by independent third parties.

The fourth criterion for long-term compensation is based on performance of Legrand's share price relative to the CAC 40 index.

These four criteria are transparent and measurable.

Criteria for apportioning the annual fixed compensation for directors

The criteria for apportioning compensation between directors are presented in section 6.2.2.3 of this Universal Registration Document.

Arrangements for applying the compensation policy in the event of a change in governance

In the event of a change in governance, and notably in the event of appointment of a new executive officer during 2023, the principles and components of compensation laid down in the compensation policy applicable for 2023 would also apply to the new office holder. The Board of Directors, on the recommendation of the Compensation Committee, reserves the right to adjust the level and structure of compensation (in particular the fixed compensation) to the position of the relevant new executive officer and the responsibilities entrusted with the role.

Arrangements for applying the compensation policy in the event of exceptional circumstances

In the event of exceptional circumstances, in accordance with article L. 22-10-8 III, para. 2 of the French Commercial Code, the Board of Directors may depart from the application of the components of the compensation policy if the legal requirements are met. The deviation must be temporary, in keeping with the Company's interests and necessary to safeguard its continued operation or viability. It could notably apply in the event of a material change in the Group's scope, the acquisition or establishment of a significant new business or the discontinuation of a significant business or a major external event affecting (i) achievement of one or more performance criteria, or (ii) Legrand's markets and/or major competitors.

The Board of Directors would decide on any adjustments to the compensation policy in exceptional circumstances, based on a proposal by the Compensation Committee, and they would be subsequently put to the vote in a Shareholders' Meeting. Adjustments would have to be duly explained by the Board of Directors (after soliciting, where appropriate, the opinion of an independent consulting firm).

6.2.2 - Compensation policy for company officers in respect of 2023

6.2.2.1 Compensation policy for the Chair of the Board of Directors in respect of 2023

A – Term of office of the Chair of the Board of Directors

The Board of Directors elects from among its members a Chair who must be below the age of 65 upon appointment. The Chair may be reappointed. The Chair of the Board of Directors may resign from office at any time without giving any notice. The Board of Directors may dismiss the Chair at any time without giving any notice. The term of office of the Chair of the Board of Directors is equivalent to the term of office as a director, currently three years.

Angeles Garcia-Poveda was appointed as Chairwoman of the Board of Directors on July 1, 2020, replacing Gilles Schnepp. Her reappointment as a director will be proposed at the forthcoming Shareholders' Meeting on May 31, 2023, and it is envisaged that she will be reappointed as Chairwoman of the Board of Directors. For further information, please refer to the presentation of the agenda and the draft resolutions available on the Company's website: www.legrandgroup.com/en, in the section "INVESTORS AND SHAREHOLDERS / Shareholders' meetings / 2023 General Meeting". The current Chairwoman of the Board of Directors is not bound by any contract of employment or service agreement with the Company or any other Group company.

B – Compensation of the Chair of the Board of Directors in respect of 2023

The annual fixed compensation of the Chair of the Board of Directors is determined by the Board of Directors, upon a proposal from the Compensation Committee. It is determined in accordance with the principles stated in section 6.2.1 of this chapter, and in line with the responsibilities and duties assumed by the Chair of the Board of Directors. The main elements taken into account in determining that compensation are as follows:

- the role of the Chair of the Board of Directors in organizing and directing the work of the Board of Directors;
- the benchmarking of compensation practices with respect to non-executive chairs of CAC 40 companies; and
- the skills and experience of the Chair of the Board of Directors.

Accordingly, the Board of Directors held on March 15, 2023, upon the recommendation of the Compensation Committee, considered that, as for previous years, the compensation structure of the Chair of the Board of Directors in respect of 2023 would involve fixed compensation as the one and only compensation component. That decision was made taking into account market practices and in accordance with the recommendations of the Code of Corporate Governance. The Board of Directors held on March 15, 2023 decided that the annual fixed compensation of the Chairwoman of the Board of Directors would amount to €625,000 for 2023, as for previous years.

Furthermore, the Board of Directors, on March 15, 2023, on the recommendation of the Compensation Committee, decided that the Chair of the Board of Directors could benefit from the "medical expenses" supplementary health insurance and the "death, disability and inability to work" insurance available to the Group's French executives under the same terms since she is classified as an executive for social security and tax purposes.

The amount payable by the Company in respect of Angeles Garcia-Poveda over a full year (2023) would be €7,118. This amount is given for information purposes only.

In addition, the Chair of the Board of Directors could receive the benefit of the mandatory collective defined-contribution pension plan that falls within the scope of supplementary article 83 of the French General Tax Code, under the same terms as all other relevant employees.

All of the Group's French executives qualify for the benefit of the defined-contribution pension plan. Contributions are based on the A, B and C Tranches of compensation as defined for the calculation of contributions to the mandatory supplementary pension plans (ARRCO-AGIRC). Entitlements accrue through the payment of annual contributions equal to 1.5% of the A, B and C Tranches. The Company pays half this amount (0.75%) and the beneficiaries pay the other half (0.75%).

The amount payable in respect of the Chair of the Board of Directors would amount to €2,640 over a full year (2023). This amount is given for information purposes only.

6.2.2.2 Compensation policy for the Chief Executive Officer in respect of 2023

A – Term of office of the Chief Executive Officer

The Chief Executive Officer is appointed by the Board of Directors, which determines the compensation and the term of office of the Chief Executive Officer's duties. The Chief Executive Officer must always be an individual below the age of 65 upon appointment. The Chief Executive Officer may resign from office at any time without giving any notice. The Board of Directors may dismiss the Chief Executive Officer at any time without giving any notice.

Benoît Coquart was appointed Chief Executive Officer effective February 8, 2018 for an indefinite term. He was also appointed as a director of the Company at the Shareholders' Meeting of May 27, 2020. His reappointment as a director will be proposed at the forthcoming Shareholders' Meeting on May 31, 2023. For further information, please refer to the presentation of the agenda and the draft resolutions available on the Company's website: www.legrandgroup.com/en, in the section "INVESTORS AND SHAREHOLDERS / Shareholders' meetings / 2023 General Meeting". The Chief Executive Officer is not bound by any contract of employment or service agreement with the Company or any other Group company.

B – Overall structure of compensation attributable to the Chief Executive Officer in respect of 2023

The Board of Directors, on the recommendation of the Compensation Committee, defines the compensation policy applicable to the Chief Executive Officer based on all the criteria and principles stated in section 6.2.1 of this chapter.

To ensure that the Chief Executive Officer's compensation is competitive, the main elements considered in determining the overall structure of that compensation include, but are not limited to the following:

- the Chief Executive Officer's key role in the conduct of the Group's business;
- the benchmarking of compensation practices with respect to executive officers of CAC 40 companies; and
- the skills and experience of the Chief Executive Officer.

The compensation has three components:

- annual fixed compensation;
- annual variable compensation linked to annual financial and extra-financial performance; and
- long-term compensation linked to financial and extra-financial performance over the long term. Depending on the year, this can take the form of one or more of the following financial instruments (including but not limited to):
  - performance shares,
  - stock options,
  - cash-settled future performance units.

The Chief Executive Officer's annual fixed compensation is determined in line with his responsibilities and duties.

In accordance with the Code of Corporate Governance, the Board of Directors ensures that the long-term compensation mechanisms should aim to encourage executives to act from a long-term perspective. The Board of Directors also ensures that the mechanisms aim to retain executives and bring their interests into line with the corporate interest of the Company and all stakeholders' interests.

The Board of Directors therefore wishes to promote annual variable compensation and long-term compensation to help foster retention and to provide an incentive for financial and extra-financial performance.

The Board of Directors has therefore established the following compensation structure for the Chief Executive Officer in 2023:

Component	Purpose and link with the strategy	Operation	Amount/Percentage weighting of fixed compensation
Fixed	**Provide compensation for the scope and level of responsibility**	Determined by the Board of Directors, fairly and competitively, upon a recommendation from the Compensation Committee, in consideration of: ■ level of responsibility; ■ skills and experience; ■ market practices of CAC 40 companies.	€900,000
Annual variable	**Provide an incentive to achieve the Company's financial and extra-financial annual targets**	Determined by the Board of Directors, upon a recommendation from the Compensation Committee, according to strategic priorities and based on: ■ order of magnitude of variable compensation relative to fixed compensation; ■ annual objectives to be achieved; ■ type and weighting of performance criteria; ■ proportion of quantifiable and qualitative components. ***Of which quantifiable (80%):*** structured to encourage the achievement of specific and ambitious performance criteria: ■ financial criteria (organic growth, adjusted operating margin before acquisitions, external growth); ■ extra-financial criteria (rate of achievement of the Group's CSR Roadmap, with 4 pillars: promote diversity and inclusion, reduce the carbon footprint, promote circular economy, be a responsible business). ***Of which qualitative (20%):*** structured to take account of the year's initiatives deployed to support growth and develop talent.	Minimum value: 0% of fixed compensation Target value: 100% of fixed compensation Maximum value: 150% of fixed compensation
Long-term	**Spur higher long-term financial and non-financial performance** **Retain and build loyalty over the long term**	Determined by the Board of Directors, upon a recommendation from the Compensation Committee, according to strategic priorities and based on: ■ objectives to be achieved; ■ type and weighting of future performance criteria. Determined after application of a continuing service requirement and four demanding performance criteria (each counting for a quarter) measured over 3 years: ■ target for organic sales growth; (3-year average of achievement rates); ■ target for adjusted operating margin before acquisitions (3-year average of achievement rates); ■ rate of achievement of the Group's CSR Roadmap (3-year average of achievement rates); ■ Legrand's share price performance relative to the performance of the CAC 40 index (performance gap measured over a 3-year period).	Minimum value: 0% Awarded value (target value): 200% of fixed compensation Maximum value: 150% of the number of shares initially awarded depending on the achievement of future performance criteria

Implementation of the compensation policy for the Chief Executive Officer with respect to 2023

The Board of Directors, on the recommendation of the Compensation Committee, decided on the following principles regarding the compensation policy for the Chief Executive Officer in respect of 2023.

- **Annual fixed compensation amounting to €900,000.**

This amount, identical to the 2022 level, was decided upon by the Board of Directors held on March 15, 2023.

- **Annual variable compensation, the target value of which was set at 100% of annual fixed compensation (80% quantifiable and 20% qualitative).**

The Board of Directors, on the recommendation of the Compensation Committee, decided to increase the quantifiable portion of the annual variable compensation by 5% and to reduce the qualitative portion by a similar margin of 5%. In line with the best governance practices, the weighting of the rate of achievement of the CSR roadmap was increased by 5% for the quantitative portion of annual variable compensation.

It may range between 0% and 150% of fixed compensation, depending on the level of achievement of the quantifiable and qualitative criteria presented in the "Quantifiable performance criteria selected for annual variable compensation and target-setting method" in section 6.2.2.2 C of this chapter.

- **Long-term compensation in the form of performance share plans, the target value of which has been set at 200% of the annual fixed compensation.**

It will entitle the recipient to an award of shares. The number of shares may range thereafter between 0% and 150% of the initial award based on the level of achievement of four financial and extra-financial criteria measured on the basis of a three-year average. These criteria are detailed in the "Performance criteria selected for long-term variable compensation and target-setting method" in section 6.2.2.2 C of this chapter.

C – Determination of the calculation principles, criteria and weightings applicable to the annual and long-term variable compensation components attributable to the Chief Executive Officer in respect of 2023

Annual variable compensation of the Chief Executive Officer in respect of 2023

The principles for calculating the annual variable compensation in respect of 2023 including the criteria applicable and their weighting, are set out in the table below. They were determined by the Board of Directors of March 15, 2023, upon proposal of the Compensation Committee.

Under Article L. 22-10-34 II. of the French Commercial Code, payment of the annual variable compensation is subject to prior approval by the Shareholders' Meeting (*ex-post* vote). The compensation policy does not provide for any possibility for the Company to claw back variable compensation paid once it has been paid.

The Board of Directors of March 15, 2023 decided to leave unchanged the nature of quantifiable and qualitative criteria relating to annual variable compensation since 2021, as well as their target value and their maximum value.

A decision was made to adjust quantifiable and qualitative criteria relating to annual variable compensation. In line with the recommendations of the Code of Corporate Governance, the weighting of the quantifiable criteria was increased by 5%, and the weighting of qualitative was reduced by a similar margin of 5%. The weighting of the rate of achievement of the Group's CSR Roadmap was increased from 10% to 15% of target annual fixed compensation. The Group's CSR Roadmap criterion, and notably the achievements of the climate and environmental criteria, is based solely on quantifiable criteria. The Group's CSR Roadmap is focused on four pillars: (i) encouraging diversity and inclusion, (ii) reducing our carbon impact, (iii) promoting the circular economy, and (iv) being a responsible company. For more details on the 2022-2024 objectives in the Group's CSR Roadmap, please refer to chapter 4.2 of this Universal Registration Document.

The following adjustments were also made:

- The qualitative criterion for sustainable development and efforts to fight against global warming was removed.
- The "General criteria" qualitative criterion was replaced by the "People development" criterion, including "Development of talent and succession planning for key managers" and the "Talent attraction and initiatives to promote the employer brand image" criteria. The weighting remained unchanged.
- The "Innovation and Research & Development (new products and manufacturing processes" aspect of the "Innovation and market positions" qualitative criterion was replaced by "Innovation and Research & Development (new products and transformation of manufacturing processes)".
- The "Strategic fit of acquisitions completed" aspect of the "Quality of external growth" qualitative criterion was removed and minor formal adjustments were made to the residual criteria.

These changes simplify the annual variable compensation by cutting the number of qualitative criteria for variable compensation to three in 2023 from four in 2022 and reduce the weighting of the qualitative portion of annual variable compensation within total annual variable compensation.

Quantifiable performance criteria selected for annual variable compensation and target-setting method

Performance criterion	Reason for selection of the criterion	Target-setting method
Organic sales growth	Alignment with annual public targets	The range bounds for the performance targets are based on the Company's annual targets, announced to the market upon publication of the annual financial statements of the previous year (in February)
Adjusted operating margin before acquisitions	Alignment with annual public targets	
External growth	Fit with the Group's growth model	Fit with the Group's growth model (measured by sales growth during the year resulting from changes in scope)
Rate of achievement of the CSR Roadmap	The CSR Roadmap is central to the Group's growth model. It aims to ensure that the Group achieves profitable, sustainable growth and responsible	Fit with the Group's social responsibility commitments under its CSR Roadmap

Criteria and targets for annual variable compensation for 2023

				Min	Target	Max
Quantifiable: 80% of target fixed compensation	Organic sales growth	2023 organic sales growth	As a % of fixed compensation	0%	**15%**	22.5%
			Indicator value	-1%	1%	3%
	Operating margin	2023 adjusted operating margin (at 2022 scope)	As a % of fixed compensation	0%	**40%**	60%
			Indicator value	19.6%	20.0%	20.4%
	External growth	2023 sales growth resulting from changes in scope	As a % of fixed compensation	0%	**10%**	15%
			Indicator value	0%	5%	10%
	Corporate Social Responsibility	Rate of achievement of the Group's CSR Roadmap(1)	As a % of fixed compensation	0%	**15%**	22.5%
			Indicator value	70%	100%	130%
	QUANTIFIABLE TOTAL			**0%**	**80%**	**120%**
Qualitative: 20% of target fixed compensation	Innovation and market positions	■ Innovation and Research & Development (new products and transformation of manufacturing processes). ■ Trend in sales generated by products in faster expending segments. ■ Changes in market share.		0%	**10%**	15%
	Quality of external growth	■ Quality of acquisitions pipeline. ■ Emphasis on multiples paid. ■ Quality of integration (in the short and medium term).		0%	**5%**	7.5%
	People Development	■ Development of talent and succession planning for key managers. ■ Talent attraction and Initiatives to promote the employer brand image		0%	**5%**	7.5%
	QUALITATIVE TOTAL			**0%**	**20%**	**30%**
TOTAL VARIABLE AS A % OF FIXED COMPENSATION				**0%**	**100%**	**150%**

(1) The Group CSR Roadmap is based on four pillars:
(i) promote diversity and inclusion;
(ii) reduce our carbon footprint: through the Group's energy efficiency products, by enabling our customers to avoid the emission of 12 million tons of CO_2, by cutting by 10% every year the Group's Scope 1&2 CO_2 emissions, by improving the energy efficiency of our plants and through the deployment of renewable energies and by encouraging at least 250 of Legrand's key suppliers to have an official CO_2 emission reduction target of 30% on average by 2030;
(iii) promote the circular economy by achieving a 15% recycled plastics use rate and 40% recycled metals use rate in products manufactured by the Group, by phasing out 100% of single-use plastic from flow pack and expanded polystyrene packaging, and by covering 72% of the Group's annual sales with Product Sustainable Profiles; and
(iv) be a responsible business.

For more details on the 2022-2024 objectives in the Group's CSR Roadmap, and especially the climate and environmental objectives, please refer notably to chapter 4.2 of this Universal Registration Document.

Long-term compensation of the Chief Executive Officer in respect of 2023

In respect of 2023, the Chief Executive Officer is benefiting from a performance share plan (the "**2023 Performance Share Plan**").

The initial allocation will be converted into at the meeting of the Board of Directors to be held on May 31, 2023, following the Shareholders' Meeting. It corresponds to 200% of the target amount of the annual fixed compensation, with a possible variation between 0% and 150% of the initial allocation based on future performance criteria.

The nature of performance criteria has remained unchanged compared to the 2022 compensation policy.

Performance criteria selected for long-term variable compensation and target-setting method

The **first two performance criteria** are aligned with the Company's targets disclosed in February. These are annual targets concerning organic sales growth and adjusted operating margin before acquisitions, which are central to Legrand's profitable growth-based business model.

The **third criterion** is of an extra-financial nature, based on the fulfillment of the Group's corporate social responsibility commitments under its CSR Roadmap. The CSR Roadmap is central to Legrand's model and aims to deliver sustainable and responsible growth while taking into account all stakeholders' concerns.

The **fourth criterion** is based on performance of Legrand's share price relative to the CAC 40 index. If the share price underperforms the CAC 40 index (as described in point 4 below), no payment is made in relation to this criterion.

The proposed performance criteria thus reflect the Company's model based on profitable, sustainable and responsible growth aligned with the interests of all stakeholders. They are transparent.

Performance criterion	Description of performance criterion and target-setting method	Weighting of performance criterion
Target for organic sales growth	Target: 3-year arithmetic mean of the upper and lower bounds of the annual target ranges concerned Comparison between the target and the average achievement over three years	1/4
Target for adjusted operating margin before acquisitions	Target: 3-year arithmetic mean of the upper and lower bounds of the annual target ranges concerned Comparison between the target and the average achievement over three years	1/4
Annual rates of achievement of the Group's CSR Roadmap	Target: arithmetic mean over 3 years of the annual CSR Roadmap achievement rates	1/4
Legrand's share price performance relative to the performance of the CAC 40 index	Performance gap between Legrand's share price and the CAC 40 index over a 3-year period	1/4

Performance criteria are measured over a three-year period. The number of performance shares awarded definitively to the Chief Executive Officer is calculated using the following method:

1) Organic sales growth criterion

Pay-out rate(1)	0%	Between 50% and 90%	90%	Between 90% and 110%	110%	Between 110% and 150%	150%
3-year average of performance in the year of introduction of the plan and the following 2 years	Less than (LB(2) - 2 points)	Between (LB(2) - 2 points) and LB(2)	Equal to LB(2)	Between LB(2) and UB(3)	Equal to UB(3)	Between UB(3) and (UB(3) + 2 points)	Above (UB(3) + 2 points)

(1) For any point between the limits given in the table above, the pay-out rate is calculated on a straight-line basis.
(2) LB (Lower Bound) corresponding to the 3-year average of the lower bounds of the annual target announced to the market.
(3) UB (Upper Bound) corresponding to the 3-year average of the upper bounds of the annual target announced to the market.

Illustration of the determination of the 3-year target based on the 2023 Performance Share Plan

	Lower bound established on the basis of the annual target	Upper bound established on the basis of the annual target
Year 1: 2023	Equal to -1%	Equal to +3%
Year 2: 2024	Announced to the market in February 2024	Announced to the market in February 2024
Year 3: 2025	Announced to the market in February 2025	Announced to the market in February 2025
3-year target: Average of annual targets	LB(1)	UB(2)

(1) *LB corresponds to the 3-year average of the lower bounds of the annual target announced to the market.*
(2) *UB corresponds to the 3-year average of the upper bounds of the annual target announced to the market.*

2) Adjusted operating margin before acquisitions criterion

Pay-out rate(1)	0%	Between 50% and 90%	90%	Between 90% and 110%	110%	Between 110% and 150%	150%
3-year average of performance in the year of introduction of the plan and the following 2 years	Below (LB(2) - 50 bps)	Between (LB(2) - 50 bps) and LB(2)	Equal to LB(2)	Between LB(2) and UB(3)	Equal to UB(3)	Between UB(3) and (UB(3) + 50 bps)	Above (UB(3) + 50 bps)

(1) *For any point between the limits given in the table above, the pay-out rate is calculated on a straight-line basis.*
(2) *LB corresponds to the 3-year average of the lower bounds of the annual target announced to the market.*
(3) *UB corresponds to the 3-year average of the upper bounds of the annual target announced to the market.*

Illustration of the determination of the 3-year target based on the 2023 Performance Share Plan

	Lower bound established on the basis of the annual target	Upper bound established on the basis of the annual target
Year 1: 2023	Equal to +19.6%	Equal to +20.4%
Year 2: 2024	Announced to the market in February 2024	Announced to the market in February 2024
Year 3: 2025	Announced to the market in February 2025	Announced to the market in February 2025
3-year target: Average of annual targets	LB(1)	UB(2)

(1) *LB corresponds to the 3-year average of the lower bounds of the annual target announced to the market.*
(2) *UB corresponds to the 3-year average of the upper bounds of the annual target announced to the market.*

3) Achievement rate of the Group's CSR Roadmap

Pay-out rate(1)	0%	Between 70% and 100%	Between 100% and 105%	Between 105% and 150%	150%
Arithmetic mean over a 3-year period of the annual CSR Roadmap achievement rates	Below 70%	Between 70% and 100%	Between 100% and 125%	Between 125% and 200%	Over 200%

(1) *For any point between the limits given in the table above, the pay-out rate is calculated on a straight-line basis.*

4) Legrand's share price performance

Pay-out rate(1)	0%	30%	Between 30% and 150%	150%
Performance gap between Legrand's share price and the CAC 40(2) index	Below 0 point	Equal to 0 point	Between 0 point and 15 points	Above 15 points

(1) *For any point between the limits given in the table above, the pay-out rate is calculated on a straight-line basis.*
(2) *For the 2023 Performance Share Plan, 3-year performance will be measured over the 2023-2025 period using the following calculation method:*
- *Legrand's share price performance: comparison of the average daily closing prices in the second half of the third year of the plan (second half of 2025) to the average daily closing market prices in the second half of the year preceding the first year of the plan (second half of 2022), i.e., €75.18;*
- *performance of the CAC 40 index: comparison of the average CAC 40 daily closing indices of the second half of the third year of the plan (second half of 2025) to the average closing indices of the CAC 40 index of the second half of the year preceding the first year of the plan (second half of 2022), i.e. 6,291.6 points.*

The difference between these two performances will be measured by the difference, in percentage points, between the change in the Legrand share price and the change in the CAC 40 index.

Vesting period and fate of performance shares in the event of the departure of the Chief Executive Officer before the end of the vesting period

The vesting period for the Chief Executive Officer is three years. The (additional) holding period is two years. At the end of the vesting period of the performance shares allocated in 2023, the performance criteria and the condition of continuing service will be verified. As regards the condition of continuing service, the following rules are applicable:

- should the Chief Executive Officer resign during the vesting period, the shares initially awarded by the Board of Directors will not vest;
- should the Chief Executive Officer be dismissed, not be reappointed or retire during the vesting period, only part of the shares would vest, subject to the performance criteria on the date the vesting period ends, calculated in proportion to his length of service at the Company during the vesting period;
- in the event of death during the vesting period, the Chief Executive Officer's heirs may request that ownership of all shares that the Board of Directors initially allocated to the deceased Chief Executive Officer be transferred to them, as permitted by law, without waiting until the end of the vesting period;
- in the event that the Chief Executive Officer becomes permanently disabled, within the meaning of French law or that of his country of residence, the Chief Executive Officer may, under French law, request the transfer of ownership of all shares that the Board of Directors initially allocated to him without waiting until the end of the vesting period.

Holding obligation

Pursuant to Article L. 22-10-59 of the French Commercial Code, as specified in the Code of Corporate Governance, the Chief Executive Officer must retain in registered form a certain percentage of the shares allocated until his term of office ends. The Board of Directors decided that the Chief Executive Officer will be required to hold at least 30% of all performance shares acquired under performance share plans until his term of office ends.

Undertaking not to put in place any hedging transactions

The Company has not put in place any hedging instruments for performance shares. Furthermore, the Chief Executive Officer has formally undertaken to refrain from using any hedging instruments in relation to the performance shares allocated to him.

D – Other compensation components

Compensation for duties as a director of the Company and for directorships at other Group companies

No compensation is awarded to the Chief Executive Officer for duties as a director of the Company or of any other Group company.

Exceptional compensation

There are no plans to award him exceptional compensation.

Undertakings governed by Article L. 22-10-9 I, para. 4 of the French Commercial Code

Pension plans

Legrand has no undertakings under defined-benefit pension plans.

The Chief Executive Officer continues to benefit from the mandatory collective defined-contribution pension plan that falls within the scope of supplementary article 83 of the French General Tax Code ("**FGTC**"). The Chief Executive Officer was a member of that plan before his appointment as Chief Executive Officer, and he continues to benefit from it under the same terms as all other relevant employees.

All of the Group's French executives qualify for the benefit of the defined-contribution pension plan. Contributions are based on the A, B and C Tranches of compensation as defined for the calculation of contributions to the mandatory supplementary pension plans (ARRCO-AGIRC). Entitlements accrue through the payment of annual contributions equal to 1.5% of the A, B and C Tranches. The Company pays half this amount (0.75%) and the beneficiaries pay the other half (0.75%).

For 2023, the Company's contribution for the Chief Executive Officer is estimated at €2,640. This amount is given for information purposes only.

Termination benefits

The Chief Executive Officer does not benefit from any undertaking covering components of compensation, indemnities or other benefits that are or may be due in the event of or subsequent to the termination of his term of office or assignment to a different position ("golden parachutes"). No such undertaking covers him, including if control of the Company changes.

Non-compete clause

Given the profile of the Chief Executive Officer and to protect the interests of the Company and its shareholders, the Board of Directors, on March 20, 2018 authorized a non-compete agreement between the Company and the Chief Executive Officer. Under that agreement, the Chief Executive Officer undertakes not to carry out any activity that will compete with Legrand's business for a one-year period starting from the date his term of office ends.

The Company's Board of Directors will decide, when the Chief Executive Officer's term of office ends, whether or not to apply this non-compete clause. It may unilaterally decide to waive the application of this clause.

If applied the Chief Executive Officer's fulfillment of this undertaking would result, for a one-year period after the end of his term of office, in the payment by the Company of monthly compensation. The latter would be equal to the monthly average of the reference salary received during the last 12 months of employment by the Company. The reference salary includes the fixed salary and annual variable compensation excluding sums received as long-term variable compensation. Its amount is below the cap recommended by the Code of Corporate Governance.

In accordance with Article R. 22-10-14 III. of the French Commercial Code, no compensation under this non-compete clause would be payable should the Chief Executive Officer decide to retire.

Incentive and profit-sharing plans

The Company has for many years implemented an exceptional incentive and profit-sharing plan covering all its employees and those of its main French subsidiaries. The Chief Executive Officer has not enjoyed the benefit of this plan since he was appointed as Chief Executive Officer on February 8, 2018.

Other non-monetary compensation components (company car, pension plan, supplementary health insurance coverage, etc.)

The Chief Executive Officer has the use of an executive car. The benefit in kind that this use of an executive car represents is estimated to be worth €6,135 for 2023. This amount is given for information purposes only.

Furthermore, the Board of Directors, on February 7, 2018, decided that the Chief Executive Officer would continue to benefit from the "medical expenses" supplementary health insurance and the "death, disability and inability to work" insurance available to the Group's French executives under the same terms, since he is classified as an executive for social security and tax purposes.

For 2023, the Company's contribution for Benoît Coquart is estimated at €7,118. This amount is given for information purposes only.

Sign-on bonuses

The Chief Executive Officer did not receive any compensation for taking up his duties, intended to make up for the loss of benefits resulting from his appointment.

6.2.2.3 Compensation policy applicable to the directors in respect of 2023

A – Directors' term of office

Directors are appointed by the Shareholders' Meeting for a term of office of three years, subject to the provisions of the Articles of Association concerning the age limit and the provisions of law and of the Code of Corporate Governance on multiple directorships. They may be reappointed without limitation subject to fulfilling the same requirements.

Directors may resign from their office at any time without giving any notice. Directors may be dismissed at any time by the Shareholders' Meeting without any notice. The duties of the directors representing employees come to an end prematurely as a matter of course should their contract of employment be terminated.

B – Compensation applicable to the directors in respect of 2023

The Board of Directors apportions directors' compensation based on the recommendation of the Compensation Committee and on the total amount authorized by the Shareholders' Meeting. The total amount authorized by the Shareholders' Meeting of May 27, 2020, was €1,200,000. It will remain valid until a new resolution setting out a new amount is adopted by the Shareholders' Meeting.

Neither the Chairwoman of the Board of Directors nor the Chief Executive Officer receives any compensation for their duties as a director of the Company.

Accordingly, the compensation is apportioned between the other directors including the two directors representing employees.

The apportionment of compensation between directors takes into account directors' actual attendance at meetings of the Board of Directors and of its Board committees. Additional compensation may be awarded, or exceptional compensation paid, for specific duties, such as those of the Lead Director.

Based on a proposal from the Compensation Committee, the Board of Directors decided on March 15, 2023 to apply the same compensation policy used since 2021 again in 2023, that is:

- €25,000 a year in respect of the fixed portion of directors' compensation. For each director, this sum increases by €5,000 with every meeting of the Board of Directors they attend;
- €3,000 for each director who is also a member of a Board committee for each Board committee meeting they attend; and
- an additional €20,000 is paid to the Chair of the Audit Committee and an additional €10,000 paid to the Chairs of the other Board committees.

These rules for apportioning directors' compensation are in line with the Code of Corporate Governance, which recommends that the variable portion of the compensation granted to directors should outweigh the fixed portion.

Should the Board of Directors decide to entrust any director with specific duties or a specific assignment, they may be awarded exceptional compensation. Its amount will be proportionate for such duties or assignment and in line with market practices.

Regarding the Lead Director and the specific duties this role entails, the Board of Directors has decided to award additional directors' compensation to the office holder of €20,000. Information regarding the Lead Director's duties is provided in section 6.1.2 of this Universal Registration Document.

In accordance with the Directors' Charter, which forms part of the Internal Rules, all directors must, during their terms of office, gradually acquire a number of shares equivalent to one year's compensation.

The minimum number of shares that a director must hold in a personal capacity and retain throughout their term of office is 500 shares.

Lastly, each director is entitled to the reimbursement of travel expenses incurred in performing their duties, subject to the upper limits laid down in the policy applicable within the Company and provided the expense claims are supported by receipts.

6.2.3 - Total compensation and benefits paid in 2022 or awarded in respect of the same year to the company officers

6.2.3.1 Angeles Garcia-Poveda's total compensation and benefits paid in 2022 or awarded in respect of the same year

The tables summarizing the components of compensation and benefits of any kind paid in respect of the financial year ended December 31, 2022, or awarded in respect of the same year to Angeles Garcia-Poveda, Chairwoman of the Board of Directors, are shown below.

Summary of compensation, stock options and shares awarded to Angeles Garcia-Poveda in her capacity as Chairwoman of the Board of Directors in 2022 *(Table 1 of the Code of Corporate Governance)*

Angeles Garcia-Poveda, Chairwoman of the Board of Directors	2021	2022
Compensation awarded in respect of the year (see table 2 below for details)		
(in euros)	625,000	625,000
Value of options awarded during the year (table 4 – not applicable)		
Number of options	None	None
(in euros)	None	None
Value of performance shares awarded during the year (table 6 – not applicable)		
Number of shares	None	None
Value *(in euros)*	None	None
Value of long-term variable compensation awarded during the year		
Number of shares	None	None
Value *(in euros)*	None	None
TOTAL *(in euros)*	**625,000**	**625,000**

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Summary of compensation awarded to Angeles Garcia-Poveda in her capacity as Chairwoman of the Board of Directors in 2022
(Table 2 of the Code of Corporate Governance)

	2021		2022	
(in euros)	**Amounts awarded**	**Amounts paid**	**Amounts awarded**	**Amounts paid**
Angeles Garcia-Poveda, Chairwoman of the Board of Directors from July 1, 2020				
Fixed compensation	625,000	625,000	625,000	625,000
Annual variable compensation	None	None	None	None
Long-term variable compensation	None	None	None	None
Exceptional compensation	None	None	None	None
Compensation awarded for duties as a director	None	None	None	None
Benefits in kind[(1)]	None	None	None	None
TOTAL	**625,000**	**625,000**	**625,000**	**625,000**

(1) The Group did not fund any benefit.

Fixed compensation

For the 2022 financial year, the fixed compensation paid to Angeles Garcia-Poveda was €625,000.

Annual variable compensation

Angeles Garcia-Poveda does not receive any annual variable compensation.

Long-term compensation

Angeles Garcia-Poveda does not receive any long-term compensation. That is in accordance with the recommendations of the Code of Corporate Governance.

Stock options exercised by Angeles Garcia-Poveda in 2022
(Table 5 of the Code of Corporate Governance)

Not applicable (no options outstanding in 2022).

Shares awarded free of charge to Angeles Garcia-Poveda and subject to a lock-up period that ended during the year *(Table 7 of the Code of Corporate Governance)*

Not applicable (Angeles Garcia-Poveda has never been awarded any shares free of charge).

Compensation and benefits due as a result of the termination of Angeles Garcia-Poveda's role as Chairwoman of the Board of Directors *(Table 11 of the Code of Corporate Governance)*

Executive officer	Employment contract		Supplementary pension plan		Payments or benefits due or potentially due in the event of termination or change of office		Non-compete compensation	
	Yes	No	Yes	No	Yes	No	Yes	No
Angeles Garcia-Poveda								
Chairwoman of the Board of Directors		X		X		X		X
Start of term of office: July 1, 2020								

Other compensation components

Compensation for duties as a director

Angeles Garcia-Poveda has not received any compensation for her duties as a director of the Company.

Exceptional compensation

There are no plans to award exceptional compensation.

Undertakings governed by Article L. 22-10-9 I, para. 4 of the French Commercial Code

Pension plans

Legrand has no undertakings related to defined-benefit pension plans.

Indemnity payments due on termination of duties: termination benefit/non-compete compensation

Angeles Garcia-Poveda does not benefit from any undertaking covering components of compensation, indemnities or other benefits that are or may be due in the event of or subsequent to the termination of his term of office or assignment to a different position ("golden parachutes"). No such undertaking covers her, including if control of the Company changes.

No non-compete agreement has been entered into between the Chairwoman of the Board of Directors and the Company.

Compensation paid or awarded by a company within the scope of consolidation as defined in article L. 233-16 of the French Commercial Code

No compensation was paid or awarded by a company within the scope of consolidation as defined in Article L. 233-16 of the French Commercial Code to Angeles Garcia-Poveda.

Equity ratio of the compensation of the Chairwoman of the Board of Directors relative to that of the Company's employees, in accordance with article L. 22-10-9 of the French Commercial Code

This information is presented in section 6.2.3.3 of this chapter.

Comparison between changes in Angeles Garcia-Poveda's compensation, the Company's performance and the compensation of the Company's employees, in accordance with L. 22-10-9 of the French Commercial Code

This information is presented in section 6.2.3.3 of this chapter.

Conformity of the total compensation paid in 2022 or awarded in respect of the same year to Angeles Garcia-Poveda, Chairwoman of the Board of Directors, with the compensation policy approved by the Shareholders' Meeting of May 25, 2022 and how this vote was taken into account

The total compensation paid to Angeles Garcia-Poveda in respect of 2022 amounted to €625,000. This compensation is in line with the compensation policy for the Chairwoman of the Board of Directors set out in the ninth resolution of the Shareholders' Meeting of May 25, 2022. That resolution stated that the most suitable compensation structure for the Chairwoman of the Board of Directors in respect of 2022, as in 2021, was to pay her an annual fixed amount of €625,000 and no other components of compensation. Please refer to section 6.2.1.2 on page 205 of the Company's 2021 Universal Registration Document for more information on this subject.

This compensation contributes to the Company's long-term performance and:

- provides compensation for the role of Chair, including organizing and leading the work done by the Board of Directors and the Board committees;
- gives the Company the benefit of the Chairwoman's expertise and experience; and
- enables the Company to maintain governance practices that are consistent with the best practices in the market.

The Board of Directors took the view that this policy was suitable given the high level of approval of the ninth resolution at the Shareholders' Meeting of May 25, 2022, concerning the 2022 compensation policy applicable to the Chairwoman of the Board of Directors.

6.2.3.2 Total compensation and benefits paid in 2022 or awarded in respect of the same year to Benoît Coquart

The tables summarizing the components of compensation and benefits of any kind paid in the financial year ended December 31, 2022 or awarded in respect of the same year to Benoît Coquart, Chief Executive Officer, are shown below.

Summary of compensation, stock options and shares awarded to Benoît Coquart in 2022 *(Table 1 of the Code of Corporate Governance)*

	2021	2022
Benoît Coquart, Chief Executive Officer		
Compensation awarded in respect of the year (see table 2 below for details)		
(in euros)	2,173,397	2,139,947
Value of options awarded during the year (table 4 – not applicable)		
Number of options	None	None
(in euros)	None	None
Value of performance shares awarded during the year (see table 6 below for details)		
Number of shares	20,544	22,534
Value *(in euros)*	1,575,519 (1)	1,353,167 (2)
Value of long-term variable compensation awarded during the year		
Number of shares	None	None
Value *(in euros)*	None	None
TOTAL *(in euros)*	**3,748,916**	**3,493,114**

(1) Value of performance shares awarded in 2021, as determined by an independent expert pursuant to IFRS 2, subject to the future performance conditions presented in the section on "Existing performance share plans" in this Universal Registration Document.

(2) Value of performance shares awarded in 2022, as determined by an independent expert pursuant to IFRS 2, subject to the future performance conditions presented in the section on "Existing performance share plans" in this Universal Registration Document.

Summary of compensation awarded to Benoît Coquart in 2022 *(Table 2 of the Code of Corporate Governance)*

	2021		2022	
(in euros)	Amounts awarded	Amounts paid	Amounts awarded	Amounts paid
Benoît Coquart, Chief Executive Officer from February 8, 2018				
Fixed compensation	900,000	900,000	900,000	900,000
Annual variable compensation	1,269,000	415,800	1,235,700	1,269,000
Long-term variable compensation	None	None	None	None
Exceptional compensation	None	None	None	None
Compensation awarded for duties as a director	None	None	None	None
Benefits in kind[1]	4,397	4,397	4,247	4,247
TOTAL	**2,173,397**	**1,320,197**	**2,139,947**	**2,173,397**

(1) At the filing date of this Universal Registration Document, the Chief Executive Officer had the use of an executive car.

Fixed compensation in respect of 2021 and 2022

In respect of 2022, as in respect of 2021, the amount of Benoît Coquart's fixed compensation is €900,000.

Annual variable compensation in respect of 2021 and 2022

Benoît Coquart's variable compensation for the 2021 financial year was determined by the Board of Directors on March 15, 2022, based on the recommendation of the Compensation Committee.

In respect of 2021, the achievement rate of quantifiable and qualitative targets applied to maximum annual variable compensation was 94% (equal to 141% divided by 150%). The achievement rate of quantifiable and qualitative targets was 141% (equal to 141% divided by 100%) of the target, giving an amount of €1,269,000 on an annual basis.

This amount was approved by the Company's shareholders at the Shareholders' Meeting of May 25, 2022 (eighth resolution).

Benoît Coquart's variable compensation for the 2022 financial year was determined by the Board of Directors on March 15, 2023, based on the recommendation of the Compensation Committee. It was determined after applying the criteria set by the Compensation Committee and subsequently approved by the Board of Directors. Those criteria are presented in the table below.

				Min	Target	Max	Actual
Quantifiable: 3/4 of annual variable ***i.e.* 75% of target fixed compensation**	Organic sales growth	2022 organic sales growth	As a % of fixed compensation	0%	**15%**	22.5%	22.5%
			Indicator value	3%	5%	7%	9.7%
	Operating margin	2022 adjusted operating margin (at 2021 scope)	As a % of fixed compensation	0%	**40%**	60%	60%
			Indicator value	19.9%	20.3%	20.7%	20.7%
	External growth	Sales growth in 2022 resulting from changes in scope	As a % of fixed compensation	0%	**10%**	15%	6%
			Indicator value	0%	5%	10%	3%
	Corporate Social Responsibility	Rate of achievement of the Group's CSR Roadmap	As a % of fixed compensation	0%	**10%**	15%	13.8%
			Indicator value	70%	100%	130%	123%
	QUANTIFIABLE TOTAL			**0%**	**75%**	**112.5%**	**102.3%**
Qualitative: 1/4 of annual variable ***i.e.* 25% of target fixed compensation**	Innovation and market positions	▪ Innovation and Research & Development (new products and manufacturing processes). ▪ Trend in sales generated by products in faster expending segments. ▪ Changes in relative market share trends.		0%	**10%**	15%	14%
	Quality of external growth	▪ Strategic fit of acquisitions completed. ▪ Quality of acquisitions pipeline. ▪ Emphasis on multiples paid. ▪ Quality of integration of acquisitions already completed.		0%	**5%**	7.5%	6%
	Sustainable development and efforts to combat global warming	▪ Initiatives to reduce CO_2 emissions. ▪ Initiatives related to energy efficiency programs. ▪ Legrand's inclusion in benchmark CSR indices. ▪ New initiatives related to sustainable development.		0%	**5%**	7.5%	7.5%
	General criteria	▪ Diversity and gender balance. ▪ Risk management. ▪ Labor dialog and initiatives.		0%	**5%**	7.5%	7.5%
	QUALITATIVE TOTAL			**0%**	**25%**	**37.5%**	**35%**
TOTAL VARIABLE AS A % OF FIXED COMPENSATION				**0%**	**100%**	**150%**	**137.3%**

In respect of 2022, the achievement rate of quantifiable and qualitative targets applied to maximum annual variable compensation was 91.5% (equal to 137.3% divided by 150%). The achievement rate was 137.3% (equal to 137.3% divided by 100%) of the target, giving an amount of €1,235,700.

The principles and achievements of the annual variable portion of Benoît Coquart's 2022 compensation, as calculated in the above table, are as follows:

- the target value of the quantifiable portion was set at 75% of the fixed compensation, which may vary between 0% and 112.5% of said fixed compensation.

  The 2022 achievement rate for this quantifiable portion came to 102.3% of fixed compensation. It was determined on the basis of the following criteria:

  - 15% of the target fixed compensation based on the achievement of organic sales growth of +5%. The compensation rate may vary between 0% and 22.5% of fixed compensation for organic sales growth between +3% and +7% (annual target announced to the market at the beginning of 2022). The performance achieved in 2022 was +9.7%, giving an entitlement equal to 22.5% of fixed compensation,
  - 40% of the fixed compensation as a target value based on a reported 2022 adjusted operating margin of 20.3% (based on the 2021 scope). The compensation rate may vary between 0% and 60% of fixed compensation for an adjusted operating margin (based on the 2021 scope) between 19.9% and 20.7% (annual target announced to the market at the beginning of 2022). The performance achieved in 2022 was 20.7%, giving an entitlement equal to 60% of fixed compensation,
  - 10% of the fixed compensation as a target value based on the achievement of 2022 sales growth through acquisitions of +5%. The compensation rate may vary between 0% and 15% of fixed compensation for sales growth through acquisitions of between 0% and +10.0%. The performance achieved in 2022 was +3%, giving an entitlement equal to 6% of fixed compensation,
  - 10% of fixed compensation as a target value for an achievement rate of the Group's CSR Roadmap set at 100%. The compensation awarded may vary between 0% and 15% of fixed compensation for a roadmap achievement rate of between 70% and 130%. The performance achieved in 2022 was 123%, giving an entitlement equal to 13.8% of fixed compensation;

- the target value of the qualitative portion was set at 25% of the fixed compensation and may vary between 0% and 37.5% of said fixed compensation.

  The 2022 achievement rate for the qualitative portion came to 35% of fixed compensation. Having assessed the following criteria, the Compensation Committee and then the Board of Directors stated the opinion that the performance achieved was remarkable. This achievement rate was determined based on the following factors:

  - 14% of fixed compensation (10% target value) related to the innovation and market position criterion.

  The Board of Directors noted that efforts to enhance innovation and market positions continued even though there was still considerable disruption to the business environment. Legrand launched several new products on the market across both its core infrastructure offering (*e.g.*, next-generation P31+ cable trays, type B DX3 circuit breakers and Incara office power supply solutions), and faster-expanding segments (*e.g.*, the latest range of Smarther AC thermostats, Nexpand cabinets and Infinium acclAIM connection interfaces, and the new Uralife V smart emergency lighting system for commercial buildings and, for residential properties, the New Plexo, Adorne with Netatmo and Mallia senses user interface ranges, plus the new Drivia with Netatmo modules). Sales in faster-expanding segments came to 33% of the 2022 total, and the goal is to reach 50% in the medium term. Legrand's productivity gains over the past five years helped curb increases in selling prices amid strong inflationary pressures in both 2021 and 2022. As a result, the Group was able to improve its market positions and secure its pricing power over the long term. The Group continued to step up its investments in Industry 4.0, which now covers 80% of the Group's principal sites;

  - 6% of fixed compensation (5% target value) related to the quality of external growth. The Board of Directors noted that the Group maintained its strategy of bolt-on acquisitions, acquiring around €200 million in sales year-on-year through seven acquisitions, six of which were completed in 2022. The Board of Directors noted the strategic fit of the acquisitions completed, the quality of the pipeline, the emphasis on the multiples paid and the quality of the acquisitions already integrated,
  - 7.5% of fixed compensation (5% target value) related to sustainable development and efforts to fight against climate change, including initiatives to cut CO_2 emissions, the change in sales derived from energy-saving solutions, the Group's inclusion in CSR indices and new sustainability initiatives. The Committee and then the Board of Directors found that the Group's performance was highly satisfactory in 2022 in view of the targets and achievements set. The CSR drive made further progress, with initiatives including:
    - the doubling of the target of reducing energy consumption between year-end 2021 and year-end 2023 to -15% (from -8% previously) and quadrupling of the renewable energy generated on site between year-end 2021 and year-end 2022 with photovoltaic panels now in place at 22 sites, of which 11 were fitted out during the year,

  - a commitment from 111 key suppliers to reduce their CO_2 emissions by 2030,
  - the emphasis placed on circularity during the product design process, like the new Uralife V emergency lighting range, which cuts CO_2 emissions by close to 20% (plastic-free packaging, use of recycled materials and reduction in net weight),
  - the major progress by the Group's internal networks towards a more inclusive working environment (Elle@Legrand gender balance, LGBT+ Legrand Rainbow, Black Professional Network), and
  - the reduction in energy poverty, in particular through active backing for Electriciens sans frontières, an NGO that we have supported on its almost 265 projects over 15 years and that has helped deliver easier access to electricity for over 3 million people in 44 countries;
- 7.5% of fixed compensation (5% target value) linked to other general criteria including diversity and gender balance, with gender balance targets maintained in 2022, risk management, and workforce-related initiatives and dialog. The Committee and then the Board of Directors noted that various initiatives were carried out to implement the Group's new HR roadmap, in particular the employer brand and talent management. Legrand pressed ahead with efforts to meet its diversity targets, recording an increase in gender diversity, with the proportion of female managers (Hay Grade 14+) now at 28.5% (versus 22.1% in 2017) and in key positions (Hay Grade 20+) at 24.4% (versus 14.8% in 2017). Legrand's responsible commitment earned it further plaudits in 2022:
  - it joined the Euronext Equileap Gender Equality Eurozone 100 and France 40 indices for its exemplary efforts to promote gender equality;
  - it won the "*Allié.es* Leaders" prize at the 4th edition of the LGBT+ Role Models and Allies of *L'Autre Cercle*. This accolade rewards stand-out organizations in terms of promoting the inclusion of the LGBT+ community in the workplace;
  - it appeared on the Forbes' World's Best Employers list for the third year in a row.

  The Committee, then the Board of Directors noted the progress achieved on the workforce-related dialog front, as well as with risk management, which prompted the Group to pull out of Russia.

Long-term compensation in respect of 2021 and 2022

Future Performance Units

In 2022, as in 2021, no future performance units were awarded in respect of the previous financial year.

Stock options

In 2022, as in 2021, no options to purchase or subscribe shares were awarded.

Performance shares

As regards the award of performance shares in 2022, Benoît Coquart was awarded 22,534 performance shares. They are subject to the future performance criteria presented in the "Ongoing performance share plans" section of this Universal Registration Document. Their value was determined by an independent expert pursuant to IFRS 2 and amounts to €1,353,167.

The vesting period of the performance shares awarded in 2022 will end on June 11, 2025. On that date, the continuing service and performance criteria will be reviewed. As regards the condition of continuing service, the following rules are applicable:

- should the Chief Executive Officer resign during the vesting period, the shares initially awarded by the Board of Directors will not vest;
- should the Chief Executive Officer be dismissed, not be reappointed or retire during the vesting period, only part of the shares would vest, subject to the performance criteria on the date the vesting period ends, calculated in proportion to his length of service at the Company during the vesting period;
- in the event of death during the vesting period, the Chief Executive Officer's heirs may request the transfer of ownership of all shares that the Board of Directors initially allocated to the deceased Chief Executive Officer, without waiting until the end of the vesting period;
- in the event that the Chief Executive Officer becomes permanently disabled, within the meaning of French law or that of his country of residence, the Chief Executive Officer may, under French law, request the transfer of ownership of all shares that the Board of Directors initially allocated to the Chief Executive Officer without waiting until the end of the vesting period.

Performance shares awarded free of charge by the Shareholders' Meeting to Benoît Coquart by the Company and by any Group company in 2022 *(Table 6 of the Code of Corporate Governance)*

Name of executive officer	Date of plan	Number of shares awarded during the year	Value of the shares according to method used for the consolidated financial statements	Vesting date	End of lock-up period	Performance criterion
Benoît Coquart	2022 Performance share plan (May 25, 2022)	22,534	1,353,167 (1)	June 11, 2025	May 26, 2027	For a description of the applicable performance criteria, please refer to the "Ongoing performance share plans" section of this Universal Registration Document

(1) The value of the 22,534 shares allocated to Benoît Coquart was determined by an independent expert pursuant to IFRS 2.

Ongoing performance share plans

On the recommendation of the Compensation Committee, the Board of Directors, at its meetings of May 26, 2020, May 26, 2021 and May 25, 2022, approved the creation of performance share plans (the "**2020 Performance Share Plan**", the "**2021 Performance Share Plan**" and the "**2022 Performance Share Plan**", respectively) benefiting Benoît Coquart.

The number of performance shares that will be awarded definitively to Benoît Coquart will vary between 0% and 150% of the number of shares initially awarded, subject to a condition of continuing service and various performance criteria. Those criteria are described in the tables below.

Performance criterion	Description of performance criterion and target-setting method	Weighting of performance criterion
Target for organic sales growth	Target: 3-year arithmetic mean of the upper and lower bounds of the annual target ranges concerned Comparison between the target and the average achievement over three years	1/4
Target for adjusted operating margin before acquisitions	Target: 3-year arithmetic mean of the upper and lower bounds of the annual target ranges concerned Comparison between the target and the average achievement over three years	1/4
Annual rates of achievement of the Group's CSR roadmap	Target: arithmetic mean over 3 years of the annual CSR Roadmap achievement rates	1/4
Legrand's share price performance relative to the performance of the CAC 40 index	Performance gap between Legrand's share price and the CAC 40 index over a 3-year period	1/4

Performance criteria are measured over a three-year period. The number of performance shares awarded definitively to the Chief Executive Officer is calculated using the following method:

1) Organic sales growth criterion

Pay-out rate(1)	0%	Between 50% and 90%	90%	Between 90% and 110%	110%	Between 110% and 150%	150%
3-year average of performance in the year of introduction of the plan and the following 2 years	Less than (LB(2) - 2 points)	Between (LB(2) - 2 points) and LB(2)	Equal to LB(2)	Between LB(2) and UB(3)	Equal to UB(3)	Between UB(3) and (UB(3) + 2 points)	Above (UB(3) + 2 points)

(1) For any point between the limits given in the table above, the pay-out rate is calculated on a straight-line basis.
(2) LB corresponds to the 3-year average of the lower bounds of the annual target announced to the market.
(3) UB corresponds to the 3-year average of the upper bounds of the annual target announced to the market.

Illustration of the determination of the 3-year target based on the 2022 Performance Share Plan

	Lower bound of the annual target	Upper bound of the annual target
Year 1: 2022	Equal to +3.0%	Equal to +7.0%
Year 2: 2023	Equal to -1.0%	Equal to +3.0%
Year 3: 2024	Announced to the market in February 2024	Announced to the market in February 2024
3-year target: Average of annual targets	LB(1)	UB(2)

(1) LB corresponds to the 3-year average of the lower bounds of the annual target announced to the market.
(2) UB corresponds to the 3-year average of the upper bounds of the annual target announced to the market.

2) Adjusted operating margin before acquisitions criterion

Pay-out rate(1)	0%	Between 50% and 90%	90%	Between 90% and 110%	110%	Between 110% and 150%	150%
3-year average of performance in the year of introduction of the plan and the following 2 years	Below (LB(2) - 50 bps)	Between (LB(2) - 50 bps) and LB(2)	Equal to LB(2)	Between LB(2) and UB(3)	Equal to UB(3)	Between UB(3) and (UB(3) + 50 bps)	Above (UB(3) + 50 bps)

(1) For any point between the limits given in the table above, the pay-out rate is calculated on a straight-line basis.
(2) LB corresponds to the 3-year average of the lower bounds of the annual target announced to the market.
(3) UB corresponds to the 3-year average of the upper bounds of the annual target announced to the market.

Illustration of the determination of the 3-year target based on the 2022 Performance Share Plan

	Lower bound of the annual target	Upper bound of the annual target
Year 1: 2022	Equal to +19.9%	Equal to +20.7%
Year 2: 2023	Equal to +19.6%	Equal to +20.4%
Year 3: 2024	Announced to the market in February 2024	Announced to the market in February 2024
3-year target: Average of annual targets	LB(1)	UB(2)

(1) LB corresponds to the 3-year average of the lower bounds of the annual target announced to the market.
(2) UB corresponds to the 3-year average of the upper bounds of the annual target announced to the market.

3) Achievement rate of the Group's CSR Roadmap

Pay-out rate(1)	0%	Between 70% and 100%	Between 100% and 105%	Between 105% and 150%	150%
Arithmetic mean over a 3-year period of the annual CSR Roadmap achievement rates	Below 70%	Between 70% and 100%	Between 100% and 125%	Between 125% and 200%	Over 200%

(1) For any point between the limits given in the table above, the pay-out rate is calculated on a straight-line basis.

4) Legrand's share price performance

Pay-out rate(1)	0%	30%	Between 30% and 150%	150%
Performance gap between Legrand's share price and the CAC 40(2) index	Below 0 point	Equal to 0 point	Between 0 point and 15 points	Above 15 points

(1) For any point between the limits given in the table above, the pay-out rate is calculated on a straight-line basis.
(2) For the 2022 Performance Share Plan, 3-year performance will be measured over the 2022-2024 period using the following calculation method:

- *Legrand's share price performance: comparison of the average daily closing prices in the second half of the third year of the plan (second half of 2024) to the average daily closing market prices in the second half of the year preceding the first year of the plan (second half of 2021), i.e., €95.67;*
- *performance of the CAC 40 index: comparison of the average CAC 40 daily closing indices of the second half of the third year of the plan (second half of 2024) to the average closing indices of the CAC 40 index of the second half of the year preceding the first year of the plan (second half of 2021), i.e. 6,763.5 points.*

The difference between these two performances will be measured by the difference, in percentage points, between the change in the Legrand share price and the change in the CAC 40 index.

Achievement rate of performance criteria under the 2019 plan

	2019		2020		2021		3-year average		
Criteria	**Target(1)**	**Actual**	**Target(1)**	**Actual**	**Target(1)**	**Actual**	**Target(1)**	**Actual**	**Performance**
Organic sales growth	2.0%	2.6%	1.0%	(8.7%)	3.5%	13.6%	2.2%	2.5%	**101.5%**
Adjusted operating margin before acquisitions(2)	20.3%	20.4%	20.0%	19.1%	19.7%	20.8%	20.0%	20.1%	**102.3%**
Annual rates of achievement of the Group's CSR Roadmap	100.0%	113.0%	100.0%	128.0%	100.0%	131.0%	100.0%	124.0%	**104.8%**
Legrand's share price performance relative to the performance of the CAC 40 index							**+8.8%**	**+32.6%**	**+150.0%**
Performance									**114.7%**

(1) 100% achievement target for the criterion.

(2) The adjusted operating margin before acquisitions corresponds to the adjusted operating income (see key figures).

For more details on the achievement rates of the performance criteria, please refer to note 4.2 to the financial statements in chapter 8 of this Universal Registration Document.

Performance shares awarded to Benoît Coquart free of charge subject to a lock-up period that ended in 2022 *(Table 7 of the Code of Corporate Governance)*

Name of executive officer	Date of plan	Number of shares subject to a lock-up period that ended during the year	Vesting condition
Benoît Coquart	May 29, 2019	26,305	n/a

Stock options exercised by Benoît Coquart in 2022 *(Table 5 of the Code of Corporate Governance)*

Not applicable (no options outstanding in 2022).

Compensation and benefits due as a result of the termination of Benoît Coquart's role as Chief Executive Officer *(Table 11 of the Code of Corporate Governance)*

	Employment contract		Supplementary pension plan		Payments or benefits due or potentially due in the event of termination or change of office		Non-compete compensation	
Executive officer	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**
Benoît Coquart								
Chief Executive Officer		X	X			X	X	
Start of term of office: February 8, 2018								

Other compensation components

Compensation for duties as a director

Benoît Coquart does not receive any compensation for his duties as a director of any of the Group companies.

Compensation paid or awarded by a company within the scope of consolidation as defined in Article L. 233-16 of the French Commercial Code

No compensation was paid or awarded by a company within the scope of consolidation as defined in Article L. 233-16 of the French Commercial Code to Benoît Coquart.

Exceptional compensation

There are no plans to award exceptional compensation.

Undertakings governed by Article L. 22-10-9 I, para. 4 of the French Commercial Code

Benoît Coquart has not received any undertaking covering components of compensation, indemnities or other benefits that are or may be due in the event of or subsequent to the termination of his term of office or assignment to a different position ("golden parachutes"). No such undertaking covers him, including if control of the Company changes.

Pension plans

Legrand has no undertakings under defined-benefit pension plans. Benoît Coquart continues to benefit from the mandatory collective defined-contribution pension plan that falls within the scope of supplementary article 83 of the FGTC. He joined that plan before his appointment as Chief Executive Officer, and he continues to benefit from it under the same terms as all other relevant employees.

All of the Group's French executives qualify for the benefit of the defined-contribution pension plan. Contributions are based on the A, B and C Tranches of compensation as defined for the calculation of contributions to the mandatory supplementary pension plans (ARRCO-AGIRC). Entitlements accrue through the payment of annual contributions equal to 1.5% of the A, B and C Tranches. The Company pays half this amount (0.75%) and the beneficiaries pay the other half (0.75%).

For 2022, the Company's contribution for the Chief Executive Officer is €2,468.

Contract of employment of the Chief Executive Officer and length of the Chief Executive Officer's term of office

In accordance with the Code of Corporate Governance, Benoît Coquart does not have an employment contract with the Company.

On the recommendation of the Nomination and Governance Committee, the Board of Directors decided at its meeting on February 7, 2018, that the Chief Executive Officer's term of office would be indefinite.

Other non-monetary compensation components (executive car, pension plan, supplementary health insurance coverage, etc.)

Benoît Coquart has the use of an executive car. The benefit in kind that this represents amounted to €4,247 for 2022.

Furthermore, the Board of Directors, on February 7, 2018, decided that the Chief Executive Officer would continue to benefit from the "medical expenses" supplementary health insurance and the "death, disability and inability to work" insurance available to the Group's French executives under exactly the same terms since he is classified as an executive for social security and tax purposes.

For 2022, the Company's contribution for Benoît Coquart was €6,666.

Equity ratio of Benoît Coquart's compensation to that of the Company's employees, in accordance with Article L. 22-10-9 of the French Commercial Code

This information is presented in section 6.2.3.3 of this chapter.

Comparison between changes in Benoît Coquart's compensation, the Company's performance and the compensation of the Company's employees, in accordance with Article L. 22-10-9 of the French Commercial Code

This information is presented in section 6.2.3.3 of this chapter.

Conformity of the total compensation paid in 2022 to Benoît Coquart, Chief Executive Officer, with the compensation policy approved by the Shareholders' Meeting of May 25, 2022, and how this vote was taken into account

The total compensation paid or awarded to Benoît Coquart in respect of 2022 amounted to €3,493,114. It consisted of fixed compensation of €900,000, annual variable compensation of €1,235,700, benefits in kind of €4,247 and long-term compensation valued at €1,353,167. This compensation is in line with the compensation policy for the Chief Executive Officer set out in the tenth resolution of the Shareholders' Meeting of May 25, 2022.

Please refer to section 6.2.1.3 on pages 206 to 213 of the Company's 2021 Universal Registration Document for more information on this subject.

This compensation contributes to the Company's long-term performance. Indeed, the proportion of variable compensation in total compensation is predominant, and thus serves as an incentive to deliver a stronger financial and extra-financial performance over the medium and long term.

The Board of Directors took the view that this policy was suitable given the high level of approval of the tenth resolution at the Shareholders' Meeting of May 25, 2022, concerning the 2022 compensation policy applicable to the Chief Executive Officer.

6.2.3.3 Compensation equity ratios and comparison of annual changes in compensation and the Company's performance

Equity ratios concerning the Chairwoman of the Board of Directors

Table of ratios required by I., paras. 6 and 7 of Article L. 22-10-9 of the French Commercial Code[1]

	2018 [2]	2019	2020 [4]	2021	2022
Change (as a %) in Angeles Garcia-Poveda's compensation - Chairwoman of the Board of Directors[3]	n/a	0.0	0.0	0.0	0.0
Information concerning the Legrand SA scope[5]					
Change (as a %) in employees' average pay	2.0	-27.6	5.6	24.6	-4.1
Ratio to employees' average pay	2.8	3.9	3.7	2.9	3.1
Change in ratio (as a %) compared to previous year	*n/a*	*39*	*-5*	*-22*	*7*
Ratio to employees' median pay	7.4	7.5	7.3	6.6	6.2
Change in ratio (as a %) compared to previous year	*n/a*	*1*	*-3*	*-10*	*-6*
Additional information concerning the Legrand France ESU scope[6]					
Change (as a %) in employees' average pay	-1.1	1.1	0.8	8.2	5.5
Ratio to employees' average pay	11.8	11.7	11.6	10.7	10.2
Change in ratio (as a %) compared to previous year	*n/a*	*-1*	*-1*	*-8*	*-5*
Ratio to employees' median pay	14.7	14.2	14.0	13.1	12.3
Change in ratio (as a %) compared to previous year	*n/a*	*-3*	*-1*	*-6*	*-6*
Company's performance					
Sales (€ m)	5,997.2	6,622.3	6,099.5	6,994.2	8,339.4
Change (as a %)	*8.6*	*10.4*	*-7.9*	*14.7*	*19.2*
Adjusted operating income (€ m)	1,212.1	1,326.1	1,156.0	1,434.0	1,701.5
Change (as a %)	*9.7*	*9.4*	*-12.8*	*24.0*	*18.7*
Achievement rate of the CSR Roadmap targets *(as a %)*	122	113	128	131	123
Share price at Dec. 31 (€)	49.3	72.6	73.0	102.9	74.8
Change (as a %)	*-23.2*	*47.3*	*0.5*	*41.0*	*-27.3*

Methodological notes

(1) *Gross total compensation paid or awarded during the year. Presentation in line with AFEP guidelines as updated in February 2021.*

(2) *Based solely on the fixed compensation of the Chairman of the Board of Directors in respect of 2018, not taking account of the short-term variable compensation paid in 2018 in respect of 2017.*

(3) *Angeles Garcia-Poveda has been Chairwoman of the Board of Directors since July 1, 2020. The disclosures in this section are shown on an annualized basis for the Chair of the Board of Directors.The office was previously held by Gilles Schnepp from February 9, 2018 to June 30, 2020.*

(4) *In 2020, Gilles Schnepp received 50% of the annual compensation of the Chair of the Board of Directors corresponding to the first half of 2020, while Angeles Garcia-Poveda received the other 50% for the second half of 2020.*

(5) *Information presented based on the legal scope.*

(6) *Additional information presented based on a broader scope – Legrand France ESU –considered to be more representative. Legrand SA, the listed company, had an average of 34 employees during the period under consideration, whereas the Legrand France ESU houses around 90% of the workforce in France.*

Equity ratios concerning the Chief Executive Officer

Table of ratios required by I., paras. 6 and 7 of Article L. 22-10-9 of the French Commercial Code[1]

	2018 [2]	2019	2020	2021	2022
Change (as a %) in Benoît Coquart's compensation - Chief Executive Officer[3]	n/a	3.9	-15.3	33.4	21.8
Information concerning the Legrand SA scope[4]					
Change (as a %) in employees' average pay	2.0	-27.6	5.6	24.6	-4.1
Ratio to employees' average pay	11.0	15.9	12.7	13.6	17.3
Change in ratio (as a %) compared to previous year	n/a	45	-20	7	27
Ratio to employees' median pay	29.1	30.8	25.5	30.7	35.2
Change in ratio (as a %) compared to previous year	n/a	6	-17	20	15
Additional information concerning the Legrand France ESU scope[5]					
Change (as a %) in employees' average pay	-1.1	1.1	0.8	8.2	5.5
Ratio to employees' average pay	46.7	48.0	40.3	49.7	57.3
Change in ratio (as a %) compared to previous year	n/a	3	-16	23	15
Ratio to employees' median pay	57.9	58.1	48.5	60.6	69.3
Change in ratio (as a %) compared to previous year	n/a	0	-17	25	14
Company's performance					
Sales (€ m)	5,997.2	6,622.3	6,099.5	6,994.2	8,339.4
Change (as a %)	*8.6*	*10.4*	*-7.9*	*14.7*	*19.2*
Adjusted operating income (€ m)	1,212.1	1,326.1	1,156.0	1,434.0	1,701.5
Change (as a %)	*9.7*	*9.4*	*-12.8*	*24.0*	*18.7*
Achievement rate of the CSR Roadmap targets (as a %)	122	113	128	131	123
Share price at Dec. 31 (€)	49.3	72.6	73.0	102.9	74.8
Change (as a %)	*-23.2*	*47.3*	*0.5*	*41.0*	*-27.3*

Methodological notes

(1) *Gross total compensation paid or awarded during the year. Presentation in line with AFEP guidelines as updated in February 2021.*

(2) *Based on the Chief Executive Officer's annual compensation (12 months) in respect of 2018, including in this pro forma figure the short-term variable compensation paid in 2018 in respect of 2017 to the former Chairman and Chief Executive Officer (who subsequently became the Chairman of the Board of Directors).*

(3) *Benoît Coquart was appointed as Chief Executive Officer on February 8, 2018.*

(4) *Information presented based on the legal scope.*

(5) *Additional information presented based on a broader scope – Legrand France ESU – considered to be more representative. Legrand SA, the listed company, had an average of 34 employees during the period under consideration, whereas the Legrand France ESU houses around 90% of the workforce in France.*

6.2.3.4 Compensation of non-executive company officers in 2020, 2021 and 2022

Rules for apportioning the compensation awarded to the directors for performing their duties

The Board of Directors decided, from the 2021 financial year onwards, to apportion the compensation paid to directors as follows:

- €25,000 a year paid to each director as the fixed portion of compensation.

For each director, this sum increases by €5,000 with every meeting of the Board of Directors they attend. Since the Board of Directors met eight times in 2022, the maximum variable portion of compensation allotted to each director amounted to €40,000. This is in line with the Code of Corporate Governance, which recommends that the variable portion of the compensation granted to directors should be preponderant.

- €3,000 is also paid to each director who is also a member of a Board committee for each Board committee meeting they attend;
- an additional €20,000 is paid to the Chair of the Audit Committee and an additional €10,000 paid to the Chairs of the other Board committees.

Summary of amounts paid to the directors during the 2021, 2022 and 2023 financial years

The table below presents the amounts of compensation awarded to the directors for performing their duties during the 2020, 2021 and 2022 financial years and thus paid out in 2021, 2022 and 2023. The amount of compensation is calculated according to directors' actual attendance at meetings of the Board of Directors and Board committees of which they are members.

Compensation received by non-executive company officers
(Table 3 of the Code of Corporate Governance)

Non-executive company officers	Gross amounts paid during 2021 in respect of 2020 (*in euros*) [1]	Gross amounts paid during 2022 in respect of 2021 (in euros)	Gross amounts paid during 2023 in respect of 2022 (in euros)
Olivier Bazil			
Compensation for duties as a director	82,000	96,000	80,000
Other payments	0	0	0
Isabelle Boccon-Gibod			
Compensation for duties as a director	76,000	99,000	87,000
Other payments	0	0	0
Sophie Bourdais[2]			
Compensation for duties as a director	12,000	69,000	77,000
Other payments	0	0	0
Christel Bories			
Compensation for duties as a director	91,000	99,000	97,000
Other payments	0	0	0
Daniel Buisson[3]			
Compensation for duties as a director	n/a	15,000	60,000
Other payments	n/a	0	0
Jean-Marc Chéry[4]			
Compensation for duties as a director	n/a	35,000	55,000
Other payments	n/a	0	0
Benoît Coquart[5]			
Compensation for duties as a director	0	0	0
Other payments	0	0	0

Non-executive company officers	Gross amounts paid during 2021 in respect of 2020 (*in euros*) [1]	Gross amounts paid during 2022 in respect of 2021 (in euros)	Gross amounts paid during 2023 in respect of 2022 (in euros)
Angeles Garcia-Poveda[6]			
Compensation for duties as a director	78,000	0	0
Other payments	0	0	0
E. A. Gilhuly			
Compensation for duties as a director	59,000	68,000	64,000
Other payments	0	0	0
Philippe Jeulin[7]			
Compensation for duties as a director	72,000	60,000	n/a
Other payments	0	0	n/a
Patrick Koller			
Compensation for duties as a director	82,000	84,000	86,000
Other payments	0	0	0
Michel Landel			
Compensation for duties as a director	85,000	114,000	116,000
Other payments	0	0	0
Annalisa Loustau Elia			
Compensation for duties as a director	79,000	79,000	87,000
Other payments	0	0	0
Florent Menegaux[8]			
Compensation for duties as a director	n/a	n/a	37,917
Other payments	n/a	n/a	0
Éliane Rouyer-Chevalier			
Compensation for duties as a director	106,000	102,000	115,000
Other payments	0	0	0
Gilles Schnepp[9]			
Compensation for duties as a director	32,000	78,000	36,083
Other payments	0	0	0
TOTAL	**854,000**	**998,000**	**998,000**

(1) For 2020, (i) €20,000 a year was paid to each director as the fixed portion of compensation, plus €5,000 for every meeting of the Board of Directors attended, and (ii) €2,000 was also paid to each director who was also a member of a Board committee for each Board committee meeting they attended.

(2) The above table does not include compensation paid to the director representing employees under their employment contract. The compensation due for her duties as a director is paid to the Legrand Foundation.

(3) Director whose appointment was in effect at September 30, 2021, the above table does not include compensation paid to the director representing employees under their employment contract. The compensation due for his duties as a director is paid to Électriciens sans frontières.

(4) Director appointed by the Shareholders' Meeting of May 26, 2021.

(5) Benoît Coquart does not receive any compensation for his duties as a director.

(6) Angeles Garcia-Poveda has not received compensation for her duties as director since July 1, 2020.

(7) Director whose duties ended on September 30, 2021, the above table does not include compensation paid to the director representing employees under his employment contract.

(8) Director appointed by the Shareholders' Meeting of May 25, 2022.

(9) Gilles Schnepp received compensation for his duties as a director from July 1, 2020. Director whose duties came to an end on May 25, 2022.

The Board of Directors' meeting of March 15, 2023 approved the payment of €998,000 in compensation to directors during 2023 in respect of 2022.

6.2.4 - Company officers' shareholdings in the Company

Please refer to section 6.1.1. of this Universal Registration Document.

6.2.5 - Components of company officers' compensation subject to shareholders' approval

6.2.5.1 Compensation and benefits paid during 2022 or awarded in respect of that same financial year to Angeles Garcia-Poveda for her duties as Chairwoman of the Board of Directors

Compensation components paid or awarded in respect of 2022	Amounts paid during the financial year now ended	Amounts awarded in respect of the financial year now ended or accounting value	Details
Fixed compensation	€625,000		Gross annual fixed compensation approved by the Board of Directors on March 15, 2022, on the recommendation of the Compensation Committee and approved by the Shareholders' Meeting of May 25, 2022. This amount of annual fixed compensation for the Chairwoman of the Board of Directors was approved by the Board of Directors in accordance with the principles laid down in section 6.2.1 of this Universal Registration Document, and in line with the responsibilities and duties of the Chairwoman of the Board of Directors. The main factors considered in determining this compensation were (i) the key role of the Chairwoman of the Board of Directors in organizing and leading the work performed by the Board of Directors, (ii) the benchmarking study analyzing the compensation awarded to the non-executive chairs of CAC 40 companies and (iii) the skills of the Chairwoman of the Board of Directors.
Annual variable compensation	Not applicable	Not applicable	There are no plans to award her any annual variable compensation. The Chairwoman of the Board of Directors is excluded from the benefit of all variable compensation systems in accordance with the recommendations of the Code of Corporate Governance.
Deferred variable compensation	Not applicable	Not applicable	There are no plans to award any deferred variable compensation.
Long-term cash compensation	Not applicable	Not applicable	There are no plans to award any multi-year cash compensation. The Chairwoman of the Board of Directors is excluded from the benefit of all variable compensation systems in accordance with the recommendations of the Code of Corporate Governance.
Stock-options, performance shares or any other long-term compensation component	Stock options: not applicable	Stock options: not applicable	There are no plans to award any stock options. The Chairwoman of the Board of Directors is excluded from the benefit of all variable compensation systems, including performance share plans or any other long-term compensation components in place in the Company, in accordance with the recommendations of the Code of Corporate Governance.
	Performance shares: not applicable	Performance shares: not applicable	There are no plans to award any performance shares. The Chairwoman of the Board of Directors is excluded from the benefit of all variable compensation systems, including performance share plans or any other long-term compensation components in place in the Company, in accordance with the recommendations of the Code of Corporate Governance.
	Other awards of securities: not applicable	Other awards of securities: not applicable	There are no plans to make other awards of securities. The Chair of the Board of Directors is excluded from the benefit of all variable compensation systems, including performance share plans or any other long-term compensation components in place in the Company, in accordance with the recommendations of the Code of Corporate Governance.
Exceptional compensation	Not applicable	Not applicable	There are no plans to award any exceptional compensation.
Compensation for duties as a director	Not applicable	Not applicable	The Chairwoman of the Board of Directors does not receive any compensation in respect of the offices she holds at the Company or its subsidiaries.

Compensation components paid or awarded in respect of 2022	Amounts paid during the financial year now ended	Amounts awarded in respect of the financial year now ended or accounting value	Details
Value of benefits in kind	Not applicable	Not applicable	There is no undertaking in this regard.
Termination benefit	Not applicable	Not applicable	There is no undertaking in this regard.
Non-compete compensation	Not applicable	Not applicable	There is no undertaking in this regard.
Supplementary pension plan	Not applicable	Not applicable	There is no undertaking in this regard.
Personal protection and medical expenses plan	Not applicable	Not applicable	There is no undertaking in this regard.

6.2.5.2 Compensation and benefits paid during 2022 or awarded in respect of that same period to Benoît Coquart for his duties as Chief Executive Officer

Compensation components paid or awarded in respect of 2022	Amounts paid during the financial year now ended	Amounts awarded in respect of the financial year now ended or accounting value	Details
Fixed compensation	€900,000		Gross annual fixed compensation determined by the Board of Directors on March 15, 2022 and approved by the Shareholders' Meeting of May 25, 2022.
Annual variable compensation[1]	Amount awarded in respect of 2021 and paid in 2022: €1,269,000	Amount awarded in respect of 2022 and payable in 2023: €1,235,700	The Board of Directors decided at its meeting of March 15, 2022 that the variable compensation paid to Benoît Coquart in respect of 2022 may vary between 0% and 150% of annual fixed compensation (with a target value set at 100% of annual fixed compensation) and would be determined as follows: ■ a quantifiable portion representing 3/4 of this annual variable compensation, varying from 0% to 112.5% of the annual fixed compensation (with a target value set at 75%) and calculated based on criteria relating to (i) 2022 organic sales growth, (ii) the 2022 adjusted operating margin before acquisitions, (iii) 2022 sales growth resulting from acquisitions (scope effect) and (iv) the rate of achievement of the Group CSR Roadmap; ■ a qualitative portion representing 1/4 of this variable compensation, varying between 0% and 37.5% of the annual fixed compensation (with a target value set at 25%) calculated based on criteria relating to (i) innovation and market positions (Innovation, Research & Development - new product and manufacturing process, trend in sales generated by products in faster-expanding segments, relative market share trends), (ii) quality of external growth (strategic fit of acquisitions completed, quality of acquisition pipeline, emphasis on multiples paid, quality of integration of acquisitions already completed), (iii) sustainable development and efforts to fight against global warming (initiatives to cut CO_2 emissions, initiatives under energy efficiency programs, Legrand's inclusion in benchmark CSR indices, new initiatives related to sustainable development), (iv) other general criteria, including diversity and gender balance, risk management, workforce-related initiatives, and dialog. Based on the Compensation Committee's recommendations, the Board, at its meeting on March 15, 2023, set: – the variable portion of 2022 compensation resulting from the achievement of quantifiable targets at 102.3% of the annual fixed compensation, – the variable portion of 2022 compensation resulting from the achievement of qualitative targets at 35% of the annual fixed compensation. That reflects an achievement rate of 91.5% (137.3% divided by 150%) of the maximum annual variable compensation and 137.3% (137.3% divided by 100%) of the target, *i.e.,* €1,235,700 (full details of the rate of achievement of quantifiable and qualitative criteria are provided in section 6.2.3.2 of the Universal Registration Document).
Deferred variable compensation	Not applicable	Not applicable	There are no plans to award him any deferred variable compensation.
Long-term cash compensation	Not applicable	Not applicable	There are no plans to award any multi-year cash compensation.

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Compensation components paid or awarded in respect of 2022	Amounts paid during the financial year now ended	Amounts awarded in respect of the financial year now ended or accounting value	Details
Stock-options, performance shares or any other long-term compensation component	Stock options: not applicable	Stock options: not applicable	There are no plans to award any stock options.
		Performance shares: value: €1,353,167	On the recommendation of the Compensation Committee, the Board of Directors decided on May 25, 2022 to establish the 2022 Performance Share Plan. This 2022 Performance Share Plan (including the performance criteria applicable to the awarded shares) is described in section 6.2.3.2 and in chapter 7.3 of the Company's 2022 Universal Registration Document. The award under the 2022 Performance Share Plan to Benoît Coquart corresponds to 4.4% of the overall award. A total of 22,534 performance shares were awarded to Benoît Coquart (target). This number of shares to vest definitively may subsequently vary between 0% and 150% of the number of shares initially awarded, according to the level of achievement of future performance criteria. As a reminder, the Board of Directors on May 25, 2022 was acting under the authorization granted by the Shareholders' Meeting of May 26, 2021 (15th resolution).
		Other awards of securities: not applicable	There are no plans to make other awards of securities.
Exceptional compensation	Not applicable	Not applicable	There are no plans to award any exceptional compensation.
Compensation for duties as a director	Not applicable	Not applicable	Benoît Coquart does not receive any compensation for appointments held at subsidiaries of the Company.
Value of benefits in kind	€4,247		An executive car was made available to the Chief Executive Officer in 2022.
Termination benefit	Not applicable	Not applicable	There is no undertaking in this regard.
Non-compete compensation		1 year's reference salary (annual fixed + variable) solely at the Company's initiative	Given the profile of the Chief Executive Officer and to protect the interests of the Company and its shareholders, in its meeting of March 20, 2018 the Board of Directors authorized a non-compete agreement between the Company and the Chief Executive Officer, whereby the Chief Executive Officer undertakes not to carry out any activity that will compete with Legrand's business for a one-year period starting from the date his term of office ends. The Company's Board of Directors will decide, after the Chief Executive Officer's term of office ends, whether or not to apply this non-compete clause, and may unilaterally decide to waive the application of this clause. If applied, the Chief Executive Officer's fulfillment of this undertaking would result, for a one-year period after the end of his term of office, in the payment by the Company of monthly compensation equal to the monthly average of the reference salary received during the last twelve months of his service at the Company, it being stipulated that the reference salary includes the annual fixed and variable salary and excludes sums received as long-term variable compensation, which will be below the cap recommended by the Code of Corporate Governance.
Supplementary pension plan	€2,468		Legrand has no undertakings related to defined-benefit pension plans. The Chief Executive Officer continues to benefit from the mandatory collective defined-contribution pension plan that falls within the scope of supplementary article 83 of the French General Tax Code, applicable to the Group's French executives, which he joined before his appointment as Chief Executive Officer, under the same terms as all other relevant employees. All of the Group's French executives qualify for the benefit of the defined-contribution pension plan (supplementary Article 83 of the French General Tax Code). Contributions are based on the A, B and C Tranches of compensation as defined for the calculation of contributions to the mandatory supplementary pension plans (ARRCO-AGIRC). Entitlements accrue through the payment of annual contributions equal to 1.5% of the A, B and C Tranches. The Company pays half of this amount (0.75%) and the beneficiaries pay the other half (0.75%).

Compensation components paid or awarded in respect of 2022	Amounts paid during the financial year now ended	Amounts awarded in respect of the financial year now ended or accounting value	Details
Personal protection and medical expenses plan	€6,666		The Chief Executive Officer benefits from the "medical expenses" supplementary health insurance and the "death, disability and inability to work" insurance available to the Group's French executives under the same terms since he is classified as an executive for social security and tax purposes. He receives those benefits on the same terms as the other employees in that category.

(1) Payment of this compensation component is contingent upon the approval of the Combined Shareholders' Meeting of May 31, 2023, pursuant to II of article L. 22-10-34 II of the French Commercial Code.

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07

Share ownership

7.1 - Share capital ownership structure

Unless otherwise stated, the information presented in this chapter is given as of December 31, 2022.

7.1.1 - Shareholder structure as of December 31, 2022 and changes to the shareholder structure in 2022

7.1.1.1 Shareholder structure as of December 31, 2022

	Shares comprising the share capital		Theoretical voting rights		Voting rights exercisable in Shareholders' Meetings	
Shareholders	**Number**	**%**	**Number**	**%**	**Number**	**%**
Employees and persons of equivalent status (1)	9,632,549	3.61	9,632,549	3.61	9,632,549	3.61
Treasury stock (2)	149,515	0.06	149,515	0.06	0	0
Free float	257,035,682	96.33	257,035,682	96.33	257,035,682	96.39
TOTAL	**266,817,746**	**100**	**266,817,746**	**100**	**266,668,231**	**100**

(1) Relates to shares held in registered form by current and former employees and executive officers of the Group, and to shares held by current and former employees through an employee savings investment fund (FCPE).

(2) Voting rights not exercisable in Shareholders' Meetings.

7.1.1.2 Change in the shareholder structure during the 2022 financial year and information on crossing of legal thresholds

During financial year 2022, the Company has been notified of the following crossing of legal thresholds:

Company	Declaration date	Date threshold crossed	Legal threshold	Increase / decrease	% of share capital	% of voting rights
BlackRock, Inc.	02/09/2022	02/08/2022	5% of the share capital	Increase	5.15	5.15
MFS Company	04/22/2022	04/19/2022	10% of the share capital	Increase	10.04	10.04
MFS Company	07/12/2022	07/08/2022	10% of the share capital	Decrease	9.98	9.98

Between the end of the 2022 financial year and February 28, 2023, the Company was not notified by the crossing of legal thresholds.

To the Company's knowledge, there is no shareholder holding, directly or indirectly, more than 5% of the Company's share capital or voting rights as of February 28, 2023, other than:

- Massachusetts Financial Services (MFS) Company;
- BlackRock.

7.1.2 - Shareholder structure as of December 31, 2021 and changes to the shareholder structure in 2021

The Company's shareholder structure as of December 31, 2021 was as follows:

	Shares comprising the share capital		Theoretical voting rights		Voting rights exercisable in Shareholders' Meetings	
Shareholders	**Number**	**%**	**Number**	**%**	**Number**	**%**
Employees and persons of equivalent status(1)	10,002,230	3.74	10,002,230	3.74	10,002,230	3.75
Treasury stock(2)	678,176	0.25	678,176	0.25	0	0
Free float	256,767,340	96.01	256,767,340	96.01	256,767,340	96.25
TOTAL	**267,447,746**	**100**	**267,447,746**	**100**	**266,769,570**	**100**

(1) Relates to shares held in registered form by current and former employees and executive officers of the Group, and to shares held by current and former employees through an employee savings investment fund (FCPE).

(2) Voting rights not exercisable in Shareholders' Meetings.

Information on crossing legal thresholds and changes to the shareholders structure during the 2021 financial year can be found in section 7.1.1 of the 2021 Universal Registration Document filed with the AMF under no. D.22-0245.

7.1.3 - Shareholder structure as of December 31, 2020 and changes to the shareholder structure in 2020

The Company's shareholder structure as of December 31, 2020 was as follows:

	Shares comprising the share capital		Theoretical voting rights		Voting rights exercisable in Shareholders' Meetings	
Shareholders	**Number**	**%**	**Number**	**%**	**Number**	**%**
Employees and persons of equivalent status(1)	10,022,779	3.75	10,022,779	3.75	10,022,779	3.75
Treasury stock(2)	125,407	0.05	125,407	0.05	0	0
Free float	257,299,560	96.21	257,299,560	96.21	257,299,560	96.25
TOTAL	**267,447,746**	**100**	**267,447,746**	**100**	**267,322,339**	**100**

(1) Relates to shares held in registered form by current and former employees and executive officers of the Group, and to shares held by current and former employees through an employee savings investment fund (FCPE).

(2) Voting rights not exercisable in Shareholders' Meetings.

Information on crossing legal thresholds and changes to the shareholders structure during the 2020 financial year can be found in section 7.1.1 of the 2020 Universal Registration Document filed with the AMF under no D.21-0292.

7.1.4 - Shareholders' agreement and specific agreements

To the Company's knowledge, there is no shareholders' agreement in effect at the date of this Universal Registration Document that governs relations between shareholders of the Company, nor any shareholders acting in concert.

7.2 - Stock options

Historical stock options allocations

No stock option has been granted since the 2010 Plan. As the 2010 Plan expired on March 4, 2020, no additional stock option will be created for this reason.

Options granted to and exercised by the top ten employees who are not company officers

Nil

7.3 - Performance shares

Historical free shares allocations
(Table 10 of the Code of Corporate Governance)

2018, 2019, 2020, 2021 and 2022 performance shares plans

The following performance share plans were approved by the Company's Board of Directors:

	2018 Plans	2019 Plans	2020 Plans	2021 Plans	2022 Plans
Date approved by shareholders	May 30, 2018	May 30, 2018	May 30, 2018	May 26, 2021	May 26, 2021
Grant date	May 30, 2018	May 29, 2019	May 26, 2020	May 26, 2021	May 25, 2022
Total number of performance share rights initially granted	524,123 (1)	617,818	461,861	491,477	514,981
o/w to Executive Officer	19,546 (1)	22,954	11,544	20,544	22,534
– *Benoît Coquart*	19,546	22,954	11,544	20,544	22,534
Total IFRS 2 expense *(in € millions)*	28.5 (2)	31.0 (2)	22.8 (2)	35.2 (2)	31.9 (2)
End of vesting period	June 16, 2021 (3)	June 16, 2022 (3)	June 16, 2023 (3)	June 14, 2024 (3)	June 11, 2025 (7)
	June 16, 2022 (4)	June 16, 2023 (4)	June 14, 2024 (4)	June 12, 2025 (4)	June 10, 2026 (8)
End of lock-up period	May 31, 2023 (3)	May 31, 2024 (3)	May 28, 2025 (3)	May 27, 2026 (3)	May 26, 2027 (7)
	June 16, 2022 (4)	June 16, 2023 (4)	June 14, 2024 (4)	June 12, 2025 (4)	June 11, 2026 (8)
Number of performance shares adjusted for the performance criteria fulfillment	(37,046) (5)	(1,906) (6)	5,332 (6)		
Number of performance share rights cancelled or forfeited	(96,365)	(66,332)	(23,584)	(21,606)	(6,698)
Number of performance shares acquired as of December 31, 2022	(390,712)	(93,274)	(866)		
PERFORMANCE SHARE RIGHTS OUTSTANDING AS OF DECEMBER 31, 2022	**0**	**456,306**	**442,743**	**469,871**	**508,283**

(1) Given the dividend distribution features approved at the General Meetings of Shareholders on May 29, 2019, the number of remaining performance shares was adjusted to take into account the impact of these transactions on the interests of performance share beneficiaries in accordance with Article L.228-99 of the French Commercial Code.
(2) Total charge estimated at the grant date assuming 100% achievement for each performance criteria. This charge is spread over the vesting periods.
(3) Date applicable to the Executive Officer and members of the Executive Committee.
(4) Date applicable to beneficiaries other than the Executive Officer and members of the Executive Committee.
(5) Percentage of performance criteria achievement: see Note 4.2.1.2.
(6) Adjustments estimated at the date when the consolidated financial statements were prepared.
(7) Date applicable to the Executive Officer and to 5 members of the Executive Committee.
(8) Date applicable to beneficiaries other than the Executive Officer and to 3 members of the Executive Committee.

If all the performance shares from the 2019 to 2022 Plans were granted (*i.e.* 1,877,203 shares) and if those shares were transferred following share capital increases, the Company's share capital would be diluted by 0.7% as of December 31, 2022.

Under the 2022 Plan, in respect of the 2022 financial year, 63,431 performance shares were freely granted to the top 10 non-executives employees of the Company. That number is calculated before applying the performance and continuing service requirement conditions attached to said shares.

Information on the shares allocated to the corporate officer or vested during the financial year ended on December 31, 2022 is included in section 6.2.3.2 of this Universal Registration Document.

The Chief Executive Officer is subject to the requirement to hold at least 30% of all shares acquired (including performance shares) until the termination of his duties.

7.4 - Regulated agreements

7.4.1 - Description and qualification

The Company adopted an Internal Charter on the qualification of agreements, which can be consulted on the Company's website www.legrandgroup.com, under the section "INVESTORS AND SHAREHOLDERS / Corporate governance / Home".

7.4.2 - Statutory Auditors' special report on regulated agreements

Annual General Meeting held to approve the financial statements for the year ended December 31, 2022

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as statutory auditors of your Company, we hereby report on regulated agreements.

The terms of our engagement require us to communicate to you, based on information provided to us, the principal terms and conditions of those agreements brought to our attention or which we may have discovered during the course of our audit, as well as the reasons justifying that such agreements are in the Company's interest, without expressing an opinion on their usefulness and appropriateness or identifying other such agreements, if any. It is your responsibility, pursuant to Article R. 225-31 of the French Commercial Code (code de commerce), to assess the interest involved in respect of the conclusion of these agreements for the purpose of approving them.

Our role is also to provide you with the information stipulated in Article R. 225-31 of the French Commercial Code relating to the implementation during the past year of agreements previously approved by the Shareholders' Meeting, if any.

We performed the procedures that we considered necessary with regard to the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) applicable to this engagement. .

AGREEMENTS SUBMITTED TO THE APPROVAL OF THE ANNUAL GENERAL MEETING

In accordance with Article L. 225-38 of the French Commercial Code, we inform you that we have not been advised of any agreements authorized during the year to be submitted for the approval of the Annual General Meeting.

AGREEMENTS PREVIOUSLY APPROVED BY ANNUAL GENERAL MEETING

We inform you that we have not been advised of any agreement previously approved by annual general meeting that remained in force during the year.

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

The Statutory Auditors

French original signed by

PricewaterhouseCoopers Audit	**Deloitte & Associés**
Camille PHELIZON	Olivier BROISSAND

08

Consolidated financial information concerning the Group's assets, liabilities, financial position and results

8.1 - Consolidated financial statements in accordance with IFRS for the years ended December 31, 2022 and December 31, 2021

8.1.1 - Consolidated statement of income

	12 months ended	
(in € millions)	**December 31, 2022**	**December 31, 2021**
Net sales (Notes 2.1 and 2.2)	**8,339.4**	**6,994.2**
Operating expenses (Note 2.3)		
Cost of sales	(4,192.7)	(3,439.2)
Administrative and selling expenses	(2,054.6)	(1,765.0)
Research and development costs	(357.4)	(329.1)
Other operating income (expenses)	(288.2)	(116.8)
Operating profit	**1,446.5**	**1,344.1**
Financial expenses	(108.6)	(92.4)
Financial income	45.8	6.8
Exchange gains (losses)	(0.4)	(1.5)
Financial profit (loss)	**(63.2)**	**(87.1)**
Profit before tax	**1,383.3**	**1,257.0**
Income tax expense (Note 2.4)	(383.8)	(351.9)
Share of profits (losses) of equity-accounted entities	**0.0**	**0.0**
Profit for the period	**999.5**	**905.1**
Of which:		
– **Net profit attributable to the Group**	**999.5**	**904.5**
– **Minority interests**	**0.0**	**0.6**
Basic earnings per share *(euros)* (Note 4.1.3)	3.749	3.389
Diluted earnings per share *(euros)* (Note 4.1.3)	3.726	3.366

The accompanying Notes are an integral part of these consolidated financial statements.

8.1.2 - Consolidated statement of comprehensive income

	12 months ended	
(in € millions)	**December 31, 2022**	**December 31, 2021**
Profit for the period	999.5	905.1
Items that may be reclassified subsequently to profit or loss		
Translation reserves	291.5	340.7
Other (Note 5.1.1.1)	56.3	5.0
Income tax relating to components of other comprehensive income	4.9	7.9
Items that will not be reclassified to profit or loss		
Actuarial gains and losses (Note 4.5.1.1)	26.5	32.4
Deferred taxes on actuarial gains and losses	(6.2)	(7.1)
Other (Note 5.1.1.1)	0.0	0.0
Comprehensive income for the period	**1,372.5**	**1,284.0**
Of which:		
– **Comprehensive income attributable to the Group**	**1,372.4**	**1,283.2**
– **Minority interests**	**0.1**	**0.8**

The accompanying Notes are an integral part of these consolidated financial statements.

8.1.3 - Consolidated balance sheet

ASSETS

(in € millions)	December 31, 2022	December 31, 2021
Non-current assets		
Intangible assets (Note 3.1)	2,534.7	2,485.3
Goodwill (Note 3.2)	5,567.4	5,241.2
Property, plant and equipment (Note 3.3)	746.0	719.2
Right-of-use assets (Note 3.4)	266.2	268.4
Investments in equity-accounted entities	0.0	0.0
Other investments	1.9	2.4
Other non-current assets	62.1	62.6
Deferred tax assets (Note 4.7)	133.6	116.3
TOTAL NON-CURRENT ASSETS	**9,311.9**	**8,895.4**
Current assets		
Inventories (Note 3.5)	1,357.4	1,252.7
Trade receivables (Note 3.6)	958.1	728.5
Income tax receivables	120.5	115.1
Other current assets (Note 3.7)	255.4	240.4
Other current financial assets	65.1	6.4
Cash and cash equivalents (Note 3.8)	2,346.8	2,788.3
TOTAL CURRENT ASSETS	**5,103.3**	**5,131.4**
TOTAL ASSETS	**14,415.2**	**14,026.8**

The accompanying Notes are an integral part of these consolidated financial statements.

EQUITY AND LIABILITIES

(in € millions)	December 31, 2022	December 31, 2021
Equity		
Share capital (Note 4.1)	1,067.3	1,069.8
Retained earnings (Notes 4.2 and 4.3.1)	5,900.3	5,268.5
Translation reserves (Note 4.3.2)	(330.4)	(621.8)
Equity attributable to equity holders of Legrand	6,637.2	5,716.5
Minority interests	5.6	3.8
TOTAL EQUITY	**6,642.8**	**5,720.3**
Non-current liabilities		
Long-term provisions (Notes 4.4 and 4.5.2)	217.4	196.6
Provisions for post-employment benefits (Note 4.5.1)	130.1	170.7
Long-term borrowings (Note 4.6.1)	4,014.4	4,485.9
Deferred tax liabilities (Note 4.7)	914.6	866.5
TOTAL NON-CURRENT LIABILITIES	**5,276.5**	**5,719.7**
Current liabilities		
Trade payables	852.5	810.5
Income tax payables	48.6	39.6
Short-term provisions (Note 4.4)	146.4	135.8
Other current liabilities (Note 4.8)	795.1	774.3
Short-term borrowings (Note 4.6.2)	651.3	826.6
Other current financial liabilities	2.0	0.0
TOTAL CURRENT LIABILITIES	**2,495.9**	**2,586.8**
TOTAL EQUITY AND LIABILITIES	**14,415.2**	**14,026.8**

The accompanying Notes are an integral part of these consolidated financial statements.

8.1.4 - Consolidated statement of cash flows

	12 months ended	
(in € millions)	December 31, 2022	December 31, 2021
Profit for the period	**999.5**	**905.1**
Adjustments for non-cash movements in assets and liabilities:		
– Depreciation and impairment of tangible assets (Note 2.3)	162.4	111.6
– Amortization and impairment of intangible assets (Note 2.3)	114.7	98.7
– Amortization and impairment of capitalized development costs (Note 2.3)	31.9	28.3
– Amortization and impairment of right-of-use assets (Note 3.4)	75.2	67.8
– Amortization of financial expenses	3.6	3.7
– Impairment of goodwill (Note 3.2)	28.2	0.0
– Changes in long-term deferred taxes	12.6	44.5
– Changes in other non-current assets and liabilities (Notes 4.4 and 4.5)	68.3	46.0
– Unrealized exchange (gains)/losses	(7.1)	11.5
– Share of (profits) losses of equity-accounted entities	0.0	0.0
– Other adjustments	(4.1)	0.2
– Net (gains)/losses on sales of assets	(0.6)	0.7
Changes in working capital requirement:		
– Inventories (Note 3.5)	(47.6)	(351.3)
– Trade receivables (Note 3.6)	(157.8)	3.0
– Trade payables	(13.7)	140.1
– Other operating assets and liabilities (Notes 3.7 and 4.8)	(29.3)	2.8
Net cash from operating activities	**1,236.2**	**1,112.7**
– Net proceeds from sales of fixed and financial assets	5.0	10.2
– Capital expenditure (Notes 3.1 and 3.3)	(177.6)	(139.9)
– Capitalized development costs	(28.1)	(30.6)
– Changes in non-current financial assets and liabilities	(27.2)	(10.4)
– Acquisitions of subsidiaries, net of cash acquired (Note 1.3.2)	(235.6)	(296.2)
Net cash from investing activities	**(463.5)**	**(466.9)**
– Proceeds from issues of share capital and premium (Note 4.1.1)	0.0	0.0
– Net sales / (buybacks) of treasury shares and transactions under the liquidity contract (Note 4.1.2)	(44.6)	(91.7)
– Dividends paid to equity holders of Legrand (Note 4.1.3)	(439.3)	(377.9)
– Dividends paid by Legrand subsidiaries	0.0	0.0
– Proceeds from long-term financing (Note 4.6)	100.0	794.9
– Repayment of long-term financing* (Note 4.6)	(106.9)	(74.2)
– Debt issuance costs	0.0	(3.0)
– Increase / (reduction) in short-term financing (Note 4.6)	(740.3)	(886.6)
– Acquisitions of ownership interests with no gain of control (Note 1.3.2)	(3.3)	(48.6)
Net cash from financing activities	**(1,234.4)**	**(687.1)**
Translation net change in cash and cash equivalents	20.2	37.9
Increase / (decrease) in cash and cash equivalents	**(441.5)**	**(3.4)**
Cash and cash equivalents at the beginning of the period	2,788.3	2,791.7
Cash and cash equivalents at the end of the period (Note 3.8)	**2,346.8**	**2,788.3**
Items included in cash flows:		
– Interest paid during the period**	79.1	76.9
– Income taxes paid during the period	360.7	300.9

* *Of which €75.0 million corresponding to lease financial liabilities repayment for the 12 months ended December 31, 2022 (€67.5 million for the 12 months ended December 31, 2021).*

** *Interest paid is included in the net cash from operating activities; of which €7.1 million interests on lease financial liabilities for the 12 months ended December 31, 2022 (€6.9 million for the 12 months ended December 31, 2021).*

The accompanying Notes are an integral part of these consolidated financial statements.

8.1.5 - Consolidated statement of changes in equity

		Equity attributable to the Group					
(in € millions)	**Share capital**	**Retained earnings**	**Translation reserves**	**Actuarial gains and losses***	**Total**	**Minority interests**	**Total equity**
As of December 31, 2020	**1,069.8**	**4,881.2**	**(962.3)**	**(92.9)**	**4,895.8**	**10.2**	**4,906.0**
Profit for the period		904.5			904.5	0.6	905.1
Other comprehensive income		12.9	340.5	25.3	378.7	0.2	378.9
Total comprehensive income		917.4	340.5	25.3	1,283.2	0.8	1,284.0
Dividends paid		(377.9)			(377.9)	0.0	(377.9)
Issues of share capital and premium	0.0	0.0			0.0		0.0
Cancellation of shares held in treasury	0.0	0.0			0.0		0.0
Net sales / (buybacks) of treasury shares and transactions under the liquidity contract		(91.7)			(91.7)		(91.7)
Change in scope of consolidation**		(22.8)			(22.8)	(7.2)	(30.0)
Current taxes on share buybacks		(0.6)			(0.6)		(0.6)
Share-based payments		30.5			30.5		30.5
As of December 31, 2021	**1,069.8**	**5,336.1**	**(621.8)**	**(67.6)**	**5,716.5**	**3.8**	**5,720.3**
Profit for the period		999.5			999.5	0.0	999.5
Other comprehensive income		61.2	291.4	20.3	372.9	0.1	373.0
Total comprehensive income		1,060.7	291.4	20.3	1,372.4	0.1	1,372.5
Dividends paid		(439.3)			(439.3)	0.0	(439.3)
Issues of share capital and premium (Note 4.1.1)	0.0	0.0			0.0		0.0
Cancellation of shares held in treasury (Note 4.1.1)	(2.5)	(47.3)			(49.8)		(49.8)
Net sales / (buybacks) of treasury shares and transactions under the liquidity contract (Note 4.1.2)		5.2			5.2		5.2
Change in scope of consolidation**		(1.9)			(1.9)	1.7	(0.2)
Current taxes on share buybacks		0.3			0.3		0.3
Share-based payments (Note 4.2)		33.8			33.8		33.8
As of December 31, 2022	**1,067.3**	**5,947.6**	**(330.4)**	**(47.3)**	**6,637.2**	**5.6**	**6,642.8**

** Net of deferred taxes.*

*** Corresponds mainly to acquisitions of additional shares in companies already consolidated and to puts on minority interests.*

The accompanying Notes are an integral part of these consolidated financial statements.

8.1.6 - Notes to the consolidated financial statements

KEY FIGURES

Key figures

(in € millions)	2022	2021
Net sales	**8,339.4**	**6,994.2**
Adjusted operating profit	1,701.5	1,434.0
As % of net sales	20.4%	20.5%
	20.7% before acquisitions (1)	
Operating profit	1,446.5	1,344.1
As % of net sales	17.3%	19.2%
Adjusted net profit attributable to the Group	1,146.6	904.5
As % of net sales	13.7%	12.9%
Net profit attributable to the Group	999.5	904.5
As % of net sales	12.0%	12.9%
Normalized free cash flow	1,210.4	1,074.1
As % of net sales	14.5%	15.4%
Free cash flow	1,035.5	952.4
As % of net sales	12.4%	13.6%
Net financial debt at December 31	**2,318.9**	**2,524.2**

(1) At 2021 scope of consolidation.

Adjusted operating profit is defined as operating profit adjusted for: i) amortization and depreciation of revaluation of assets at the time of acquisitions and for other P&L impacts relating to acquisitions, ii) assets impairment in Russia and, iii) where applicable, for impairment of goodwill.

Adjusted net profit attributable to the Group for 2022 is excluding the effect of expenses in the amount of €147.1 million corresponding to assets impairment in Russia.

Free cash flow is defined as the sum of net cash from operating activities and net proceeds from sales of fixed and financial assets, less capital expenditure and capitalized development costs.

Normalized free cash flow is defined as the sum of net cash from operating activities - based on a working capital requirement representing 10% of the last 12 months' sales and whose change at constant scope of consolidation and exchange rates is adjusted for the period considered - and net proceeds of sales from fixed and financial assets, less capital expenditure and capitalized development costs.

Net financial debt is defined as the sum of short-term borrowings and long-term borrowings, less cash and cash equivalents and marketable securities.

The reconciliation of key figures with the financial statements is available in Note 5.8.

NOTE 1 - Basis of preparation of the consolidated financial statements

NOTE 1.1 General information

Legrand ("the Company") along with its subsidiaries (together "Legrand" or "the Group") is the global specialist in electrical and digital building infrastructures.

The Group has manufacturing and/or distribution subsidiaries and offices in close to 90 countries and sells its products in more than 170 countries.

The Company is a French *société anonyme* (K65D) incorporated and domiciled in France. Its registered office is located at 128, avenue du Maréchal de Lattre de Tassigny – 87000 Limoges (France).

The 2021 Universal Registration Document was filed with the AMF (French Financial Markets Authority) on April 6, 2022, under no. D.22-0245.

The consolidated financial statements cover the period from January 1, 2022 to December 31, 2022, they were approved by the Board of Directors on February 8, 2023.

All amounts are presented in millions of euros with a figure after the decimal point, unless otherwise specified. Some totals may include rounding differences.

NOTE 1.2 Accounting policies

As a company incorporated in France, Legrand is governed by French company laws, including the provisions of the *Code de commerce* (French Commercial Code).

The consolidated financial statements cover the 12 months ended December 31, 2022. They have been prepared in accordance with the International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee publications adopted by the European Union and applicable or authorized for early adoption from January 1, 2022.

IFRS issued by the International Accounting Standards Board (IASB) that have not been adopted for use in the European Union are not applicable to the Group.

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying accounting policies. The areas involving a specific degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 1.2.3.

The consolidated financial statements have been prepared using the historical cost convention, except for some classes of assets and liabilities in accordance with IFRS. The classes concerned are mentioned in Note 5.1.1.2.

NOTE 1.2.1 New standards, amendments and interpretations that may impact the Group's financial statements

NOTE 1.2.1.1 New standards, amendments and interpretations with mandatory application from January 1, 2022 that have an impact on the Group's 2022 financial statements

Not applicable.

NOTE 1.2.1.2 New standards, amendments and interpretations with mandatory application from January 1, 2022 that have no impact on the Group's 2022 financial statements

Not applicable.

NOTE 1.2.1.3 New standards, amendments and interpretations adopted by the European Union and not applicable to the Group until future periods

Amendment to IAS 12 – Income Taxes

In May 2021, the IASB issued the IAS 12 amendment – Income taxes.

This amendment reduces the scope of application of the exemption from initial recognition of deferred tax on transactions such as decommissioning obligations and leases.

This amendment should be effective for annual periods beginning on or after January 1, 2023 at the latest.

The amendment is not expected to have a material impact on the Group.

NOTE 1.2.1.4 New standards, amendments and interpretations not yet adopted by the European Union and not applicable to the Group until future periods

Amendments to IAS 1 – Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued the IAS 1 amendment – Classification of Liabilities as Current or Non-current.

This amendment clarifies the requirements for classifying liabilities as current or non-current.

Not yet been adopted by the European Union, the amendment should be effective for annual periods beginning on or after January 1, 2023 at the latest.

The Group reviewed this amendment, to determine its possible impacts on the consolidated financial statements and related disclosures.

The amendment is not expected to have a material impact on the Group.

NOTE 1.2.1.5 Standards newly applicable to the Group

IAS 29 – Financial Reporting in Hyperinflationary Economies

On March 16, 2022, the International Practices Task Force (IPTF) of the Center for Audit Quality (CAQ), the benchmark for monitoring "highly inflationary" countries, included Turkey in the list of hyperinflationary economies.

IAS 29 provides for an entity's financial statements to be restated when its functional currency is that of a hyperinflationary economy.

Pursuant to the requirements of the standard, the Group has identified and measured the restatements needed to adequately present the impacts of the hyperinflationary Turkish currency in the consolidated financial statements.

The application of IAS 29 did not have a material impact on the 2022 consolidated accounts.

NOTE 1.2.2 Basis of consolidation

Subsidiaries are consolidated if they are controlled by the Group.

The Group has exclusive control over an entity when it has power over the entity, *i.e.*, it has substantive rights to govern the entity's key operations, is exposed to variable returns from its involvement with the entity and has the ability to affect those returns.

Such subsidiaries are fully consolidated from the date when effective control is transferred to the Group. They are deconsolidated from the date on which control ceases.

Any entity over which the Group has either:

- significant influence (a situation that occurs when the Group holds more than 20% of the voting rights without providing it with substantive rights to govern the entity's key operations); or
- joint control (a situation where the Group's participation gives it substantive rights to govern the entity's key operations jointly with a partner but does not provide exclusive control to the Group);

is consolidated using the equity method.

Such subsidiaries are initially recognized at acquisition cost and consolidated from the date when effective control is transferred to the Group. They are deconsolidated from the date on which control ceases.

Items included in the financial statements of each Group entity are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in euros, which is the Company's functional and presentation currency.

NOTE 1.2.3 Use of judgments and estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that are reflected in the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events, and are believed to be reasonable under the circumstances.

NOTE 1.2.3.1 Impairment of goodwill and intangible assets

Trademarks with indefinite useful lives and goodwill are tested for impairment at least once a year and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Intangible assets with finite useful lives are amortized over their estimated useful lives and are tested for impairment when there is any indication that their recoverable amount may be less than their carrying amount.

Future events could cause the Group to conclude that evidence exists that certain intangible assets acquired in a business combination are impaired. Any resulting impairment loss could have a material adverse effect on the Group's consolidated financial statements and in particular on the Group's operating profit.

Discounted cash flow estimates (used for impairment tests on goodwill and trademarks with indefinite useful lives) are based on management's estimates of key assumptions, especially discount rates, medium-term growth and profitability rates.

NOTE 1.2.3.2 Accounting for income taxes

As part of the process of preparing the consolidated financial statements, the Group is required to estimate income taxes in each of the jurisdictions in which it operates. This involves estimating the actual current tax exposure and assessing temporary differences resulting from differing treatment of items such as deferred revenue or prepaid expenses for tax and accounting purposes. These differences result in deferred tax assets and liabilities, which are reported in the consolidated balance sheet.

The Group must then assess the probability that deferred tax assets will be recovered from future taxable profit.

Deferred tax assets are recognized only when it is probable that sufficient taxable profit will be available, based on management-approved taxable profit forecasts.

The Group has not recognized all of its deferred tax assets because it is not probable that some of them will be recovered before they expire. The amounts involved mainly concern operating losses carried forward and foreign income tax credits. The assessment is based on management's estimates of future taxable profit by jurisdiction in which the Group operates and the period over which the deferred tax assets are recoverable.

NOTE 1.2.3.3 Other assets and liabilities based on estimates

Other assets and liabilities based on estimates include provisions for pensions and other post-employment benefits, impairment of trade receivables, inventories and financial assets, share-based payments, provisions for contingencies and charges, right-of-use assets, capitalized development costs, and any annual volume rebates offered to customers.

NOTE 1.3 Significant transactions and events for the period

Valuation of assets in Russia

Legrand's activities in Russia accounted for approximately 1.5% of full-year sales in 2022. As of December 31, 2022, the Group's balance sheet exposure to Russia, including currency translation reserves, amounted to approximately €200 million.

Of this amount, €147.9 million in asset impairment has been recognized in the 2022 consolidated financial statements, mainly in other operating income and expenses, with no impact on adjusted operating profit.

The impact on the Group's operating profit breaks down as follows:

- depreciation, amortization and impairment related to the remeasurement of assets accounted in administrative and selling expenses: €2.0 million,
- depreciation, amortization and impairment related to the remeasurement of assets accounted in other operating income and expenses: €117.7 million, and
- goodwill impairment: €28.2 million.

Impact on net profit is €147.4 million and on net profit attributable to the Group is €147.1 million.

The balance-sheet impact at the closing rate is €134.8 million and breaks down as follows: €54.5 million on inventories, €34.7 million on property, plant and equipment, €26.2 million on goodwill and the remainder on current assets, with an additional impact recorded in translation reserves. The translation reserves (unrealized loss of €44.6 million as of December 31, 2022) will be reclassified in the income statement at the time of the actual disposal, without any cash impact.

In view of recent developments, including rising operational complexity and uncertainty, Legrand has announced in January 2023 its intention to disengage from its Russian operations and is currently reviewing options for transferring their control in a timely and orderly manner. Legrand believes this disengagement is the best option to ensure its ongoing compliance with all legislation and regulations as well as the long-term continuity of local operations for its employees and customers.

NOTE 1.4 Scope of consolidation

NOTE 1.4.1 List of main consolidated companies

The consolidated financial statements comprise the financial statements of Legrand and its 229 subsidiaries.

The main operating subsidiaries as of December 31, 2022, all of which being 100% owned and fully consolidated, are as follows:

Europe

Legrand Group Belgium	Belgium	Diegem
Ensto Building Systems	Finland	Porvoo
Legrand France	France	Limoges
Legrand SNC	France	Limoges
Legrand ZRT	Hungary	Szentes
Bticino SpA	Italy	Varese
Legrand Nederland B.V.	Netherlands	Boxtel
Legrand Polska	Poland	Zabkowice
Legrand LLC	Russia	Moscow
Legrand Group España	Spain	Madrid
Inform Elektronik	Turkey	Pelitli
Legrand Elektrik	Turkey	Gebze
Legrand Electric	United Kingdom	Birmingham
Netatmo	France	Boulogne-Billancourt

North and Central America

Approved Network LLC	United States	Westlake Village
Bticino de Mexico SA de CV	Mexico	Querétaro
Finelite Inc.	United States	Union City
Focal Point LLC	United States	Chicago
Kenall Manufacturing Co.	United States	Kenosha
Legrand AV Inc.	United States	Eden Prairie
Ortronics Inc.	United States	New London
Pass & Seymour Inc.	United States	Syracuse
Pinnacle Architectural Lighting Inc.	United States	Denver
Raritan Inc.	United States	Somerset
Server Technology Inc.	United States	Reno
Starline Holdings LLC	United States	Canonsburg
The WattStopper Inc.	United States	Santa Clara
The Wiremold Company	United States	West Hartford

Rest of the World

Legrand Group Pty Ltd	Australia	Sydney
GL Eletro-Eletronicos Ltda	Brazil	São Paulo
HDL Da Amazonia Industria Eletronica Ltda	Brazil	Manaus
Electro Andina Ltda	Chile	Santiago
DongGuan Rocom Electric	China	Dongguan
TCL International Electrical	China	Huizhou
TCL Wuxi	China	Wuxi
Legrand Colombia	Colombia	Bogota
Novateur Electrical and Digital Systems	India	Mumbai

NOTE 1.4.2 Changes in the scope of consolidation

The contributions to the Group's consolidated financial statements of companies acquired since the end of 2020 were as follows:

2021	March 31	June 30	September 30	December 31
Full consolidation method				
Champion One	Balance sheet only	6 months' profit	9 months' profit	12 months' profit
Compose	Balance sheet only	6 months' profit	9 months' profit	12 months' profit
Ecotap			Balance sheet only	6 months' profit
Ensto Building Systems				2 months' profit
Geiger				Balance sheet only

2022	March 31	June 30	September 30	December 31
Full consolidation method				
Champion One	3 months' profit	6 months' profit	9 months' profit	12 months' profit
Compose	3 months' profit	6 months' profit	9 months' profit	12 months' profit
Ecotap	3 months' profit	6 months' profit	9 months' profit	12 months' profit
Ensto Building Systems	3 months' profit	6 months' profit	9 months' profit	12 months' profit
Geiger	Balance sheet only	6 months' profit	9 months' profit	12 months' profit
Emos	Balance sheet only	Balance sheet only	Balance sheet only	9 months' profit
Usystems		Balance sheet only	Balance sheet only	7 months' profit
A. & H. Meyer			Balance sheet only	Balance sheet only
Power Control			Balance sheet only	Balance sheet only
Voltadis			Balance sheet only	Balance sheet only
Encelium				Balance sheet only

The main acquisitions announced in 2022 were as follows:

- Emos, the leader in Central and Eastern Europe in electrical installation components. Based in the Czech Republic, Emos has annual sales of around €85 million;
- Usystems, a specialist in datacenter solutions. Usystems' portfolio of cooling solutions and racks helps its clients reduce their datacenter energy bills and therefore their carbon footprint. Founded in 2003 and based in Bedford in the United Kingdom, the company has some 70 employees and recorded annual sales of around €11 million, including 50% stemming in the United States;
- A. & H. Meyer, Germany's leading player in "power in furniture" connectivity solutions for commercial buildings. Based in Dörentrup (Germany), A. & H. Meyer has nearly 200 employees and annual sales of over €20 million;
- Power Control, a British specialist in UPS systems (equipment, services and maintenance). Based in Sheffield (United Kingdom), the company has annual sales of around €15 million and a workforce of over 70;
- Voltadis, a French player in datacenter services. From design to commissioning, including equipment supply and installation, Voltadis offers comprehensive support in defining tailored electrical power supply systems for datacenters' grey rooms. Based in Cournon d'Auvergne, France, the company has some 20 employees and annual sales of around €13 million;
- Encelium, a U.S. player in lighting systems for commercial buildings, with a particular focus on energy-efficient, connected products. Based in Boston (Massachusetts) in the U.S., Encelium has annual sales of over $20 million.

Acquisitions of subsidiaries (net of cash acquired) came to a total of €235.6 million in 2022.

As of December 31, 2022, these acquisitions led to the recognition of €16.7 million in intangible assets excluding goodwill, €55.1 million in other acquired assets net of liabilities, and €163.8 million in provisional goodwill.

NOTE 2 - Results for the year

NOTE 2.1 Segment information

In accordance with IFRS 8, operating segments are determined based on the reporting made available to the chief operating decision maker of the Group and to the Group's management.

Given that Legrand activities are carried out locally, the Group is organized for management purposes by countries or groups of countries which have been allocated for internal reporting purposes into three operating segments:

- Europe, including France, Italy and Rest of Europe (mainly including Benelux, Germany, Iberia (including Portugal and Spain), Poland, Russia, Turkey, and the United Kingdom);
- North and Central America, including Canada, Mexico, the United States, and Central American countries; and
- Rest of the World, mainly including Australia, China, India and South America (including particularly Brazil, Chile and Colombia).

These three operating segments are under the responsibility of three segment managers who are directly accountable to the chief operating decision maker of the Group.

The economic models of subsidiaries within these segments are quite similar. Indeed, their sales are made up of electrical and digital building infrastructure products in particular to electrical installers, sold mainly through third-party distributors.

12 months ended December 31, 2022

(in € millions)	Europe	North and Central America	Rest of the world	Total
Net sales to third parties	**3,506.4** (1)	**3,428.4** (2)	**1,404.6**	**8,339.4**
Cost of sales	(1,668.7)	(1,743.9)	(780.1)	(4,192.7)
Administrative and selling expenses, R&D costs	(1,034.2)	(1,044.8)	(333.0)	(2,412.0)
Other operating income (expenses)	(222.1)	(49.5)	(16.6)	(288.2)
Operating profit	**581.4**	**590.2**	**274.9**	**1,446.5**
– of which i/ acquisition-related amortization, expenses and income and ii/ assets impairment in Russia				
accounted for in administrative and selling expenses, R&D costs	(24.8) (3)	(78.4)	(5.9)	(109.1)
accounted for in other operating income (expenses)	(117.7) (4)	0.0	0.0	(117.7)
– of which goodwill impairment	(28.2) (5)	0.0	0.0	(28.2)
Adjusted operating profit	**752.1**	**668.6**	**280.8**	**1,701.5**
– of which depreciation and impairment expense	(72.6)	(26.8)	(24.4)	(123.8)
– of which amortization and impairment expense	(8.7)	(2.3)	(1.3)	(12.3)
– of which amortization and impairment of development costs	(30.9)	0.0	(1.0)	(31.9)
– of which amortization and impairment of right-of-use assets	(28.9)	(24.9)	(21.4)	(75.2)
– of which restructuring costs	(25.5)	(18.1)	(6.1)	(49.7)
Capital expenditure	(113.6)	(31.1)	(32.9)	(177.6)
Capitalized development costs	(26.6)	0.0	(1.5)	(28.1)
Net tangible assets	453.6	159.1	133.3	746.0
Total current assets	3,166.4	1,106.7	830.2	5,103.3
Total current liabilities	1,550.5	512.3	433.1	2,495.9

(1) Of which France: €1,297.5 million.
(2) Of which United States: €3,174.6 million.
(3) Of which Russia: €(2.0) million.
(4) Of which Russia: €(117.7) million.
(5) Of which Russia: €(28.2) million.

12 months ended December 31, 2021

(in € millions)	**Europe**	**North and Central America**	**Rest of the world**	**Total**
Net sales to third parties	**2,993.3** (1)	**2,747.8** (2)	**1,253.1**	**6,994.2**
Cost of sales	(1,357.3)	(1,358.7)	(723.2)	(3,439.2)
Administrative and selling expenses, R&D costs	(907.3)	(886.1)	(300.7)	(2,094.1)
Other operating income (expenses)	(59.0)	(38.8)	(19.0)	(116.8)
Operating profit	**669.7**	**464.2**	**210.2**	**1,344.1**
– of which i/ acquisition-related amortization, expenses and income and ii/ assets impairment in Russia				
accounted for in administrative and selling expenses, R&D costs	(15.4)	(71.8)	(5.5)	(92.7)
accounted for in other operating income (expenses)	0.0	2.8		2.8
– of which goodwill impairment				0.0
Adjusted operating profit	**685.1**	**533.2**	**215.7**	**1,434.0**
– of which depreciation and impairment expense	(63.9)	(25.6)	(21.7)	(111.2)
– of which amortization and impairment expense	(8.5)	(2.2)	(1.1)	(11.8)
– of which amortization and impairment of development costs	(27.4)	0.0	(0.9)	(28.3)
– of which amortization and impairment of right-of-use assets	(26.3)	(22.4)	(19.1)	(67.8)
– of which restructuring costs	(24.7)	(11.6)	1.5	(34.8)
Capital expenditure	(87.9)	(21.4)	(30.6)	(139.9)
Capitalized development costs	(29.3)	0.0	(1.3)	(30.6)
Net tangible assets	442.3	146.8	130.1	719.2
Total current assets	3,395.2	869.4	866.8	5,131.4
Total current liabilities	1,638.3	475.7	472.8	2,586.8

(1) Of which France: €1,200.1 million.

(2) Of which United States: €2,551.0 million.

NOTE 2.2 Net sales

The Group derived the large majority of its revenue from product sales to generalist and specialist distributors. The two largest distributors accounted for more than 16% of consolidated net sales in 2022. The Group estimates that no other distributor accounted for more than 5% of consolidated net sales.

Contracts with distributors are signed for a one-year period. As a general rule, there is only one performance obligation in these contracts, which is to sell and deliver products to the customer (the performance obligation related to delivery is not material within the context of customer contracts).

Within the context of these contracts, the Group owns the main risks and benefits resulting from the product sales, and therefore acts as the principal (and not as an agent).

Net sales are generally recognized at one point in time, corresponding to the date on which the control of the asset (products or, more rarely, services) is transferred to the customer, usually the date of shipment in the case of product sales. In the specific case of service sales where the customer consumes the service benefits over the period in which they are provided, net sales are recognized over time, *i.e.* spread over the period in which the services are provided to the customer.

Contracts with customers generally include variable payments in their favor, primarily deferred discounts and rebates, and occasionally commercial returns. These variable payments to customers are estimated at their most likely amount and accounted for when net sales are recognized. By default, variable payments to customers are accounted for as a deduction from net sales. Only payments made to customers in exchange for the transfer of products or services by these customers are accounted for as selling expenses, for the portion of these payments corresponding to the transferred products' or services' fair value.

In 2022, the Group's consolidated net sales came to €8,339.4 million, up (+19.2%) in total compared with 2021 due to an organic growth (+9.7%), an increase in scope of consolidation (+3.0%) and the favorable impact of exchange rates (+5.5%).

Changes in net sales by destination are as follows:

	12 months ended December 31					
Net sales *(in € millions, except %)*	2022	2021	Total change	Change in scope of consolidation	Organic growth[(1)]	Exchange-rate effect
Europe	3,343.7	2,859.7	16.9%	7.1%	9.8%	(0.6%)
North and Central America	3,378.4	2,700.7	25.1%	0.2%	11.1%	12.3%
Rest of the World	1,617.3	1,433.8	12.8%	0.1%	6.6%	5.7%
Consolidated total	**8,339.4**	**6,994.2**	**19.2%**	**3.0%**	**9.7%**	**5.5%**

(1) At constant scope of consolidation and exchange rates.

The Group sells its products in mature countries as well as many new economies (Eastern Europe and Turkey in the Europe operating segment, Central America and Mexico in the North and Central America operating segment, Asia excluding South Korea, South America, Africa and the Middle East in the Rest of the World operating segment).

Net sales by destination in these two geographical areas are as follows:

	12 months ended	
(in € millions)	December 31, 2022	December 31, 2021
Mature countries	6,202.7	5,169.2
New economies	2,136.7	1,825.0
TOTAL	**8,339.4**	**6,994.2**

NOTE 2.3 Operating expenses

Operating expenses include the following main categories of costs:

	12 months ended	
(in € millions)	December 31, 2022	December 31, 2021
Raw materials and component costs	(3,021.0)	(2,418.1)
Personnel costs	(1,854.6)	(1,695.0)
Other external costs	(1,344.9)	(1,113.8)
Amortization of right-of-use assets	(75.2)	(67.8)
Depreciation of tangible assets	(162.4)	(111.6)
Amortization of intangible assets	(146.6)	(127.0)
Restructuring costs	(49.7)	(34.8)
Goodwill impairment	(28.2)	0.0
Other	(210.3)	(82.0)
OPERATING EXPENSES	**(6,892.9)**	**(5,650.1)**

"Other" primarily includes impairment losses and reversals on inventories (Note 3.5), trade receivables (Note 3.6), and provisions for contingencies (Note 4.4), out of which €(117.7) million in relation with the impairment of assets in Russia.

The Group had an average of 37,931 employees in 2022 (versus 38,207 in 2021), of which 30,387 back-office employees and 7,544 front-office employees (versus 30,965 and 7,242, respectively, in 2021).

NOTE 2.4 Income tax expense

Income tax expense consists of the following:

	12 months ended	
(in € millions)	December 31, 2022	December 31, 2021
Current taxes	(378.2)	(298.6)
Deferred taxes	(5.6)	(53.3)
TOTAL INCOME TAX EXPENSE	**(383.8)**	**(351.9)**

The reconciliation of total income tax expense for the period to income tax calculated at the standard tax rate in France is as follows, based on profit before tax of €1,383.3 million in 2022 (versus €1,257.0 million in 2021):

	12 months ended	
(Tax rate)	December 31, 2022	December 31, 2021
Standard French income tax rate	**25.83%**	**28.41%**
Increases (reductions):		
– Effect of foreign income tax rates	(1.82%)	(4.37%)
– Non-taxable items	2.70%	(0.48%)
– Income taxable at specific rates	(0.20%)	(0.28%)
– Other	0.96%	4.31%
	27.47%	**27.59%**
Impact on deferred taxes of:		
– Changes in tax rates	0.02%	0.10%
– Recognition or non-recognition of deferred tax assets	0.25%	0.31%
EFFECTIVE TAX RATE	**27.74%**	**28.00%**

Assets impairment in Russia €(147.9) million is mainly comprised of non-taxable items. Adjusted for these items, the effective tax rate would be 25.1% in 2022.

NOTE 3 - Details on non-current and current assets

NOTE 3.1 Intangible assets

(in € millions)	December 31, 2022	December 31, 2021
Trademarks	1,882.2	1,849.6
Patents	127.4	125.5
Customer relationships	349.8	358.3
Other intangible assets	175.3	151.9
NET VALUE AT THE END OF THE PERIOD	**2,534.7**	**2,485.3**

NOTE 3.1.1 Trademarks with indefinite and finite useful lives

The Legrand and Bticino brands represent close to 98% of the total value of trademarks with indefinite useful lives. These trademarks with indefinite useful lives are used internationally, and therefore contribute to all of the Group's cash-generating units.

They should contribute indefinitely to future consolidated cash flows because management plans to continue using them indefinitely. The Group performs periodical reviews of these trademarks' useful lives.

Trademarks with finite useful lives are amortized over their estimated useful lives ranging:

- from 10 years when management plans to gradually replace them by other major trademarks owned by the Group;
- to 20 years when management plans to replace them by other major trademarks owned by the Group only over the long term or when, in the absence of such an intention, management considers that the trademarks may be threatened by a major competitor in the long term.

Amortization of trademarks is recognized in the income statement under administrative and selling expenses.

Trademarks can be analyzed as follows:

(in € millions)	December 31, 2022	December 31, 2021
Gross value at the beginning of the period	2,264.2	2,185.4
– Acquisitions	58.3	21.8
– Disposals	(0.7)	0.0
– Translation adjustments	40.2	57.0
Gross value at the end of the period	**2,362.0**	**2,264.2**
Accumulated amortization and impairment at the beginning of the period	(414.6)	(350.5)
– Amortization expense	(50.4)	(39.9)
– Reversals	0.5	0.0
– Translation adjustments	(15.3)	(24.2)
Accumulated amortization and impairment at the end of the period	**(479.8)**	**(414.6)**
NET VALUE AT THE END OF THE PERIOD	**1,882.2**	**1,849.6**

The carrying value of trademarks with indefinite useful lives amounts to €1,408 million as of December 31, 2022.

To date, no significant impairment has been recognized for these trademarks.

For the purposes of impairment tests, the net book values of trademarks with an indefinite useful life are included in the impairment tests of goodwill at the level of CGU groups (Note 3.2). These tests are carried out in the fourth quarter of each year and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

NOTE 3.1.2 Patents

Patents can be analyzed as follows:

(in € millions)	December 31, 2022	December 31, 2021
Gross value at the beginning of the period	780.2	758.7
– Acquisitions	16.7	5.1
– Disposals	0.0	0.0
– Translation adjustments	12.7	16.4
Gross value at the end of the period	**809.6**	**780.2**
Accumulated amortization and impairment at the beginning of the period	(654.7)	(629.4)
– Amortization expense	(20.2)	(16.7)
– Reversals	0.0	0.0
– Translation adjustments	(7.3)	(8.6)
Accumulated amortization and impairment at the end of the period	**(682.2)**	**(654.7)**
NET VALUE AT THE END OF THE PERIOD	**127.4**	**125.5**

To date, no impairment has been recognized for these patents.

NOTE 3.1.3 Customer relationships

Customer relationships acquired in business combinations are recognized when they correspond to contractual relationships with key customers. Such customer relationships are measured using the excess earnings method, and are amortized over a period ranging from 3 to 20 years.

Customer relationships can be analyzed as follows:

(in € millions)	December 31, 2022	December 31, 2021
Gross value at the beginning of the period	531.6	458.5
– Acquisitions	0.0	32.2
– Adjustments	0.0	0.0
– Disposals	0.0	0.0
– Translation adjustments	28.7	40.9
Gross value at the end of the period	**560.3**	**531.6**
Accumulated amortization and impairment at the beginning of the period	(173.3)	(131.3)
– Amortization expense	(31.2)	(29.8)
– Reversals	0.0	0.0
– Translation adjustments	(6.0)	(12.3)
Accumulated amortization and impairment at the end of the period	**(210.5)**	**(173.3)**
NET VALUE AT THE END OF THE PERIOD	**349.8**	**358.3**

To date, no significant impairment has been recognized for these customer relationships.

NOTE 3.1.4 Other intangible assets

Other intangible assets are recognized at cost less accumulated amortization and impairment. They include in particular:

- costs incurred for development projects (relating to the design and testing of new or improved products). They are amortized from the date of sale of the product on a straight-line basis over the period in which the asset's future economic benefits are consumed, not exceeding 10 years. Costs incurred for projects that do not meet the IAS 38 definition of an intangible asset are recorded in research and development costs for the year in which they are incurred;
- software, which is generally purchased from an external supplier and amortized over 3 years. The Group reviewed the impacts of the interpretation on IAS 38 "Configuration or Customization Costs in a Cloud Computing Arrangement", impacts which were not material as of December 31, 2022.

Other intangible assets can be analyzed as follows:

(in € millions)	December 31, 2022	December 31, 2021
Capitalized development costs	487.1	459.3
Software	174.0	159.8
Other	55.8	32.0
Gross value at the end of the period	**716.9**	**651.1**
Accumulated amortization and impairment at the end of the period	(541.6)	(499.2)
NET VALUE AT THE END OF THE PERIOD	**175.3**	**151.9**

To date, no material impairment has been recognized for these items.

NOTE 3.2 Goodwill

To determine the goodwill for each business combination, the Group applies the partial goodwill method whereby goodwill is calculated as the difference between the consideration paid to acquire the business combination and the portion of the acquisition date fair value of the identifiable net assets acquired and liabilities assumed that is attributable to the Group.

Under this method no goodwill is allocated to minority interests. Changes in the percentage of interest held in a controlled entity are recorded directly in equity without recognizing any additional goodwill.

Goodwill is tested for impairment annually, in the fourth quarter of each year, and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Each CGU (cash-generating unit) corresponds to individual countries or to groups of countries, when they either have similar market characteristics or are managed as a single unit. Within the Legrand Group, the level at which the goodwill carrying amount is measured corresponds to groups of CGUs, namely the three operating segments (Note 2.1), these three operating segments corresponding to the level of performance monitoring and allocation of resources by the Management Committee.

Value in use is estimated based on discounted cash flows for the next five years and a terminal value calculated from the final year of the projection period. The cash flow data used for the calculation is taken from the most recent medium-term business plans approved by Group management. Business plan projections are based on the latest available external forecasts of trends in the Group's markets. Cash flows beyond the projection period of five years are estimated by applying a growth rate to perpetuity.

The discount rates applied derive from the capital asset pricing model. They are calculated for each individual country, based on financial market and/or valuation services firm data (average data over the last three years). The cost of debt used in the calculations is the same for all individual countries (being equal to the Group's cost of debt).

Goodwill can be analyzed as follows:

(in € millions)	December 31, 2022	December 31, 2021
Europe	1,975.5	1,833.8
North and Central America	2,933.8	2,750.6
Rest of the world	658.1	656.8
NET VALUE AT THE END OF THE PERIOD	**5,567.4**	**5,241.2**

The North and Central America group corresponds to a single cash-generating unit (CGU), while the Europe and Rest of the World groups each include several CGUs.

Changes in goodwill can be analyzed as follows:

(in € millions)	December 31, 2022	December 31, 2021
Gross value at the beginning of the period	5,277.9	4,840.4
– Acquisitions	163.8	271.5
– Adjustments*	(12.2)	(86.1)
– Translation adjustments	200.7	252.1
Gross value at the end of the period	**5,630.2**	**5,277.9**
Impairment value at the beginning of the period	(36.7)	(36.7)
– Impairment losses	(28.2)	0.0
– Translation adjustments	2.1	0.0
Impairment value at the end of the period	**(62.8)**	**(36.7)**
NET VALUE AT THE END OF THE PERIOD	**5,567.4**	**5,241.2**

* *Adjustments correspond to the difference between provisional and final goodwill, as well as to the impact of IAS 29.*

Purchase price allocations, which are performed within one year of each business combination, are as follows (excluding inventory step-up):

	12 months ended	
(in € millions)	December 31, 2022	December 31, 2021
– Trademarks	58.2	21.8
– Deferred taxes on trademarks	(12.6)	(1.0)
– Patents	16.7	5.1
– Deferred taxes on patents	(3.3)	(1.4)
– Other intangible assets	0.0	32.2
– Deferred taxes on other intangible assets	0.0	0.0

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The following impairment testing parameters were used in the period ended December 31, 2022:

			Value in use	
(in € millions)	**Recoverable amount**	**Carrying amount of goodwill**	**Discount rate (before tax)**	**Growth rate to perpetuity**
Europe	Value in use	1,975.5	10.3 to 35.2%	2.0 to 15.0%
North and Central America	Value in use	2,933.8	11.3%	2.0%
Rest of the world	Value in use	658.1	11.4 to 18.8%	2.0 to 5.0%
NET VALUE AT THE END OF THE PERIOD		**5,567.4**		

An impairment loss of €28.2 million in relation with Russia is recognized in the period ended December 31, 2022.

Sensitivity tests performed on the discount rates, long-term growth rates and operating margin rates showed that a 100-basis point unfavorable change in each of these three parameters taken at the level of each group of CGUs would not lead to any material impairment of goodwill of any of the other CGUs.

The following impairment testing parameters were used in the period ended December 31, 2021:

			Value in use	
(in € millions)	**Recoverable amount**	**Carrying amount of goodwill**	**Discount rate (before tax)**	**Growth rate to perpetuity**
Europe	Value in use	1,833.8	7.7 to 22.9%	2.0 to 5.0%
North and Central America	Value in use	2,750.6	8.7%	3.1%
Rest of the world	Value in use	656.8	9.4 to 14.6%	2.0 to 5.0%
NET VALUE AT THE END OF THE PERIOD		**5,241.2**		

No goodwill impairment losses were identified in the period ended December 31, 2021.

NOTE 3.3 Property, plant and equipment

Depreciation is calculated on a straight-line basis over the estimated useful lives of the respective assets; the most commonly adopted useful lives are the following:

Lightweight buildings	25 years
Standard buildings	40 years
Machinery and equipment	8 to 10 years
Tooling	5 years
Building fixtures	15 years

Changes in property, plant and equipment in 2022 are analyzed as follows:

	December 31, 2022				
(in € millions)	Land	Buildings	Machinery and equipment	Assets under construction and other	Total
Gross value					
At the beginning of the period	49.4	630.9	1,918.0	368.8	2,967.1
– Acquisitions	0.0	4.7	33.2	123.8	161.7
– Disposals	(0.2)	(20.3)	(73.6)	(16.3)	(110.4)
– Transfers and changes in scope of consolidation	0.7	62.7	52.9	(83.0)	33.3
– Translation adjustments	0.8	5.9	7.7	7.4	21.8
At the end of the period	**50.7**	**683.9**	**1,938.2**	**400.7**	**3,073.5**
Depreciation and impairment					
At the beginning of the period	(0.2)	(435.2)	(1,607.8)	(204.7)	(2,247.9)
– Depreciation expense	(0.2)	(46.8)	(97.2)	(18.2)	(162.4)
– Reversals	0.1	18.3	72.5	15.3	106.2
– Transfers and changes in scope of consolidation	0.1	(7.2)	(3.4)	(1.5)	(12.0)
– Translation adjustments	0.0	(1.7)	(5.2)	(4.5)	(11.4)
At the end of the period	**(0.2)**	**(472.6)**	**(1,641.1)**	**(213.6)**	**(2,327.5)**
Net value					
At the beginning of the period	49.2	195.7	310.2	164.1	719.2
– Acquisitions/Depreciation	(0.2)	(42.1)	(64.0)	105.6	(0.7)
– Disposals/Reversals	(0.1)	(2.0)	(1.1)	(1.0)	(4.2)
– Transfers and changes in scope of consolidation	0.8	55.5	49.5	(84.5)	21.3
– Translation adjustments	0.8	4.2	2.5	2.9	10.4
At the end of the period	**50.5**	**211.3**	**297.1**	**187.1**	**746.0**

Changes in property, plant and equipment in 2021 were analyzed as follows:

	December 31, 2021				
(in € millions)	**Land**	**Buildings**	**Machinery and equipment**	**Assets under construction and other**	**Total**
Gross value					
At the beginning of the period	47.0	618.8	1,819.6	343.2	2,828.6
– Acquisitions	0.1	2.3	32.6	96.7	131.7
– Disposals	(0.7)	(18.8)	(51.9)	(15.7)	(87.1)
– Transfers and changes in scope of consolidation	0.8	16.9	87.3	(67.0)	38.0
– Translation adjustments	2.2	11.7	30.4	11.6	55.9
At the end of the period	**49.4**	**630.9**	**1,918.0**	**368.8**	**2,967.1**
Depreciation and impairment					
At the beginning of the period	(0.2)	(424.7)	(1,532.7)	(190.1)	(2,147.7)
– Depreciation expense	0.0	(17.3)	(77.5)	(16.8)	(111.6)
– Reversals	0.4	15.5	50.7	11.1	77.7
– Transfers and changes in scope of consolidation	(0.4)	(2.4)	(25.2)	(0.4)	(28.4)
– Translation adjustments	0.0	(6.3)	(23.1)	(8.5)	(37.9)
At the end of the period	**(0.2)**	**(435.2)**	**(1,607.8)**	**(204.7)**	**(2,247.9)**
Net value					
At the beginning of the period	46.8	194.1	286.9	153.1	680.9
– Acquisitions/Depreciation	0.1	(15.0)	(44.9)	79.9	20.1
– Disposals/Reversals	(0.3)	(3.3)	(1.2)	(4.6)	(9.4)
– Transfers and changes in scope of consolidation	0.4	14.5	62.1	(67.4)	9.6
– Translation adjustments	2.2	5.4	7.3	3.1	18.0
At the end of the period	**49.2**	**195.7**	**310.2**	**164.1**	**719.2**

NOTE 3.4 Right-of-use assets and lease contracts

Right-of-use assets are initially measured at an amount equal mainly to the sum of:

- initial values of the lease financial liability;
- prepayments (including the first lease payment in case of lease payments made at the beginning of lease periods); and
- restoration costs.

Right-of-use assets value is subsequently remeasured whenever the lease financial liability value is remeasured.

Right-of-use assets are depreciated using the straight-line method over the estimated lease contract duration. This latter is determined by taking into account the existence of lease renewal options and early termination options whose exercise is subject solely to the Group's decision.

More specifically, regardless of the nature of these options, whenever there is significant capital expenditure on leased buildings, the depreciation period applied to the tangible assets resulting from these expenditures is used to determine the estimated lease contract duration of these buildings.

Lease financial liabilities are initially measured at the present value of future lease payments (excluding variable lease payments and service payments whenever it is possible to identify these payments within total lease payments, while including, when applicable, the purchase option value if the exercise of this option is deemed probable), using as the discount rate the borrowing rate available for a Group entity for both the currency and the maturity corresponding to the estimated duration of the lease contract.

Lease financial liabilities are remeasured when there is a change in future lease payments arising from a change in an index or rate, or a change in the lease term (following the subsequent exercise of an extension or an early termination option).

Lease financial liabilities are analyzed in Note 4.6.1.

The Group has elected not to recognize right-of-use assets and lease financial liabilities for short-term leases (not exceeding a one-year period) and/or leases of low-value assets.

Changes in right-of-use assets in 2022 are analyzed as follows:

	December 31, 2022			
(in € millions)	Buildings	Machinery and equipment	Other	Total
Gross value				
At the beginning of the period	504.5	5.5	60.0	570.0
– Increases	56.4	0.6	7.1	64.1
– Decreases	(5.5)	(0.1)	(0.7)	(6.3)
– Transfers and changes in scope of consolidation	9.7	0.1	1.2	11.0
– Translation adjustments	10.6	0.1	1.3	12.0
At the end of the period	**575.7**	**6.2**	**68.9**	**650.8**
Depreciation and impairment				
At the beginning of the period	(265.7)	(3.3)	(32.6)	(301.6)
– Depreciation expense	(67.4)	(0.8)	(7.0)	(75.2)
– Reversals	1.4	0.0	0.2	1.6
– Transfers and changes in scope of consolidation	(2.7)	0.0	(0.4)	(3.1)
– Translation adjustments	(5.6)	0.0	(0.7)	(6.3)
At the end of the period	**(340.0)**	**(4.1)**	**(40.5)**	**(384.6)**
Net value				
At the beginning of the period	238.8	2.2	27.4	268.4
– Increases/Depreciation	(11.0)	(0.2)	0.1	(11.1)
– Decreases/Reversals	(4.1)	(0.1)	(0.5)	(4.7)
– Transfers and changes in scope of consolidation	7.0	0.1	0.8	7.9
– Translation adjustments	5.0	0.1	0.6	5.7
At the end of the period	**235.7**	**2.1**	**28.4**	**266.2**

"Buildings" right-of-use assets mainly concern lease contracts for production sites, commercial offices and warehouses. Most of these lease contracts offer both extension and early termination options, while very few of them include purchase options or restoration costs. Therefore, the corresponding right-of-use assets do not include any material amount for purchase options or restoration costs.

"Machinery and equipment" right-of-use assets comprises mainly industrial machinery.

"Other" right-of-use assets mainly concern vehicles, forklifts and some IT equipment. Although most of these lease contracts include purchase options, these options are generally not exercised.

Renewal options not included in lease financial liabilities' value as of December 31, 2022 represent a discounted value of roughly €86 million.

A significant portion of this value corresponds to renewal options related to building lease contracts in the United States, the exercise of which is subject solely to the Group's decision. The exercise of these renewal options, which represent an additional lease period ranging from 5 to 10 years according to lease contracts, is not currently deemed certain by management and would not occur for several years.

Changes in right-of-use assets in 2021 were analyzed as follows:

	December 31, 2021			
(in € millions)	**Buildings**	**Machinery and equipment**	**Other**	**Total**
Gross value				
At the beginning of the period	460.7	6.7	64.5	531.9
– Increases	53.7	0.5	6.2	60.4
– Decreases	(42.2)	(1.9)	(13.2)	(57.3)
– Changes in scope of consolidation	12.8	0.0	0.3	13.1
– Translation adjustments	19.5	0.2	2.2	21.9
At the end of the period	**504.5**	**5.5**	**60.0**	**570.0**
Depreciation and impairment				
At the beginning of the period	(222.1)	(3.9)	(37.6)	(263.6)
– Depreciation expense	(61.0)	(0.6)	(6.2)	(67.8)
– Reversals	29.7	1.3	12.3	43.3
– Changes in scope of consolidation	(1.2)	0.0	(0.1)	(1.3)
– Translation adjustments	(11.1)	(0.1)	(1.0)	(12.2)
At the end of the period	**(265.7)**	**(3.3)**	**(32.6)**	**(301.6)**
Net value				
At the beginning of the period	238.6	2.8	26.9	268.3
– Increases/Depreciation	(7.3)	(0.1)	0.0	(7.4)
– Decreases/Reversals	(12.5)	(0.6)	(0.9)	(14.0)
– Changes in scope of consolidation	11.6	0.0	0.2	11.8
– Translation adjustments	8.4	0.1	1.2	9.7
At the end of the period	**238.8**	**2.2**	**27.4**	**268.4**

NOTE 3.5 Inventories

Inventories are measured at the lower of cost (of acquisition or production) and net realizable value, with cost determined principally on a first-in, first-out (FIFO) basis. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Impairment provisions are recognized when inventories are considered wholly or partially obsolete, and for finished goods inventories when their net realizable value is lower than their net book value.

Inventories can be analyzed as follows:

(in € millions)	**December 31, 2022**	**December 31, 2021**
Purchased raw materials and components	619.2	529.3
Sub-assemblies, work in progress	137.4	145.7
Finished products	842.7	727.4
Gross value at the end of the period	**1,599.3**	**1,402.4**
Impairment	**(241.9)**(1)	**(149.7)**
NET VALUE AT THE END OF THE PERIOD	**1,357.4**	**1,252.7**

(1) Of which impairment of inventories in Russia (Note 1.3): €(54.5) million.

NOTE 3.6 Trade receivables

Trade receivables are initially recognized at fair value and are subsequently measured at amortized cost.

In accordance with IFRS 9, expected credit losses on trade receivables are estimated based on a provision table, by applying provision rates depending on the receivables aging.

Furthermore, a provision can be recognized in the income statement when there is objective evidence of impairment such as:

- when a debtor has defaulted; or
- when a debtor's credit rating has been downgraded or its business environment has deteriorated.

Trade receivables can be analyzed as follows:

(in € millions)	December 31, 2022	December 31, 2021
Trade receivables	1,058.7	826.6
Impairment	(100.6)	(98.1)
NET VALUE AT THE END OF THE PERIOD	**958.1**	**728.5**

The Group uses factoring contracts to reduce the risk of late payments.

During 2022, a total of €314.7 million in receivables were transferred under the terms of the factoring contracts. The resulting costs were recognized in financial profit (loss) for an amount of less than €1 million.

As of December 31, 2022, these factoring contracts allowed the Group to derecognize trade receivables for an amount of €73.4 million (€79.6 million as of December 31, 2021), as they transfer all credit and late payment risks to the factoring companies. The only risk that is not transferred is limited to dilution risk, which is historically very low.

Past-due trade receivables can be analyzed as follows:

(in € millions)	December 31, 2022	December 31, 2021
Less than 3 months past due receivables	214.2	151.7
From 3 to 12 months past due receivables	44.5	40.4
More than 12 months past due receivables	40.3	35.3
TOTAL	**299.0**	**227.4**

Provisions for impairment of past-due trade receivables amounted to €77.5 million as of December 31, 2022 (€76.4 million as of December 31, 2021). These provisions break down as follows:

(in € millions)	December 31, 2022	December 31, 2021
Provisions for less than 3 months past due receivables	9.2	13.6
Provisions for 3 to 12 months past due receivables	28.0	27.5
Provisions for more than 12 months past due receivables	40.3	35.3
TOTAL	**77.5**	**76.4**

NOTE 3.7 Other current assets

Other current assets can be analyzed as follows:

(in € millions)	December 31, 2022	December 31, 2021
Employee advances	2.1	2.6
Prepayments	80.6	80.8
Taxes other than income tax	124.8	121.4
Other receivables	47.9	35.6
NET VALUE AT THE END OF THE PERIOD	**255.4**	**240.4**

These assets are valued at amortized cost.

NOTE 3.8 Cash and cash equivalents

Cash and cash equivalents consist of cash, short-term deposits and other liquid financial assets (possibility to realize the assets in less than 3 months at any time), readily convertible to known amounts of cash and are not subject to any material risk of change in value. Some of these other financial assets may have an initial maturity of one year or more, while being very easily convertible.

Cash and cash equivalents that are unavailable in the short term for the Group correspond to the bank accounts of certain subsidiaries facing complex, short-term fund repatriation conditions due mainly to regulatory reasons.

Cash and cash equivalents totaled €2,346.8 million as of December 31, 2022 (versus €2,788.3 million as of December 31, 2021). Of this amount, €13.4 million was not available to the Group in the short term as of December 31, 2022 (versus €7.3 million as of December 31, 2021).

NOTE 4 - Details on non-current and current liabilities

NOTE 4.1 Share capital and earnings per share

Share capital as of December 31, 2022 amounted to €1,067,270,984 represented by 266,817,746 ordinary shares with a par value of €4 each, for 266,817,746 theoretical voting rights and 266,668,231 exercisable voting rights (after subtracting shares held in treasury by the Group as of this date).

As of December 31, 2022, the Group held 149,515 shares in treasury, versus 678,176 shares as of December 31, 2021, *i.e.* 528,661 fewer shares corresponding to:

- the net acquisition of 450,000 shares outside of the liquidity contract;
- the transfer of 426,945 shares to employees under performance share plans;
- the cancellation of 630,000 shares.
- the net purchase of 78,284 shares under the liquidity contract (Note 4.1.2.2).

As of December 31, 2022, among the 149,515 shares held in treasury by the Group, 38,285 shares have been allocated according to the allocation objectives described in Note 4.1.2.1, and 111,230 shares are held under the liquidity contract.

NOTE 4.1.1 Changes in share capital

Changes in share capital in 2022 were as follows:

	Number of shares	Par value	Share capital *(euros)*	Premiums *(euros)*
As of December 31, 2021	267,447,746	4	1,069,790,984	539,064,770
Cancellation of shares	(630,000)	4	(2,520,000)	(47,307,842)
As of December 31, 2022	**266,817,746**	**4**	**1,067,270,984**	**491,756,928**

NOTE 4.1.2 Share buybacks and transactions under the liquidity contract

As of December 31, 2022, the Group held 149,515 shares in treasury (678,176 as of December 31, 2021, of which 645,230 under the share buyback program and 32,946 under the liquidity contract) which can be analyzed as follows:

NOTE 4.1.2.1 Share buybacks

During 2022, the Group acquired 450,000 shares, at a cost of €38.1 million.

As of December 31, 2022, the Group held 38,285 shares, acquired at a total cost of €3.2 million. These shares are being held for allocation, upon exercise of performance share plans.

NOTE 4.1.2.2 Liquidity contract

The Group 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.

As of December 31, 2022, the Group held 111,230 shares under this contract, purchased at a total cost of €8.6 million.

During 2022, transactions under the liquidity contract led to a cash outflow of €6.5 million corresponding to the net purchase of 78,284 shares.

NOTE 4.1.3 Earnings per share

Basic earnings per share are calculated by dividing net profit attributable to the Group by the weighted average number of ordinary shares outstanding (excluding shares held in treasury) during the period.

Diluted earnings per share are calculated according to the treasury stock method, by dividing profit attributable to the Group by the weighted average number of ordinary shares outstanding (excluding shares held in treasury) during the period, plus the number of dilutive potential ordinary shares. The weighted average number of ordinary shares outstanding used in these calculations is adjusted for the share buybacks and sales carried out during the period.

Basic and diluted earnings per share, calculated on the basis of the average number of ordinary shares outstanding during the period, are as follows:

		12 months ended	
		December 31, 2022	December 31, 2021
Net profit attributable to the Group (*in € millions*)	A	999.5	904.5
Average number of shares (excluding shares held in treasury)	B	266,608,415	266,896,342
Average dilution from:			
– Performance shares		*1,676,317*	*1,788,044*
Average number of shares after dilution (excluding shares held in treasury)	C	268,284,732	268,684,386
Number of stock options and performance share grants outstanding at the period end		1,877,203	1,837,364
Sales (buybacks) of shares and transactions under the liquidity contract (net during the period)		(528,284)	(1,135,219)
Shares transferred during the period under performance share plans		426,945	582,450
Basic earnings per share *(in euros)*	A/B	3.749	3.389
Diluted earnings per share (*in euros*)	A/C	3.726	3.366
Dividend per share (*in euros*)		1.650	1.420

Net profit attributable to the Group was impacted in 2022 by an accounting effect of a charge of €147.1 million, from assets impairment in Russia.

The corresponding basic earnings per share and diluted earnings per share are as follows:

		12 months ended	
		December 31, 2022	December 31, 2021
Adjusted net profit attributable to the Group *(in € millions)*	D	1,146.6	904.5
Adjusted basic earnings per share *(euros)*	D/B	4.301	3.389
Adjusted diluted earnings per share *(euros)*	D/C	4.274	3.366

As mentioned above, during 2022, the Group:

- transferred 426,945 shares under performance share plans, out of the 411,715 shares bought back in the year and 15,230 shares bought back from previous years for this purpose; and
- purchased a net 78,284 shares under the liquidity contract.

These movements were taken into account on an accruals basis in the computation of the average number of ordinary shares outstanding during the period, in accordance with IAS 33. If the shares had been issued and bought back on January 1, 2022, earnings per share and diluted earnings per share would have amounted to €3.748 and €3.728 respectively for the 12 months ended December 31, 2022.

During 2021, the Group:

- transferred 582,450 shares under performance share plans, out of the 554,770 shares bought back in the year and the 27,680 shares bought back in previous years for this purpose; and
- sold a net 64,781 shares under the liquidity contract.

These movements were taken into account on an accruals basis in calculating the average number of ordinary shares outstanding during the period, in accordance with IAS 33. If the shares had been issued and bought back on January 1, 2021, basic earnings per share and diluted earnings per share would have amounted to €3.391 and €3.364 respectively for the 12 months ended December 31, 2021.

NOTE 4.2 Stock option plans and performance share plans

The cost of stock options or performance shares is measured at the fair value of the award on the grant date, using the Black & Scholes option pricing model or the binomial model, and is recognized in the income statement under personnel costs on a straight-line basis over the vesting period with a corresponding adjustment to equity. Changes in the fair value of stock options after the grant date are not taken into account.

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The expense recognized by crediting equity is adjusted at each period-end during the vesting period to take into account changes in the number of shares that are expected to be delivered to employees when the performance shares vest or the stock options are exercised, except for the number of shares related to stock market performance criteria.

NOTE 4.2.1 Performance share plans

The following performance share plans were approved by the Company's Board of Directors:

	2018 Plans	2019 Plans	2020 Plans	2021 Plans	2022 Plans
Date approved by shareholders	May 30, 2018	May 30, 2018	May 30, 2018	May 26, 2021	May 26, 2021
Grant date	May 30, 2018	May 29, 2019	May 26, 2020	May 26, 2021	May 25, 2022
Total number of performance share rights initially granted	524,123 (1)	617,818	461,861	491,477	514,981
o/w to Executive Officer	19,546 (1)	22,954	11,544	20,544	22,534
– *Benoît Coquart*	19,546	22,954	11,544	20,544	22,534
Total IFRS 2 expense *(in € millions)*	28.5 (2)	31.0 (2)	22.8 (2)	35.2 (2)	31.9 (2)
End of vesting period	June 16, 2021 (3)	June 16, 2022 (3)	June 16, 2023 (3)	June 14, 2024 (3)	June 11, 2025 (7)
	June 16, 2022 (4)	June 16, 2023 (4)	June 14, 2024 (4)	June 12, 2025 (4)	June 10, 2026 (8)
End of lock-up period	May 31, 2023 (3)	May 31, 2024 (3)	May 28, 2025 (3)	May 27, 2026 (3)	May 26, 2027 (7)
	June 16, 2022 (4)	June 16, 2023 (4)	June 14, 2024 (4)	June 12, 2025 (4)	June 11, 2026 (8)
Number of performance shares adjusted for the performance criteria fulfillment	(37,046) (5)	(1,906) (6)	5,332 (6)		
Number of performance share rights cancelled or forfeited	(96,365)	(66,332)	(23,584)	(21,606)	(6,698)
Number of performance shares acquired as of December 31, 2022	(390,712)	(93,274)	(866)		
PERFORMANCE SHARE RIGHTS OUTSTANDING AS OF DECEMBER 31, 2022	**0**	**456,306**	**442,743**	**469,871**	**508,283**

(1) Given the dividend distribution features approved at the General Meetings of Shareholders on May 29, 2019, the number of remaining performance shares was adjusted to take into account the impact of these transactions on the interests of performance share beneficiaries in accordance with Article L.228-99 of the French Commercial Code.

(2) Total charge estimated at the grant date assuming 100% achievement for each performance criteria. This charge is spread over the vesting periods.

(3) Date applicable to the Executive Officer and members of the Executive Committee.

(4) Date applicable to beneficiaries other than the Executive Officer and members of the Executive Committee.

(5) Percentage of performance criteria achievement: see Note 4.2.1.2.

(6) Adjustments estimated at the date when the consolidated financial statements were prepared.

(7) Date applicable to the Executive Officer and to 5 members of the Executive Committee.

(8) Date applicable to beneficiaries other than the Executive Officer and to 3 members of the Executive Committee.

If all the performance shares from the 2019 to 2022 plans were to vest according to the target allocation (*i.e.* 1,877,203 shares) and if those shares were transferred following capital increases, the Company's capital would be diluted by 0.7% as of December 31, 2022.

NOTE 4.2.1.1 2019, 2020, 2021 and 2022 performance share plans

The final number of shares granted to beneficiaries is determined on the condition that the beneficiary is present within the Group at the time the vesting period expires and according to several performance criteria.

For the Executive Officer and members of the Executive Committee, the term of the vesting period is three years, with an additional two-year holding period; for other beneficiaries, the vesting period is four years, with no holding period.

Performance criteria applicable to the Executive Officer and members of the Executive Committee

The performance criteria applicable to the Executive Officer and members of the Executive Committee are defined as follows:

Type of performance criteria	Description of performance criteria and target-setting method	Weight of performance criteria
Target for organic sales growth	Target: 3-year arithmetic mean of the upper and lower bounds of the annual target ranges concerned. Comparison between the target and the average achievement over three years.	1/4
Target for adjusted operating margin before acquisitions(1)	Target: 3-year arithmetic mean of the upper and lower bounds of the annual target ranges concerned. Comparison between the target and the average achievement over three years.	1/4
Annual rates of achievement of the Group's CSR Roadmap	Target: arithmetic mean over 3 years of the annual CSR Roadmap achievement rates.	1/4
Legrand's share price performance relative to the performance of the CAC 40 index	Performance gap between Legrand's share price and the CAC 40 index over a 3-year period.	1/4

(1) The adjusted operating margin before acquisitions corresponds to the adjusted operating profit (see key figures).

Performance criteria applicable to beneficiaries other than the Executive Officer and members of the Executive Committee

The performance criteria applicable to beneficiaries other than the Executive Officer and members of the Executive Committee are defined as follows:

Type of performance criteria	Description of performance criteria and target-setting method	Weight of performance criteria
Target for organic sales growth	The target to be reached for this criterion, set annually corresponds to the lower and upper ranges of the relevant annual target. The annual rate of achievement is measured in relation to the annual target. The final pay-out rate for this criterion corresponds to the arithmetic average over a three-year period of the annual rates of achievement.	1/3
Target for adjusted operating margin before acquisitions(1)	The target to be reached for this criterion, set annually corresponds to the lower and upper ranges of the relevant annual target. The annual rate of achievement is measured in relation to the annual target. The final pay-out rate for this criterion corresponds to the arithmetic average over a three-year period of the annual rates of achievement.	1/3
Annual rates of achievement of the Group's CSR Roadmap	The annual rate of achievement corresponds to the rate of achievement of the CSR annual Roadmap. The final pay-out rate for this criterion corresponds to the arithmetic average over a three-year period of the annual rates of attainment.	1/3

(1) The adjusted operating margin before acquisitions corresponds to the adjusted operating profit (see key figures).

The final pay-out rate for each criterion corresponds to the arithmetic average over a three-year period of the annual achievement rates.

NOTE 4.2.1.2 Monitoring of performance criteria performance share plans

The monitoring of the performance criteria under the 2018 plan applicable to the Executive Officer and members of the Executive Committee can be detailed as follows:

	2018		2019		2020		3-year average		
Criteria	**Target(1)**	**Actual**	**Target(1)**	**Actual**	**Target(1)**	**Actual**	**Target(1)**	**Actual**	**Performance**
Organic sales growth	2.5%	4.9%	2.0%	2.6%	1.0%	(8.7%)	1.8%	(0.4%)	**82.0%**
Adjusted operating margin before acquisitions(2)	20.3%	20.2%	20.3%	20.4%	20.0%	19.1%	20.2%	19.9%	**91.9%**
Annual rates of achievement of the Group's CSR Roadmap	100.0%	122.0%	100.0%	113.0%	100.0%	128.0%	100.0%	121.0%	**104.2%**
Legrand's share price performance relative to the performance of the CAC 40 index							**+8.8%**	**+17.2%**	**+150.0%**
Performance									**107.0%**

(1) 100% achievement target for the criterion.

(2) The adjusted operating margin before acquisitions corresponds to the adjusted operating income (see key figures).

The monitoring of the performance criteria under the 2018 plan applicable to beneficiaries other than the Executive Officer and members of the Executive Committee can be detailed as follows:

	2018			2019			2020			
Criteria	Target(1)	Actual	Performance	Target(1)	Actual	Performance	Target(1)	Actual	Performance	Performance by criterion
Organic sales growth	2.5%	4.9%	**128.0%**	2.0%	2.6%	**103.0%**	1.0%	(8.7%)	**0.0%**	**77.0%**
Adjusted operating margin before acquisitions(2)	20.3%	20.2%	**98.0%**	20.3%	20.4%	**102.5%**	20.0%	19.1%	**50.0%**	**83.5%**
Annual rates of achievement of the Group's CSR Roadmap	100.0%	122.0%	**104.4%**	100.0%	113.0%	**102.6%**	100.0%	128.0%	**106.8%**	**104.6%**
Performance by year			**110.1%**			**102.7%**			**52.3%**	**88.4%**

(1) 100% achievement target for the criterion.
(2) The adjusted operating margin before acquisitions corresponds to the adjusted operating income (see key figures).

The monitoring of the performance criteria under the 2019 plan applicable to the Executive Officer and members of the Executive Committee can be detailed as follows:

	2019		2020		2021		3-year average		
Criteria	Target(1)	Actual	Target(1)	Actual	Target(1)	Actual	Target(1)	Actual	Performance
Organic sales growth	2.0%	2.6%	1.0%	(8.7%)	3.5%	13.6%	2.2%	2.5%	**101.5%**
Adjusted operating margin before acquisitions(2)	20.3%	20.4%	20.0%	19.1%	19.7%	20.8%	20.0%	20.1%	**102.3%**
Annual rates of achievement of the Group's CSR Roadmap	100.0%	113.0%	100.0%	128.0%	100.0%	131.0%	100.0%	124.0%	**104.8%**
Legrand's share price performance relative to the performance of the CAC 40 index							**+8.8%**	**+32.6%**	**+150.0%**
Performance									**114.7%**

(1) 100% achievement target for the criterion.
(2) The adjusted operating margin before acquisitions corresponds to the adjusted operating income (see key figures).

The monitoring of the performance criteria under the 2019 plan applicable to beneficiaries other than the Executive Officer and members of the Executive Committee can be detailed as follows:

	2019			2020			2021			
Criteria	**Target[(1)]**	**Actual**	**Performance**	**Target[(1)]**	**Actual**	**Performance**	**Target[(1)]**	**Actual**	**Performance**	**Performance by criterion**
Organic sales growth	2.0%	2.6%	**103.0%**	1.0%	(8.7%)	**0.0%**	3.5%	13.6%	**150.0%**	**84.3%**
Adjusted operating margin before acquisitions[(2)]	20.3%	20.4%	**102.5%**	20.0%	19.1%	**50.0%**	19.7%	20.8%	**150.0%**	**100.8%**
Annual rates of achievement of the Group's CSR Roadmap	100.0%	113.0%	**102.6%**	100.0%	128.0%	**106.8%**	100.0%	131.0%	**108.6%**	**106.0%**
Performance by year			**102.7%**			**52.3%**			**136.2%**	**97.1%**

(1) 100% achievement target for the criterion.

(2) The adjusted operating margin before acquisitions corresponds to the adjusted operating income (see key figures).

The monitoring of the performance criteria under the 2020 plan applicable to the Executive Officer and members of the Executive Committee can be detailed as follows:

	2020		2021		2022		3-year average		
Criteria	**Target[(1)]**	**Actual**	**Target[(1)]**	**Actual**	**Target[(1)]**	**Actual**	**Target[(1)]**	**Actual**	**Performance**
Organic sales growth	1.0%	(8.7%)	3.5%	13.6%	5.0%	9.7%	3.2%	4.9%	**107.8%**
Adjusted operating margin before acquisitions[(2)]	20.0%	19.1%	19.7%	20.8%	20.3%	20.7%	20.1%	20.2%	**104.6%**
Annual rates of achievement of the Group's CSR Roadmap	100.0%	128.0%	100.0%	131.0%	100.0%	123.0%	100.0%	127.3%	**106.4%**
Legrand's share price performance relative to the performance of the CAC 40 index							**+7.5%**	**+0.6%**	**+34.5%**
Performance									**88.3%**

(1) 100% achievement target for the criterion.

(2) The adjusted operating margin before acquisitions corresponds to the adjusted operating income (see key figures).

The monitoring of the performance criteria under the 2020 plan applicable to beneficiaries other than the Executive Officer and members of the Executive Committee can be detailed as follows:

	2020			2021			2022			
Criteria	**Target(1)**	**Actual**	**Performance**	**Target(1)**	**Actual**	**Performance**	**Target(1)**	**Actual**	**Performance**	**Performance by criterion**
Organic sales growth	1.0%	(8.7%)	**0.0%**	3.5%	13.6%	**150.0%**	5.0%	9.7%	**150.0%**	**100.0%**
Adjusted operating margin before acquisitions(2)	20.0%	19.1%	**50.0%**	19.7%	20.8%	**150.0%**	20.3%	20.7%	**110.0%**	**103.3%**
Annual rates of achievement of the Group's CSR Roadmap	100.0%	128.0%	**106.8%**	100.0%	131.0%	**108.6%**	100.0%	123.0%	**104.6%**	**106.7%**
Performance by year			**52.3%**			**136.2%**			**121.5%**	**103.3%**

(1) 100% achievement target for the criterion.
(2) The adjusted operating margin before acquisitions corresponds to the adjusted operating income (see key figures).

NOTE 4.2.2 Share-based payments (IFRS 2 expense)

In accordance with IFRS 2, an expense of €33.8 million was recorded in 2022 (€30.5 million in 2021) for all of these plans combined.

NOTE 4.3 Retained earnings and translation reserves

NOTE 4.3.1 Retained earnings

The Group's consolidated retained earnings as of December 31, 2022 amounted to €5,900.3 million.

As of the same date, the Company had retained earnings including profit for the period of €1,077.1 million available for distribution.

NOTE 4.3.2 Translation reserves

Assets and liabilities of Group entities whose functional currency is different from the presentation currency are translated using the exchange rate at the balance sheet date. Statements of income are translated using the average exchange rate for the period. Gains or losses arising from the translation of the financial statements of foreign subsidiaries are recognized directly in equity under "Translation reserves", until the potential Group's loss of control over the entity.

Translation reserves record the impact of fluctuations in the following currencies:

(in € millions)	December 31, 2022	December 31, 2021
U.S. dollar	240.3	(13.7)
Other currencies	(570.7)	(608.1)
TOTAL	**(330.4)**	**(621.8)**

The Group operates in close to 90 countries. It is mainly exposed to a dozen currencies other than the euro and the U.S. dollar, including the Australian dollar, Brazilian real, British pound, Chilean peso, Chinese yuan, Indian rupee, Mexican peso, Russian ruble and Turkish lira.

Under IFRS 9, non-derivative financial instruments may be designated as hedges only when they are used to hedge foreign currency risk and provided that they qualify for hedge accounting. Accordingly, in the case of hedges of a net investment in a foreign operation, the portion of the gain or loss on the hedging instrument that is deemed to be an effective hedge is recognized in equity.

The counterpart of the Yankee debt increase amounting to €19.3 million in 2022, was recorded as a decrease in conversion reserves. As of December 31, 2022, a total balance of €83.0 million was recorded as a decrease in conversion reserves, under the Yankee loan.

Finally, in accordance with IAS 21, translation gains and losses on receivables or payables considered as part of a net investment in a foreign Group entity are recognized in translation reserves. Gains recognized in translation reserves in 2022 amounted to €0.3 million, resulting in a net positive balance of €11.6 million as of December 31, 2022.

NOTE 4.4 Provisions

Changes in provisions in 2022 are as follows:

	December 31, 2022					
(in € millions)	Product warranties	Claims and litigation	Tax and employee risks	Restructuring	Other	Total
At the beginning of the period	52.4	126.1	43.6	38.0	72.3	332.4
Changes in scope of consolidation	0.0	0.0	0.0	0.0	0.0	0.0
Increases	26.3	63.9	7.4	24.7	16.3	138.6
Utilizations	(7.8)	(13.3)	(6.4)	(23.6)	(13.1)	(64.2)
Reversals of surplus provisions	(17.8)	(26.8)	0.0	(1.0)	(1.8)	(47.4)
Reclassifications	0.0	(0.6)	(0.2)	0.3	(0.3)	(0.8)
Translation adjustments	0.4	2.0	(0.1)	1.0	1.9	5.2
AT THE END OF THE PERIOD	**53.5**	**151.3**	**44.3**	**39.4**	**75.3**	**363.8**
Of which non-current portion	*13.1*	*126.1*	*14.4*	*4.2*	*59.6*	*217.4*

Changes in provisions in 2021 were as follows:

	December 31, 2021					
(in € millions)	Product warranties	Claims and litigation	Tax and employee risks	Restructuring	Other	Total
At the beginning of the period	52.0	127.4	40.8	36.6	71.3	328.1
Changes in scope of consolidation	(0.1)	0.2	(1.5)	0.0	1.9	0.5
Increases	15.3	25.9	8.3	20.9	25.4	95.8
Utilizations	(7.9)	(16.5)	(5.3)	(19.3)	(23.4)	(72.4)
Reversals of surplus provisions	(8.0)	(12.7)	0.0	(1.3)	(5.3)	(27.3)
Reclassifications	0.0	0.0	(0.3)	0.0	0.0	(0.3)
Translation adjustments	1.1	1.8	1.6	1.1	2.4	8.0
AT THE END OF THE PERIOD	**52.4**	**126.1**	**43.6**	**38.0**	**72.3**	**332.4**
Of which non-current portion	*31.8*	*85.3*	*13.2*	*3.7*	*62.6*	*196.6*

NOTE 4.5 Provision for post-employment benefits and other long-term employee benefits

NOTE 4.5.1 Pension and other post-employment benefit obligations

Group companies operate various pension plans. These plans are funded through payments to insurance companies or trustee-administered funds, determined by periodic actuarial calculations. The Group has both defined contribution and defined benefit plans.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Contributions are recognized as an expense for the period of payment. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in current and prior periods.

A defined benefit plan is a pension plan that defines an amount of pension benefit that employees will receive on retirement, usually dependent on one or more factors such as age, years of service and end-of-career salary. The liability recognized in the balance sheet for defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date, less the fair value of plan assets. The past service cost arising from changes to pension benefit plans is expensed in full as incurred.

In accordance with IAS 19, the Group recognizes all actuarial gains and losses outside profit or loss, in the consolidated statement of comprehensive income.

Defined benefit obligations are calculated using the projected unit credit method. This method takes into account estimated years of service at retirement, final salaries, life expectancy and staff turnover, based on actuarial assumptions. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of investment grade corporate bonds that are denominated in the currency in which the benefits will be paid and have terms to maturity approximating the period to payment of the related pension liability.

Some Group companies provide post-employment healthcare benefits to their retirees. Entitlement to these benefits is usually conditional on the employee remaining with one of these Group companies up to retirement age and completion of a minimum service period. These benefits are treated as post-employment benefits under the defined benefit scheme.

Pension and other post-employment defined benefit obligations can be analyzed as follows:

(in € millions)	December 31, 2022	December 31, 2021
France (Note 4.5.1.2)	84.2	103.6
Italy (Note 4.5.1.3)	27.2	33.9
United Kingdom (Note 4.5.1.4)	81.5	123.4
United States (Note 4.5.1.5)	63.4	75.7
Other countries	54.9	53.7
TOTAL PENSION AND OTHER POST-EMPLOYMENT DEFINED BENEFIT OBLIGATIONS	**311.2**	**390.3**

NOTE 4.5.1.1 Analysis of pension and other post-employment defined benefit obligations

The total (current and non-current) obligation under the Group's pension and other post-employment defined benefit plans, consisting primarily of plans in France, Italy, the United States and United Kingdom, is as follows:

(in € millions)	December 31, 2022	December 31, 2021
Defined benefit obligation		
Projected benefit obligation at the beginning of the period	390.3	386.8
Service cost	9.5	10.0
Interest cost	7.7	5.6
Benefits paid or unused	(23.2)	(19.6)
Employee contributions	0.4	0.4
Actuarial losses/(gains)	(72.6)	(24.8)
Curtailments, settlements, special termination benefits	(0.5)	(0.8)
Translation adjustments	(0.3)	15.1
Other	(0.1)	17.6
PROJECTED BENEFIT OBLIGATION AT THE END OF THE PERIOD	**311.2**	**390.3**
Fair value of plan assets		
Fair value of plan assets at the beginning of the period	231.2	207.8
Expected return on plan assets	5.0	3.8
Employer contributions	7.1	8.5
Employee contributions	1.9	0.4
Benefits paid	(12.2)	(11.6)
Actuarial (losses)/gains	(46.1)	7.6
Translation adjustments	1.7	14.7
Other	0.0	0.0
FAIR VALUE OF PLAN ASSETS AT THE END OF PERIOD	**188.6**	**231.2**
PROVISION RECOGNIZED IN THE BALANCE SHEET	**135.4**	**175.7**
Current liability	5.3	5.0
Non-current liability	130.1	170.7
Non-current asset	12.8	16.6

Actuarial gains recognized in equity in 2022 amounted to €26.5 million.

These €26.5 million actuarial gains resulted from:

- €54.5 million in gains from changes in financial assumptions;
- €6.5 million in gains from changes in demographic assumptions; and
- €34.5 million in experience losses.

The discount rates used are determined by reference to the yield on high-quality bonds based on the following benchmark indices:

- Euro zone: iBoxx € Corporates AA 10+;
- United Kingdom: iBoxx £ Corporates AA 15+;
- United States: Citigroup Pension Liability Index.

Sensitivity tests were performed on:

- the discount rate. According to the results of these tests, a 50-basis point reduction in the rate would lead to the recognition of additional actuarial losses of around €28 million and would increase the provision as of December 31, 2022 by the same amount; and
- the rate of future salary increases. According to the results of these tests, a 50-basis point increase in the rate would lead to the recognition of additional actuarial losses of around €9.7 million and would increase the provision as of December 31, 2022 by the same amount.

Discounted future payments for the Group's pension and other post-employment benefit plans are as follows:

(in € millions)	
2023	17.9
2024	18.4
2025	15.7
2026	17.2
2027 and beyond	242.0
TOTAL	**311.2**

The impact of service costs and interest costs on profit before tax for the period is as follows:

	12 months ended	
(in € millions)	December 31, 2022	December 31, 2021
Service cost	(9.5)	(10.0)
Net interest cost*	(2.7)	(1.8)
TOTAL	**(12.2)**	**(11.8)**

* *The expected return on assets and interest costs are presented as a net amount in financial expenses.*

The weighted average allocation of pension plan assets is as follows as of December 31, 2022:

(as a percentage)	United Kingdom	United States
Equity instruments	50.6	59.6
Debt instruments	42.1	31.8
Insurance funds	7.3	8.6
TOTAL	**100.0**	**100.0**

These assets are marked to market.

NOTE 4.5.1.2 Provisions for retirement benefits and supplementary pension benefits in France

The provisions recorded in the consolidated balance sheet concern the unvested entitlements of active employees. The Group has no obligation with respect to the vested entitlements of former employees, as the benefits were settled at the time of their retirement, either directly or through payments to insurance companies in full discharge of the liability.

The main defined benefit plan applicable in France concerns statutory length-of-service awards, under which all retiring employees are eligible for a lump-sum payment calculated according to their length of service.

This payment is defined either in the collective bargaining agreement to which their company is a party or in a separate company-level agreement, whichever is more advantageous to the employee. The amount generally varies depending on the employee category (manager/non-manager).

In France, provisions recorded in the consolidated balance sheet amounted to €84.2 million as of December 31, 2022 (€103.6 million as of December 31, 2021) corresponding to the difference between the projected benefit obligation of €84.2 million as of December 31, 2022 (€103.6 million as of December 31, 2021), and the fair value of the related plan assets of €0.0 million as of December 31, 2022 (€0.0 million as of December 31, 2021).

The projected benefit obligation is calculated based on staff turnover and mortality assumptions, estimated rates of salary increases and an estimated discount rate. In France, the calculation in 2022 was based on a salary increase rate of 3.5% and a discount rate of 3.7% (respectively 2.8% and 1.2% in 2021).

NOTE 4.5.1.3 Provisions for termination benefits in Italy

In Italy, a termination benefit is awarded to employees regardless of the reason for their departure.

Since January 2007, such benefits have been paid either into an independently managed pension fund or to the Italian social security service (INPS). As from that date, the Italian termination benefit plans have been qualified as defined contribution plans under IFRS. Termination benefit obligations arising prior to January 2007 continue to be accounted for under IFRS as defined benefit plans, based on revised actuarial estimates that exclude the effect of future salary increases.

The resulting provisions for termination benefits, which correspond to the obligation as of December 31, 2006 plus the ensuing actuarial revisions, amounted to €27.2 million as of December 31, 2022 (€33.9 million as of December 31, 2021).

The calculation in 2022 was based on a discount rate of 3.6% (0.4% in 2021).

NOTE 4.5.1.4 Provisions for retirement benefits and other post-employment benefits in the United Kingdom

The UK plan is a trustee-administered plan governed by Article 153 of the 2004 Finance Act, and is managed in a legal entity outside of the Group.

Benefits are paid directly out of funds consisting of contributions paid by the company and by plan participants.

The plan has been closed to new entrants since May 2004.

Active plan participants account for 1.5% of the projected benefit obligation, participants who are no longer accumulating benefit entitlements for 35.9% and retired participants for 62.6%.

The provisions recorded in the consolidated balance sheet amounted to €0.3 million as of December 31, 2022 (€13.3 million as of December 31, 2021) corresponding to the difference between the projected benefit obligation of €81.5 million as of December 31, 2022 (€123.4 million as of December 31, 2021) and the fair value of the related plan assets of €81.2 million as of December 31, 2022 (€110.1 million as of December 31, 2021).

The projected benefit obligation is calculated based on staff turnover and mortality assumptions, estimated rates of salary increases and an estimated discount rate. The calculation in 2022 was based on a salary increase rate of 4.3% and a discount rate and an expected return on plan assets of 4.5% (respectively 4.7% and 1.7% in 2021).

NOTE 4.5.1.5 Provisions for retirement benefits and other post-employment benefits in the United States

In the United States, the Group provides pension benefits for employees and health care and life insurance for certain retired employees.

The Legrand North America Retirement Plan is covered by a plan document in force since January 2002 that was last amended in January 2008. The minimum funding requirement is determined based on Section 430 of the Internal Revenue Code.

To meet its obligations under the plan, the Group has set up a trust with Prudential Financial, Inc. The trust assets include several different investment funds. The current trustee is Legrand North America. The Wiremold Company is the Plan Administrator and the Custodian is Prudential Financial, Inc.

The plan has been closed to new entrants since August 2006 for salaried employees and since April 2009 for hourly employees. Since January 1, 2018, active plan participants can no longer cumulate new rights.

Active plan participants account for 9.7% of the projected benefit obligation, other participants who are no longer accumulating benefit entitlements for 20.0% and retired participants for 70.3%.

The funding policy consists of ensuring that the legal minimum funding requirement is met at all times.

The provisions recorded in the consolidated balance sheet amounted to €0.0 million as of December 31, 2022 (€0.0 million as of December 31, 2021) reflecting the fact that the fair value of the plan assets is higher than the value of the projected benefit obligation.

The calculation in 2022 was based on a discount rate and an expected return on plan assets of 4.9% (2.5% in 2021).

NOTE 4.5.2 Other long-term employee benefits

The Group implemented cash-settled long-term employee benefit plans for employees deemed to be key for the Group, subject to the grantees' continued presence within the Group after a vesting period of three years.

In addition to the grantee still being present within the Group, these plans can, in certain cases, depend on the Group's achievement of future economic performance conditions.

Due to their gradual replacement by equity-settled long-term employee benefit plans detailed in Note 4.2.1, these plans no longer represent material amounts in the Group's financial statements.

NOTE 4.6 Long-term and short-term borrowings

The Group actively manages its debt through diversified sources of financing available to support its medium-term business growth while guaranteeing a robust financial position over the long term.

Negotiable commercial paper

Legrand France has a short-term marketable securities program (NEU CP) whose package was increased from €700.0 million to €1,200.0 million on March 25, 2020.

A medium-term marketable securities program (NEU MTN) was opened on March 18, 2021 with a package of €1,200.0 million.

Bonds

In April 2012, the Group carried out a €400.0 million 3.375% ten-year bond issue. The bonds were redeemed at maturity on April 19, 2022.

In December 2015, the Group carried out a €300.0 million 1.875% twelve-year bond issue. The bonds will be redeemable at maturity on December 16, 2027.

In July 2017, the Group carried out a bond issue for a total of €1.0 billion, in two tranches of €500.0 million each, with maturities of seven and fifteen years. The respective maturity dates of these two tranches are July 6, 2024 and July 6, 2032 and their annual coupons are respectively 0.750% and 1.875%.

In October 2017, the Group carried out a €400.0 million 0.5% six-year bond issue. The bonds will be redeemable at maturity on October 9, 2023.

In March 2018, the Group carried out a €400.0 million 1.0% eight-year bond issue. The bonds will be redeemable at maturity on March 6, 2026.

In June 2019, the Group carried out a €400.0 million 0.625% nine-year bond issue. The bonds will be redeemable at maturity on June 24, 2028.

In May 2020, the Group carried out a €600.0 million 0.75% ten-year bond issue. The bonds will be redeemable at maturity on May 20, 2030.

In October 2021, the Group carried out its first sustainability-linked bond issue indexed to its carbon neutrality metrics. The 0.375% ten-year bonds were issued for a total amount of €600.0 million and will be redeemable at maturity on October 6, 2031.

The issue is indexed to the Group's carbon trajectory by applying a potential additional coupon of 0.50% over the only last year in which the bond reaches maturity, in the event that the related objectives are not achieved.

Yankee bonds

On February 14, 1995, Legrand France issued $400.0 million worth of 8.5% debentures due February 15, 2025, through a public placement in the United States. Interest on Yankee bonds is payable semi-annually on February 15 and August 15 of each year, beginning August 15, 1995.

A number of Yankee bondholders offered to sell their securities to the Group. Acting on this offer, the Group decided to acquire Yankee bonds:

- in 2013, with an aggregate face value of $6.5 million,
- in 2020, with an aggregate face value of $18.6 million,
- in 2021, with an aggregate face value of $27.5 million,
- in 2022, with an aggregate face value of $34.6 million.

The acquired debentures were subsequently cancelled.

2011 Credit Facility

In October 2011, the Group signed a Credit Facility with six banks to set up a €900.0 million revolving multicurrency credit line for a five-year period with two successive one-year period renewal options. As per this contract, the margin applied to market rates is determined on the basis of the Group's credit rating.

In July 2014, the Group signed an agreement that amends and extends this Credit Facility with all banks party to this contract. This agreement extends the maximum maturity of the €900.0 million revolving credit line by three years, *i.e.*, up to July 2021, including two successive one-year period extension options, and at improved financing terms compared with October 2011.

In December 2019, the Group signed a new agreement that amends and extends this Credit Facility with all banks party to this contract.

Following this agreement, the maturity of the €900.0 million revolving credit line is extended up to December 2026. The margin applied to market rates is still determined on the basis of the Group's credit rating, but it is increased or decreased each year according to the Group yearly achievement rate on its CSR Roadmap.

The 2011 Credit Facility does not contain any covenants.

As of December 31, 2022, the Credit Facility had not been drawn down.

NOTE 4.6.1 Long-term borrowings

Long-term borrowings are initially recognized at fair value, taking into account any transaction costs directly attributable to the issue, and are subsequently measured at amortized cost, using the effective interest method.

Long-term borrowings can be analyzed as follows:

(in € millions)	December 31, 2022	December 31, 2021
Negotiable commercial paper	165.0	220.0
Bonds	3,300.0	3,700.0
Yankee bonds	291.6	304.1
Lease financial liabilities	207.5	217.0
Other borrowings	66.1	64.1
Long-term borrowings excluding debt issuance costs	**4,030.2**	**4,505.2**
Debt issuance costs	(15.8)	(19.3)
TOTAL	**4,014.4**	**4,485.9**

No guarantees have been given with respect to these borrowings.

Long-term borrowings (excluding debt issuance costs) break down by currency as follows, after hedging (see Note 5.1.2.2):

(in € millions)	December 31, 2022	December 31, 2021
Euro	3,588.8	4,026.2
US dollar	375.6	416.7
Other currencies	65.8	62.3
LONG-TERM BORROWINGS EXCLUDING DEBT ISSUANCE COSTS	**4,030.2**	**4,505.2**

Long-term borrowings (excluding debt issuance costs) as of December 31, 2022 can be analyzed by maturity as follows:

(in € millions)	Negotiable commercial paper	Bonds	Yankee bonds	Lease financial liabilities	Other borrowings
Due in one to two years	115.0	500.0	0.0	55.3	38.0
Due in two to three years	50.0	0.0	291.6	39.6	9.5
Due in three to four years	0.0	400.0	0.0	30.2	7.3
Due in four to five years	0.0	300.0	0.0	22.7	11.3
Due beyond five years	0.0	2,100.0	0.0	59.7	0.0
LONG-TERM BORROWINGS EXCLUDING DEBT ISSUANCE COSTS	**165.0**	**3,300.0**	**291.6**	**207.5**	**66.1**

Long-term borrowings (excluding debt issuance costs) as of December 31, 2021 can be analyzed by maturity as follows:

(in € millions)	Negotiable commercial paper	Bonds	Yankee bonds	Lease financial liabilities	Other borrowings
Due in one to two years	155.0	400.0	0.0	51.2	10.7
Due in two to three years	65.0	500.0	0.0	39.0	37.4
Due in three to four years	0.0	0.0	304.1	30.0	9.0
Due in four to five years	0.0	400.0	0.0	23.3	7.0
Due beyond five years	0.0	2,400.0	0.0	73.5	0.0
LONG-TERM BORROWINGS EXCLUDING DEBT ISSUANCE COSTS	**220.0**	**3,700.0**	**304.1**	**217.0**	**64.1**

Average interest rates on borrowings are as follows:

	12 months ended	
	December 31, 2022	December 31, 2021
Negotiable commercial paper	(0.06%)	(0.20%)
Bonds	0.96%	1.15%
Yankee bonds	8.50%	8.50%
Lease financial liabilities	2.50%	2.49%
Other borrowings	3.84%	3.04%

NOTE 4.6.2 Short-term borrowings

Short-term borrowings can be analyzed as follows:

(in € millions)	December 31, 2022	December 31, 2021
Negotiable commercial paper	155.0	320.0
Bonds	400.0	400.0
Lease financial liabilities	68.8	62.2
Other borrowings	27.5	44.4
TOTAL	**651.3**	**826.6**

NOTE 4.6.3 Changes in long-term and short-term borrowings

Changes in long-term and short-term borrowings can be analyzed as follows:

			Variations not impacting cash flows				
(in € millions)	December 31, 2022	Cash flows	Acquisitions	Reclassifications	Translation adjustments	Other	December 31, 2021
Long-term borrowings	4,014.4	78.2	7.5	(642.3)	24.8	60.3	4,485.9
Short-term borrowings	651.3	(825.4)	6.5	642.3	1.8	(0.5)	826.6
Gross financial debt	**4,665.7**	**(747.2)**	**14.0**	**0.0**	**26.6**	**59.8**	**5,312.5**

NOTE 4.7 Deferred taxes

In accordance with IAS 12, deferred taxes are recognized for temporary differences between the tax bases of assets and liabilities and their carrying amount in the consolidated balance sheet.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled.

Deferred tax assets and deferred tax liabilities are offset when the entity has a legally enforceable right of offset and they relate to income taxes levied by the same taxation authority.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. The recognized deferred tax assets are expected to be utilized no later than five years from the period-end.

Deferred taxes recorded in the balance sheet result from temporary differences between the carrying amount of assets and liabilities and their tax base and can be analyzed as follows:

(in € millions)	December 31, 2022	December 31, 2021
Deferred taxes recorded by French companies	(294.5)	(297.9)
Deferred taxes recorded by foreign companies	(486.5)	(452.3)
TOTAL	**(781.0)**	**(750.2)**
Origin of deferred taxes:		
– Impairment losses on inventories and receivables	66.8	55.0
– Margin on inventories	28.7	26.4
– Recognized operating losses carried forward	1.3	3.5
– Leases	6.6	6.6
– Fixed assets	(300.9)	(263.3)
– Trademarks	(438.6)	(430.7)
– Patents	(16.5)	(15.5)
– Other provisions	(107.6)	(110.9)
– Pensions and other post-employment benefits	32.0	38.7
– Fair value adjustments to derivative instruments	(0.4)	(0.5)
– Other	(52.4)	(59.5)
TOTAL	**(781.0)**	**(750.2)**
– Of which deferred tax assets	133.6	116.3
– Of which deferred tax liabilities	(914.6)	(866.5)

The timing of expected reversal of deferred taxes can be analyzed as follows:

(in € millions)	December 31, 2022	December 31, 2021
Deferred tax assets (liabilities) reversing in the short term	103.5	90.8
Deferred tax assets (liabilities) reversing in the long term	(884.5)	(841.0)
TOTAL	**(781.0)**	**(750.2)**

Tax losses carried forward break down as follows:

(in € millions)	December 31, 2022	December 31, 2021
Recognized operating losses carried forward	**9.0**	**14.4**
Recognized deferred tax assets	1.3	3.5
Unrecognized operating losses carried forward	**148.6**	**125.6**
Unrecognized deferred tax assets	33.2	27.0
Total net operating losses carried forward	**157.6**	**140.0**

NOTE 4.8 Other current liabilities

Other current liabilities can be analyzed as follows:

(in € millions)	December 31, 2022	December 31, 2021
Taxes other than income tax	97.1	89.9
Accrued employee benefits expense	339.1	345.4
Statutory and discretionary profit-sharing reserve	35.2	38.0
Payables related to fixed asset purchases	29.2	29.5
Accrued expenses	187.0	164.1
Accrued interest	26.5	36.5
Deferred revenue	42.9	33.7
Other current liabilities	38.1	37.2
TOTAL	**795.1**	**774.3**

NOTE 5 - Other information

NOTE 5.1 Financial instruments and management of risks

NOTE 5.1.1 Financial instruments

NOTE 5.1.1.1 Impact of financial instruments

	12 months ended				
	December 31, 2022			December 31, 2021	
		Impact on equity			
(in € millions)	Impact on financial profit (loss)	Fair value	Translation adjustment	Impact on financial profit (loss)	Impact on equity
Other investments		0.0			0.0
Trade receivables	(0.7)			(1.2)	
Cash and cash equivalents	16.6		20.2	5.8	37.9
Trade payables	0.0			0.0	
Borrowings	(76.2)		(19.3)	(71.1)	(24.5)
Derivatives	4.2	56.3	0.0	15.9	(0.5)
TOTAL	**(56.1)**	**56.3**	**0.9**	**(50.6)**	**12.9**

In accordance with IFRS 9, other investments are valued at fair value through equity. Therefore, changes in the fair value of other investments only impact the consolidated balance sheet and the consolidated statement of comprehensive income.

Yankee bonds denominated in U.S. dollars are treated as net investment hedges (see Note 4.3.2).

In 2021, the Group subscribed to a rate hedging instrument for future financing. As of December 31, 2022, this instrument with a fair value of €63.3 million (€5.0 million at December 31, 2021), was recognized as other financial assets through equity as counterpart for the variation of €58.3 million (cash flow hedge recognition).

NOTE 5.1.1.2 Breakdown of balance sheet items by type of financial instrument

	December 31, 2022						December 31, 2021
				Levels of valuation			
(in € millions)	Carrying amount	Amortized cost	Fair value	Level 1[(1)]	Level 2[(2)]	Level 3[(3)]	Carrying amount
ASSETS							
Non-current assets							
Other investments	1.9		1.9			1.9	2.4
Other non-current assets	62.1	49.3	12.8		62.1		62.6
TOTAL NON-CURRENT ASSETS	**64.0**	**49.3**	**14.7**	**0.0**	**62.1**	**1.9**	**65.0**
Current assets							
Trade receivables	958.1	958.1			958.1		728.5
Other current financial assets	65.1		65.1		65.1		6.4
Cash and cash equivalents	2,346.8		2,346.8		2,346.8		2,788.3
TOTAL CURRENT ASSETS	**3,370.0**	**958.1**	**2,411.9**	**0.0**	**3,370.0**	**0.0**	**3,523.2**
EQUITY AND LIABILITIES							
Non-current liabilities							
Long-term borrowings	4,014.4	423.9	3,145.2	3,145.2	423.9	(1.1)	4,485.9
TOTAL NON-CURRENT LIABILITIES	**4,014.4**	**423.9**	**3,145.2**	**3,145.2**	**423.9**	**(1.1)**	**4,485.9**
Current liabilities							
Short-term borrowings	651.3	251.3	393.1	393.1	251.3		826.6
Trade payables	852.5	852.5			852.5		810.5
Other current financial liabilities	2.0		2.0		2.0		0.0
TOTAL CURRENT LIABILITIES	**1,505.8**	**1,103.8**	**395.1**	**393.1**	**1,105.8**	**0.0**	**1,637.1**

(1) Level 1: quoted prices on an active market.
(2) Level 2: calculations made from directly observable market data.
(3) Level 3: calculations made from non-observable market data.

In accordance with IFRS 13, fair value measurement takes counterparty default risk into account.

In light of the Group's credit rating, the measurement of other current financial liabilities is subject to insignificant credit risk.

NOTE 5.1.2 Management of financial risks

The Group's cash management strategy is based on overall financial risk management principles and involves taking specific measures to manage the risks associated with interest rates, exchange rates, commodity prices and the investment of available cash. The Group does not conduct any trading in financial instruments, in line with its policy of not carrying out any speculative transactions. All transactions involving derivative financial instruments are conducted with the sole purpose of managing interest rate, exchange rate and commodity risks and as such are limited in duration and value.

This strategy is centralized at Group level. Its implementation is deployed by the Financing and Treasury Department which recommends appropriate measures and implements them after they have been validated by the Corporate Finance Department and Group management. A detailed reporting system has been set up to enable permanent close tracking of the Group's positions and effective oversight of the management of the financial risks described in this note.

NOTE 5.1.2.1 Interest rate risk

As part of an interest rate risk management policy aimed mainly at managing the risk of a rate increase, the Group has structured its debt into a combination of fixed and variable rate financing. The Group may be required to subscribe to use hedging instruments for its future funding.

Net debt (excluding debt issuance costs) breaks down as follows between fixed and variable interest rates before the effect of hedging instruments:

	December 31, 2022							December 31, 2021
(in € millions)	Due within 1 year	Due in 1 to 2 years	Due in 2 to 3 years	Due in 3 to 4 years	Due in 4 to 5 years	Due beyond 5 years	Total	Total
Financial assets*								
Fixed rate	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Variable rate	2,346.8	0.0	0.0	0.0	0.0	0.0	2,346.8	2,788.3
Financial liabilities**								
Fixed rate	(475.2)	(592.2)	(340.7)	(437.5)	(334.0)	(2,159.7)	(4,339.3)	(4,974.8)
Variable rate	(176.1)	(116.1)	(50.0)	0.0	0.0	0.0	(342.2)	(357.0)
Net exposure								
Fixed rate	(475.2)	(592.2)	(340.7)	(437.5)	(334.0)	(2,159.7)	(4,339.3)	(4,974.8)
Variable rate	2,170.7	(116.1)	(50.0)	0.0	0.0	0.0	2,004.6	2,431.3

* *Financial assets: cash and marketable securities.*

** *Financial liabilities: borrowings (excluding debt issuance costs).*

The following table shows the sensitivity of net debt costs to changes in interest rates, before hedging instruments:

	December 31, 2022		December 31, 2021	
(in € millions)	Impact on profit before tax	Impact on equity before tax	Impact on profit before tax	Impact on equity before tax
Impact of a 100-bps increase in interest rates	18.9	40.4	18.3	42.3
Impact of a 100-bps decrease in interest rates	(18.9)	(40.4)	(18.3)	(42.3)

The impact on profit before tax of a 100-basis point increase in interest rates would result in a gain of €18.9 million due to a net positive variable-rate exposure. Conversely, the impact on profit before tax of a 100-basis point decrease in interest rates would result in a loss of €18.9 million.

NOTE 5.1.2.2 Foreign currency risk

The Group operates in international markets and is therefore exposed to risks through its use of several different currencies.

When relevant, "natural" hedges are preferred. If required, when the acquisition of an asset is financed using a currency other than the functional currency of the country concerned, the Group may enter into forward contracts to hedge its foreign currency risk.

As of December 31, 2022, the Group has set up forward contracts in U.S. dollars, Canadian dollars, Australian dollars Singaporean dollars, Hungarian forint, British pounds Mexican pesos, Chinese yuan and Polish zloty which are accounted for in the balance sheet at their fair value.

The following table shows the breakdown of net debt (excluding debt issuance costs) by reporting currency:

	December 31, 2022					December 31, 2021
(in € millions)	Financial assets*	Financial liabilities**	Net exposure before hedging	Hedging	Net exposure after hedging	Net exposure after hedging
Euro	1,793.0	(4,181.5)	(2,388.5)	(231.7)	(2,620.2)	(2,717.2)
US dollar	275.2	(403.2)	(128.0)	20.6	(107.4)	(168.4)
Other currencies	278.6	(96.8)	181.8	211.1	392.9	342.1
TOTAL	**2,346.8**	**(4,681.5)**	**(2,334.7)**	**0.0**	**(2,334.7)**	**(2,543.5)**

* *Financial assets: cash and marketable securities.*

** *Financial liabilities: borrowings (excluding debt issuance costs).*

The following table shows the sensitivity of gross debt to changes in the exchange rate of the euro against other currencies, before hedging instruments:

	December 31, 2022		December 31, 2021	
	Impact on profit before tax	Impact on equity before tax	Impact on profit before tax	Impact on equity before tax
(in € millions)	10% increase		10% increase	
U.S. dollar	0.0	39.9	0.3	42.3
Other currencies	0.2	9.4	0.0	10.8

	December 31, 2022		December 31, 2021	
	Impact on profit before tax	Impact on equity before tax	Impact on profit before tax	Impact on equity before tax
(in € millions)	10% decrease		10% decrease	
U.S. dollar	0.0	(36.3)	(0.3)	(38.5)
Other currencies	(0.2)	(8.5)	0.0	(9.8)

Operating assets and liabilities break down as follows by reporting currency:

	December 31, 2022			December 31, 2021
(in € millions)	Current operating assets excluding taxes	Current operating liabilities excluding taxes	Net exposure	Net exposure
Euro	754.4	832.0	(77.6)	(101.9)
U.S. dollar	930.6	482.9	447.7	286.7
Other currencies	885.9	479.1	406.8	316.2
TOTAL	**2,570.9**	**1,794.0**	**776.9**	**501.0**

The table below presents the breakdown of net sales and operating expenses by reporting currency as of December 31, 2022:

(in € millions)	Net sales		Operating expenses	
Euro	2,818.8	33.8%	2,376.4	34.5%
U.S. dollar	3,318.4	39.8%	2,730.1	39.6%
Other currencies	2,202.2	26.4%	1,786.4	25.9%
Total	**8,339.4**	**100.0%**	**6,892.9**	**100.0%**

When relevant, natural hedges are also set up by matching costs and revenues in each of the Group's operating currencies. Residual amounts are hedged by options to limit the Group's exposure to fluctuations in the main currencies concerned. These hedges are for periods of less than 18 months.

The Group estimates that, all other things being equal, a 10% increase in the exchange rate of the euro against all other currencies would have resulted in 2022 in a decrease in net sales of approximately €502 million (€415 million in 2021) and a decrease in operating profit of approximately €91 million (€74 million in 2021), while a 10% decrease would have resulted in 2022 in an increase in net sales of approximately €552 million (€457 million in 2021) and an increase in operating profit of approximately €100 million (€81 million in 2021).

NOTE 5.1.2.3 Commodity risk

The Group is exposed to commodity risk arising from changes in the price of raw materials, mainly plastics and metals (steel, copper, brass, aluminum). Raw materials consumption (except components) amounted to around €874 million in 2022.

A 10% increase in the price of the above-mentioned consumption would theoretically feed through to around a €87 million increase in annual purchasing costs. The Group believes that it could, circumstances permitting, raise the prices of its products to offset the adverse impact of any such increases over the long term.

Additionally, the Group can set up specific derivative financial instruments (options) for limited amounts and periods to hedge part of the risk of an unfavorable change in copper and certain other raw material prices. The Group did not set up any such hedging contracts in 2022.

NOTE 5.1.2.4 Credit risk

As explained in Note 2.2, a substantial portion of Group revenue is generated with two major distributors. Other revenue is essentially derived from distributors of electrical products but sales are diversified due to the large number of customers and their geographic dispersion. The Group actively manages its credit risk by establishing regularly reviewed individual credit limits for each customer, constantly monitoring collection of its outstanding receivables and systematically chasing up past due receivables. In addition, the situation is reviewed regularly with the Corporate Finance Department. When the Group is in a position to do so, it can resort to either credit insurance or factoring.

NOTE 5.1.2.5 Counterparty risk

Financial instruments that may potentially expose the Group to counterparty risk are principally cash equivalents, short-term investments and hedging instruments. These assets are placed with well-rated financial institutions or corporates with the aim of fragmenting the exposure to these counterparties.

Those strategies are decided and monitored by the Corporate Finance Department, which ensures a regular follow up of ratings and credit default swap rates of these main counterparties.

NOTE 5.1.2.6 Liquidity risk

The Group considers that managing liquidity risk depends primarily on having access to diversified sources of financing as to their origin and maturity. This approach represents the basis of the Group's financing policy.

The total amount of net financial debt (€2,318.9 million as of December 31, 2022) is fully financed by financing facilities expiring at the earliest in 2023 and at the latest in 2032. The average maturity of gross debt is 4.8 years.

Legrand is rated "A-" with a stable outlook by Standard & Poor's.

Rating agency	Long-term debt	Outlook
S&P	A-	Stable

NOTE 5.2 Climate issues

NOTE 5.2.1 Climate commitments

For many years, the Group has set up ambitions to reduce its environmental impact. In 2021, Legrand committed to achieving carbon neutrality by 2050 and had its targets for reducing greenhouse gas emissions by 2030 (versus 2019) validated by the Science Based Targets initiative (SBTi):

- 50% reduction in Scope 1&2 emissions;
- 15% reduction in Scope 3 emissions.

To achieve these long-term ambitions, the Group is developing multi-year CSR roadmaps with concrete reduction targets, aligned with the long-term trajectory (2030 SBTi trajectory). The roadmaps will spread the target-related costs over time.

The 2022-2024 CSR Roadmap, launched in March 2022, includes a climate pillar with concrete commitments to reduce greenhouse gas emissions:

- 10% reduction per year in Scope 1&2 greenhouse gas emissions over the duration of the roadmap;
- commitment by the 250 key suppliers with the greatest carbon impact on the Group (Scope 3) to reduce their CO_2 emissions by an average of 30% by 2030 during the roadmap.

In October 2022, Legrand accelerated its commitment to reducing its energy consumption, by announcing that its initial target of an 8% reduction by the end of 2023 (versus 2021) was being doubled to 15% by the end of 2023 (versus 2021).

The Group's financing reflects Legrand's extra-financial and climate commitments with:

- a pioneering multi-currency syndicated loan; since 2019, the loan's cost has been partly linked to the CSR roadmaps' yearly achievement rate;
- the successful launch of a first Sustainability-Linked 10-year bond in 2021. The issue is indexed on the Group's carbon neutrality trajectory and its 2030 targets for reducing greenhouse gas emissions that were validated by SBTi.

NOTE 5.2.2 Climate change challenges faced by the Group

Physical risks

To assess its exposure to physical climate-related risks more effectively, Legrand carried out a scenario analysis for its top 100 sites. The analysis focused on:

- exposure to extreme events (major coastal, river and surface water flooding);
- the impact of climate change on the ability to work at the sites (*e.g.*, in high temperatures).

Two climate change scenarios, one limited (IPCC RCP2.6) and one extreme (IPCC RCP8.5) were considered. Overall, Legrand's strategic real-estate assets and activities appear to show little exposure to physical climate-related risks. Its business is not sensitive to weather conditions and fewer than 10 sites could be exposed to partial coastal or river flooding as part of a 100-year flooding event.

Mitigation action is and will be considered to address all relevant points identified.

Opportunities

In response to the climate emergency and the emergence of new needs, the Group offers a wide range of solutions (both connected and standard) for controlling energy consumption in all types of buildings.

Sales from energy efficiency programs reached approximately 22% of net sales in 2022.

Regulatory challenges

The regulatory landscape is evolving to integrate climate change.

The regulations to which the Group is subject do not currently entail any risk for its business or financial situation.

Climate change regulations are driving demand for Group products.

NOTE 5.2.3 Accounting and financial implications

The Group's current exposure to the consequences of climate change is limited. Accordingly, the impact of climate change on its financial statements is currently not material.

To meet its climate commitments, the Legrand Group is deploying additional resources, with no material impact on its financial model at this stage.

The short- and medium-term effects have been integrated into the Group's strategic plans, on the basis of which impairment tests on indefinite-life intangible assets are carried out (Note 3.2). The long-term effects of these changes are not quantifiable to date.

The Group's studies and other work have not led to any other impacts on assets and are not likely to call into question the fair value measurement methods or the associated sensitivity tests.

NOTE 5.3 Related-party information

The only individuals qualifying as related parties within the meaning of IAS 24 are the corporate officers who serve on the Executive Committee and the Chairman of the Board of Directors.

Compensation and benefits provided to the members of the Executive Committee and to the Chairman of the Board of Directors for their services are detailed in the following table:

	12 months ended	
(in € millions)	December 31, 2022	December 31, 2021
Compensation (amounts paid during the period)	**11.3**	**8.2**
out of which fixed compensation	5.5	5.2
out of which variable compensation	5.6	2.9
out of which other short-term benefits [(1)]	0.2	0.1
Long-term compensation (charge for the period) [(2)]	**5.1**	**4.9**
Termination benefits (charge for the period)	**0.0**	**0.0**
Pension and other post-employment benefits (charge for the period) [(3)]	**(0.2)**	**0.3**

(1) Other short-term benefits include benefits in kind.

(2) As per the equity-settled benefit plans described in Note 4.2.1, with a 100% pay-out rate assumption.

(3) Change in the obligation's present value (in accordance with IAS 19).

NOTE 5.4 Off-balance sheet commitments

NOTE 5.4.1 Specific transactions

Specific commitments and their expiry dates are discussed in the following notes:

- Note 3.4: Right-of-use assets;
- Note 4.5.1: Pension and other post-employment benefit obligations.

NOTE 5.4.2 Routine transactions

NOTE 5.4.2.1 Financial guarantees

(in € millions)	December 31, 2022	December 31, 2021
Guarantees given to banks	124.4	115.6
Guarantees given to other organizations	64.1	45.1
TOTAL	**188.5**	**160.7**

Most of these guarantees are given by the Company to banks for Group subsidiaries located outside of France.

NOTE 5.4.2.2 Lease contracts outside the scope of IFRS 16

As of December 31, 2022, the Group holds short-term or low value lease contracts which are outside the scope of IFRS 16.

These lease contracts relate mostly to low value assets. The resulting future minimum rental commitments are not material as of December 31, 2022.

NOTE 5.4.2.3 Commitments to purchase property, plant and equipment

Commitments to purchase property, plant and equipment amounted to €20.9 million as of December 31, 2022.

NOTE 5.5 Claims and contingent liabilities

The Group is involved in a number of claims and legal proceedings arising in the normal course of business. In the opinion of management, all such matters have been adequately provided for, being specified that no provision is recorded for claims and legal proceedings for which the Group considers that the provision recognition criteria under IFRS are not met.

On July 4, 2022, Legrand received a statement of objections (*notification de griefs*) from the French Competition Authority (*Autorité de la concurrence*), concerning the derogation mechanism with its distributors on the French market.

Legrand is committed to strictly complying with all applicable legislation and intends to fully exercise its rights in the upcoming proceedings.

As part of the investigation of the derogation mechanism on the French market, one of Legrand's French entities has been indicted and ordered to provide security in the amount of €80.5 million.

Neither this indictment nor the ordering of this security mean that Legrand will ultimately be found guilty of any wrongdoing.

Legrand rejects that these proceedings have any merit and intends to vigorously demonstrate that its trade policy is in full compliance with the applicable law.

NOTE 5.6 Statutory Auditors' fees

The total amount of Statutory Auditors' fees invoiced to the Group in 2022 can be detailed as follows:

(in euros excluding taxes)	PricewaterhouseCoopers Audit SAS		Deloitte & Associés	
Statutory audit and related services	709,478	96%	663,328	89%
Non-audit services	30,000	4%	79,000	11%
TOTAL	**739,478**	**100%**	**742,328**	**100%**

NOTE 5.7 Subsequent events

In February 2023, the Group announced the acquisition of Clamper, Brazilian leader in surge protection devices, used in particular for photovoltaic infrastructures.

Based in Belo Horizonte, Clamper has over 600 employees and annual sales of nearly €40 million.

NOTE 5.8 Key figures reconciliation

Reconciliation of adjusted operating profit with profit for the period:

	12 months ended	
(in € millions)	December 31, 2022	December 31, 2021
Profit for the period	**999.5**	**905.1**
Share of profits (losses) of equity-accounted entities	0.0	0.0
Income tax expense	383.8	351.9
Exchange (gains) / losses	0.4	1.5
Financial income	(45.8)	(6.8)
Financial expense	108.6	92.4
Operating profit	**1,446.5**	**1,344.1**
i/ Amortization & depreciation of revaluation of assets at the time of acquisitions and other P&L impacts relating to acquisitions, ii/ assets impairment in Russia	226.8	89.9
Impairment of goodwill	28.2	0.0
Adjusted operating profit	**1,701.5**	**1,434.0**

Reconciliation of cash flow from operations, free cash flow and normalized free cash flow with profit for the period:

(in € millions)	12 months ended	
	December 31, 2022	December 31, 2021
Profit for the period	**999.5**	**905.1**
Adjustments for non-cash movements in assets and liabilities:		
Depreciation, amortization and impairment	416.0	310.1
Changes in other non-current assets and liabilities and long-term deferred taxes	80.9	90.5
Unrealized exchange (gains)/losses	(7.1)	11.5
(Gains)/losses on sales of assets, net	(0.6)	0.7
Other adjustments	(4.1)	0.2
Cash flow from operations	**1,484.6**	**1,318.1**
Decrease (Increase) in working capital requirement	(248.4)	(205.4)
Net cash provided from operating activities	**1,236.2**	**1,112.7**
Capital expenditure (including capitalized development costs)	(205.7)	(170.5)
Net proceeds from sales of fixed and financial assets	5.0	10.2
Free cash flow	**1,035.5**	**952.4**
Increase (Decrease) in working capital requirement	248.4	205.4
(Increase) Decrease in normalized working capital requirement	(73.5)	(83.7)
Normalized free cash flow	**1,210.4**	**1,074.1**

Reconciliation of EBITDA with profit for the period:

(in € millions)	12 months ended	
	December 31, 2022	December 31, 2021
Profit for the period	**999.5**	**905.1**
Share of profits (losses) of equity-accounted entities	0.0	0.0
Income tax expense	383.8	351.9
Exchange (gains) / losses	0.4	1.5
Financial income	(45.8)	(6.8)
Financial expense	108.6	92.4
Operating profit	**1,446.5**	**1,344.1**
Depreciation and impairment of tangible assets	237.6	179.4
Amortization and impairment of intangible assets (including capitalized development costs)	146.6	127.0
Impairment of goodwill	28.2	0.0
EBITDA	**1,858.9**	**1,650.5**

Calculation of net financial debt:

	12 months ended	
(in € millions)	December 31, 2022	December 31, 2021
Short-term borrowings	651.3	826.6
Long-term borrowings	4,014.4	4,485.9
Cash and cash equivalents	(2,346.8)	(2,788.3)
Net financial debt	**2,318.9**	**2,524.2**

Calculation of working capital requirement:

(in € millions)	December 31, 2022	December 31, 2021
Trade receivables	958.1	728.5
Inventories	1,357.4	1,252.7
Other current assets	255.4	240.4
Income tax receivables	120.5	115.1
Deferred tax assets / (liabilities) reversing in the short term	103.5	90.8
Trade payables	(852.5)	(810.5)
Other current liabilities	(795.1)	(774.3)
Income tax payables	(48.6)	(39.6)
Short-term provisions	(146.4)	(135.8)
Working capital required	**952.3**	**667.3**

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

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 consolidated financial statements of Legrand for the year ended December 31, 2022.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as of December 31, 2022, and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

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

BASIS FOR OPINION

Audit Framework

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

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

Independence

We conducted our audit engagement in compliance with the independence 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 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 consolidated 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 consolidated financial statements of the current period, as well as how we addressed those risks.

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

Recoverable amount of goodwill and trademarks with indefinite useful lives

Risk identified

As of December 31, 2022, the net carrying amount of Group's intangible assets was chiefly composed of trademarks with indefinite useful lives (€1,408 million) and goodwill allocated by geographical area (€5,567 million).

These assets are subject to an impairment test annually, as well as each time there are indications of impairment. They may present a risk of impairment linked to internal or external factors, changes which are likely to have an impact on the cash flow forecasts of the CGUs to which these assets are allocated, and consequently on the determination of their recoverable amount.

The methods of the impairment tests and the main assumptions used are presented in notes 3.1.1 and 3.2 to the consolidated financial statements.

These tests are sensitive to the assumptions used, especially those relating to:

- future revenue trends, both in terms of volume and amount, the royalty rate for the trademarks and, more generally, the operating cash flows relating to the assets; and,
- the discount rate applied to future cash flows.

We have considered the evaluation of the recoverable value of goodwill and brands with indefinite life as a key point of the audit due to the significant importance of these elements in the accounts of your Group and the high degree of estimation and judgment required from management to determine the assumptions used to perform the impairment tests.

Our response

We examined the process implemented by the Group to carry out impairment tests.

We also assessed the consistency of the approach taken by management in terms of grouping the CGUs for impairment testing purposes with the management monitoring system set up by the Group. We adjusted our audit strategy to take into account the level of the risk of impairment, which varies depending on the group of CGUs.

Our valuation experts carried out an independent analysis of certain key assumptions used by management to perform the tests, in particular those pertaining 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, the budgets drawn up by the Group’s management, 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 calculations, on a sample basis.

Valuation of disputes and contingent liabilities

Risk identified

Your Group is involved in a number of disputes in the normal course of business, competition proceedings, litigation and investigations with third parties or judicial and/or administrative authorities, including tax authorities.

As indicated in note 5.5 to the consolidated financial statements, the associated risks are either provided for in the balance sheet as liabilities when they meet the recognition criteria of IFRS (notes 4.4 and 4.7) or constitute contingent liabilities.

Because of the potential impact on the consolidated financial statements, the degree of judgment required of management and the uncertainty surrounding the resolution of these proceedings, we considered that the assessment of litigation and contingent liabilities was a key issue in our audit.

Our response

We have performed a critical review of the litigation, antitrust proceedings, disputes and investigations and the related provisions and contingent liabilities disclosed in the financial statements.

Our work consisted in:

- Examining the procedures implemented by management to identify, assess and report on all risks and disputes;
- Interviewing the company's general, tax and legal departments (in France and abroad) and analyzing the underlying documentation of the procedures in progress;
- Examining, where appropriate with the assistance of our own specialists, the procedural elements and/or legal or technical opinions issued by external law firms or experts selected by management;
- Assessing the analysis of the probability of occurrence of the risks performed by Management, as well as the assumptions on the basis of which the provisions have been estimated, in light of the corresponding documentation;
- Assessing the appropriateness of the information provided in the notes to the consolidated financial statements.

SPECIFIC VERIFICATIONS

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information presented in the Group management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the Group management report includes the consolidated non-financial performance statement required under Article L.225-102-1 of the French Commercial Code. However, in accordance with Article L.823-10 of the French Commercial Code, we have not verified the fair presentation and consistency with the consolidated financial statements of the information given in that statement, which will be the subject of a report by an independent third party.

OTHER LEGAL AND REGULATORY VERIFICATIONS OR INFORMATION

Format of presentation of the consolidated financial statements 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 consolidated financial statements 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. As it relates to consolidated financial statements, our work includes verifying that the tagging of these consolidated financial statements complies with the format defined in the above delegated regulation.

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

We have no responsibility to verify that the consolidated financial statements that will ultimately be included by your company in the annual financial report filed with the AMF 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 CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

STATUTORY AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users 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 consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements;Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit 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 consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France 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 8, 2023

The Statutory Auditors

PricewaterhouseCoopers Audit	Deloitte & Associés
Camille PHELIZON	Olivier BROISSAND

8.3 - Statutory Auditors' fees

	PwC				Deloitte			
	2022		2021		2022		2021	
(in € thousands excluding taxes)	Amount	%	Amount	%	Amount	%	Amount	%
Statutory audit, certification and review of the parent company and consolidated financial statements								
■ Issuer	361	13%	341	15%	380	12%	357	12%
■ Fully consolidated subsidiaries	2,025	74%	1,709	74%	2,493	80%	2,174	76%
SUB-TOTAL	**2,387**	**88%**	**2,050**	**89%**	**2,873**	**92%**	**2,531**	**88%**
Other services provided by networks to fully consolidated subsidiaries								
■ Issuer(1)	0	0%	33	1%	74	2%	116	4%
■ Fully consolidated subsidiaries(2)	333	12%	232	10%	181	6%	218	8%
SUB-TOTAL	**333**	**12%**	**265**	**11%**	**255**	**8%**	**335**	**12%**
TOTAL	**2,719**	**100%**	**2,315**	**100%**	**3,128**	**100%**	**2,866**	**100%**

(1) These services mainly concern assignments to certify information relating in particular to CSR in concordance with article L. 225-102-1 of the French Commercial Code.

(2) These services mainly concern tax compliance review work.

8.4 - Dividend distribution policy

The Company may decide to distribute dividends on the recommendation of the Board of Directors and following a decision of its shareholders in a Shareholders' Meeting. However, the Company has no obligation to distribute dividends and the decision on whether or not to recommend the distribution of a dividend and the amount of that dividend will depend on:

- the Company's results and cash flows;
- the Company's financial situation;
- the Company's forecasts;
- the interests of the Company's shareholders;
- the general conditions of the Company's operations; and
- any other factor that the Company's Board of Directors deems relevant.

Notwithstanding the factors listed above, there is no formula for determining the amount of dividend to be distributed. In addition, the French Commercial Code and the Company's Articles of Association limit the Company's right to distribute dividends under certain circumstances.

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

			Earnings distributed per share	
Financial year	**Number of shares entitled to dividends**	**Dividend 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

Subject to approval by shareholders in the Shareholders' General Meeting to be held on May 31, 2023, the Company would distribute a dividend of €1.90 per share[(1)] for the 2022 financial year, on June 6, 2023.

8.5 - Legal and arbitration proceedings

Legrand is involved in various legal proceedings related to the day-to-day running of its operations. The Group does not expect the outcome of these proceedings to have a material adverse impact on its business, financial position or cash flows, either individually or in aggregate.

With regard to environmental matters and mainly as a result of previous operations of the Group or of companies acquired by the Group, Legrand is the subject of a number of disputes, including complaints and legal action concerning pollution of groundwater and soil caused by emissions and discharges of hazardous substances and waste. New information or future developments, such as changes in the law (or in its interpretation), environmental conditions or Legrand's operations could, however, result in increased environmental costs and liabilities that could have a material impact on Legrand's results or financial position.

On July 4, 2022, Legrand received a statement of objections (*notification de griefs*) from the French Competition Authority (*Autorité de la concurrence*), concerning the derogation mechanism with its distributors on the French market. In addition, in the context of this investigation, one of Legrand's French entities has been indicted and ordered to provide security in the amount of €80.5 million. For more information, please refer to the press releases issued on July 5, 2022 and October 20, 2022.

(1) For more information on the composition of the dividend, please refer to resolution 3 of the draft resolutions listed on the Company's website https://legrandgroup.com, in the section 2023 Combined Ordinary and Extraordinary General Meeting.

8.6 - Material changes in the Company's financial or trading position

At the date of filing of this Universal Registration Document, there have been no material changes in Legrand's financial or trading position since the publication of the 2022 annual financial statements.

8.7 - Material agreements

To the Group's knowledge, other than the agreements entered into in the normal course of business, including those relating to acquisitions, disposals or financing operations mentioned in this Universal Registration Document (for example, the amended 2011 Credit Facility described in Note 4.6 to the consolidated financial statements mentioned in chapter 8 of this Universal Registration Document), there are no other material agreements signed by the companies in the Group in the two years preceding the date of this document, still in force on that date, that include terms giving rise to an obligation or commitment that could have a material impact on the Group's business, financial position or cash flow.

However, under certain agreements, material commitments and guarantees have been granted by Legrand or its subsidiaries. All these off-balance sheet commitments are set out in Note 5.4 to the consolidated financial statements in this Universal Registration Document.

8.8 - Capital expenditure

8.8.1 - Capital expenditure and capitalized development costs

Capital expenditure and capitalized development costs totaled €205.7 million in 2022 (€170.5 million in 2021 and €155.1 million in 2020), representing 2.5% of the Group's consolidated sales (2.4% in 2021 and 2.5% in 2020). See sections 5.5.1.2 and 5.6 of this Universal Registration Document for further details on these items.

8.8.2 - Investments in equity interests: the Group's primary acquisitions

8.8.2.1 The Group's primary acquisitions in 2022

Legrand continued its acquisitions strategy at a steady pace in 2022, completing the following acquisitions:

- Emos, the leader in Central and Eastern Europe in electrical installation components. Based in the Czech Republic, Emos has annual sales of around €85 million;
- Usystems, a specialist in datacenter solutions. Usystems' portfolio of cooling solutions and racks helps its clients reduce their datacenter energy bills and therefore their carbon footprint. Founded in 2003 and based in Bedford in the United Kingdom, the company has some 70 employees and recorded annual sales of around €11 million, including 50% stemming in the United States;
- A. & H. Meyer, Germany's leading player in "power in furniture" connectivity solutions for commercial buildings. Based in Dörentrup (Germany), A. & H. Meyer has nearly 200 employees and annual sales of over €20 million;
- Power Control, a British specialist in UPS systems (equipment, services and maintenance). Based in Sheffield (United Kingdom), the company has annual sales of around €15 million and a workforce of over 70;
- Voltadis, a French player in datacenter services. From design to commissioning, including equipment supply and installation, Voltadis offers comprehensive support in defining tailored electrical power supply systems for datacenters' grey rooms. Based in Cournon d'Auvergne, France, the company has some 20 employees and annual sales of around €13 million;
- Encelium, a U.S. player in lighting systems for commercial buildings, with a particular focus on energy-efficient, connected products. Based in Boston (Massachusetts) in the U.S., Encelium has annual sales of over $20 million.

8.8.2.2 The group's primary acquisitions in 2021 and 2020

During the 2021 financial year, Legrand made the following acquisitions:

- Ecotap, a front-running Dutch player, specialist in alternating and direct-current charging stations for electric vehicles, offers for homes, businesses and public charging points. Ecotap business represents annual sales of roughly €40 million;
- Ensto Building Systems, a Finnish leader in low voltage. Ensto Building Systems reports an annual sales of about €120 million;
- Geiger, a German specialist in structured cabling for datacenters. Geiger has an annual sales of around €5 million.

During the 2020 financial year, Legrand announced the following acquisitions:

- Focal Point, a front-runner in the United States for specification-grade architectural lighting for non-residential buildings. Focal Point reports annual sales of over $200 million;
- Champion ONE, one of the main American third-party providers for fiber-optic transceivers and related devices. Champion ONE reports annual sales of close to $60 million;
- Compose, a Dutch specialist in fiber-optic network solution. Compose reports annual sales of around €7 million;
- Borri, an Italian UPS specialist, which until now has been consolidated by the equity method. In the Group's financial statements. Borri reports annual sales of close to €60 million.

8.8.3 - The Group's primary acquisitions in 2023 and principal investments in process

In 2023, the Group plans to pursue its strategy of targeted, value-creating acquisitions, with a total impact of the broader scope of consolidation on sales of around +3%.

In February 2023, the Group announced the acquisition of Clamper, Brazilian leader in surge protection devices, used in particular for photovoltaic infrastructures. Based in Belo Horizonte, Clamper has over 600 employees and annual sales of nearly €40 million.

09

Additional information

9.1 - Information about the Company

9.1.1 - Company name

The Company's name is "Legrand".

The trade name and corporate name are identical.

9.1.2 - Place of registration and registration number

The Company is registered in the *Registre du commerce et des sociétés* (Trade and Companies Register) of Limoges (France) under number 421 259 615. Its Legal Entity Identifier (LEI) is 969500XXRPGD7HCAFA90.

9.1.3 - Date and duration of incorporation

The Company was initially incorporated on December 22, 1998, under the form of a *société anonyme* (public limited company). It was converted into a *société par actions simplifiée* (simplified joint-stock company) by an Extraordinary Shareholders' Meeting held on December 5, 2001.

The Company was converted again into a *société anonyme* by unanimous decision of the shareholders on November 4, 2002.

The Company's life has been extended until February 24, 2105, unless the Company is dissolved early or a further extension takes place.

9.1.4 - Registered office

The Company's registered office is located at 128, avenue du Maréchal de Lattre de Tassigny – 87000 Limoges, France.

The telephone number of the registered office is + 33 (0)5 55 06 87 87.

9.1.5 - Legal form and applicable law

The Company is a *société anonyme* with a Board of Directors. Its Legal Entity Form number is K65D. The Company is mainly governed by the provisions of Book II of the French Commercial Code.

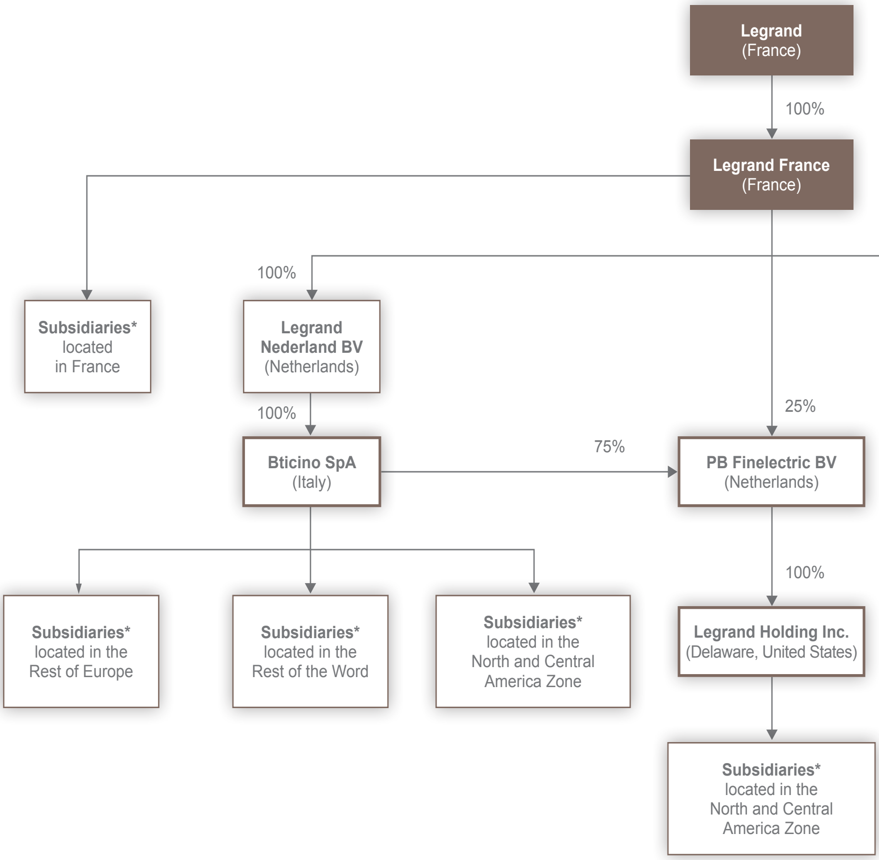
9.1.6 - Website and regulated information

The Company's website address is: https://legrandgroup.com.

It is specified that information available on this website is not part of this Universal Registration Document.

The regulated information published during the last 12 months is available on the Company's website https://legrandgroup.com, in sections "INVESTORS AND SHAREHOLDERS / Regulated information / 2022" and "INVESTORS AND SHAREHOLDERS / Regulated information / 2023".

9.1.7 - Simplified organizational chart



** Subsidiaries are directly owned*

9.1.8 - Subsidiaries

The Group comprises the Company and the 229 subsidiaries that it controls. The Group's main subsidiaries are mentioned in the consolidated financial statements presented in chapter 8 (Note 1.4.1) of this Universal Registration Document. The Group consolidates all its main subsidiaries using the full consolidation method.

Legrand (the "**Company**") and its subsidiaries (collectively "**Legrand**" or the "**Group**") are the global specialist in electrical and digital building infrastructures.

The Company is the parent company of the Group. Its business consists in providing general management and financial management services, allowing the management of the Group's operations. Please refer to:

- section 7.4 of this Universal Registration Document for a description of related-party transactions, and
- the management report on the annual financial statements for the year ended December 31, 2022, in Appendix 2 of this Universal Registration Document for the list of directorships held by the Chief Executive Officer in the Group's subsidiaries.

The payment of dividends by Legrand's main subsidiaries is decided by their respective shareholders' general meetings and is subject to the applicable local laws and regulations. At the date of this Universal Registration Document, the Company had not identified any restrictions that would significantly limit its access to its subsidiaries' cash flows or to the dividends distributed by those subsidiaries.

The main subsidiaries that hold equity interests in the Group are:

BTICINO SPA (ITALY)

Bticino SpA is a public limited company incorporated under the laws of Italy, which registered office is located at Viale Borri 231, 21100 Varese. Bticino SpA's main activity is designing, manufacturing and marketing electrical products and systems. Bticino SpA joined the Group on July 1, 1989, and is wholly owned by Legrand Nederland BV.

LEGRAND FRANCE (FRANCE)

Formerly known as Legrand SA, Legrand France is the Group's main operating subsidiary in France. Legrand France is a *société anonyme* (public limited company) incorporated under the laws of France, registered with the Limoges Trade and Companies Register under number 758 501 001. Its registered office is located at 128 avenue du Maréchal de Lattre de Tassigny, 87000 Limoges. Legrand France's main activity is designing and manufacturing products and systems for electrical installations and their components. Legrand France was incorporated on July 21, 1953, and is wholly owned by the Company. Legrand France holds interests in some of the Group's other operating companies, located in France, the rest of Europe and the rest of the world.

LEGRAND HOLDING INC. (UNITED STATES)

Legrand Holding Inc. is a company incorporated under the laws of the United States, registered in Delaware. Its registered office is located at 60 Woodlawn Street, West Hartford, CT 06110. Legrand Holding Inc.'s main activity is the acquisitions of shareholdings in other companies. Legrand Holding Inc. was incorporated on July 18, 1984, and joined the Group on October 31, 1984. It is wholly owned by PB Finelectric BV.

LEGRAND NEDERLAND BV (NETHERLANDS)

Legrand Nederland BV is a simplified joint-stock company incorporated under the laws of Netherlands, which registered office is located at Van Salmstraat 76, 5281 RS Boxtel. Legrand Nederland BV's main activity is manufacturing and marketing metal cable trays. It was incorporated and joined the Group on December 27, 1972. Legrand Nederland BV is wholly owned by Legrand France.

PB FINELECTRIC BV (NETHERLANDS)

PB Finelectric BV is a simplified joint stock company incorporated in the Netherlands, which registered office is located at Van Salmstraat 76, 5281 RS Boxtel. PB Finelectric BV's main activity is taking shareholdings in other companies. It was formed and joined the Group on December 19, 1991. PB Finelectric BV is owned by Bticino SpA at 75% and by Legrand France at 25%.

9.2 - Share capital

Unless otherwise indicated, the information presented in this section is accurate as of December 31, 2022.

9.2.1 - Subscribed share capital and share capital authorized but not issued

Taking into account the number of shares as of December 31, 2022, the Company's share capital amounted to €1,067,270,984, divided into 266,817,746 shares with a nominal value of €4 each.

The Company's shares are fully paid up and all of the same class. The shares may be held in registered or bearer form, at the option of the shareholder. They may be registered in individual shareholder accounts in accordance with applicable laws and regulations.

9.2.1.1 Current financial delegations of authority and financial authorizations

At the date of this Universal Registration Document, the Company's board of Directors held the following financial authorizations granted by shareholders in General Meetings.

Authorizations and delegation of authority granted by Shareholders' Meeting	Duration of the delegation of authority Expiry date	Terms and conditions of the delegation of authority	Use of the delegation of authority during the 2022 financial year
Shareholders' Meeting of May 26, 2021			
Authorization to grant existing shares or shares to be issued free of charge to employees and/or corporate officers (resolution 17)	38 months July 26, 2024	Limit: 1.5% of the share capital at the date of the allocation decision	514,981 shares
Shareholders' Meeting of May 25, 2022			
Authorization to allow the Company to trade its own shares (resolution 16)	18 months November 25, 2023	Limit: 10 % of the share capital on May 25, 2022 Maximum amount allocated: €2 billion Maximum purchase price per share: €150 (excluding acquisition costs)	€132,604,796.1
Authorization to reduce the share capital by cancellation of shares (resolution 17)	18 months November 25, 2023	Limit: 10 % of the share capital on May 25, 2022	Nil*
Issuances of shares or complex securities, with preferred subscription rights maintained (resolution 18)	26 months July 25, 2024	Total nominal amount of capital increases pursuant to this delegation of authority: may not exceed €200 million (this amount is to be included in the overall nominal limit of €200 million for capital increases through the issuance of shares or securities convertible to equities set by resolution 25 (the "**Overall Capital Increase Limit**")). Overall nominal amount of bonds and other debt securities that may be issued pursuant to this delegation of authority: may not exceed €2 billion (this amount is to be included in the overall nominal limit for debt securities of €2 billion set by resolution 25 (the "**Overall Debt Securities Limit**")).	Nil
Issuances, by public offering other than those referred to in article L.411-2, 1° of the French Monetary and Financial Code, of shares or complex securities, without preferred subscription rights (resolution 19)	26 months July 25, 2024	Total nominal amount of capital increases pursuant to this delegation of authority: may not exceed €100 million (this amount is to be included in the nominal limit of €100 million set by resolution 20 and in the Overall Capital Increase Limit). Total nominal amount of debt securities (including bonds) issued pursuant to this delegation of authority: may not exceed €1 billion (this amount is to be included in the limit of €1 billion set by resolution 20 and in the Overall Debt Securities Limit).	Nil
Issuances, by public offering referred to in article L.411-2, 1 of the French Monetary and Financial Code (ex-private placement), of shares or complex securities, without preferred subscription rights (resolution 20)	26 months July 25, 2024	Total nominal amount of capital increases pursuant to this delegation of authority: may not exceed €100 million and the legal limit, *i.e.* 20% of the Company's share capital (this nominal amount is to be included in the nominal limit of €100 million set by resolution 19 and in the Overall Capital Increase Limit). Total nominal amount of debt securities (including bonds) issued pursuant to this delegation of authority: may not exceed €1 billion (this total nominal amount is included in the limit of €1 billion set by resolution 19 and in the Overall Debt Securities Limit.)	Nil
Increase in the amount of issuances made with or without preferred subscription rights in the event of excess demand (resolution 21)	26 months July 25, 2024	Deadline: within thirty days of the closing date for subscriptions. Limit: 15% of initial issue. Price: same price as that determined for the initial offering. Compliance with the upper limits applicable to each type of issue decided pursuant to resolutions 18, 19 or 20.	Nil
Capital increase through incorporation of reserves, earnings, premiums or other items (resolution 22)	26 months July 25, 2024	Total nominal amount of capital increases pursuant to this delegation of authority: may not exceed €100 million, being noted that this limit is independent of any of the other limits on issuance of shares and other securities pursuant to delegation of authorities or authorizations granted by the Shareholders' Meeting of May 25, 2022.	Nil

Authorizations and delegation of authority granted by Shareholders' Meeting	Duration of the delegation of authority Expiry date	Terms and conditions of the delegation of authority	Use of the delegation of authority during the 2022 financial year
Issuances of shares or complex securities for members of the Company or Group savings plan, without preferred subscription rights (resolution 23)	26 months July 25, 2024	Total nominal amount of capital increases pursuant to this delegation of authority: may not exceed €25 million (this amount is to be included in the nominal limit of €100 million set by resolutions 19 and 20 and in the Overall Capital Increase Limit).	Nil
Issuances of shares or complex securities as consideration for contributions in-kind to the Company without preferred subscription rights (resolution 24)	26 months July 25, 2024	5% of the share capital at the issuance date. Total nominal amount of capital increases pursuant to this delegation of authority: included in the nominal limit of €100 million set by resolutions 19 and 20 and in the Overall Capital Increase Limit. Total nominal amount of the debt securities issued pursuant to this delegation of authority: may not exceed €1 billion (this total nominal amount is included in the limit of €1 billion set by resolutions 19 and 20 and in the Overall Debt Securities Limit).	Nil

* *Cancellation of 630,000 shares by decision of the Board of Directors of February 9, 2022 on the basis of the authorization granted by the Shareholders' Meeting of May 26, 2021.*

9.2.1.2 Financial delegations of authority and financial authorizations submitted to the Shareholders' Meeting to be held on May 31, 2023

It is proposed to the shareholders to renew the following financial authorizations and delegations of authority during the Shareholders' Meeting to be held on May 31, 2023 (see the draft resolutions on the Company's website https://legrandgroup.com/en, in the section "INVESTORS AND SHAREHOLDERS / Shareholders' meetings / 2023 General Meeting"):

Authorization/delegation of authority	Duration and expiry date	Terms and conditions of the delegation of authority/ Maximum nominal amount
Authorization to allow the Company to trade its own shares (resolution 17)	18 months November 30, 2024	Limit: 10% of the share capital on May 31, 2023 Maximum amount allocated: €2 billion Maximum purchase price per share: €150
Authorization to reduce the share capital by cancellation of shares (resolution 18)	18 months November 30, 2024	Limit: 10% of the share capital on May 31, 2023

9.2.2 - Acquisition by the Company of its own shares

9.2.2.1 Current share buyback program

Implementation of the authorization granted by the Combined Shareholders' Meeting dated May 25, 2022

The Shareholders' Meeting dated May 25, 2022, authorized the Board of Directors, with the option of sub-delegation, to buy back the Company's shares. Pursuant to this authorization, the Company implemented a share buyback program.

Transaction	Duration of the authorization and expiry date	Maximum amount (in millions of euros)	Maximum number of shares
Share buyback program (resolution 16)	18 months November 25, 2023	2,000	10 % of the Company's share capital as of May 25, 2022

The Company has purchased a certain number of its shares pursuant to this share buyback program and previous programs.

The Company has entered into a liquidity agreement with a financial institution for its shares listed on the Euronext™ Paris market. This agreement complies with the AMF decision of July 2, 2018, on the introduction of liquidity agreements relating to equity securities as an accepted market practice.

During financial year 2022, the Company purchased a total of 3,041,854 shares at a total acquisition price of €241,437,437 under the share buyback program (*i.e.* 108,832,641 under the share buyback program implemented pursuant to authorization granted by the Shareholders' Meeting of May 26, 2021, and €132,604,796 under the share buyback program implemented pursuant to the authorization granted by the Shareholders' Meeting of May 25, 2022). The Company sold 2,963,570 shares for a total value of €234,939,399.

As of December 31, 2022, the balance of the liquidity agreement amounts to 111,230 shares.

Excluding the liquidity agreement, the Company bought back 450,000 shares for a total amount of €38,030,814 and at an average price of €84.51 per share, it is specified that transaction fees amounted to €114,131.

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

As of December 31, 2022, the Company held 149,515 shares with a nominal value of €4 each, *i.e.* €598,060, representing 0.05% of its share capital. The total value of these shares, valued at market share price at the date of the purchase is €11,726,735.

Excluding the liquidity agreement, the Company held 38,285 shares as of December 31, 2022, at a total acquisition price of €3,155,586 and a nominal value of €153,140.

Description of the current share buyback program

The description of the current share buyback program is available on the Company's website www.legrandgroup.com/en, in the section "INVESTORS AND SHAREHOLDERS / Regulated information / 2022 / Share buy-back program".

9.2.2.2 New share buyback program to be submitted for approval at the Shareholders' Meeting

The draft resolutions adopted by the Company's Board of Directors on March 15, 2023 provide for the renewal of the authorization for the share buyback program, subject to a limit of 10% of the share capital and a total amount of €2,000 million, with a maximum purchase price of €150 per share. It will be submitted to shareholders for approval at the Shareholders' Meeting of May 31, 2023.

The draft resolutions can be consulted on the Company's website https://legrandgroup.com/en, in the section "INVESTORS AND SHAREHOLDERS / Shareholders' meetings / 2023 General Meeting".

9.2.3 - Other securities giving access to share capital

At the date of registration of this Universal Registration Document there are no securities, other than shares, giving access to the Company's share capital.

9.2.4 - Changes in share capital

In 2022, the Company's share capital was reduced by a total nominal amount of €2,520,000 by the cancellation of 630,000 shares.

Changes in the share capital over the last three financial years as of the date of this Universal Registration Document are summarized in the table below:

Type of transaction	Date of Board decision	Number of shares issued/ cancelled	Nominal value *(in euros)*	Issue premium *(in euros)*	Share capital *(in euros)*	Count of shares	Nominal value *(in euros)*
Exercise of stock options	02/12/2020	330,979[(1)]	1,323,916	5,005,270	1,069,104,512	267,276,128	4
Cancellation of shares	02/12/2020	(265,000)	(1,060,000)	(15,126,920)	1,068,044,512	267,011,128	4
Exercise of stock options	02/09/2021	436,618[(2)]	1,746,472	7,474,900	1,069,790,984	267,447,746	4
Cancellation of shares	02/09/2022	(630,000)	(2,520,000)	(47,307,842)	1,067,270,984	266,817,746	4

(1) *These 330,979 new shares were actually issued in 2019 following the exercise of stock options. An issue premium of €146,768,602.04 was also distributed in 2019.*

(2) *These 436,618 new shares were actually issued in 2020 following the exercise of stock options.*

9.2.5 - Pledges, guarantees and security interests

As of the date of registration of this Universal Registration Document, and to the Company's knowledge, no pledges, guarantees, or security interests had been granted on the Company's shares.

9.2.6 - Number of voting rights

As of December 31, 2022, the Company's share capital was made of 266,817,746 shares corresponding to 266,817,746 theoretical voting rights and 266,668,231 exercisable voting rights, excluding shares held in treasury, which are stripped of voting rights.

9.3 - Memorandum and Articles of Association

9.3.1 - Corporate purpose

In accordance with article 2 of the Articles of Association, the corporate purpose of the Company, directly or indirectly, in all countries, is:

- to purchase, subscribe, sell, own or transfer shares or other negotiable securities in any companies,
- to provide any services, particularly in the areas of human resources, information technology, management, communication, finance, law and marketing, and to make purchases for its subsidiaries and direct or indirect investments,
- and generally, to enter into any transactions, whether of a financial, commercial, industrial or private nature, and whether relating to real or personal property, which may be directly or indirectly associated with the corporate object set out above and with any similar or connected objects, and which are such as may directly or indirectly promote the objectives of the Company and its growth, development or corporate assets.

9.3.2 - Administration and management

For a description of the rules governing the composition, organization, and operation of the Company's administrative and management bodies, please refer to chapter 6.1 of this Universal Registration Document.

9.3.3 - Rights, privileges, and restrictions attached to shares

Shares shall be freely negotiable and may be transferred from one account to another in accordance with the legal and regulatory provisions.

Subject to the applicable legal and regulatory restrictions, each member of the General Meeting shall be entitled to a number of votes equal to the number of shares that he owns or represents. In line with the option provided for under Article L. 22-10-46 of the French Commercial Code, fully paid-up shares which have been in registered form for at least two years in the name of the same shareholder shall not enjoy double voting rights.

In the event that new shares are not fully paid-up at the time of their issue, cash calls will be made on dates determined by the Board of Directors, with 15 days' notice, by means of announcements inserted in one of the legal announcements' journals in the place where the registered office is situated, or by registered letter with proof of receipt requested. Every payment in respect of shares subscribed for will be recorded in the form of a note inserted in the registered account opened in the name of the subscriber concerned. Any late payment shall automatically incur interest payable to the Company at the legal interest rate with effect from its due date, without the necessity for any formal notice or legal claim, and without prejudice to any personal action that the Company may bring against the defaulting shareholder and any enforcement measures provided by law.

Each share shall confer rights of ownership in identical proportions in respect of the Company's assets and upon the division of profits and liquidation surpluses, subject to the creation of preference shares.

Shares shall be indivisible as regards the Company, which shall therefore recognize only one owner per share. Joint owners must be represented by a single person as regards to the Company. In the event of separation of the legal and beneficial ownership of a share, the voting right attached thereto shall belong to the beneficial owner for Ordinary General Meetings and to the legal owner for Extraordinary General Meetings.

A shareholder's heirs, creditors, agents or assigns shall not be entitled on any grounds whatever to attach the goods and assets of the Company, to apply for their distribution, or to interfere in any way whatever in the Company's administration.

In order to exercise their rights, they must rely on the Company's balance sheet and on the decisions of the General Meeting.

Whenever it is necessary to own several shares to exercise any right, and particularly in the event of the conversion or allocation of shares by way of transactions such as capital consolidations, increases or reductions, whether in cash or by the incorporation of reserves or by way of merger or in any other manner, owners of individual shares or shares whose number is lower than that required shall not have any rights against the Company. In such circumstances shareholders must make their own arrangements to purchase, sell or group together the necessary number of shares or rights.

The Company shall keep itself informed of the composition of the body of shareholders under the conditions provided by law. In this respect, the Company shall use all legal measures provided for the identification of the owners of securities conferring an immediate or future right to vote at its shareholders' meetings.

9.3.4 - Amendment of the rights attached to shares

Insofar the Company's Articles of Association do not provide specific provisions, any amendment to the rights attached to shares is subject to the provisions of applicable law.

9.3.5 - Shareholders' General Meetings

9.3.5.1 Participation in Shareholders' General Meetings

Subject to the restrictions provided by law and regulations, every shareholder shall be entitled to attend General Meetings and to take part in the deliberations whether personally or through a proxy, regardless of the number of shares that he owns.

The right to attend General Meetings, in any form whatsoever, is conditional upon the accounting registration or book-entry transfer in the name of the shareholder or the authorized intermediary registered on his behalf, under the conditions and within the time limits provided for in current legislation.

Any shareholder wishing to vote by post or by proxy must have filed a proxy voting form, postal voting form or equivalent single document at the registered office or at any other place indicated in the notice of meeting within the time limits and according to the conditions provided for in current legislation. The Board of Directors may, for any General Meeting, shorten this period by way of a general decision for the benefit of all shareholders.

In the event of a decision to this effect by the Board of Directors, mentioned in the notice of meeting, shareholders may, subject to the conditions and time limits provided by law and regulations, send their proxy form and postal voting form by any means of telecommunication, including electronic means, that allow their identification and whose nature and conditions are determined by current legislation.

9.3.5.2 Convening Shareholders' General Meetings

General Meetings are convened in the manner provided by law. Meetings are held at the registered office or at any other place in France or abroad specified in the notice of meeting.

9.3.5.3 Conduct of Shareholders' General Meetings

Shareholders' General Meetings are chaired by the Chairman of the Board of Directors, or failing that, by the Vice Chairman, or failing that, by a member of the Board of Directors specially nominated for that purpose by the Board. In default, the General Meeting shall elect a Chairman itself.

If the Board of Directors so permits in the notice of a General Meeting, any shareholder may participate in that meeting by videoconferencing or by electronic means of telecommunication or transmission under the conditions provided by the current law and regulations, and shall then be deemed to be present at the meeting for the purposes of calculating the quorum and majority.

An attendance register shall be kept in the manner provided by law.

9.3.5.4 Deliberations and powers of Shareholders' General Meetings

Ordinary and Extraordinary General Meetings vote in the conditions as to quorum and majority provided by the provisions governing such meetings, respectively. They shall have the powers attributed to them by law.

9.3.6 - Provisions to delay, defer or prevent a change of control

The Company's Articles of Association contain no provision to delay, defer, or prevent a change of control.

9.3.7 - Crossing of ownership thresholds

In addition to the legal provisions applicable in this area, any natural person or legal entity that directly or indirectly (including through a company controlled within the meaning of Article L. 233-3 of the French Commercial Code), alone or in concert, and in any way whatever, comes to hold 2% of the share capital or voting rights (the total number of voting rights to be used as the denominator being calculated on the basis of all the equities to which voting rights are attached, including equities whose voting rights have been suspended) must inform the Company of this. Such persons must do so by registered letter with proof of receipt requested addressed to the registered office, within a period of four stock exchange days as from the date this threshold is attained, independently of the date of registration of such shares in any account. They must specify the total number of shares and securities giving access to the share capital and the number of voting rights that are owned, directly or indirectly, alone or in concert. Notice must be given in the same manner and within the same period when a holding is reduced to below this 2% threshold.

Above this threshold of 2%, any further increase or decrease in the holding by an amount of 1% of the share capital and voting rights must also be declared in the manner provided above.

In the event of non-compliance with the notice obligations referred set out above, and on the request, noted in the minutes of a General Meeting, of one or more shareholders owning at least two per cent (2%) of the share capital or voting rights, any shares in excess of the fraction that ought to have been declared shall be stripped of their voting rights. The defaulting shareholder shall not be entitled to exercise them or assign them for any General Meeting taking place until the expiry of a period of two years following the date on which such notice is properly served.

9.3.8 - Changes to the share capital

The Company's share capital may be increased or reduced in accordance with the applicable legal and regulatory provisions. The Extraordinary General Meeting may also decide to divide or consolidate the shares.

9.4 - Identity of persons responsible for the Universal Registration Document and for auditing the financial statements

9.4.1 - Persons responsible for the Universal Registration Document

9.4.1.1 Name and position of the person responsible for the Universal Registration Document

Benoît Coquart, Chief Executive Officer of the Company.

9.4.1.2 Declaration of the person responsible for the Universal Registration Document containing the Annual Financial Report

"I hereby certify, after taking every reasonable measure for this purpose, that the information contained in this Universal Registration Document is, to the best of my knowledge, accurate and that there are no omissions that could materially affect its reliability.

I further certify that, to the best of my knowledge, the financial statements have been drawn up in accordance with applicable accounting standards and provide a true and fair view of the assets, financial position and results of the Company and of all its consolidated businesses, and that the management reports that appear in chapter 5 and Appendix 2 provide a true and fair view of developments in the business, the results and the financial position of the Company and of its consolidated businesses, together with a description of the risks and uncertainties to which they are exposed."

Benoît Coquart
Chief Executive Officer

9.4.1.3 Historical financial information incorporated by reference

This Universal Registration Document incorporates by reference the Company's consolidated financial statements for the year ended December 31, 2020, and the related Statutory Auditors' report, as presented on pages 279 to 337 and pages 338 to 341 of the 2020 registration document filed with the AMF on April 20, 2020, under number D.21-0292 (available online *via* https://www.legrandgroup.com/en, in the section "INVESTORS AND SHAREHOLDERS / Annual report and registration document / 2020").

This Universal Registration Document also incorporates by reference the Company's consolidated financial statements for the year ended December 31, 2021, and the related Statutory Auditors' report, as presented on pages 243 to 297 and pages 298 to 301 of the 2021 Universal Registration Document filed with the AMF on April 6, 2022, under number D.21-0245 (available online at https://legrandgroup.com/en/, in the section "INVESTORS AND SHAREHOLDERS / Annual report and registration document / 2021").

9.4.2 - Statutory Auditors

9.4.2.1 Principal Statutory Auditors

PricewaterhouseCoopers Audit
Member of the *Compagnie régionale des Commissaires aux comptes de Versailles* (Versailles Regional Body of Statutory Auditors)
Represented by Camille Phelizon Crystal Park, 63, rue de Villiers 92208 Neuilly-sur-Seine
Appointed Deputy Statutory Auditor by the Shareholders' General Meeting of June 6, 2003, they became Principal Statutory Auditor following the merger between Pricewaterhouse and Coopers & Lybrand Audit, and were reappointed as Principal Statutory Auditors by the Shareholders' General Meetings of March 2, 2004, May 27, 2010, May 27, 2016 and May 25, 2022, for a term of six financial years. This appointment expires at the end of the Shareholders' General Meeting to be convened in 2028 to vote on the financial statements for the year ending December 31, 2027.

Deloitte & Associés
Member of the *Compagnie régionale des Commissaires aux comptes de Versailles* (Versailles Regional Body of Statutory Auditors)
Represented by Olivier Broissand 6, place de la Pyramide 92908 Paris-La-Défense-Cedex
Appointed Principal Statutory Auditor at the Shareholders' General Meeting of December 21, 2005, and reappointed Principal Statutory Auditor by the Shareholders' General Meetings of May 26, 2011 and May 31, 2017, for a term of six financial years. This appointment expires at the end of the Shareholders' General Meeting convened to vote on the financial statements for the year ended December 31, 2022. Please refer to the presentation of the agenda and draft resolutions available on the Company's website www.legrandgroup.com for further information concerning the non-renewal of the term of office of this Principal Statutory Auditor.

9.4.3 - Financial disclosure policy

9.4.3.1 Person responsible for financial disclosures

Franck Lemery, Chief Financial Officer of the Company.

Address: 128 avenue du Maréchal de Lattre de Tassigny, 87045 Limoges Cedex

Telephone: +33 (0)5 55 06 87 87

Fax: +33 (0)5 55 06 88 88

9.4.3.2 Documents available to the public

The legal documents relating to the Company that must be made available to shareholders in accordance with the applicable regulations, as well as the Group's historical financial information, may be consulted at the Company's registered office.

9.4.3.3 Indicative timetable of financial reporting

The 2023 financial information to be disclosed to the public by the Company will be available on the Company's website www.legrandgroup.com/en.

As an indication only, the Company's timetable for the publication of financial information up to December 31, 2023, is expected to be as follows:

- 2023 first-quarter results: May 4, 2022
- start of the quiet period(1): April 4, 2023
- Shareholders' General Meeting: May 31, 2023
- ex-dividend date: June 2, 2023
- dividend payment date: June 6, 2023
- first-half 2023 results: July 31, 2023
- start of the quiet period(1): July 1, 2023
- 2023 nine-month results: November 8, 2023
- start of the quiet period(1): October 9, 2023

(1) Period of time when all communication is suspended in the run-up to the publication of results.

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Cross-reference tables

Cross-reference table – Annual Financial Report (article 222-3 of the AMF'S General regulation)

General Regulation of the French Financial Markets Authority *(Autorité des marchés financiers)* – article 222-3		Annual Financial Report	
No.	**Item**	**Reference**	**Page(s)**
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I.3	Management Report containing at least the information referred to in articles L. 225-100-1, I, L. 22-10-35 and the second paragraph of article L. 225-211 of the French Commercial Code	Appendix 2	376-386
	Management Report containing information referred to in article L. 225-100-1, II of the French Commercial Code	Chapter 5	166-184
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I.5	Statutory Auditors' reports on the annual financial statements	Appendix 3	387-390
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Cross-reference table – Delegated Regulation (UE) 2019/980 of March 14, 2019 supplementing Regulation (UE) 2017/1129 of June 14, 2017 – Appendix 1 and 2

Delegated Regulation (UE) 2019/980 of March 14, 2019 supplementing Regulation (UE) 2017/1129 of June 14, 2017 – Appendix 1 and 2		Universal Registration Document	
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1.4	Statement confirming that this information has been accurately reproduced and that no facts have been omitted which would render the reproduced information inaccurate or misleading	9.4.1.2	345
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2	**Statutory Auditors**		
2.1	Names and addresses of the issuer's Statutory Auditors	9.4.2	346
2.2	Statutory Auditors that have resigned, been removed or not been re-appointed during the period covered by the historical financial information	N/A	-
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No.	Item	Universal Registration Document Reference	Page(s)
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4.4	Registered office and legal form of the issuer, legislation under which the issuer operates, country of incorporation, address and telephone number of its registered office and website of the issuer	9.1.4, 9.1.5 and 9.1.6	336
5	**Business overview**		
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6.2	List of the issuer's significant subsidiaries	9.1.7, 9.1.8 and 8.1.6 (note 1.4)	337 and 283-284
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9	**Regulatory environment**	**N/A**	**–**
10	**Trend information**		
10.1	a) most significant recent trends in production, sales and inventory, and costs and selling prices since the end of the last financial year to the date of the Universal Registration Documentb) significant change in the financial performance of the Group since the end of the last financial period for which financial information has been published to the date of the Universal Registration Document, or provide an appropriate negative statement	5.13	180
10.2	Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects for at least the current financial year	N/A	–
11	**Profit forecasts or estimates**		
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11.2	Statement setting out the principal assumptions upon which the issuer has based its forecast or estimate	N/A	–
11.3	Statement that the profit forecast or estimate has been compiled and prepared on a basis which is both comparable with the historical financial information and consistent with the issuer's accounting policies	N/A	–
12	**Administrative, Management and Supervisory bodies and senior management**		
12.1	Name, business address, function and main activities outside the issuing company of (a) members of the administrative, management or supervisory bodies, (b) partners with unlimited liability, in the case of a company limited by shares, (c) founders, for a company formed fewer than five years previously and (d) corporate officers whose name can be given to prove that the issuing company has sufficient expertise and the experience to manage its own affairs Nature of any family relationship between any of those persons For each member of the administrative, management or supervisory bodies and for each person mentioned in points (b) and (d), details of that person's relevant management expertise and experience **a)** the names of all companies and partnerships of which such person has been a member of the administrative, management or supervisory bodies or partner with unlimited liability at any time in the previous five years, (also indicate whether or not he/she still has this quality). It is not necessary to list all subsidiaries of the issuer in which the person is also a member of an administrative, management or supervisory body **b)** any convictions in relation to fraudulent offenses for at least the previous five years **c)** details of any bankruptcies, receiverships or liquidations for at least the previous five years **d)** detail of any criminal conviction and/or official public sanction handed down to such person by statutory or regulatory authorities and whether such person has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct the affairs of any issuer for at least the previous five years. Statement that no information should be disclosed	6.1.1	186-217
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14.2	Information about service contracts binding members of the administrative, management or supervisory bodies to the issuer or any of its subsidiaries, which provide for benefits, or an appropriate negative statement	6.1.5	231
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14.5	Potential material impacts on the corporate governance, including future changes in the Board and committees composition (insofar as this has been already decided)	6.1	186-231
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15.2	Shareholdings and stock options	6.1.1, 6.2.4 and 7.2	186-216, 259 and 268
15.3	Agreement providing for employees to own a stake in the issuer's equity	7.2 and 7.3	268
16	**Principal shareholders**		
16.1	Name of any person who is not a member of the administrative, management or supervisory bodies who, directly or indirectly, holds a percentage of the issuer's share capital or voting rights that is notifiable under the issuer's national law, together with the amount of each person's stake or, if there are no such persons, an appropriate negative statement	7.1.1	266
16.2	Different voting rights, or an appropriate negative statement	9.3.3	343
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18.3.3	Where financial data in the Registration Document is not extracted from the issuer's audited financial statements, the source of the data and a statement that the data is unaudited	N/A	–
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20	**Material agreements**	**8.7**	**333**
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Cross-reference table – Management Report (including corporate governance report)

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Business activity and results of the Company, each subsidiary and the companies it controls by business segment	L. 233-6 of the French Commercial Code	Management Report, 1.1	376
Objective and complete analysis of changes in the business, results and financial position of the Company and the Group	L. 225-100-1(I)(1) of the French Commercial Code	Management Report, 1.2	377
Appropriation of earnings		Management Report 1.3	377-378
Internal control and risk management procedures relating to the preparation and processing of financial and accounting information	L. 225-100-1(I) of the French Commercial Code	Management Report, 1.4	378
Description of the main risks and uncertainties faced by the Company	L. 225-100-1(I)(3) of the French Commercial Code	Management Report, 1.5	378
Information about 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	L. 225-100-1(I) of the French Commercial Code	Management Report, 1.6	378
Description and management of financial risks linked to the effects of climate change	L. 225-100-1(I)(4) of the French Commercial Code	Management Report, 1.7	378
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Forecast changes in the Company's position	L. 232-1 (II) of the French Commercial Code	Management Report, 1.9	378
Description of existing branches	L. 232-1 (II) of the French Commercial Code	Management Report, 1.10	378
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CSR information	**L. 225-102-4 of the French Commercial Code**	**Management Report, 2**	**379**
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Management Report		Reference text	Reference	Page(s)
No.	**Item**			
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	Number of meetings of the Board of Directors and the specialized committees and director attendance rates	Art. 12.1 of the Afep-Medef Code	Management Report, 3.8	379
	Assessment of the Board of Directors	Art. 11.3 of the Afep-Medef Code	Management Report, 3.9	380
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	Description of the diversity policy applied to members of the Board of Directors and the Company's Executive Committee	L. 22-10-10, 2° of the French Commercial Code	Management Report, 3.11	380
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	Procedure for assessing agreements relating to ordinary transactions and formed on an arm's-length basis	L. 22-10-10, 6° of the French Commercial Code	Management Report, 3.13	380
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	Formalities for shareholders' participation in Shareholders' General Meetings	L. 22-10-10, 5° of the French Commercial Code	Management Report, 3.15	380
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	Information capable of affecting the outcome of a public offering	L. 22-10-11 of the French Commercial Code	Management Report, 3.17	381-382
	Description of the compensation policy for company officers	L. 22-10-8, I of the French Commercial Code	Management Report, 3.18	382
	Total compensation and benefits of any kind paid to each corporate officer during the financial year	L. 22-10-9, I of the French Commercial Code	Management Report, 3.19	382
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	Presentation of the compensation of company officers compared with the median compensation of the Company's employees and the change in that ratio over the last five financial years	L. 22-10-9 of the French Commercial Code	Management Report, 3.21	382
	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 or leaving office	L. 22-10-9, I, 4° of the French Commercial Code	Management Report, 3.22	382
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	Ownership structure and changes during the year	L. 233-13 of the French Commercial Code	Management Report, 4.1	383
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	Information about adjustments to conversion terms or terms relating to the subscription or exercise of securities giving access to the capital or stock options	L. 228-99, R. 228-90 and R. 228-91 of the French Commercial Code	Management Report, 4.5	384
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Appendix

APPENDIX 1 - Financial statements for the year ended December 31, 2022

Statement of income

(in € thousands)	12 months ended December 31, 2022	12 months ended December 31, 2021
Operating income		
Revenue	30,539	35,768
Other operating income	1,230	2,279
Total operating income	**31,769**	**38,047**
Operating expenses		
Purchases and external charges	(8,846)	(8,701)
Taxes other than on income	(746)	(627)
Employee benefits expense	(12,606)	(13,206)
Amortization and provision expense	(1,504)	(2,588)
Other operating expenses	(1,017)	(983)
Total operating expenses	**(24,719)**	**(26,105)**
Operating profit	**7,050**	**11,942**
Financial income		
Dividend income	499,978	450,007
Interest income from marketable securities and receivables, net	24,645	11,655
Provision reversals and expense transfers	78	29
Exchange gains	0	0
Other financial income	0	0
Total financial income	**524,701**	**461,691**
Financial expense		
Amortization and provision expense	(2,064)	(2,301)
Exchange losses	0	0
Other financial expense	(40,216)	(45,849)
Total financial expense	**(42,280)**	**(48,150)**
Financial income and expense, net	**482,421**	**413,541**
Recurring profit before tax	**489,471**	**425,483**
Non-recurring expense	(42,340)	(58,747)
Non-recurring income	35,095	48,149
Non-recurring income and expense, net	**(7,245)**	**(10,598)**
Profit before tax and employee profit-sharing	**482,226**	**414,885**
Employee profit-sharing	(318)	(290)
Income tax benefit	23,049	15,540
Profit for the period	**504,957**	**430,135**

Balance sheet

Assets

(in € thousands)	December 31, 2022	December 31, 2021
Non-current assets		
Intangible assets	0	0
Property, plant and equipment	0	0
Investments	5,935,226	6,248,183
Total non-current assets	**5,935,226**	**6,248,183**
Current assets		
Receivables	47,806	135,682
Marketable securities	3,156	1,327
Cash	0	0
Total current assets	**50,962**	**137,009**
Other assets	**11,977**	**14,913**
TOTAL ASSETS	**5,998,165**	**6,400,105**

Equity and liabilities

(in € thousands)	December 31, 2022	December 31, 2021
Equity		
Share capital	1,067,271	1,069,791
Additional paid-in capital, reserves and retained earnings	690,602	747,116
Profit for the period	504,957	430,135
Untaxed provisions and government grants	0	0
Total equity	**2,262,830**	**2,247,042**
Provisions	**3,213**	**3,945**
Debt		
Other debt	3,715,073	4,124,579
Total debt	**3,715,073**	**4,124,579**
Other liabilities	**16,607**	**24,046**
Accruals	**442**	**493**
TOTAL EQUITY AND LIABILITIES	**5,998,165**	**6,400,105**

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Statement of cash flows

	12 months ended	
(in € thousands)	December 31, 2022	December 31, 2021
Profit for the period	**504,957**	**430,135**
Adjustments for non-cash movements in assets and liabilities:		
– Changes in depreciation, amortization and impairment of fixed assets	(27)	11
– Amortization of deferred expense	3,160	3,474
– Changes in provisions for contingencies and charges	(732)	1,403
– Changes in untaxed provisions	0	0
– Net (gains)/losses on sales of assets	0	0
– Other non-cash items	(52)	(2,381)
Cash Flow	**507,306**	**432,642**
Changes in working capital requirement:		
– Trade and other receivables	22,504	(32,712)
– Trade and other payables	(7,488)	12,541
– Other operating assets and liabilities	(171)	(102)
Net cash from operating activities	**522,151**	**412,369**
– Net proceeds from sales of fixed and financial assets	0	0
– Decreases in financial assets	0	0
– Acquisitions of financial assets	0	0
– Acquisitions of fixed assets	0	0
Net cash from investing activities	**0**	**0**
– Proceeds from issues of share capital and premium	0	0
– Net sales (buybacks) of treasury shares and transactions under the liquidity contract	(44,643)	(91,718)
– Dividends paid to equity holders of Legrand	(439,342)	(377,944)
– Increase (reduction) in borrowings, including intragroup loans and borrowings	(38,166)	57,293
Net cash from financing activities	**(522,151)**	**(412,369)**
Increase (decrease) in cash and cash equivalents	**0**	**0**
Cash and cash equivalents at the beginning of the period	0	0
Cash and cash equivalents at the end of the period	**0**	**0**

Notes to the financial statements

NOTE 1 - Summary of significant accounting policies

NOTE 1.1 Accounting principles, rules and policies

The financial statements have been prepared in accordance with French generally accepted accounting principles.

Generally accepted accounting principles have been adopted, in accordance with the conservatism principle and based on the following basic assumptions:

- going concern,
- consistency of accounting methods from one period to the next;
- accrual basis,

and the general rules for preparing and presenting financial statements.

Historical cost is the basic method used to measure items recorded in the financial statements.

NOTE 1.2 Intangible assets

Intangible assets correspond to software, which is amortized over a 3-year period. The difference between book amortization and amortization calculated over 12 months for tax purposes is recorded under “Regulated provisions”.

NOTE 1.3 Investments

Investments correspond primarily to investments in subsidiaries and affiliates, which are stated at the lower of cost and fair value. Fair value is determined by reference to Legrand’s equity in the investee’s revalued net assets, as adjusted to reflect its earnings performance and future prospects.

NOTE 1.4 Share buybacks and liquidity agreement

NOTE 1.4.1 Accounting classification

Legrand shares acquired under share buyback programs are classified in accordance with recommendation 98-D released by the Urgent Issues Task Force of the French National Accounting Board *(Comité d’Urgence du Conseil National de la Comptabilité)*, based on the purpose for which they were purchased :

- shares acquired specifically to be granted to employees are classified under “Marketable securities” as “Treasury shares”;
- shares acquired for cancellation or for any other purpose are classified under “Other investments” as “Treasury shares held for cancellation” or “Other treasury;
- shares purchased in connection with a liquidity agreement are also recorded under “Other investments” as “Other treasury shares”;
- cash and short-term investments held in the liquidity account are classified under “Other investments” as “Other long-term receivables”.

NOTE 1.4.2 Impairment of treasury shares

Treasury shares held for cancellation are stated at cost.

Treasury shares held for other purposes are stated at the lower of cost and fair value, with fair value corresponding to the average share price for the last month of the accounting period. Impairment is recognized for any unrealized losses. The loss incurred when treasury shares are transferred to employees is recorded under non-recurring expense.

For repurchases shares allocated to stock option or performance share plans, a provision for charges is recorded for the difference between the price at which the treasury shares were granted to employees and their net carrying amount. This provision for charges is recorded for stock options only if it is probable that the options will be exercised, and for performance shares when the Board of Directors decides to purchase the shares relating to the plan concerned.

In both cases, the provision is recognized on a straight-line basis over the vesting periods of the performance shares or stock options concerned.

NOTE 1.5 Marketable securities

This item includes Legrand shares purchased to be granted to employees as described in note 1.4 above.

NOTE 1.6 Receivables and payables

Receivables and payables are stated at nominal value.

A provision for doubtful accounts is recorded when necessary, to write down receivables to their estimated recoverable amount, assessed on a case-by-case basis.

NOTE 1.7 Foreign currency receivables and payables

Foreign currency receivables and payables are converted into euros at the exchange rate on the reporting date.

NOTE 1.8 Deferred expenses

Deferred expenses represent bond issuance fees. They are amortized over the term of the bonds in question.

NOTE 1.9 Bond redemption premiums

The redemption premiums reported in the balance sheet correspond to the 2015, 2017, 2018, 2019, 2020 and 2021 bond issues, described in note 8.2 below. They are amortized over the life of the issues.

NOTE 1.10 Provisions for retirement benefits and supplementary pension benefits

A defined-benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and end-of-career salary. The liability recognized in the balance sheet for defined-benefit pension plans is the present value of the defined-benefit obligation at the balance sheet date, less the fair value of plan assets. The past service cost arising from changes to pension benefit plans is expensed (or recognized in income) in full as incurred. Actuarial gains and losses are always recognized directly in the income statement.

Obligations relating to defined-benefit plans are calculated using the projected unit credit method. This method takes into account estimated years of service at retirement, final salaries, life expectancy and staff turnover, based on actuarial assumptions.

The present value of the defined-benefit obligation is calculated by discounting estimated future cash flows using a discount rate determined by reference to the yield on high-quality bonds. The discount rate is determined on the basis of the external iBoxx € Corporates AA 10+index, which is commonly used as a benchmark.

The provisions recorded in the balance sheet concern the unvested entitlements of active employees. The Company has no obligation with respect to the vested entitlements of former employees, as the benefits were settled at the time of their retirement, either directly or through payments to insurance companies in full discharge of the liability.

The main defined-benefit plan applicable in France concerns statutory length-of-service awards, under which all retiring employees are eligible for a lump-sum payment calculated according to their length of service.

This payment is defined either in the collective bargaining agreement to which their company is a party or in a separate company-level agreement, whichever is more advantageous to the employee. The amount generally varies depending on the employee category (manager/non-manager).

NOTE 1.11 Provisions for statutory and discretionary profit-sharing

Legrand SA's statutory profit-sharing agreement is an *"accord dérogatoire"*. Under this type of agreement, the Company applies a more generous profit-sharing formula in exchange for the right to record a tax-deductible "investment provision" covering future investment costs. The latest agreement was signed on June 15, 2021 and applies for the calculation of the special statutory profit-sharing reserve for the 2 years from 2021 to 2022. The plan covers employees of Legrand SA and also those of Legrand France, Legrand SNC, Alpes Technologies, Cofrel, Ura, Planet-Wattohm, Intervox Systèmes, Legrand Cable Management, Legrand Énergie Solutions and Legrand Data Center Solutions.

Legrand SA also signed a 2-year discretionary profit-sharing agreement on June 15, 2021 covering the years 2021 to 2021. It applies to employees of the same companies as the statutory profit-sharing agreement.

NOTE 1.12 Cash flow statement

In the cash flow statement, net cash and cash equivalents include all bank deposits and bank overdrafts (classified under debt) with an original maturity of less than three months.

NOTE 2 - Non-current assets

NOTE 2.1 Intangible assets

	December 31, 2022			
(in € thousands)	Gross value at beginning of period	Additions of the year	Disposals for the year	Gross value at end of period
Software at cost	204	0	0	204
Amortization of software	(204)	0	0	(204)
Intangible assets, net	**0**	**0**	**0**	**0**

NOTE 2.2 Investments

	December 31, 2022		
(in € thousands)	Gross value at beginning of period	Changes during the year	Gross value at end of period
Shares in subsidiaries and affiliates			
Legrand France SA	3,773,659	0	3,773,659
Total	**3,773,659**	**0**	**3,773,659**
Receivables from subsidiaries and affiliates			
Loan to Legrand France SA	2,421,295	(268,388)	2,152,907
Total	**2,421,295**	**(268,388)**	**2,152,907**
Other investments			
Treasury shares held for cancellation	0	0	0
Other treasury shares	53,167	(44,596)	8,571
Other long-term receivables	0	0	0
Deposits and guarantees	89	0	89
Total	**53,256**	**(44,596)**	**8,660**
Provisions for impairment			
Impairment of other treasury shares	(27)	27	0
Total	**(27)**	**27**	**0**
Total investments, net	**6,248,183**	**(312,957)**	**5,935,226**

For other treasury shares, changes during the year correspond to the net purchases (purchases net of sales) for the period.

NOTE 2.2.1 Shares in subsidiaries and affiliates

No impairment provision has been recorded on these shares.

NOTE 2.2.2 Receivables from subsidiaries and affiliates

On October 9, 2017, the Company has set up a loan agreement with Legrand France SA for an amount of €397,040 thousand for a period of 6 years, expiring on October 9, 2023. This loan is subject to an interest corresponding to the 1-month Euribor variable rate +0.63%, with capitalization of interest.

On July 1, 2019, the Company has set up a loan agreement with Legrand France SA for an amount of €400,000 thousand for a period of 9 years, expiring on July 1, 2028. This loan is subject to a floating interest rate corresponding to 1-month Euribor +0.69%, with capitalization of interest.

On October 1, 2020, the Company has set up a loan agreement with Legrand France SA for an amount of €600,000 thousand for a period of 10 years, expiring on September 30, 2030. This loan is subject to a floating interest rate corresponding to 1-month Euribor +0.69%, with capitalization of interest.

On July 6, 2021, the Company has set up a loan agreement with Legrand France SA for an amount of €500,000 thousand for a period of 5 years, expiring on July 6, 2026. This loan is subject to a floating interest rate corresponding to 1-month Euribor +0.082%, with capitalization of interest.

On October 6, 2021, the Company has set up a loan agreement with Legrand France SA for an amount of €600,000 thousand for a period of 10 years, expiring on October 6, 2031. This loan is subject to a floating interest rate corresponding to 1-month Euribor +0.743%, with capitalization of interest.

NOTE 2.2.3 Other investments

This item includes shares acquired under share buyback programs, shares purchased under the liquidity agreement and cash and short-term investments held in the liquidity account (see note 1.4).

Legrand 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.

As of December 31, 2022, Legrand held 111,230 shares acquired under this agreement at a total cost of €8,571 thousand which are recorded under “Other treasury shares”. The shares are not impaired at December 31, 2022.

During 2022, transactions under the liquidity agreement led to a cash outflow of €6,498 thousand corresponding to the purchase (net of sales) of 78,284 shares.

This amount was financed by the cash and short-term investments held in the liquidity agreement, the balance of which was €18,840 thousand as of December 31, 2022, which is included in the balance of current cash-pooling account.

Details of shares purchased and granted to employees are provided in note 4 on marketable securities.

NOTE 3 - Other receivables

Current receivables are as follows:

	December 31, 2022		
	Cost	Maturity	
(in € thousands)	Gross value	Within one year	Beyond one year
Trade account receivables	9,774	9,774	0
Prepaid and recoverable taxes	9,373	9,373	0
Recoverable value-added tax	1,186	1,186	0
Group relief receivables	8,513	8,513	0
Other receivables	18,960	18,960	0
TOTAL AT THE END OF THE PERIOD	**47,806**	**47,806**	**0**
TOTAL AT THE BEGINNING OF THE PERIOD	**135,682**	**135,682**	**0**

NOTE 4 - Marketable securities

In 2022 and 2021, this item exclusively comprised Legrand shares purchased with a view of being granted to employees.

	December 31, 2022			December 31, 2021
(in € thousands)	Cost	Impairment	Net	Net
Performance share plans	**3,156**	**0**	**3,156**	1,327
TOTAL	**3,156**	**0**	**3,156**	**1,327**

Details of the objectives and terms of the current share buyback program, which represents a maximum of €2 billion, are provided in the program description published on May 25, 2022.

In 2022, the Company bought back 450,000 shares at a cost of €38,030,814.

A breakdown of this item is provided in note 6.1.

NOTE 5 - Other receivables

(in € thousands)	December 31, 2022	December 31, 2021
Prepaid expenses	295	124
Deferred charges	3,996	5,039
Bond redemption premium	7,686	9,750
TOTAL	**11,977**	**14,913**

NOTE 6 - Equity

NOTE 6.1 Share capital

Share capital as of December 31, 2022 amounted to €1,067,270,984 represented by 266,817,746 ordinary shares with a par value of €4 each, corresponding to 266,817,746 theoretical voting rights and 266,668,231 exercisable voting rights (after subtracting shares held in treasury by the Company at that date).

As of December 31, 2022, the Company held 149,515 shares in treasury, versus 678,176 shares as of December 31, 2021, *i.e.* an decrease of 528,661 shares corresponding to:

- the net purchase of 450,000 shares outside of the liquidity agreement;
- the transfer 426,945 shares to employees under performance share plans;
- the net purchase of 78,284 shares under the liquidity agreement (see note 2.2.3);
- the cancellation of 630,000 shares.

At December 31, 2022, the Company held 149,515 shares, acquired at a cost of €11,726,735 and allocated as follows:

- 38,285 shares purchased at a cost of €3,155,587 and available for allocation upon exercise of performance share plans;
- 111,230 shares purchased at a cost of €8,571,148 and held under the liquidity agreement (see note 2.2.3).

Changes in share capital in 2022 were as follows:

	Number of shares	Par value	Share capital *(in euros)*	Premiums *(in euros)*
As of December 31, 2021	267,447,746	4	1,069,790,984	530,061,010
Exercise of options under plan	0	0	0	0
Cancellation of shares	(630,000)	4	(2,520,000)	(47,307,842)
As of December 31, 2022	**266,817,746**		**1,067,270,984**	**482,753,168**

NOTE 6.2 Additional paid-in capital, reserves and retained earnings

(in € thousands)	December 31, 2022	December 31, 2021
Before appropriation of profit		
Additional paid-in capital	482,753	530,062
IPO costs charged to additional paid-in capital	(33,206)	(33,206)
Legal reserve	106,979	106,979
Non-distributable reserves	4,666	8,615
Other reserves and retained earnings	129,410	134,666
TOTAL	**690,602**	**747,116**

NOTE 6.3 Changes in equity

(in € thousands)	December 31, 2022
Equity at the beginning of the period before appropriation of profit	2,247,042
Movements for the year after appropriation:	0
– Share capital	(2,520)
– Additional paid-in capital	(47,307)
– Reserves and retained earnings	0
– Non distributable reserves	0
– Dividends paid*	(439,342)
– Untaxed provisions and government grants	0
– Profit for the period	504,957
– Other	0
EQUITY AT THE END OF THE PERIOD BEFORE APPROPRIATION OF PROFIT	**2,262,830**

* *Legrand SA's General Meeting of Shareholders held on May 25, 2022 approved the payment of a total dividend of €439,342 thousand representing €1.65 per share.*

NOTE 6.4 Performance share plans and stock option plans

NOTE 6.4.1 Performance share plans

The following performance share plans have also been approved by the Company's Board of Directors:

	2018 Plans	2019 Plans	2020 Plans	2021 Plans	2022 Plans
Date approved by shareholders	May 30, 2018	May 30, 2018	May 30, 2018	May 26, 2021	May 26, 2021
Grant date	May 30, 2018	May 29, 2019	May 26, 2020	May 26, 2021	May 25, 2022
Total number of performance share rights initially granted	524,123 (1)	617,818	461,861	491,477	514,981
o/w to Executive Officer	19,546 (1)	22,954	11,544	20,544	22,534
– *Benoît Coquart*	19,546	22,954	11,544	20,544	22,534
Total IFRS 2 expense *(in € millions)*	28.5 (2)	31.0 (2)	22.8 (2)	35.2 (2)	31.9 (2)
	June 16, 2021 (3)	June 16, 2022 (3)	June 16, 2023 (3)	June 14, 2024 (3)	June 11, 2025 (7)
End of vesting period	June 16, 2022 (4)	June 16, 2023 (4)	June 14, 2024 (4)	June 12, 2025 (4)	June 10, 2026 (8)
	May 31, 2023 (3)	May 31, 2024 (3)	May 28, 2025 (3)	May 27, 2026 (3)	May 26, 2027 (7)
End of lock-up period	June 16, 2022 (4)	June 16, 2023 (4)	June 14, 2024 (4)	June 12, 2025 (4)	June 11, 2026 (8)
Number of performance shares adjusted for the performance criteria fulfillment	(37,046) (5)	(1,906) (6)	5,332 (6)		
Number of performance share rights cancelled or forfeited	(96,365)	(66,332)	(23,584)	(21,606)	(6,698)
Number of performance shares acquired as of December 31, 2022	(390,712)	(93,274)	(866)		
PERFORMANCE SHARE RIGHTS OUTSTANDING AS OF DECEMBER 31, 2022	**0**	**456,306**	**442,743**	**469,871**	**508,283**

(1) Given the dividend distribution features approved at the General Meetings of Shareholders on May 29, 2019, the number of remaining performance shares was adjusted to take into account the impact of these transactions on the interests of performance share beneficiaries in accordance with article L.228-99 of the French Commercial Code.

(2) Total charge estimated at the grant date assuming 100% achievement for each performance criteria. This charge is spread over the vesting periods.

(3) Date applicable to the Executive Officer and members of the Executive Committee.

(4) Date applicable to beneficiaries other than the Executive Officer and members of the Executive Committee.

(5) Percentage of performance criteria achievement: see Note 4.2.1.2 of chapter 8 of this Universal Registration Document.

(6) Adjustments estimated at the date when the financial statements were prepared.

(7) Date applicable to the Executive Officer and to 5 members of the Executive Committee.

(8) Date applicable to beneficiaries other than the Executive Officer and to 3 members of the Executive Committee.

NOTE 6.4.1.1 2019, 2020, 2021 and 2022 performance share plans

The final number of shares granted to beneficiaries is determined on the condition that the beneficiary is present within the Group at the expiry of vesting period and subject to several performance criteria.

For the Chief Executive Officer and members of the Executive Committee, the vesting period is 3 years, with an additional 2-year holding period; for other beneficiaries, the vesting period is 4 years, with no holding period.

Performance criteria applicable to the Chief Executive Officer and members of the Executive Committee

The performance criteria applicable to the Chief Executive Officer and members of the Executive Committee are defined as follows:

Type of performance criteria	Description of performance criteria and target-setting method	Weight of performance criteria
Target for organic sales growth	Target: 3-year arithmetic mean of the upper and lower bounds of the annual target ranges concerned. Comparison between the target and the average achievement over three years.	1/4
Target for adjusted operating margin before acquisitions(1)	Target: 3-year arithmetic mean of the upper and lower bounds of the annual target ranges concerned. Comparison between the target and the average achievement over three years.	1/4
Annual rates of achievement of the Group's CSR Roadmap	Target: arithmetic mean over 3 years of the annual CSR Roadmap achievement rates.	1/4
Legrand's share price performance relative to the performance of the CAC 40 index	Performance gap between Legrand's share price and the CAC 40 index over a 3-year period.	1/4

(1) The adjusted operating margin before acquisitions corresponds to the adjusted operating profit (see key figures).

Performance criteria applicable to other beneficiaries

The performance criteria applicable to beneficiaries other than the Chief Executive Officer and members of the Executive Committee are defined as follows:

Type of performance criteria	Description of performance criteria and target-setting method	Weight of performance criteria
Target for organic sales growth	The target to be reached for this criterion, set annually corresponds to the lower and upper ranges of the relevant annual target. The annual rate of achievement is measured in relation to the annual target. The final pay-out rate for this criterion corresponds to the arithmetic average over a three-year period of the annual rates of achievement.	1/3
Target for adjusted operating margin before acquisitions(1)	The target to be reached for this criterion, set annually corresponds to the lower and upper ranges of the relevant annual target. The annual rate of achievement is measured in relation to the annual target. The final pay-out rate for this criterion corresponds to the arithmetic average over a three-year period of the annual rates of achievement.	1/3
Annual rates of achievement of the Group's CSR Roadmap	The annual rate of achievement corresponds to the rate of achievement of the CSR annual Roadmap. The final pay-out rate for this criterion corresponds to the arithmetic average over a three-year period of the annual rates of attainment.	1/3

(1) The adjusted operating margin before acquisitions corresponds to the adjusted operating profit (see key figures).

The final pay-out rate for each criterion corresponds to the arithmetic mean of the annual attainment rates over a 3-year period.

If all the performance shares from the 2019 to 2022 plans were to vest according to the target allocation before application of the performance criteria (*i.e.* 1,877,203 shares), the Company's capital would be diluted by 0.7% as of December 31, 2022.

NOTE 7 - Provisions

	December 31, 2022			
(in € thousands)	At the beginning of the period	Charges for the year	Reversals for the year	At the end of the period
Pensions and other post-retirement benefit obligations	1,151	0	(130)	1,021
Other	2,794	409	(1,011)	2,192
Provisions	**3,945**	**409**	**(1,141)**	**3,213**
Impairment on investments	27	0	(27)	0
Impairment on marketable securities	0	0	0	0
Provisions for impairment	**27**	**0**	**(27)**	**0**
TOTAL	**3,972**	**409**	**(1,168)**	**3,213**
Charges to and reversals from provisions recorded under the following income statement captions:				
– operating income and expense		409	(1,141)	
– financial income and expense		0	(27)	
– non-recurring income and expense		0	0	
TOTAL		**409**	**(1,168)**	

Other provisions relate mainly to the *forfait social* tax (*i.e.* social charges) on performance share plans.

NOTE 8 - Debt and other liabilities

	December 31, 2022			
		Maturity		
(in € thousands)	Net value	Due within one year	Due in one to five years	Due beyond five years
Bonds	3,715,073	415,073	1,200,000	2,100,000
Bank borrowings with orginal maturities :				
– of less than one year	0	0	0	0
– of more than one year	0	0	0	0
Other borrowings	0	0	0	0
TOTAL DEBT	**3,715,073**	**415,073**	**1,200,000**	**2,100,000**
Trade payables	3,867	3,867	0	0
Accrued taxes and employees benefit expense	7,269	7,269	0	0
Other	5,913	5,522	202	189
TOTAL OTHER LIABILITIES	**17,049**	**16,658**	**202**	**189**
TOTAL AT THE END OF THE PERIOD	**3,732,122**	**431,731**	**1,200,202**	**2,100,189**
TOTAL AT THE BEGINIING OF THE PERIOD	**4,149,118**	**449,118**	**1,300,000**	**2,400,000**

The €400.0 million of 10-year bonds was repaid at maturity on April 19, 2022.

NOTE 8.1 2011 credit facility

In October 2011, the Company signed an agreement with six banks to set up a €900.0 million revolving multicurrency facility (the "Credit Facility") utilizable through drawdowns. The five-year facility could be extended for two successive 1-year periods. Drawdowns are subject to an interest rate equivalent to market rates plus a margin determined on the basis of the Group's credit rating.

In July 2014, the Company signed an agreement with all banks involved that amended and extended the Credit Facility.

The agreement extended the facility's maximum maturity by 3 years, *i.e.*, up to July 2021, including two options to extend by successive 1-year periods, and at improved financing terms compared with October 2011.

In December 2019, the Group signed a new agreement that amends and extends this Credit Facility with all banks party to this contract:

- the maturity of the €900.0 million revolving credit line is extended up to December 2026,
- the margin applied to market rates is still determined on the basis of the Group's credit rating, but it is increased or decreased each year according to the Group yearly achievement rate on its CSR roadmap.

The Credit Facility does not contain any covenants.

As of December 31, 2022, the Credit Facility had not been drawn down.

NOTE 8.2 Bonds

The €400.0 million of 10-year bonds was repaid at maturity on April 19, 2022.

In December 2015, the Company issued €300.0 million of 12-year bonds due to mature on December 16, 2027. The bonds have an annual coupon of 1.875% with all of the principal repayable at maturity.

In July 2017, the Company issued €1 billion of bonds, comprising €500.0 million of 7-year bonds and €500.0 million of 15-year bonds. The respective maturity dates of these two tranches are July 6, 2024 and July 6, 2032 and their annual coupons are respectively 0.750% and 1.875%, with all of the principal repayable at maturity.

In October 2017, the Company issued €400.0 million of 6-year bonds, due to mature on October 9, 2023. The bonds have an annual coupon of 0.50% with all of the principal repayable at maturity.

In March 2018, the Company issued €400.0 million of 8-year bonds, due to mature on March 6, 2026. The bonds have an annual coupon of 1.0% with all of the principal repayable at maturity.

In June 2019, the Company issued €400.0 million of 9-year bonds, due to mature on June 24, 2028. The bonds have an annual coupon of 0.625% with all of the principal repayable at maturity.

In May 2020, the Company issued €600.0 million of 10-year bonds, due to mature on May 12, 2030. The bonds have an annual coupon of 0.75% with all of the principal repayable at maturity.

In October 2021, the Group carried out its first sustainability-linked bond issue indexed to its carbon neutrality metrics. The 0.375% ten-year bonds were issued for a total amount of €600.0 million and will be redeemable at maturity on October 6, 2031.

The issue is indexed to the Group's carbon trajectory by applying a potential additional coupon of 0.50% over the only last year in which the bond reaches maturity, in the event that the related objectives are not achieved.

NOTE 8.3 Other liabilities

Other liabilities consist of the €5,455 thousand due to subsidiaries under the group tax relief agreement (corresponding to the tax benefits derived from the Company's use of their tax losses that they will recover when they return to profit).

NOTE 9 - Information relating to the income statement

Revenue amounted to €30,539 thousand, representing intra-group services 100% located in France.

Non-recurring income and expenses are as follows:

(in € thousands)	December 31, 2022	December 31, 2021
Revenue transactions	639	156
Capital transactions	31	2,487
Provision reversals and expense transfers	34,425	45,506
TOTAL NON-RECURRING INCOME	**35,095**	**48,149**
Revenue transactions	(4,873)	(9,726)
Capital transactions	(37,468)	(47,836)
Amortization and provision expense	0	(1,185)
TOTAL NON-RECURRING EXPENSE	**(42,341)**	**(58,747)**
NON-RECURRING INCOME AND EXPENSE, NET	**(7,246)**	**(10,598)**

Non-recurring income and expenses on capital transactions correspond to income and expenses generated on sales and. purchases of treasury shares.

The expense in connection with the liquidity agreement amounts to €1,266 thousand.

The €37,468 thousand capital transactions expenses are related to the transfer performance shares to the employees of various Group subsidiaries in relation to the 2018 plan for the other beneficiaries and 2019 plan for the Chief Executive Officer and members of the Executive Committee.

This expense is compensated by the "provision reversals and expense transfers" income €34,425 thousand, reflecting the recharging to the Group's various subsidiaries of those performance shares transferred to employees.

NOTE 10 - Other information

NOTE 10.1 Income tax

NOTE 10.1.1 Unrecognized deferred tax assets and liabilities

	Base : income (or expense)				Unrecognized deferred tax benefit (charge)		
		Movements for the period					
(in € thousands)	Jan. 1, 2022	Increase	Decrease	Dec. 31, 2022	Jan. 1, 2022	Change	Dec. 31, 2022
Timing difference between the recognition of income and expenses for financial reporting and tax purposes							
Taxed income not yet recognized in the income statement							
Unrealized exchange gains							
Expenses recognized in the income statement that are deductible in future years							
Employee profit-sharing	(290)	(28)	0	(318)	75	7	82
Provisions for pensions and other post-retirement benefit costs	(1,137)	0	131	(1,006)	294	(34)	260
Other provisions	(2,675)	0	525	(2,150)	691	(136)	555
Taxes and other	0	0	0	0	0	0	0
TOTAL	**(4,102)**	**(28)**	**656**	**(3,474)**	**1,060**	**(163)**	**897**

NOTE 10.1.2 Group tax relief

The Company is the parent of the tax group comprising all qualifying French subsidiaries of the Legrand Group. The tax group was set up on January 1, 2003.

Under the terms of the group tax relief agreement, each subsidiary calculates its income tax expense on a stand-alone basis and pays the tax due to the parent company of the group, which is responsible for paying tax for the entire tax group.

Income tax in Legrand's income statement corresponds to the difference between the tax due by the profitable companies in the tax group and the benefit arising from the use of the tax losses of loss-making companies, plus the tax on distributed earnings.

In 2022, Legrand recognized a net income tax benefit of €23,049 thousand.

NOTE 10.2 Exposure to market risks (interest rate, currency and credit risks)

NOTE 10.2.1 Management of financial risks

The Group's cash management strategy is based on overall risk-management principles and involves taking specific measures to manage the risks associated with interest rates, exchange rates, commodity prices and the investment of available cash. The Group does not conduct any trading in financial instruments, in line with its policy of not carrying out any speculative transactions. All transactions involving derivative financial instruments are conducted with the sole purpose of managing interest-rate, exchange-rate and commodity-price risks and as such are limited in duration and value.

If required, the Group may enter into forward contracts to hedge its foreign currency risk. As of December 31, 2022, the Group has set up forward contracts. (see note 10.3).

NOTE 10.2.2 Counterparty risk

Financial instruments that may potentially expose the Group to counterparty risk are principally cash equivalents, bank deposits, short-term investments and hedging instruments. These assets are placed with various leading financial institutions and corporations with the aim of limiting exposure to any single counterparty. The related strategies are defined and monitored by the Corporate Finance Department, which tracks the credit ratings and credit default swap rates of the Group's counterparties on a regular basis.

NOTE 10.2.3 Liquidity risk

The Group considers that managing liquidity risk depends primarily on having access to sources of financing that are diversified in terms of their origins and maturities. This principle forms the basis of the Group's financing.

NOTE 10.3 Financial commitments

Financial commitments given by the Company as of December 31, 2022 and 2021, were as follows:

(in € thousands)	December 31, 2022	December 31, 2021
Guarantees given to banks	0	0
Guarantees given to other organizations	165,000	220,000
TOTAL	**165,000**	**220,000**

Hedge:

The Company has set up a forward contract over the period 2021 for future financing. With a nominal value of €400.0 million, this instrument, which is due to be activated by December 31, 2023, was taken out at a fixed swap rate of 0.1265% with a maturity of 6 years.

As of December 31, 2022, the fair value of this instrument of €63.2 million is an unrealized profit (€5.0 million on December 31, 2021).

NOTE 10.4 Employees

	December 31, 2022	December 31, 2021
Average number of employees		
Management	41	40
Administrative staff	3	5
Apprentices	0	0
TOTAL	**44**	**45**

NOTE 10.5 Compensation of the Chief Executive Officer

During 2022, compensation awarded to the Chief Executive Officer is as follows:

- Angeles Garcia-Poveda amounted to €625.0 thousand; and
- Benoît Coquart amounted to €2,135.7 thousand.

For more details on the compensation of the Chief Executive Officer, and of non-executive corporate officers, please refer to chapter 6.2.2 of the Universal Registration Document.

NOTE 10.6 Related party information

In accordance with French government order no. 2009-267 of March 9, 2009, no material transactions were carried out by the Company with related parties that were not on an arm's-length basis.

NOTE 10.7 Subsidiaries and affiliates

	Share capital	Reserves and retained earnings	% interest	Carrying amount of the shares		Loan and advance	Guarantee given	Revenue	Profit (loss)	Dividends received
(in € thousands)				Cost	Net					
French companies										
Legrand France SA	54,913	904,637	100	3,773,659	3,773,659	2,171,747	0	986,450	646,468	499,979

The above information is given subject to adjustment of the profit/loss decided by the Board.

NOTE 11 - Significant events in the period

None

NOTE 12 - Subsequent events

None

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.

(in millions of euros)	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 *(in thousands of euros)*	**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 *(in thousands of euros)*	**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	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. 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. 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. 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. 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. 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. Where the Company's Articles of Association do not specifically provide otherwise, their amendment shall be subject to the applicable statutory provisions. 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. 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

(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.

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

			Earnings distributed per share	
Financial year	**Number of shares entitled to dividends**	**Dividend 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 Lémery	Sale	Shares	3	402,258
Franck Lémery	Donation	Shares	1	0
Franck Lémery	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(3*bis*) 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
BP 523
128, avenue du Maréchal de Lattre de Tassigny
87045 LIMOGES Cedex

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	**Deloitte & Associés**
Camille PHELIZON	Olivier BROISSAND

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