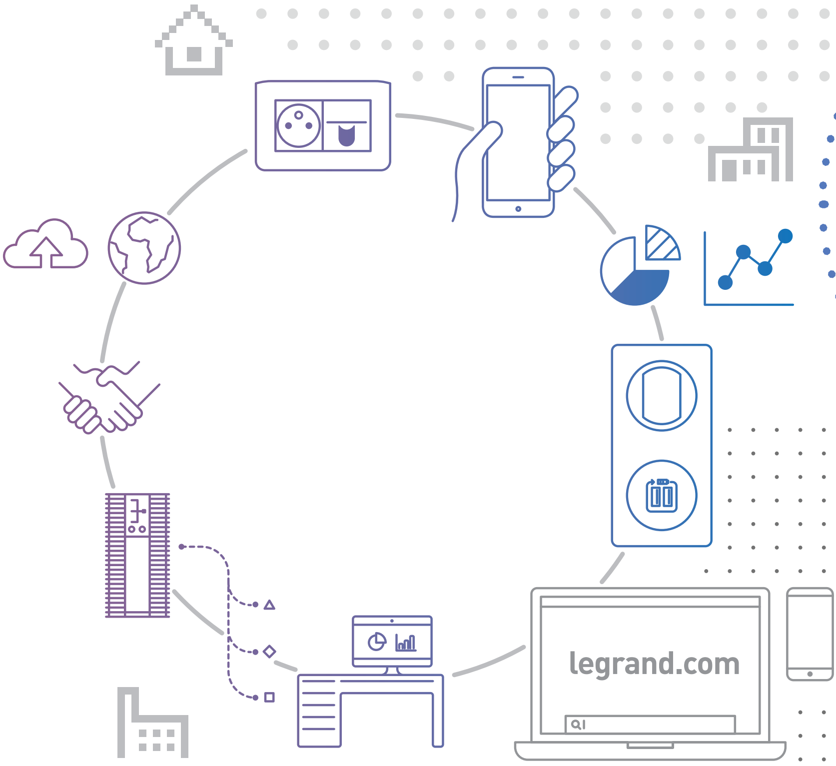
LEGRAND ESSENTIALS

UNIVERSAL REGISTRATION DOCUMENT

2020



legrand®

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2020 UNIVERSAL REGISTRATION DOCUMENT

INCLUDING THE INTEGRATED REPORT

The universal registration document was filed on 12 April 2021 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 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.

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 31 décembre 2020 have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as adopted by the European Union. The Company prepares and presents its consolidated financial statements in accordance with IFRS as required by French law. IFRS may differ in certain significant respects from French GAAP. The separate financial statements are presented in accordance with French GAAP.

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 with regard to 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 electricity sector (notably professional associations) and from building statistics and macroeconomic data. Legrand assesses its position in its markets based on the market data referred to above and on its actual 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, analyse or compute market data would obtain the same results. Furthermore, Legrand’s competitors 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, financial position and cash 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 financial position, 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 financial communications. Legrand operates in a competitive environment subject to rapid change. Legrand 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.

1 INTEGRATED REPORT

MESSAGE
FROM THE CHIEF EXECUTIVE OFFICER

2020, A SINGULAR TEST FOR BUSINESSES

Businesses were tested in so many different ways during 2020, with the pandemic and related economic crisis, unprecedented volatily in sales and a lack of visibility.

As soon as the pandemic struck, our top priority was to act responsibly *vis-à-vis* all our stakeholders:

- **looking after our employees**, by rapidly introducing the strictest of health measures across all our geographies;
- **maintaining service for our customers**, whose activities are essential to the economies in which they operate, by rapidly reopening our manufacturing, logistics and service facilities, including at the peak of the crisis;
- **showing solidarity with our communities,** with a series of local initiatives, such as establishing a dedicated fund for nursing homes in France;
- **making a balanced appeal to all,** such as by reducing the overall compensation for the executive team and leaving the dividend unchanged from the previous year rather than raising it as originally planned.

PERFORMANCE SPOTLIGHTING THE RESILIENCE OF LEGRAND'S BUSINESS MODEL

The resilience of Legrand's business model shone through in our 2020 financial and extra-financial performance:

- sales contracted by a limited -7.9%, reflecting the strength of our market positions and our ability to tap into new growth opportunities, especially in connected products, products for data centers and assisted-living systems;
- our financial performance held up remarkably well, with an adjusted operating margin of 19% of sales (20% excluding exceptional items), net profit of 11% of sales and free cash flow exceeding one billion euros for the second year in a row, standing at 17% of sales;
- our CSR roadmap achievement rate of 128% in 2020 showed our commitment to a responsible business model, even in times of crisis. We maintained a high level of performance, delivering a reduction of -17% at comparable structure in our CO_2 emissions relative to 2019, in line with the 2022, 2030 and 2050 objectives released in July of progressing towards a carbon-neutral profile.

“FACING AN UNPRECEDENTED AND HIGHLY UNPREDICTABLE ENVIRONMENT, 2020 WAS A DEMONSTRATION OF LEGRAND'S CLEAR STRATEGY, SOLID BUSINESS MODEL, AND HIGHLY RESPONSIVE TEAMS.”

STRENGTHENING A MODEL THAT CREATES VALUE OVER THE LONG TERM

We also took steps during 2020 to strengthen our model creating value over the long term.

For example, we rolled out multiple initiatives to lay the foundations for our future growth by:

- pressing ahead with our development program and launching new products, many of them connected, in key areas such as energy efficiency solutions for buildings; improvements to housing to make spaces suitable for living, working or being cared for; security and safety solutions for property and people; and workspace upgrades;
- actively pursuing bolt-on acquisitions that complement the Group's existing activities—four new companies have joined us since the beginning of 2020—as well as integrating and extending the reach of companies acquired in the past;
- digitalizing our front-office and back-office.

We also accelerated the pace of our responsible growth initiatives. As such, we committed to cutting our CO_2 emissions, in line with the most ambitious objective stated in the Paris Agreement, which is to limit the increase in temperatures to 1.5°C. In addition, we intend to make scopes 1 and 2 and employee movements (part of scope 3) carbon-neutral from 2022 onwards. We plan to offer our customers an even broader range of solutions, helping to cut their own residential and non-residential building emissions.

BENOÎT COQUART,
CHIEF EXECUTIVE OFFICER

2021 is also the final year in our fourth CSR roadmap, under which we made bold commitments in terms of reductions in workplace accidents, gender balance and waste recycling, in addition to cutting our CO_2 emissions.

Through these initiatives, we have confirmed our commitment to the Sustainable Development Goals for 2030 under the United Nations Global Compact.

They also aim to deliver on **our core purpose of 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 2020 performance again spotlighted the strength and resilience of Legrand's business model. During 2021, we will endeavor to make further progress towards sustainable, responsible and profitable value creation for all our stakeholders.

Sales
€ 6.1 billion

Over **36,700 employees** worldwide

Operations in close to **90 countries** and products distributed in close to **180 countries**

Market capitalization of around **€ 21.2 billion** at March 31, 2021. Constituent of the CAC 40 and CAC 40 ESG indices.

RESPONSIBLE APPROACH TO AN UNPRECEDENTED CRISIS

Legrand acted responsibly and in a balanced manner *vis-à-vis* all its stakeholders amid the unprecedented health crisis linked to the Covid-19 pandemic. We implemented multiple initiatives while protecting our profitable and sustainable business model.

FIVE PRIORITIES

PROTECTING OUR EMPLOYEES AND PARTNERS

Our top priority was to protect the health and safety of our employees and our partners by:

- **strictly enforcing the guidelines set by the authorities and the World Health Organization;**
- **rapidly deploying best practices Group-wide:** adapting methods of working and interacting, basic guidance, working from home, digitalization of commercial relationships, etc.

SUPPORTING CUSTOMERS AND FULFILLING OUR COMMITMENTS

Our second priority was to maintain continuity of service for our customers whose activities are essential to the smooth operation of the economy, while meeting the commitments we made:

- **keeping almost all our logistics and manufacturing units open;**
- **no interruption to our customer support services** in most geographical regions, including at the peak of the crisis;
- **abiding by scheduled payment dates,** including for our suppliers.

IN RESPONSE TO THE UNPRECEDENTED CONDITIONS OF 2020, LEGRAND ROLLED OUT MANY RESPONSIBLE INITIATIVES

HELPING COMMUNITIES AND THE MOST VULNERABLE INDIVIDUALS

Various solidarity initiatives, led by employees in many cases, including:

- in **Europe**, delivery of critical equipment for healthcare facilities, and production of components for ventilators;
- in the **United States**, rapid development of cable management products for hospitals, production of masks;
- in **India and Cambodia**, supplying UPSs to hospitals, distributing meals to populations in need, and providing protective health equipment to the power industry.

The Legrand Foundation pledged to establish **a solidarity fund dedicated to helping nursing homes,** including Ehpads in France (support provided to 228 facilities and their 15,000 members of staff).

BALANCED APPEAL TO ALL STAKEHOLDERS

Given the demands placed on us by the pandemic, **our responsible approach was to make a balanced appeal to all our stakeholders:**

- **senior executives:** the CEO's total annual compensation was reduced by 25%, with the Executive Committee and directors also making a contribution;
- **employees and partners:** measures included having staff take paid leave, temporary salary adjustments, changes to targets and fulfilling commitments to pay partners on time;
- **shareholders:** the dividend was left at €1.34 per share, rather than increased to €1.42 as originally announced; and
- **society** and **governments**: we made sure we limited our use of public support measures.

PREPARING FOR THE FUTURE AND **STRENGTHENING** THE CORE PILLARS OF OUR INTEGRATED PERFORMANCE

In 2020, at Legrand, we:

- **launched a host of sales and marketing initiatives**, accelerating the digitalization of our sales and marketing relationships and introducing a number of new products, as well as actively rolling out the "Eliot" program of connected objects;
- **maintained our ongoing and sustained drive for innovation,** investing over 5% of our sales in research and development to expand and enhance **offerings catering to long-term trends**, such as energy efficiency, data centers, security, new ways of working, comfort and assisted-living systems;
- **pushed ahead with our acquisitions strategy** buying four companies in 2020 (Champion One, Compose, Borri and Focal Point) while continuing to efficiently dock the companies we have acquired recently;
- **took the necessary structural and temporary measures to adjust our cost base and organization** by streamlining our manufacturing and logistics footprint, with €76 million in restructuring costs(1) during the year;
- accelerated **our CSR initiatives**, including **our climate commitments,** and the aim is now for all our operations to be carbon-neutral by 2050.

(1) Excluding net gains on building disposals recorded in 2020.

STRATEGIC POSITIONING

MEGATRENDS

SOCIETAL MEGATRENDS

- Growing and aging populations
- Rise of the middle class in new economies
- Climate change and energy savings
- Health and well-being
- Growing urbanization
- Pandemic crisis

CUSTOMER-RELATED MEGATRENDS

- Mobility
- Workspace upgrades
- Working from home
- Connected living
- Need for health protection
- E-commerce
- Internet of Me
- Collaborative and remote working
- Personal data protection
- Responsible consumption

TECHNOLOGICAL MEGATRENDS

- Wireless
- Anti-viral and anti-bacterial products
- Voice control
- Sensors
- Fiber optics
- Big data & blockchain
- Artificial intelligence

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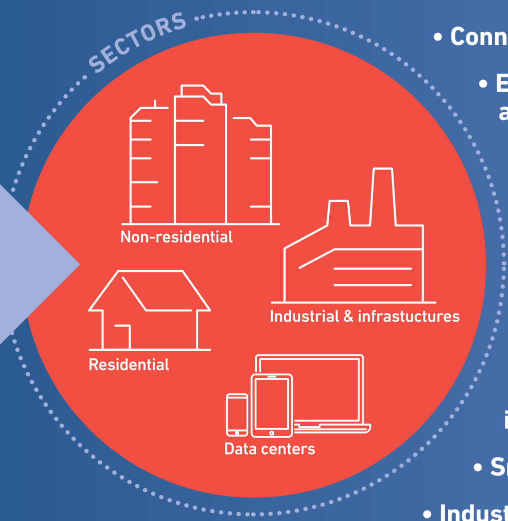


- **Smart buildings**
- **Connected homes**
- **Energy efficiency and sustainable energies**
- **Assisted-living systems**
- **High-performance infrastructure**
- **Health, well-being and comfort in buildings**
- **Smart cities**
- **Industry 4.0**
- **Remote working**

AN ADDRESSABLE MARKET WORTH OVER €100 BILLION, DRIVEN BY MEGATRENDS

Legrand is a global player in electrical and digital building infrastructure.

Social and technological megatrends, and those relating to customer habits, open up the prospect of long-term growth for our Group. Buildings are the central focus of these developments.

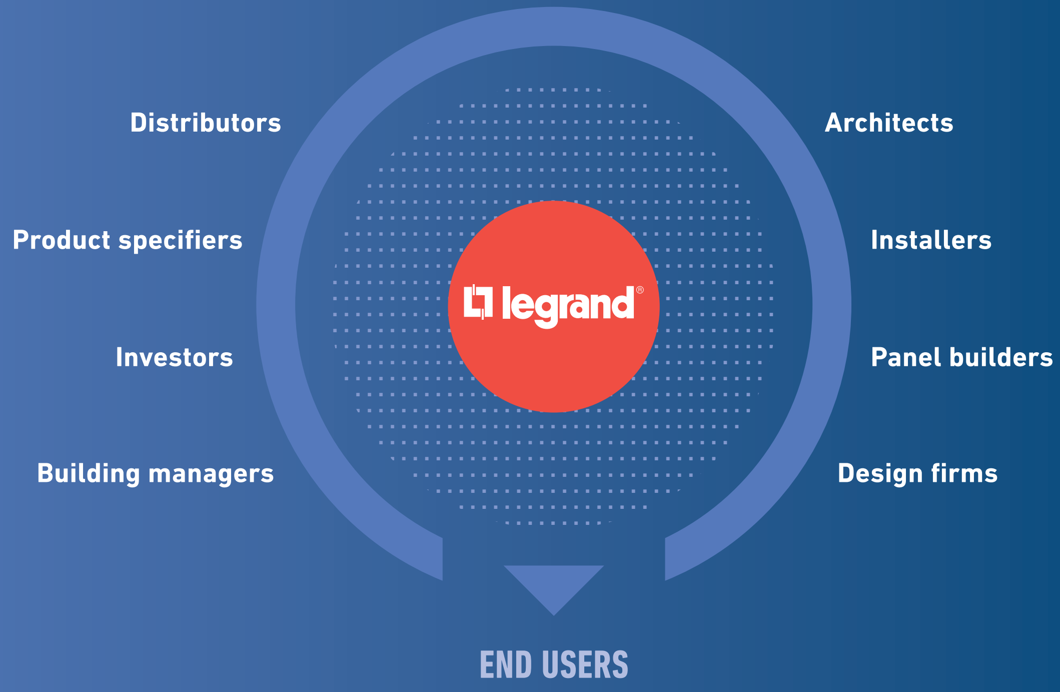
85% of businesses accelerated digitalization of collaboration systems for employees and customer relationships in 2020*

Buildings are responsible for **36% of energy consumption**. They generate close to **40% of greenhouse gas emissions****

The number of people aged over 80 is **expected to triple** between now and 2050 ***

* *Source : McKinsey Global Business Executives Survey 2020.* ** *Source: International Energy Agency (IEA).* *** *Source: United Nations.*

LEGRAND: GLOBAL SPECIALIST IN ELECTRICAL AND DIGITAL BUILDING INFRASTRUCTURE



A PACESETTER IN ITS MARKET

We set the global standards, thanks to the breadth of our offering for low-voltage applications in all types of buildings (residential, data center, non-residential, industrial), for all the players in our economic chain:

- **Distributors,** to whom we sell our products
- **Electrical contractors,** who install our solutions in buildings
- **Product specifiers** (architects and design firms), who recommend the Group's solutions
- **End users** (individuals, companies and building managers)

AN EXTENSIVE PRODUCT OFFERING TAILORED TO NEW TYPES OF DEMAND

Legrand offers a wide range of more than 300,000 product references and solutions that are simple, innovative and sustainable.

Our solutions are installed in places where people live (individual and collective housing, hotels, etc.), work (offices, data centers, industrial sites, etc.) and meet (shops, hospitals, schools and universities, etc.).

Worldwide, our catalogs offer more than **100 product categories** that:

- **control electrical installations** (switches, user interfaces, etc.);
- **make power available** (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** (Uninterruptible Power Supply (UPS), transformers, harmonic filters, etc.);
- **protect electrical installations** (residential or power-system protection panels, circuit-breakers, etc.);
- **ensure the flow of electricity** around a building (cable management, busbar trunking, etc.);
- **secure buildings** (intrusion alarms, access controls, technical alarms, smart locks, etc.);
- **welcome and screen visitors** (audio and video door-entry systems, doorbells, etc.);
- **regulate temperature and sunlight** (thermostats, shutter controls, etc.);
- **install structured cabling** (cabinets and enclosures, patching racks, copper and fiber-optic connectors, etc.);
- **organize** a data center's white-space **infrastructure** (Power Distribution Units (PDU), cabinets and racks, busways, etc.);
- **manage lighting control 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 in and exit buildings** in complete safety (emergency lighting, pathway marking solutions, etc.);
- **provide assisted living solutions** (personal alarm systems, sockets for easy unplugging, etc.);
- **measure and control power consumption** (smart electrical panels, eco-meters, load-shedding devices, etc.);
- **recharge electric vehicles** (kits, sockets and recharging stations, etc.);
- **remotely control and manage** all infrastructure and systems in homes and all kinds of smart buildings.

The Eliot connected objects program

IN 2020, LEGRAND GENERATED €801 MILLION IN SALES FROM CONNECTED PRODUCTS WITH ENHANCED VALUE IN USE, OR 13% OF OUR GROUP SALES.

EFFECTIVE, CUSTOMER-FOCUSED ORGANIZATION

The **front office** is organized by country and consists of sales activities and operational marketing, aimed at meeting the specific needs of each market. We accelerated the digitalization of our organization in 2020.

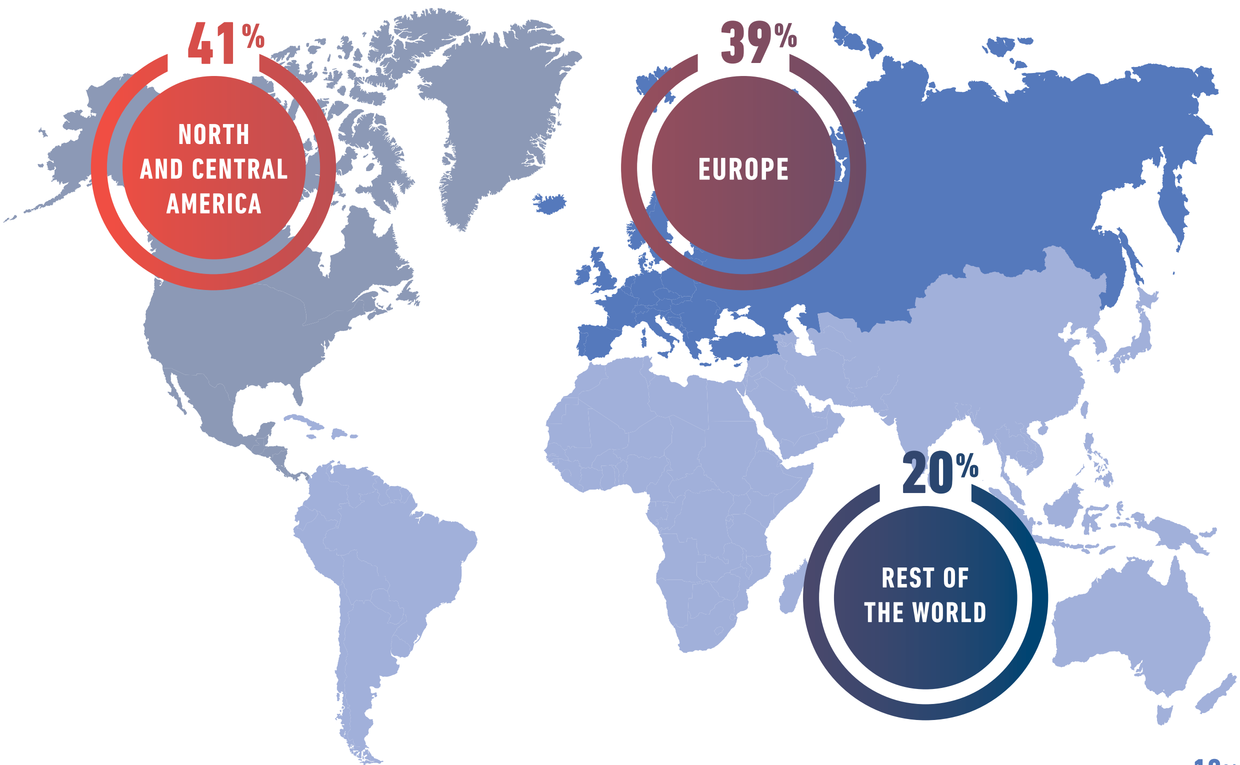
The **back office** is organized globally and brings together activities linked to strategy, operations (innovation, research and development, manufacturing, purchasing and supply chain), and general administration.

GLOBAL PRESENCE

We sell our products under more than **70 brands** across close to 180 countries. We have sales and manufacturing operations in close to **90 countries.**

2020 SALES

SALES BY GEOGRAPHICAL REGION (BY DESTINATION)



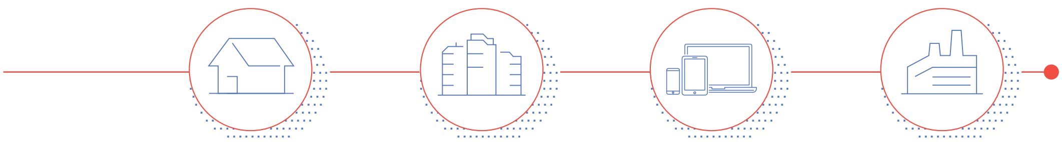
~ 40% Residential

~ 40% Non-residential

> 10% Data centers

~ 10% Industrial, infrastructure and other spaces

BY END-MARKET



INTEGRATED STRATEGY

5%
of sales
invested in R&D
in 2020

14
acquisitions completed in 8 different countries
between 2018 and 2020

Over €680 million in additional sales
related to acquisitions
between 2018
and 2020

TWO GROWTH DRIVERS: ORGANIC AND EXTERNAL GROWTH

Organic growth powered by innovation and by sales and marketing initiatives

Organic growth is driven by **innovation**, through **regular new product launches** and ongoing **sales and marketing initiatives.**

In addition, we have established **technological and commercial partnerships** to spur on innovation, speed up development and drive the entire industry forward.

Our commercial success is underpinned by pioneering technologies catering to long-term trends:

- energy efficiency,
- digital infrastructure and data centers,
- new modes of working,
- security,
- comfort, architectural lighting, universal audio systems, etc.

External growth linked to a strategy of selective acquisitions

Our acquisitions strategy focuses on bolt-on acquisitions of small- and medium-sized companies, that complement our existing activities, strengthen our positions and expand our addressable market.

We have made 175 acquisitions since 1954 and invested an average of €500 million per year between 2010 and 2020.

In 2020 we made **four acquisitions:**

Focal Point, a US specialist in architectural lighting solutions. Over 750 employees. More than $200 million in sales, mainly in the United States.

Borri, a UPS specialist. Acquisition of all of Borri after a three-year joint venture. Based in Italy. Around 200 employees. Sales of approximately €60 million.

Champion One, an American provider of fiber-optic transceivers. About 100 employees. Around $60 million in the United States.

Compose, a Dutch specialist in fiber-optic network solutions. Close to 20 employees. Sales of around €7 million in the Netherlands and Germany.

For further information : please refer to chapter 2 of our Universal Registration Document

We continue to focus on efficiently docking the companies we have acquired recently and maximizing synergies with our existing operations.

In 2020, we accelerated the roll-out of our product lines outside their home countries, including systems used by data centers (PDUs made by Raritan, Server Technology and Shenzhen Clever Electronic; and Starline busways), and connected solutions sold under the Netatmo brand.

"OUR CORE 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."

A LONGSTANDING CSR APPROACH

CSR roadmaps set out the priorities and targets for the Group and each of our subsidiaries

2004

Creation of a Sustainable Development function

1ST ROADMAP — 2007-2010

2007: Partnership with Électriciens sans frontières

2006: Signature of the Global Compact

2ND ROADMAP — 2011-2013

2013: Worldwide Elle@Legrand women's network

2012: "Responsible Supplier Relationship" accreditation

2012: Business ethics program

2011: Admission to the CAC 40

3RD ROADMAP — 2014-2018

2018: Climate strategy endorsed by the Science-Based Targets initiative

2017: Serenity On global employee welfare program

2015: CSR performance audited and included in 2016 compensation

2014: Creation of the Legrand Foundation

4TH ROADMAP — 2019-2021

2020: Business Ambition for 1,5°C*

2020: Plateform for employee solidarity

2019: Diversity and Inclusion policy

2019: Adoption of the Women's Empowerment Principles

STAGE 1 IN PROGRAM TO BECOME CARBON-NEUTRAL — 2022

Elimination of residual emissions thanks to bold carbon offset projects (scopes 1, 2 and part of scope 3)

3 GOALS for 2030 — 2030

Generate **80%** of the Group's sales from sustainable products

Ensure that women hold at least **one-third** of the Group's key roles and achieve a gender-balanced workforce

Goal: Business Ambition for 1,5°C

2050

Carbon-neutral across all scopes (1, 2 and 3)

Integrated with the business model

The CSR program covers the environmental, ethical and societal aspects of our operations and growth plans around the world. Subsidiaries around the world implement the program.

Co-designed with stakeholders

Risks and priorities arising from the business model are identified through a materiality survey of stakeholders and also through our risk mapping exercises.

Reflected in compensation

At least 10% of the annual variable compensation of senior management and 25% of their long-term incentives are linked to extra-financial performance. For other key positions, it accounts for one-third of long-term incentives.

Aligned with priorities and global standards

Our strategy covers the 10 Global Compact principles and contributes to some of the 17 United Nations Sustainable Development Goals for 2030. It is aligned with international standards, including ISO 26000 and the GRI.

Principal contributions to the United Nations Sustainable Development Goals

3 GOOD HEALTH AND WELL-BEING	Protect and improve the security, safety and well-being of the occupants of living spaces.
5 GENDER EQUALITY	Encourage diversity and inclusion at work.
7 AFFORDABLE AND CLEAN ENERGY; 13 CLIMATE ACTION	Equip buildings with more reliable and efficient energy supplies to help combat climate change.
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Supply products and solutions that are sustainable, safe, resource efficient, and transparent on their impact.

* *Contribution to keeping global warming to below 1.5° C.*

INTEGRATED PERFORMANCE

MID-TERM OUTLOOK DRIVING VALUE CREATION

Backed by a proven growth model and offers driven by long-term market trends, Legrand is developing its mid-term model further.

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

- an average annual growth in sales, excluding exchange-rate effects, of between +5% and +10%;
- an average adjusted operating margin of approximately 20% of sales;
- a normalized free cash flow of between 13% and 15% of sales on average.

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.

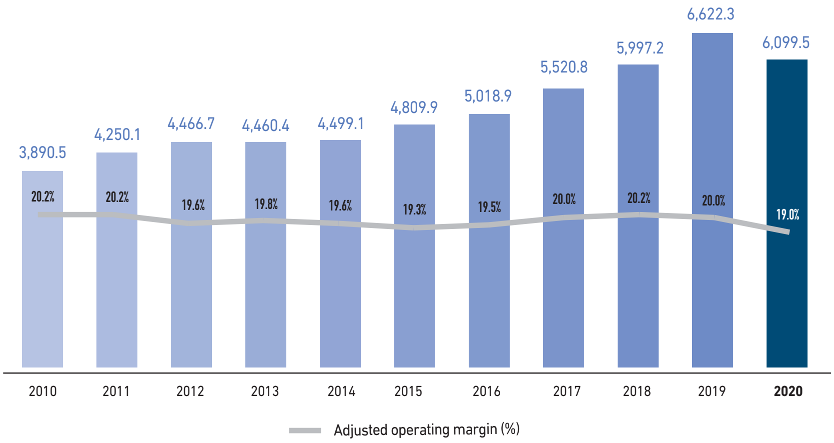
CAGR of +5% of total sales
from 2010 to 2020

20% adjusted operating margin
on average
from 2010 to 2020

14% free cash flow
to sales ratio
on average
from 2010 to 2020

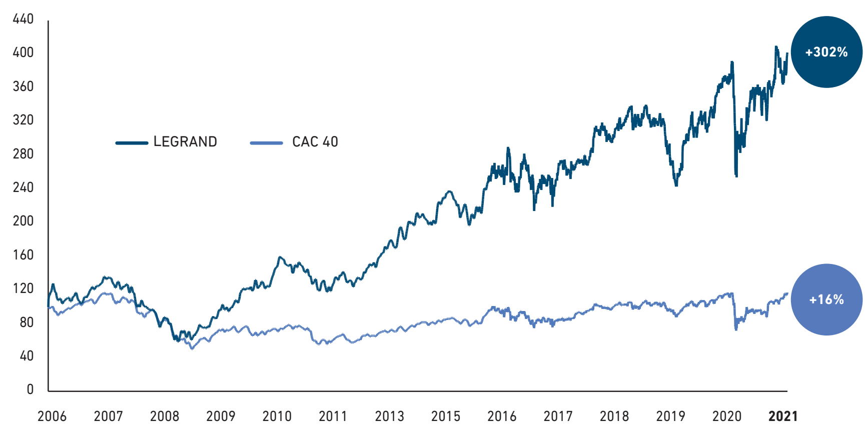
2010-2020 PERFORMANCE

Sales (€ million) and operating margin (as a %)



SHARE PRICE PERFORMANCE

Between April 6, 2006 and March 31, 2021 (rebased 100 in 2006)



113% 2019 performance

128% 2020 performance

CSR

EXTRA-FINANCIAL PERFORMANCE

	18 PRIORITIES FOR 2021	Outcome 2019	Outcome 2020
	BUSINESS ECOSYSTEM		
SUSTAINABLE SOLUTIONS	**Protect the health and safety of users**		
	100% of sales to be covered by the product risk management procedure	98%	100%
	Spur on innovation through partnerships		
	10 innovation partnerships to be implemented every year	15	24
SUSTAINABLE PURCHASING	**Raise awareness and provide training about responsible purchasing**		
	1,000 staff members to be given responsible purchasing training in 2021	503	651
	30 countries to incorporate "life cycle cost" in their purchasing policy in 2021	9	23
	Measure the progress of suppliers identified as at-risk in CSR terms		
	100% of suppliers identified as being at-risk to make improvements in 2021	-	78%
BUSINESS ETHICS	**Provide continuous training for employees in business ethics**		
	Business ethics training to be delivered to 3,000 staff members per year	4,151	13,511
	Track implementation of the compliance program		
	100% of sales to be covered by the business ethics program	97%	95%
	PEOPLE		
HUMAN RIGHTS AND COMMUNITIES	**Uphold the Group's commitment to human rights**		
	100% of Legrand's locations to uphold human rights	100%	100%
	Contribute to communities		
	75% of countries to implement a skills-sharing strategy in 2021	61%	80%
EQUAL OPPORTUNITIES AND DIVERSITY	**Encourage diversity at work**		
	Ratio of management positions held by women to increase by 20% in 2021	+3%	+10%
HEALTH, SAFETY AND WELL-BEING AT WORK	**Introduce best health and safety at work practices**		
	Accident frequency rate (with and without lost time) to be cut by 20% in 2021	-16%	-30%
	90% of employees to be covered by the Legrand Way "Health and safety rules" in 2021	44%	65%
	Strengthen the commitment of Group employees		
	100% of scopes to be covered by an "employee engagement" plan	100%	100%
	95% of workforce to be covered by the Serenity On program in 2021	83%	93%
SKILLS	**Develop the skills and talents of all our employees**		
	85% of employees to receive at least 4 hours of training every year	85%	89%
	90% of managers to be given an annual performance review every year	93%	98%
	ENVIRONMENT		
GREENHOUSE GAS EMISSIONS	**Reduce Legrand's carbon footprint**		
	CO_2 emissions to be cut by -7% in 2021 (2018 base, at comparable structure)	-7%	-23%
	Avoid CO_2 emissions through the Group's energy efficiency offers		
	2.9 million metric tons of CO_2 emissions to be avoided in 2021	2.5 Mt	3 Mt
CIRCULAR ECONOMY	**Incorporate circular economy principles into the development of new products**		
	100% of circular economy principles to be introduced at R&D centers in 2021	94%	97%
	Provide environmental information on the Group's products		
	Two-thirds of annual sales to be covered by audited environmental statements	62%	67%
	Recover the waste generated by the Group		
	90% of waste to be recovered every year	90%	90%
AIR POLLUTION	**Reduce Volatile Organic Compound (VOC) emissions**		
	VOC emissions to be cut by -10% by 2021 (2018 base, at comparable structure)	-4%	-26%

BUSINESS MODEL

2020 DATA

HUMAN CAPITAL

- Over **36,700** employees (36% women)
- Over **2,600** people working in R&D in more than 20 countries
- Loyal and committed teams

INDUSTRIAL CAPITAL

- Close to **120** manufacturing sites in 30 countries
- **81%** of sites ISO 9001-certified
- **91%** of sites ISO 14001-certified

FINANCIAL CAPITAL

- Solid balance sheet structure
- Net debt equal to **1.9**x EBITDA
- Investment-grade credit rating (S&P A- stable)

INTELLECTUAL CAPITAL

- Around **3,900** patents
- Over **70** brands
- More than **300,000** product references

SOCIAL CAPITAL

- **63%** of purchases from suppliers that have embraced Global Compact principles
- Corporate sponsorship agreements (Electriciens sans frontières, Fondation Agir Contre l'Exclusion), technological alliances, commercial partnerships

NATURAL CAPITAL

- Low level of energy intensity
- Limited use of water
- No direct use of natural resources

Global presence in electrical and digital building infrastructures, a market driven by megatrends

EXTERNAL GROWTH

50 acquisitions
between 2010 and 2020

€5.0 billion invested

ORGANIC GROWTH

Innovation

- 5.1% of sales invested in R&D in 2020
- More than 40 connected products families (Eliot)

Excellence in sales and marketing

- 100,000 product references in ETIM* format
- 125 million page views
- Digital initiatives: e-marketing, data analytics
- Around 100 showrooms and concept stores

* *Electro-Technical Information Model.*

PROFITABLE, RESPONSIBLE AND VALUE-CREATING GROWTH

LEADERSHIP POSITIONS

Approximately two-thirds of sales generated by no. 1 or no. 2 market positions

At least one leadership position **in more than 45 countries**

Solutions that are
- reliable
- available

and add significant value through their
- features
- simplicity
- comfort
- security
- esthetics

PRIORITY ESG OBJECTIVES

- Carbon-neutral operations
- Energy efficient products
- Circular economy
- Diversity and inclusion
- Exemplary governance

LONG-TERM VALUE CREATION

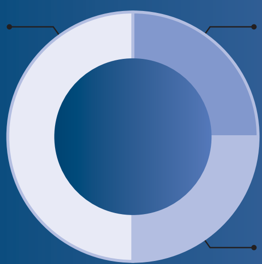
2020
€6.1 billion in sales
€801 million generated from connected products

2010-2020
20% adjusted operating margin

2020
€1 billion normalized free cash flow

SPLIT OF VALUE ADDED FOR STAKEHOLDERS (2010-2020)

50%
Employees



26%
Investments in development
- Capital expenditures (5%)
- R&D investments (4%)
- Acquisitions (17%)

24%
Other stakeholders
- Shareholders (11%)
- Governments (10%)
- Banks (3%)

BUSINESS ECOSYSTEM

- 84 innovation partnerships since 2014
- Over 1 million customers trained since 2014
- 78% of suppliers classified as at-risk from a CSR perspective have improved over the past two years
- Business ethics training delivered to more than 13,000 staff members over the past two years

PEOPLE

- 80% of countries have introduced a charitable giving policy
- 2.7 million people have benefited from electricity supply projects carried out with Électriciens sans frontières since 2007
- -30% reduction in the frequency of workplace accidents since 2018
- 93% of employees covered by the Serenity On program
- 89% of employees received at least 4 hours of training during the year
- +10% increase in the ratio of female managers since 2018

ENVIRONMENT

- 90% of waste recovered
- -23% reduction in direct CO_2 emissions since 2018 (at comparable structure)
- 10 million metric tons of CO_2 emissions avoided since 2014 through our energy efficiency solutions
- 67% of sales covered by PEP (Product Environmental Profiles) ecopassport program

Legrand, the sixth CAC 40 company to be recognized by the Science Based Targets initiative for its commitment to reducing greenhouse gas emissions

RISK MANAGEMENT

GROUP RISK MAPPING

As our Group and its operating environment evolve, risk mapping aims to identify risks and opportunities that are likely to significantly impact our strategy, operations, financial position or reputation, and to mitigate them.

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

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

THE PROGRAM IS BASED ON CLASSIFYING RISKS ACCORDING TO THEIR IMPACT, THEIR SEVERITY, PROBABILITY OF OCCURRENCE, AND AN ESTIMATE OF THE DEGREE TO WHICH THEY ARE UNDER CONTROL.

DEDICATED GOVERNANCE FRAMEWORK

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

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

- Annual audit schedule
- Group internal auditors

RISKS AND OPPORTUNITIES ASSOCIATED WITH THE BUSINESS MODEL

COMPONENTS OF THE BUSINESS MODEL	ASSOCIATED RISKS AND OPPORTUNITIES
Organic growth and innovation	• Unfavorable economic conditions • Offerings mismatched with changing market expectations* • Incomplete digital transformation • Cybersecurity* • IT solution to business needs*
External growth	• Detecting targets, acquiring and docking them to Legrand
Leadership positions	• Disruption of the economic chain • Weakening in brand positions* • Product quality and safety* * • Customer experience
Human capital	• Attracting and retaining talent* • Adapting skills to requirements* * • Staff engagement • Social dialog • Diversity and inclusion* • Occupational health & safety and well-being at work*
Intellectual capital	• Patent and brand protection, breach of third parties' intellectual property rights, counterfeiting*
Industrial capital	• Crisis management and business continuity
Social capital	• Personal data protection* * • Working conditions and compliance with human rights, including across the supply chain* • Business ethics* • Local roots and socio-economic development of regions • Responsible taxation • Attentiveness to stakeholders' expectations • Philanthropic activities
Financial capital	• Financing for the model • Value of brands and goodwill* • Responsible and transparent governance
Natural capital	• Impact on the environment, climate and biodiversity* * • Risks related to climate change (physical and transition risk)* • Protection of natural resources & the circular economy*
Creation of value added	• Inadequate global competitiveness of operations* • Reliability of accounts and internal control

** Risks considered as major or significant in the Group's risk mapping.*

** Environmental, ethical or social risk or priority identified as having a high level of materiality for our stakeholders.*

EXEMPLARY GOVERNANCE

THE BOARD OF DIRECTORS: INDEPENDENCE, DIVERSITY AND VARIETY OF SKILLS

Legrand is listed on Euronext Paris and is a member of the CAC 40 and CAC 40 ESG[(1)].

Our shareholder base is international, and is mainly located in North America and Europe. Our free float accounts for around 96% of the share capital.

We pay particular attention **to our governance**, ensuring that it meets the highest standards, not only to comply with legal requirements but to act in the interests of all our stakeholders. We abide by the principles of corporate governance for listed companies set out in the Afep-Medef Code of Corporate Governance, which you can refer to on Medef's website at www.medef.com.

The Board of Directors exercises the powers vested in it by law to act in the company's interest in all circumstances. Its members possess varied and complementary profiles, including an array of strategic, financial, CSR, risk management, financial communication, talent management and marketing skills.

THE BOARD OF DIRECTORS[(1)]

Angeles GARCIA-POVEDA
Independent Chairwoman of the Board of Directors
Spanish national

Olivier BAZIL
Director
French national

Isabelle BOCCON-GIBOD
Independent director
French national

Christel BORIES
Independent director
French national

Sophie BOURDAIS
Director representing employees
French national

Benoît COQUART
Director
French national

Edward A. GILHULY
Independent director
US national

Philippe JEULIN
Director representing employees
French national

Patrick KOLLER
Independent director
Dual French/German national

Michel LANDEL
Independent director
French national

Annalisa LOUSTAU ELIA
Independent director
Italian national

Éliane ROUYER-CHEVALIER
Independent director
French national

Gilles SCHNEPP
Director
French national

73%
PROPORTION OF INDEPENDENT DIRECTORS*

45.5% 54.5%
GENDER BALANCE ON THE BOARD OF DIRECTORS*

5
NATIONALITIES REPRESENTED ON THE BOARD OF DIRECTORS

** These figures do not include either of the directors representing employees.*

(1) On the date this Universal Registration Document was registered.

“AS CHAIRWOMAN OF THE BOARD, I WILL ENDEAVOR TO ENSURE LEGRAND CONTINUES TO UPHOLD BEST PRACTICES IN CORPORATE GOVERNANCE IN THE INTEREST OF THE GROUP AND OF ITS STAKEHOLDERS.”

Angeles GARCIA-POVEDA,
Independent Chairwoman of the Board of Directors

8	93%	1	1
MEETINGS OF THE BOARD OF DIRECTORS	DIRECTOR ATTENDANCE RATE AT BOARD MEETINGS	DIRECTORS' MEETING NOT ATTENDED BY INTERNAL AND EXECUTIVE DIRECTORS	“INTERNAL” ASSESSMENT OF THE OPERATING PROCEDURES OF THE BOARD AND ITS COMMITTEES

Since 2017, Legrand has ranked consistently among the top quartile of CAC 40 companies in terms of governance best practices according to the “CAC 40 governance” index launched by Euronext in partnership with Vigeo EIRIS.

6	7	7	4	100%
MEETINGS OF THE AUDIT COMMITTEE	MEETINGS OF THE COMPENSATION COMMITTEE	MEETINGS OF THE STRATEGY AND SOCIAL RESPONSIBILITY COMMITTEE	MEETINGS OF THE NOMINATING AND GOVERNANCE COMMITTEE	DIRECTOR ATTENDANCE RATE AT BOARD COMMITTEE MEETINGS

THE EXECUTIVE COMMITTEE: AN EXPERIMENTED AND MULTIDISCIPLINARY TEAM

The Executive Committee is made up of a close-knit nine-member team, including three women, with a varied and complementary range of expertise. All its members understand the Group's core business and its development issues.

Name	Position	Year joined the Group
Mr Benoît COQUART	Chief Executive Officer	1997
Mrs Karine ALQUIER-CARO	Executive VP, Purchasing	2001
Mrs Bénédicte BAHIER	Executive VP, Human Resources	2007
Mr Antoine BUREL	Deputy Chief Executive Officer, Executive VP Group Operations	1993
Mr Jean-Luc CARTET	Executive VP Asia-Pacific, Middle East & Africa and South America	1992
Mrs Gloria GLANG	Executive VP, Strategy and Development	2019
Mr Franck LEMERY	Chief Financial Officer	1994
Mr John SELLDORFF	President and Chief Executive Officer of Legrand North & Central America	2002
Mr Frédéric XERRI	Executive VP, Europe	1993

2

GROUP OVERVIEW

2.1 - LEGRAND AND ITS BUSINESS

2.1.1 - General presentation

2.1.1.1 A BUSINESS MODEL CREATING LONG-TERM VALUE

Capitalizing on the technological and societal developments that are having a long-lasting impact on buildings, the Group offers an extensive range of more than 300,000 product references, across more than 100 product families, intended mainly for four main segments: residential (around 40% of sales in 2020), datacenters (over 10% of sales in 2020), non-residential spaces (around 40% of sales in 2020) and other spaces such as industrial and infrastructure (around 10% of sales in 2020).

The Group's solutions are known for their quality, reliability, availability and ease of use, as well as for their high-end functionality. They are specified, sold and installed by the various participants in its economic chain. They improve people's lives by helping to transform places where people live (individual and collective housing, hotels, etc.), work (offices, datacenters, industrial sites, etc.) and meet (shops, hospitals, schools and universities, etc.).

The Group's products enable users to:

- control electrical installations (switches, user interfaces, wiring devices with integrated voice command, etc.);
- 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.);
- protect electrical installations (residential or power-system protection panels, circuit-breakers, residual current circuit-breakers, etc.);
- ensure the flow of electricity around a building (cable management for ceilings, floors or walls, busbar trunking, etc.);
- 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, shutter controls, etc.);
- install structured cabling 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], 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.

This comprehensive offering covers numerous applications. It makes Legrand a global standard among participants in its economic chain: the distributors to which Legrand sells its products, the electrical contractors that install solutions in buildings, product specifiers (architects and engineering firms) and end-users (individuals, companies and building managers).

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

The first is organic growth. It is driven by innovation, through regular new product launches. Innovation takes

1 Uninterruptible power supplies.
2 PDU: Power Distribution Unit.
3 Busways: electric power distribution systems based on metal busbars.

place, for example, with connected products as part of the Eliot program, which offer enhanced value in use for installers, building managers and end-users, and the ongoing introduction of products that help to protect the environment.
Organic growth is also supported by ongoing geographical product roll-outs and numerous sales and marketing initiatives, particularly in the digital space. In particular, the digitalization of commercial relationships accelerated sharply in 2020.

Legrand's second growth driver consists of acquisitions of companies that have leading positions in their markets.

In addition, Legrand's business model relies on large amounts of free cash flow, enabling it to finance most of its growth and offer an attractive dividend, while maintaining a solid balance sheet structure.

Finally, the Group's business model forms part of a long-standing, ambitious and exemplary ESG approach. In 2020, for example, Legrand stepped up its commitment to combating climate change. The Group has aligned itself with the most ambitious Paris Agreement target, aiming to limit the global increase in temperatures to 1.5°C above pre-industrial levels[1]. It has set targets for 2022, 2030 and 2050, aiming to become carbon-neutral (see Chapter 4 of this universal registration document for more information about Legrand's CSR approach).

Legrand is continually strengthening its profitable, sustainable and highly cash-generative growth profile. This enables it to fund its development over the long term while creating value for all its stakeholders.

The company is listed on Euronext Paris and is a constituent of the CAC 40 and the CAC 40 ESG indices.

The Group markets its products under internationally recognized generalist brands such as Legrand and Bticino, as well as under well-known local and specialist brands. Legrand keeps close to its markets, with more than 36,700 employees as well as commercial and industrial operations in nearly 90 countries.

The Group's organizational structure is based on two distinct roles:

- on the one hand, operational sales and marketing (Front Office), organized by country in order to respond to the specific requirements of each market in terms of relations with distributors, electrical installers, product specifiers and end-users; and
- on the other hand, activities linked to strategy, operations (innovation, R&D, manufacturing, purchasing and supply chain), and general administration (Back Office), organized globally.

The Group has solid, long-term growth drivers: geographical expansion, growth in sales of connected products and numerous secular long-term trends.

Geographically, more than 85% of its sales were generated outside France in 2020. Almost 38% came from the United States, the Group's largest country. Local players account for a significant proportion of Legrand's addressable market, which creates numerous acquisition opportunities.

Legrand also strongly believes that new technologies, particularly digital ones, significantly increase the value in use of its products and systems. As a result, the Group is continuing to step up development in the following areas:

- connected products with the Eliot program, introduced in 2015. This involves (i) investing in innovation, launching many new products and then rolling them out geographically and (ii) acquiring leading companies in this area, including Netatmo in 2018;
- digital infrastructure (VDI equipment, structured cabling, PDUs [2], KVM [3], pre-connectorized solutions, residential networks) with 18 acquisitions in this area since 2008, giving the Group leading positions in segments such as datacenters.

In addition, the Group has forged a large number of technological and commercial partnerships with leading players in digital technology, research centers and startups.

Finally, numerous secular trends are offering long-term growth opportunities for the Group:

- societal trends: (i) the need to decarbonize buildings and the increasing desire to reduce energy consumption in connection with efforts to combat climate change, (ii) population growth and population aging, (iii) urbanization, and (iv) the development of new economies and particularly their middle classes;
- trends in end-customer habits: (i) growth in working from home and increasingly flexible lifestyles with the focus on wellbeing, (ii) rapid growth in e-commerce, and (iii) rising demand for products that are easy to use, connected and eco-responsible, while ensuring the protection of personal data; and
- technological trends, particularly related to digital technology and the Internet of Things: (i) growth in wireless data traffic, (ii) the rise of fiber-optic networks and big data, (iii) the rapid growth in use of mobile apps, and (iv) voice control and artificial intelligence.

1 For more information, readers are invited to refer to the press release of July 2, 2020.
2 Power Distribution Unit.
3 Keyboard, Video and Mouse.

These developments are underpinning the deployment of increasingly sophisticated electrical and digital infrastructure in buildings, and putting Legrand – as a specialist in this area – at the heart of these macrotrends, particularly those relating to energy transition, the Internet of Things, datacenters and assisted living.

2.1.1.2 NUMEROUS GROWTH OPPORTUNITIES

The market for electrical and digital building infrastructure and Legrand's business model provide numerous growth opportunities.

The Group is growing in a number of ways: geographically, in technological terms, in response to long-term trends but also through its product offering and distribution channels.

2.1.1.2.1 International development[1]

Presence in the United States

Due to ongoing innovation efforts along with 18 acquisitions in the last 10 years, the United States – which accounted for almost 38% of Legrand's 2020 sales – has been the Group's largest country in terms of sales since 2015.
As a result, Legrand has built solid additional leadership positions in the last few years:

- busways (electric power distribution systems based on metal busbars) for datacenters: Universal Electric Corporation (2019);
- smart PDUs[2]: Server Technology (2017) and Raritan (2015);
- fiber-optic emitter-receivers: Champion One (2020);
- preconnectorized solutions for digital networks: Lastar (2014);
- audio-video infrastructure and power: Milestone (2017) and Middle Atlantic Products (2011);
- VDI cabinets for datacenters: Afco Systems Group (2017) and Electrorack (2011);
- specification-grade lighting for commercial buildings: Focal Point (2020), Kenall (2018), Finelite and OCL (2017) and Pinnacle (2016);
- natural lighting management: QMotion (2015);
- over-floor power and data distribution: Connectrac (2019);
- digital networks and sound system control for residential spaces: Luxul Wireless (2016) and NuVo technologies (2012).

These positions supplement the Group's long-standing leading positions in the United States in user interfaces, cable management and high-energy efficiency lighting control.

Presence in new economies

New economies (South America, Central America, Eastern Europe, Turkey, Asia excluding South Korea and Japan, Pacific excluding Australia, Africa and the Middle East) offer long-term growth potential as the power generation and distribution infrastructure develops in those countries, since:

- around 10% of the world's population still lacks access to electricity[3], and
- the size of the middle-class is set to continue increasing in many countries, reaching around 3 billion in Asia by 2030 according to the OECD, five times more than in Europe. This is driving demand for products with increased value in use.

The Group sells its products in nearly 130 new economies and has a commercial and/or industrial presence in over half of them. New economies accounted for around a quarter of the Group's sales in 2020. China (around 4% of the Group's sales in the last five years) and India (around 5% of the Group's sales in the last five years) are the Group's two largest countries among these new economies.

2.1.1.2.2 Development of connected solutions and new technologies

Supported by the rise of technologies that make it easier to exchange digital information and the emergence of new demand because of changing lifestyles and working habits (urbanization, video-conferencing, remote working, increased use of smartphones, remote controls for the home, etc.), connected solutions are continuing to grow.

Eliot: the connected objects program

The Eliot program, launched in July 2015, aims to speed up deployment of the Internet of Things within the Group's offering.

Between 2014 and 2018, sales of connected products grew at an average annual rate of +28% in total. The program has been rolled out across numerous countries and the number of connected product families doubled to 40[4] at the end of 2018.

The Eliot program accelerated with the 2018 acquisition of Netatmo, the French leading player in connected objects for smart homes, with which Legrand had already successfully co-developed many residential solutions.

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 PDU: Power Distribution Unit.
3 Source: World Bank.
4 Including Netatmo, not included in 2018 sales figures.

As a result, Netatmo has enhanced the Group's development capabilities with the know-how of its 130 engineers specializing in artificial intelligence, user experience and software product integration.

In 2020, sales from connected products amounted to €801 million, representing a -2% decrease compared with 2019 and a -1% trend on an organic basis. Sales of connected objects accounted for more than 13% of the Group's total in 2020, up from around 5% in 2014.

These solid achievements reflect the program's ongoing momentum despite the unprecedented crisis taking place in 2020, and was driven in particular by:

- new product launches in numerous countries (Drivia with Netatmo smart panel, Smarther with Netatmo thermostat, Uraone emergency lighting and energy consumption meters),
- the roll-out of connected user interface ranges in 11 new countries in 2020, taking the total to 44 since 2018,
- the development of innovative solutions, particularly through partnerships, such as highly energy-efficient connected, autonomous (wireless) and battery-free switches as a result of the energy harvesting [1] technology jointly developed with the CEA[2].

The Group's connected solutions are intended for both residential buildings (around 40% of sales in 2020) and non-residential buildings such as datacenters.

Investments and partnerships focusing on new digital technologies

New technologies, particularly digital ones, significantly increase the value in use and ease of installation of the Group's offerings, for both consumer and professional users.

Legrand has therefore stepped up its investments in new technologies, with initiatives including:

- an R&D operation that is increasingly focused on new technologies, for example with the number of staff members assigned to software rising by a factor of almost five between 2010 and 2020 and now accounting for more than 15% of R&D staff;
- collaborations, strategic partnerships (with Apple, Google, Microsoft and Amazon) and technological alliances, particularly as part of the Works with Legrand program, which also includes startups. For example, Legrand has developed the first voice-assisted connected switch.
- the development of product ranges intended for new uses:
  - improved management of workspaces (smart sensors in partnership with Microsoft),
  - integration of artificial intelligence into connected face-recognition door entry systems,
  - development of connected emergency lighting allowing remote surveillance and enhanced maintenance,
- involvement in various technology alliances (Open Connectivity Foundation, ZigBee Alliance, Thread Group and the Wireless Power Consortium) to ensure the interoperability of its range with those of other companies and to take part in defining the standards of tomorrow.
  These alliances are especially important since building management systems often use different protocols.

Legrand is also adding to its offering areas that fit very well with its long-standing activities, that have business models similar to its own and that show promising prospects, particularly in digital infrastructure. In the last five years, together with the acquisitions in connected products space of Netatmo in 2018 and Jobo Smartech in 2019, Legrand has made:

- 10 acquisitions [3] in digital infrastructure, with products aimed particularly at datacenters and internet service providers.
- 7 acquisitions [4] in the management of artificial lighting (mainly in specification-grade architectural lighting for commercial buildings in North America) and of natural lighting;
- 4 acquisitions [5] in UPS [6] systems intended to ensure a continuous, high-quality and optimized supply of power to critical buildings including hospitals and datacenters.

Acquisitions continued in 2020 with:

- Focal Point, a US front-runner in specification-grade architectural lighting for non-residential buildings (hospitals, schools and universities, offices, etc.);
- Champion One in the United States and Compose in the Netherlands, well known players in solutions and services for fiber-optic networks in datacenters and for internet service providers;
- the purchase of all of Borri, a UPS[6] specialist based in Italy[7].

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1 *Energy generated through mechanical impulses.*
2 *Commissariat à l'Energie Atomique et aux énergies renouvelables, a French structure specialized in cutting-edge research.*
3 *Afco Systems Group, Champion One, Compose, Luxul Wireless, Milestone, Modulan, Server Technology, Shenzhen Clever Electronic, Trical and Universal Electric Corporation.*
4 *CP Electronics, Finelite, Focal Point, Kenall, OCL, Pinnacle Architectural Lighting and Solarfective.*
5 *Borri, Gemnet, Fluxpower and Primetech.*
6 *Uninterruptible power supplies.*
7 *Legrand's stake was previously 49% and Borri was accounted for under the equity method. Readers are invited to refer to the press release of May 10, 2017.*

2.1.1.2.3 Responding to environmental and societal change

As the environment and society change, Legrand is continuing to develop its offering in response to the climate emergency and new needs. Accordingly, the Group offers a wide range of solutions to help users limit energy consumption, to increase wellbeing both at home and at work, and to accompany the development of digital technology while providing the best user experience.

Increasing energy efficiency

Buildings currently account for around 35% of total worldwide energy consumption[1].

To address the challenges of climate change and the increasing scarcity of natural resources, new regulations are frequently being introduced.

In addition, linked to the Covid-19 crisis in 2020, many countries (particularly in Europe) are adopting recovery plans that include measures to make buildings more energy-efficient, particularly through renovation work.

This means that the need for products that respect the environment and reduce greenhouse gas emissions is likely to grow in the next few years.

Legrand is already seeing increasing demand in all its markets for products and systems that reduce energy consumption and improve the quality of electricity.

The Group is meeting that demand by offering a range of products and solutions, and its connected ranges in particular, for measuring consumption and controlling the quality of energy. Legrand sells connected protection panels and eco-meters, which allow users to measure and assess energy consumption (including on mobile devices), along with load-shedding devices that control energy consumption and prioritize certain circuits.

The Group also operates in lighting management, shutter control, home automation, standby mode control for water-heaters and space-heating. Legrand also enables users to improve and control the quality of electricity (source inversion, reactive energy compensation, highly energy-efficient power transformation, surge protection, and uninterrupted power supplies).

Together, the solutions offered by Legrand allow significant improvements in energy efficiency, particularly through the measurement of energy consumption, which is a first step towards a reduction in energy intensity ranging between 5% and 15%[2].

Readers are invited to refer to section 4.4.1.1.3 of this universal registration document for further information on Legrand's energy efficiency activities.

Supporting digitalization and the development of datacenters

Breakthroughs in digital technology have led to sweeping changes in the day-to-day use of electrical equipment. Smartphones, tablets, televisions, computers, lighting, sound systems, household appliances, cars and more are becoming increasingly interactive, intuitive, mobile and connected.

These technological developments have helped to create new ways of living. In the last few decades, remote working, video-conferencing and multi-site meetings, streaming and the sharing of content on social media, and the remote management of commercial and residential building systems have developed rapidly, significantly increasing data flows.

These developments make it necessary to reinforce and enhance buildings' electrical and digital infrastructure, which the Group's products help to achieve.

This is the case, for example, with datacenters of all types (hyperscale, colocation, enterprise), for which Legrand offers a wide range of solutions (PDUs[3] and busways[4], copper and fiber-optic structured cabling, UPS[5] systems, etc.).
The Group regards this vertical as a long-term growth opportunity and estimates that it already accounts for more than 10% of its sales.

Increasing wellbeing within buildings and optimizing their use

As well as distributing power and protecting electrical and digital installations within buildings, Legrand's products and solutions also increase users' wellbeing. The Group's products are well known for having high-end functionality, for being easy to use both locally and remotely, and for having high esthetic standards. In residential buildings, the Group is continuously developing large numbers of simple products that allow functions to be managed interactively, such as:

- monitoring and control of power consumption, particularly with the help of connected protection panels and metering devices;
- electrical controls, with ranges of connected user interfaces;
- access control with smart connected video door entry systems, some with face recognition; and
- comfort, with connected thermostats and audio/video distribution solutions.

1 Source: International Energy Agency.
2 Estimated and non-contractual energy savings calculated per year by comparison with standard solutions and specific usage types.
3 PDU: Power Distribution Unit.
4 Busways: electric power distribution systems based on metal busbars.
5 Uninterruptible power supplies.

Legrand also offers numerous innovations for commercial buildings, including products that:

- optimize the installation, implementation and performance of digital infrastructure, as well as making it more modular and reducing its footprint, particularly within datacenters, for example with its high-performance structured cabling and airflow optimization solutions, along with remote control solutions (PDUs);
- manage lighting control systems, for example Digital Lighting Management products that operate on digital networks, and specification-grade or mission-critical architectural lighting for non-residential buildings; and
- make it easier to secure living spaces, with the help of easy-to-maintain now connected emergency lighting systems, illuminated security pathway marking, fire alarms and systems for controlling access at strategic points.

The Group is playing a role in the rise of new forms of mobility by supporting the development of electric vehicles. Legrand offers charging solutions for various uses, such as sockets and stations. These connected solutions allow users to program charging time slots and can be installed in individual garages but also in the parking lots of residential and commercial buildings.

Supporting assisted living

According to the UN, the number of people in the world who are over 80 is expected to almost triple by 2050. As a result, population aging poses a major challenge, in terms of both economic and social dependency. Faced with this challenge, and in view of growing demand from senior citizens wishing to remain in their own homes while living independently, Legrand has accelerated its expansion into the assisted living market. The Group has acquired four companies, most of them frontrunners in this field, particularly in their own countries:

- in 2011, Intervox Systems, the French leader in remote assistance systems;
- in 2013, Tynetec, a frontrunner in assisted living and wireless nurse call systems in the United Kingdom;
- in 2014, Neat, the Spanish market leader and a major player in assisted living in Europe, whose portfolio includes smart terminals for remote assistance; and
- in 2016, Jontek, specializing in management solutions for assisted living platforms in the United Kingdom.

Legrand ranks second in Europe for assisted living and first or second in each of the major European markets, particularly France, the United Kingdom, Spain and Germany.

In addition, the roll-out of connectivity across the Group's offering, as part of the Eliot program, is also helping to make people more independent with products such as video door-entry systems, security, remote control of heating systems, blinds/shutters/curtains and lighting, and the increasing integration of voice command and control.

2.1.1.2.4 Development of new distribution channels

Due to changes in technology and the way it is used, Legrand is seizing new opportunities in activities such as Audio-Video (AV), lighting, Voice-Data-Image (VDI), IT and datacenters, where it now has solid positions (for more information, please see section 2.1.1.2.2).

The development of Legrand's sales in specialized channels related to these technologies represents significant growth opportunities for the Group and the electrical sector as a whole (network integrators, panel builders, specialists in Audio-Video applications and maintenance, etc.).

Legrand also uses e-commerce as a showcase for the Group's know-how. In particular, it enables end-users and project owners (architects and engineering offices) to get a complete picture of the variety of Legrand's offerings, in terms of both functionality and finishes. Today, e-commerce sales take place mainly through generalist distributors and home improvement retailers, which remain the Group's main distribution channel.

Legrand is helping to grow online sales through ongoing efforts to enhance digital marketing content (reference materials in ETIM [1] format, video tutorials, active contribution to BIM[2]).

2.1.1.3 OFFERINGS AND APPLICATIONS[3]

Legrand believes that its activities are local and that access to its market requires new entrants to make a high initial investment, primarily due to:

- the importance of the relationship between Legrand and generalist distributors, which remain the Group's main distribution channel, and in general the need to establish relationships with numerous players in the economic decision-making chain in each country (local distributors, electrical installers, product specifiers and end-users);
- differences in installation practices and design preferences in each country;
- the existence of an installed base comprising several billion products; and

1 ETIM: Electro-Technical Information Model.
2 BIM: Building Information Modeling.
3 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.

- the need to offer customers an extensive range of innovative, multifunctional products and systems.

Legrand offers a catalog of more than 300,000 product references, across more than 100 product families. It regularly updates its ranges by adding innovative features, for example those based on new technologies such as the Internet of Things.

These developments are beneficial for:

- installers, who gain from faster product installation and set-up times;
- end-customers and specifiers, who are offered intuitive new features and designs; and
- facility managers, with simplified, reliable maintenance that allows productivity gains.

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.

Legrand's solutions are designed for both the residential and non-residential sectors, including offices, hotels, retail outlets and public buildings, and have a broad range of applications, some of which are presented below.

Controlling and accessing electrical installations

The Group sells products that control electrical installations, supply power within all types of buildings and manage connected homes and buildings.

In this area, Legrand sells user interfaces comprising control functions (lighting, shutters, heating, etc.) and connection functions (sockets for power, VDI, USB charging, etc.).

Thanks to new technologies and in particular the Internet of Things, user interfaces, mainly wall mounted, are changing, becoming more flexible and mobile and adapting to changes in user lifestyles and needs. They are designed according to increasingly varied aesthetics and ergonomics, thus covering the economy, standard and premium market segments.

User interface ranges can offer up to 200 functions (switches and sockets with multiple designs and features, motion sensors, temperature control, sound system control, etc.). New technologies are constantly being integrated into these ranges (electronics, connectivity, 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.

Supplying power to workstations

Workplaces represent a large proportion of overall electricity and data flows, and so the Group offers solutions covering the use and management of these flows in both offices and homes, through:

- mobile or built-in office modules that provide access to power and IT networks, as well as allowing mobile devices to be recharged;
- solutions that adapt residential spaces for home working, by improving and extending both wireless and wired network connections and by protecting computer equipment;
- cable management products for individual offices or meeting rooms, with cables running under floors, within walls or in ceilings (underfloor cable management, floor boxes, columns, ducting); and
- audio-video systems, particularly for meeting rooms, which include screen mounts, AV enclosures and video-conferencing cameras.

Protecting and optimizing electrical installations

Maintaining a secure, stable and optimized power supply is crucial, particularly for critical buildings like datacenters and hospitals, transport infrastructure, and power generation and storage sites.

Legrand helps its clients and users in these areas with power protection and distribution solutions including:

- power protection panels and accessories: circuit breakers (modular circuit breakers, molded cases, air circuit breakers, residual current protection devices, etc.), surge protection, electrical measurement components and busbars. These products protect people and property from major electrical risks. They also ensure a reliable, high-quality power supply to all kinds of buildings, as well as protecting renewable energy sources.
- UPS systems (uninterruptible power supplies): modular or conventional, which complement the Group's power distribution and energy efficiency offering, particularly for buildings with extensive digital infrastructure.
- capacitor banks that supply reactive energy on demand and manage harmonics.
- other systems that ensure the quality of power, for example transformers that optimize power consumption. Legrand believes that it is one of the main manufacturers in this area, and that it ranks among the top five players in the European and South American power distribution product markets.

Distributing power

Legrand offers cable management solutions designed to prevent any accidental contact between electrical cables and other electrical or mechanical equipment, and with people.

In this area, Legrand sells:

- trunking and ducting;
- cable support systems and wire-mesh and perforated-tray cable management systems;
- floor boxes and other items that allow the secure distribution of power and data (columns, etc.).

Cable management systems are made of either plastic or metal, and enable power and data cables to be laid beneath floors, within walls or in ceilings.

Legrand believes it is the world leader in the cable management market.

Securing buildings

The Group helps make living environments secure. For example, it sells alarms (anti-intrusion and technical alarms), reception and screening solutions (audio and video door entry systems, doorbells), some of which are connected and can therefore be managed remotely using an app.

The Group's products also ensure that people can move within buildings safely with the help of lighting and access control systems.

Managing lighting and the interior atmospheric environment

The growing need for energy efficiency has driven developments in the Group's offering, including:

- electric lighting management systems, for example with the use of Digital Lighting Management and specification-grade lighting solutions for commercial buildings;
- controls for shutters and roller shades for the smart management of natural light;
- thermostats that control temperature and measure humidity, for example Smarther with Netatmo products that are compatible with the Group's smart thermostatic valves; and
- smart weather stations and connected sensors that measure indoor air quality.

Readers are invited to refer to section 4.4.1.1.3 of this universal registration document for further information on Legrand's energy efficiency activities.

Distributing data flows

At a time when the growth in data flows is accelerating, Legrand offers a range of products focusing on the distribution of digital flows (data, telephone and video) within buildings. They include pre-wired solutions, patch panels, sockets and cords, enabling and facilitating the organization of both fiber-optic and copper networks in residential and commercial buildings and in datacenters.

The Group's high-performance systems for digital infrastructure are known for their innovation, offering simplified installation and optimized space for datacenters, as well as easier maintenance.

Legrand believes that it is a world leader in VDI applications (excluding cables, active products and WiFi).

Legrand is also a major player and a US market leader in carrying audio and video signals with its extended range of dedicated infrastructure and power solutions (screen mounts for both the non-residential and residential segments, projection screens, enclosures, etc.)

The Group organizes datacenters' white-space infrastructure and offers:

- enclosures and racks to host servers and organize cable networks while optimizing airflows and reducing the amount of energy consumed for cooling purposes;
- Power Distribution Units, including smart units, that supply and optimize the power supply for patching racks; and
- busways, which ensure the flow of electricity in a scalable, flexible and modular way through sets of metallic bars or "busbars".

2.1.2 - History

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

- 1865: a porcelain tableware factory is set up on Route de Lyon in Limoges;
- 1904: the porcelain factory is acquired by Frédéric Legrand, alongside Charles Alary and Jean Joquel, and later becomes the F. Legrand & C^ie^ company;
- 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 Index when the index was created;
- 1989: acquisition of Bticino, the leading Italian wiring device manufacturer; Legrand's total 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: Legrand'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 Tender Offer for Legrand's entire share capital; the European Commission opposes the planned merger in October 2001. As planned by Legrand before the merger with Schneider Electric, a new organizational structure is introduced with the aim of separating Front Office and Back Office responsibilities (see section 2.3 of this universal registration document);
- 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 Index;
- 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 the Internet of Things in Legrand's offering;
- 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 fourth CSR roadmap is published for the 2019-2021 period and Legrand's total sales exceed €6 billion;
- 2020: Legrand steps up its efforts to combat climate change, committing to carbon-neutral targets for 2022, 2030 and 2050.

2.2 - A PROFITABLE GROWTH STRATEGY BASED ON DEVELOPING LEADING POSITIONS

In the medium term, excluding the effects of economic cycles, Legrand's strategy consists of maintaining its profitable and sustainable growth. Driven by technological and societal megatrends, the Group is thus looking to expand its businesses internationally into connected and sustainable solutions, new technologies and new distribution channels. Legrand is relying on two drivers to strengthen its leadership positions worldwide year after year: organic growth fueled by innovation and a strategy of making bolt-on acquisitions of leading players in its addressable market. This approach is also based on multi-year CSR roadmaps for the sustainable development of its business activities while respecting its stakeholders (see Chapter 4 of this universal registration document for more information about Legrand's CSR approach). Thanks to the soundness of its integrated model, Legrand is achieving growth and creating value in a sustainable way for all its stakeholders, while keeping a solid balance sheet structure.

In 2020, against the backdrop of an unprecedented crisis, Legrand's growth model showed its ability to protect the fundamentals of the Group's financial solidity. The Group also adopted a responsible approach towards all of its stakeholders[1], while protecting its staff members and partners.

2

2.2.1 - Legrand, a market leader[2] with a unique position

2.2.1.1 A GLOBAL PLAYER SPECIALIZING IN ELECTRICAL AND DIGITAL BUILDING INFRASTRUCTURE

Legrand specializes in developing, manufacturing and marketing a comprehensive range of products and systems for electrical and digital building infrastructures. This approach is deployed worldwide. It is underpinned by the Group's presence in nearly 90 countries through subsidiaries, branches and representative offices. It means that Legrand has unique technical and commercial expertise across its entire business sector.

By leveraging its strong local presence, Legrand has established longstanding commercial relationships with key local distributors and electrical installers, as well as with product specifiers. Together, they provide Legrand with a thorough understanding of market trends and demand. Legrand maintains this close relationship with its customers by developing powerful CRM tools, continuously offering them more services, particularly through digital tools (catalogs, product information, photos, configurators, videos and software), technical and commercial support, and training (see section 2.3.1.3 of this universal registration document for more details).

2.2.1.2 A LEADER WITH LARGE MARKET SHARES

Legrand believes it is the world leader in the user interface and cable management segments.

More generally, Legrand also ranks first or second in one or more product families in many key countries, such as:

- the user interface segment in several countries in Europe (France, Italy, Hungary, Russia, etc.), Latin America (Brazil, Chile, Peru), North and Central America (United States, Mexico) and Asia (India);
- cable management in several countries in Europe (France, Italy), North and Central America (United States, Mexico) and the rest of the world (Malaysia);
- AV infrastructure, specification-grade architectural lighting and white-space power solutions for datacenters in the US;
- emergency lighting in Australia, France and Peru;
- UPS systems, particularly in Brazil and Turkey;
- modular protection in Algeria, Chile, Colombia, India and France;
- communication infrastructure (VDI and connectivity solutions) in France, Italy, Russia, the US and China.

Legrand's total sales of products that rank first or second in their respective markets represented around two thirds of Group sales in 2020. The Group believes that this leading competitive positioning makes it a key standard-setter for distributors, electrical installers, product specifiers and end-users.

1 For more information, readers are invited to refer to the press release of April 9, 2020.

2 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.

2.2.1.3 A PORTFOLIO OF WELL-KNOWN BRANDS OFFERING A FULL RANGE OF PRODUCTS AND SYSTEMS

The Group believes that it offers a range of products that distributors, installers, product specifiers and end-users associate with a high-quality image, innovation and ease of installation. In particular, Legrand believes that electrical installers and product specifiers – the main decision-makers when it comes to choosing products – have trusted the Group's brands, products and systems for many years, given their safety, reliability and ease of installation and use. This trust creates a high degree of loyalty to the Group's products.

Legrand also believes that its offering is one of the most comprehensive in the market (for more information about the Group's offering and its applications, readers are invited to refer to section 2.1.1.3 of this universal registration document).

Legrand markets its products:

- under world-renowned generalist brands such as Legrand and Bticino; and
- under an extensive portfolio of more than 70 brands, either specialist brands such as Cablofil or Netatmo, or brands that are very well known at the local level.

Legrand primarily markets its products under the following brands for each geographic area:

- in France: Legrand, Arnould, Cablofil, Debflex, Intervox, Planet Watthom, Bticino, Netatmo, S2S, Zucchini and URA;
- in Italy: Bticino, Legrand, Zucchini, Cablofil and IME;
- elsewhere in Europe: Legrand, Bticino, Cablofil, Zucchini, Kontaktor, Electrak, Estap, Inform, Neat, Netatmo, Tynetec, Minkels and CP Electronics;
- in the United States and Canada: Legrand, 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: Legrand, Bticino, Cablofil, Clever, Lorenzetti, HPM, HDL, SMS, Indo Asian, Numeric, Megapower and Shidean.

Legrand's brands and trademarks are protected in most markets. The protection granted to brands is based on their registration and/or use. Legrand files applications to protect them at the national, EU and international levels.

As a general rule, Legrand only licenses its brands to third parties in exceptional circumstances and rarely uses brand licenses from third parties.

2.2.1.4 A BALANCED MARKET POSITION

Trends in the market for electrical and digital building infrastructure are naturally dependent on economic conditions. However, this market is resilient to the economic cycle because of its diversity:

- the market covers both the newbuild and renovation segments. The renovation segment, which represents almost half of the Group's sales, is less sensitive to economic cycles as it requires lower investments and benefits from a recurring flow of activity (maintenance and modernization);
- the market breaks down into four main sectors, each with its own growth momentum, depending on the type of building and end-users:
  - residential buildings, which the Group estimates accounted for around 40% of its 2020 sales, of which more than half came from renovation works,
  - datacenters, more than 10% of Group sales in 2020,
  - non-residential buildings, which the Group estimates accounted for around 40% of its 2020 sales, of which more than half came from renovation works. This sector consists of numerous verticals in which trends can vary (hotels, offices, retail, schools, hospital, public buildings, entertainment venues, etc.), and
  - other spaces, such as those in the manufacturing sector and infrastructure spaces, which accounted for around 10% of Legrand's sales in 2020.
- The market is characterized mainly by business flows that are fueled by relatively low-value orders. It is therefore less sensitive to the impact of economic cycles than other markets such as the medium and high-voltage or infrastructure markets, which are more dependent on major private- or public-sector projects;
- in addition, certain areas (energy efficiency, connected solutions, digital infrastructure including datacenters, assisted living, etc.), are driven more by technological developments, or trends related to end-customer habits and social developments than by the construction market;
- finally, a diversified geographical presence limits the Group's dependence on the specific economic performance of one or more countries. Legrand has commercial and industrial operations in nearly 90 countries, and markets its products in close to 180 countries.

2.2.2 - Development driven by two growth drivers

Legrand is constantly seeking growth in its market share and sales by relying on two profitable growth drivers: organic growth, which is driven in particular by innovation and the regular launch of new products, and bolt-on acquisitions of market-leading companies.

2.2.2.1 NUMEROUS INITIATIVES TO SUPPORT ORGANIC GROWTH

Legrand's strategy for growth and for increasing its market shares is based on various initiatives. They include innovation, with the launch of new products that offer enhanced value in use and commercial initiatives in both the digital realm (e-marketing, data analytics, etc.) and the physical realm, such as opening new showrooms and concept stores.

2.2.2.1.1 Innovation at the heart of Legrand's business model

Over the medium to long term, and on average, Legrand spends 4% to 5% of its sales [1] on research and development, depending on its business mix and acquisitions.

This effort continued in 2020, when Legrand spent more than 5% of its sales on R&D.

Legrand develops its products by focusing primarily on the following items:

- quality, reliability and overall safety;
- simplicity, ease and speed of installation;
- enhanced features through the use of new technologies (Internet of Things, communication, security and confidentiality of personal data, remote control, voice control, etc.);
- interoperability and the widest possible selection of technologies to suit the needs of end-users;
- the ability of product lines to work together in an integrated system; and
- esthetics and design.

Know-how recognized for its innovation

Legrand has widely acknowledged experience in terms of innovation and the development of new products that create value for its economic chain. The Group regularly enhances its ranges by adding products with more value in terms of technological content, increased functionality and esthetics. For example:

- the Drivia with Netatmo smart electrical panel unveiled in CES 2020 and launched in the same year, which allows an electrical installation's power consumption to be managed and controlled remotely using the Home +Control app. This product won two 2020 CES Innovation Awards in the "Sustainability, Eco-Design & Smart Energy" and "Tech for a Better World" categories;
- connected smart thermostats such as Smarther with Netatmo, launched in the first half of 2020;
- the "Céliane with Netatmo" range of connected switches and sockets, winner at the CES Innovations Design and Engineering Awards 2017 in the Smart Home and Home Appliances categories, and Living Now incorporating
- Alexa™, winner at the CES Innovations Awards 2019 in the Smart Home category;
- Classe 300x and Classe 100x door-entry systems and the face-recognition connected door-entry system launched in China;
- connected emergency lighting systems, sold in particular in France (Uraone) and Australia (Galaxy), which allow users to see the status of installed lights at all times and to maintain them as effectively as possible;
- the My Home residential automation offering, allowing users to manage lighting, security, heating and audio/video distribution in residential buildings at the same time, in a simple and user-friendly way using their voices;
- eco-meters allowing users to measure and monitor the main types of power consumption using mobile devices;

The Group is continuing the global roll-out of its connected user interfaces, which are now sold in 44 countries, including 11 new countries in 2020.

Legrand is also focusing its efforts on entry-level product ranges, enabling it to meet all the requirements of its markets, for example launching the Galion range of user interfaces in the Middle East, along with electronic circuit-breakers in India (DRX 630 S1) and open circuit-breakers in China (DEX 2500) in 2020.

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

Legrand has developed expertise in energy efficiency in order to reduce energy consumption and minimize the environmental impact of buildings (for more information, readers are invited to refer to section 2.1.1.2.3 "Increasing energy efficiency" and section 4.4.1.1.3 of this universal registration document).

Effective coordination of research and development

Research and development is the responsibility of the Operations Department. It decides on the allocation of projects to the various teams around the world and is assisted in its task by the Strategy and Development Department. Legrand's approach to innovation is therefore promoted and coordinated by dedicated teams. Those teams also define broad technological guidelines and ensure that they are applied consistently within the Group (see section 2.3.2 of this universal registration document). A significant portion of Legrand's research and development is carried out in France, Italy, the United States and China, but also at the local markets level. In 2020, more than 2,600 employees in more than 20 countries were employed in research and development. Of those staff members, over a quarter are in new economies and more than 15% work exclusively on software.

This global organization enables Legrand to optimize its R&D operation 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 focus more resources on the technologies of the future, such as datacenters and connected solutions.

In addition, the Group anticipates the international roll-out of its products as soon as it designs them. Legrand has implemented some fifty "technological blocks" covering the main electronic functions within its offering. For a given electronic function, such as presence detection or NFC[1], a technological block brings together all engineering information, associated software and firmware, protocols for testing and qualifying, and manufacturing processes. Technological blocks are made available to the whole Group and can thus be used by several development teams. This standardization work makes it possible to pool investments in engineering and to ensure product quality by sharing experience.

An extensive patent portfolio

Legrand holds almost 3,900 active patents in some 80 countries. Its level of dependence on third-party patents is not considered to be material.

Legrand's patents cover around 1,800 different systems and technologies. The average life of the portfolio is around nine years, comparable with Legrand's competitors.

2.2.2.1.2 Innovative commercial initiatives

To stimulate demand among electrical installers, product specifiers and end-users, Legrand carries out or offers:

- regular visits, both physical and virtual (several thousand remote meetings were organized in 2020 to maintain commercial relationships during lockdowns);
- events related to product launches, with guests attending both physically and digitally;
- a wide variety of training courses for electrical installers to broaden their know-how and knowledge of Legrand products and systems, including webinars;
- software to help professionals design and cost installations;
- innovative marketing and sales tools that complement the numerous showrooms and concept/project stores that the Group has all over the world. They enable customers to find out more about and receive training in the installation of Legrand solutions, in real-life situations and interactively;
- an active digital presence on social media and the internet, including:
  - the www.legrandgroup.com institutional website and local websites in most countries in which the Group operates, which had almost 125 million page views in 2020,
  - Legrand's YouTube© channels, which already have more than 71 million views between them.

2.2.2.2 GROWTH BY ACQUISITION IN A MARKET OFFERING A LARGE NUMBER OF OPPORTUNITIES

Legrand is continuing to make a number of "bolt-on[2]" acquisitions of companies with leading positions in their market, thereby continuing to develop market share and drive growth. Given the fragmented nature of the market in which it operates, the Group focuses on acquiring small- and mid-size companies.

2.2.2.2.1 A fragmented market[3]

The Group's addressable market, which Legrand values at more than €100 billion compared with around €65 billion in 2010, remains highly fragmented. Indeed, around 50% of global sales are generated by small- and mid-size companies, which are often local and typically enjoy only a marginal share of the global market. With around 6% of its global addressable market in 2020, Legrand is a benchmark in its industry. Market fragmentation is due in part to differences in standards and applicable technical

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1 Near Field Communication.

2 Acquisitions of companies that complement the Group's existing business activities.

3 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.

norms related to end-users' habits in each country, as well as the wide variety of product offerings required to provide a building with electrical and digital infrastructure. Attempts to harmonize standards to make products usable on a very large scale have failed, especially within the European Union, due primarily to the size of the investment required to replace existing electrical installations for only limited added value. As a result, a significant portion of the electrical and digital building infrastructure product and system market has traditionally remained in the hands of small local manufacturers. This high level of fragmentation offers solid prospects for acquisitions over the long term, with almost 3,000 small and medium-sized companies operating in the market.

2.2.2.2.2 Recognized experience in growth through targeted acquisitions

In the fragmented market in which Legrand operates, the Group has demonstrated its ability to identify and make mostly bolt-on[1] acquisitions of companies with leading market positions.

In this respect, Legrand's country teams, which are very familiar with local market players, have an ongoing role of identifying potential targets. Of the almost 3,000 small and medium-sized companies operating in the Group's addressable market, around 300 are actively monitored on an ongoing basis.

A dedicated Corporate Development unit is then responsible for monitoring the entire acquisition process. It has the specific role of coordinating the work performed by the various Group teams that may be involved in the transaction. After the acquisition is completed, there follows the critical period of integrating the acquired company into the Group. This is done by the country concerned, under continuous supervision by the General Management.

Growth through targeted acquisitions is a full-fledged part of the Group's development model. Indeed, the Group has acquired and "docked" 175 companies into its scope of consolidation since 1954. Since 2018, Legrand has carried out 14 acquisitions that have strengthened its positions in eight countries (the United States with Kenall, Universal Electric Corporation, Connectrac, Focal Point and Champion One; France with Netatmo and Debflex; China with Shenzhen Clever Electronic and Jobo Smartech; Italy with Borri[2], in which the Group bought all the shares it did not previously own in 2020; Germany with Modulan; New Zealand with Trical; the Netherlands with Compose; and the United Arab Emirates with Gemnet).

2.2.2.2.3 Strict and consistent financial discipline

The pace of acquisitions takes account of various factors including the economic environment.

When making acquisitions, Legrand applies a disciplined, strict and consistent financial approach. The approach is based on multi-criterion analysis that enables it to ensure that the acquisitions complement the Group's existing business activities and:

- increase its local market share; and/or
- broaden its range of products; and/or
- boost its presence in high-potential markets; and
- are carried out on average, in compliance with its 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 income 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.

2.2.3 - A business model creating long-term value

2.2.3.1 A MODEL BASED ON PROFITABLE GROWTH

2.2.3.1.1 A market characterized by solid economic fundamentals

Legrand's addressable market is characterized by a relative lack of commoditization, and by highly fragmented business flows from hundreds of thousands of clients. Electrical installers, product specifiers and end-users pay considerable attention to products' technical features. For example, electrical installers tend to favor market-leading products that can be installed efficiently (i.e. offering safety, quality, reliability, availability and ease and speed of installation) and show the qualities expected by end-users in terms of functionality, design and ease of use. This is one of the reasons why, over the long term, Legrand's R&D expenditure equals 4-5% of its sales. These investments ensure a steady flow of new products with new esthetics and functionality, in line with customer requirements. By continually adding value in this way, Legrand reinforces brand loyalty among electrical

1 Acquisitions of companies that complement the Group's existing business activities.

2 Until now, Legrand held 49% of equity, with Borri consolidated on the equity method. Readers are referred to the press release dated May 10, 2017.

installers, product specifiers and end-users. This enables the Group to expand its numerous leadership positions.

While some industries are seeing secular deflation, Legrand's market is displaying a different overall trend. End-user price sensitivity is specifically mitigated by the fact that electrical installations (including cables and labor) usually account for only a small portion of the total average cost of a new-build construction project (around 7-8% for a residential project, for example). Similarly, because labor represents a significant cost component for installers, they first look for products that will enable them to do fast, high-quality work.

This has prompted Legrand to develop strong expertise in pricing, with pricing managers based all over the world. Their role is to adjust selling prices and to translate the innovation that Legrand brings to the market into the prices of product family or individual items. They also take account of trends in raw material and component prices, overall inflation experienced by the Group, and market conditions. More generally, all the Group's management and finance staff have been trained in, and made aware of, price management. Legrand's average selling prices have increased every year for almost 30 years.

2.2.3.1.2 Profitability driven by commercial positions, internal processes and continuously improving competitiveness

The Group's ambition is to continue strengthening its commercial positions. In 2020, around two thirds of its sales were generated from products in which it ranked first or second in its market. These positions, which give the Group the critical mass to achieve economies of scale and be recognized by its customers, have enabled it to generate high levels of profitability.

Expressed simply, the business model works as follows: in less buoyant economic conditions, which prevent the Group from exploiting growth-related operational leverage, Legrand uses active and differentiated management of its business to keep profitability under control. When economic cycles become buoyant, the Group generates profitable growth.

Legrand's way of operating is based on simple and efficient internal processes. In particular, each Country Department has to fulfill a Financial Performance Contract included in its annual roadmap, in which it undertakes to deliver a given level of growth and economic margin (i.e. operating income less the cost of capital employed, expressed as a percentage of sales).

In addition, Legrand relies on its unique, efficient and responsive Back Office structure (see section 2.3.2 of this universal registration document) to constantly improve its competitiveness and optimize its cost base and capital employed, particularly by applying:

- best practices at its production facilities and within Operational and Back-Office functions (product marketing, innovation, R&D, purchasing, manufacturing and supply chain);
- the concepts of product and technology platforms (see section 2.2.2.1.1 of this universal registration document); and
- ongoing efforts to optimize its industrial and logistics footprint.

Some of these gains are reinvested in research and development (particularly in new technologies) and in front office initiatives aimed at boosting organic growth. As a result, the Group's ratios in terms of R&D, industrial capital expenditure and working capital requirement remain under control (see section 2.2.3.2 of this universal registration document).

The Group's adjusted operating margin averaged 16% between 2003 and 2009, and nearly 20% between 2010 and 2020.

Although business volumes fell substantially in 2020, Legrand's adjusted operating margin was very resilient at 20% of sales excluding exceptional items, showing the effectiveness of measures that the Group took at a very early stage, including:

- good control of sales and purchase prices; and
- significant adjustments to costs from 2019 levels.

2.2.3.2 A SOLID BALANCE SHEET STRUCTURE BASED ON STRONG FREE CASH FLOW GENERATION

By combining a high level of profitability and tight control over capital employed (working capital requirement and capital expenditure), Legrand's business model enables the Group to generate high levels of free cash flow over the long term. Free cash flow generation has thus been around 14% of sales over the past five years. This gives the Group significant financial and operational flexibility, and a solid and attractive balance sheet structure.

The strength of the Group's balance sheet engenders confidence among investors and financial partners, on whom Legrand can call to fund growth or refinancing operations:

- Five successful bond issues between 2017 and 2020 in a combined amount of €2.8 billion; and
- an agreement in late 2019 to amend and extend on improved terms its multicurrency credit facility (€900 million maturing in December 2026). The margin on that facility is adjusted every year depending on the achievement rate of the Group's CSR roadmap, confirming its commitment in this area.

In September 2020, Standard and Poor's confirmed its A- credit rating on Legrand.

The continued development of product and technology platforms, the systematic application of a "make or buy" approach to all investment projects and the transfer of some production to less capital-intensive countries should enable the Group, over long term, to maintain an average ratio of capital expenditure to consolidated sales of between 3% and 3.5%.

Finally, the Group believes that it is able to maintain a ratio of working capital requirement to sales of around 10%, excluding significant acquisitions.

2.2.3.3 CAREFUL MANAGEMENT OF FINANCIAL PERFORMANCE ENABLING SIGNIFICANT VALUE CREATION

To ensure a high level of profitability and strong free cash flow generation, Legrand manages its financial performance on the basis of three pillars:

- composite key performance indicators;
- strong processes organized around permanent dialog between country managers and the Group;
- accountable, experienced and motivated Executive management teams, particularly through compensation that is aligned with the challenges of creating value in the short and long term.

2.2.3.3.1 Composite key performance indicators

Three key performance indicators are measured for each country manager:

- development through increases in local market shares, which determine profitability, the deployment of international marketing programs, and the strengthening of the Group's position in new distribution channels;
- economic income, defined as adjusted operating income less the cost of capital employed;
- finally, CSR performance, measured by the achievement of roadmap targets.

2.2.3.3.2 Strong processes organized around a structured and ongoing dialog between country managers and the Group

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 (economic profit as a percentage of sales),
  - 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 of the Financial Performance Contract. The scenario is adjusted depending on whether business is better than, not as good as, or in line with the scenario initially chosen;
- comprehensive monthly reports are used to provide a detailed analysis of performance at the consolidated level and in each country, in order to assess performance relative to the latest approved scenario.

2.2.3.3.3 Accountable, experienced and motivated Executive management teams, particularly through compensation aligned with the challenges of creating value in the short and long term.

On average, members of Legrand's Executive management team have around 20 years of experience in the electrical and digital building infrastructure industry. Their experience and commitment create and maintain a unique corporate culture, which inspires and rewards talent and initiative. The influence of its Executive management team has enabled Legrand to continue growing while maintaining a high financial performance.

Countries are run by managers who are true entrepreneurs. Management dialog between countries and the Group is based on a high level of accountability for local managers, who are incentivized to create value over the long term. The Group has also set up long-term performance-linked incentive plans that benefited almost 1,900 people in 2020. These plans include performance share awards that vest over three or four years. They are intended to encourage the creation of financial and non-financial value over time and to increase the management team's loyalty to the Group (see sections 4.1.7, 6.2, 7.2 and 7.3 of this universal registration document).

The Group's current and former senior management and employees held 3.75% of the Company's share capital as at December 31, 2020.

2.2.3.4 MID-TERM OUTLOOK DRIVING VALUE CREATION

The depth of Legrand's offering, ongoing controlled investment to ensure profitable and responsible growth, and the rapid development of an addressable market worth more than €100 billion mean that Legrand has a sustainable growth outlook.

Backed by a proven growth model and offers driven by long-term market trends, Legrand is developing its mid-term model further. Over a full economic cycle and excluding a major economic slowdown, the Group aims for:

- an average annual growth in sales, excluding exchange-rate effects, of between +5% and +10%;
- an average adjusted operating margin [1] of approximately 20% of sales;
- a normalized free cash flow of between 13% and 15% of sales on average.

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.

2.3 - AN ORGANIZATION THAT SUPPORTS THE GROUP'S STRATEGY AND CUSTOMERS

Legrand has manufacturing and commercial sites and subsidiaries in nearly 90 countries. The Group's organizational structure is based on two distinct roles: firstly, sales and operational marketing activities (Front Office), and secondly, activities connected to strategy, operations (innovation, R&D, manufacturing, purchasing, and logistics) and general administration (Back Office).

- The Front Office is organized by country in order to respond to the specific requirements of each market in terms of relations with distributors, electrical installers, product specifiers and end-users. The organization is decentralized and run by local managers. Its aims are to develop sales, raise commercial profitability and optimize the working capital requirement in each country, in accordance with the strategy set out by the Strategy and Development Department and approved by General Management.
- 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, Finance, Information Systems and Human Resources).

At the Group level, this organization aims to define strategy, optimize industrial organization, accelerate the development of new products, keep capital employed under control, adapt resources to the business, appoint key managers worldwide, establish all internal control rules, and coordinate risk management processes.

2.3.1 - Front Office

Legrand's relationship with generalist and specialist distributors (IT, VDI, web, etc.), electrical installers, product specifiers, and end-users represents a strategic priority for the Group. Legrand is extending its commercial coverage of all its markets by prioritizing product categories with high long-term growth potential.
In particular, the Group is developing its offering in the areas of IoT, energy efficiency, datacenters, user security and comfort, and assisted living, as well as developing ranges intended for new economies.

2.3.1.1 THE FRONT OFFICE'S ROLE AND RESPONSIBILITIES

The Front Office acts as an interface with Legrand's distributor customers, electrical installers, product specifiers and end-users. In each country, Front Office activities are run by a country manager who is responsible for:

- growing market share and sales;
- increasing commercial profitability; and
- optimizing working capital requirements through efficient inventory and trade receivables management.

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

2.3.1.2 AN ECONOMIC CHAIN ADAPTED TO MARKET FLOWS

Legrand has various means of accessing a market consisting of a wide variety of users (distributors, electrical installers, product specifiers and end-users).

- Legrand's distributors deal with electrical and digital devices and equipment. These can be generalist distributors – which make up Legrand's main distribution channel because they offer broad expertise and unique coverage of the market – as well as specialist distributors (IT, VDI, etc.) and specific distribution channels such as e-commerce. Sales to generalist and specialist

1 Including restructuring costs.

distributors represented the vast majority of the Group's consolidated sales in 2020. Legrand's relations with its distributors are generally governed by terms and conditions of sale specific to each local market.

- Electrical installers are professionals and individuals who buy, install and use Legrand's products. The professional category includes electricians, business owners, panel builders, and industrial and commercial companies whose business activity is connected to the installation of electrical products and systems. They are also very often product specifiers for the Group.
- The other product specifiers are architects, decorators and design firms, who fuel demand for Legrand's products by recommending their installation to end-users or by specifying them in the design of certain building projects.
- End-users are the people who use Legrand's products in the environment where these products are installed or used.

The distribution chain is organized so that manufacturers like Legrand mainly sell their products to distributors, which in turn sell the products to the electrical installers responsible for installing them in end-users' buildings. This is mainly a flow-driven business, as electricians 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 electrical installers and end-users on product and application choices.

2.3.1.3 A "PUSH-AND-PULL" STRATEGY

Sales and marketing are the responsibility of the Front Office, whose headcount accounted for more than 19% of the Legrand total in 2020 (see section 4.6.2.2 of this universal registration document). Marketing efforts are focused on each level of the distribution chain (distributors, electrical installers, product specifiers and end-users). These efforts are primarily aimed at providing market players with information, training, and other services relating to all of the Group's product ranges. Legrand believes that making its products easier to access and use for distributors, electrical installers and end-users encourages a high level of loyalty to its products and generates demand at each level of the distribution chain.

2.3.1.3.1 Selling Legrand's products to electrical equipment distributors ("push")

As part of the "push" strategy, Legrand maintains close relationships with electrical equipment distributors. The Group focuses on ensuring product availability, providing just-in-time delivery and simplifying the ordering, stocking and dispatching process (standardization of the size and appearance of its packages, pre-sorted deliveries, etc.). The "push" strategy is also based on providing a catalog that covers all of an electrician's requirements, features a large number of new and innovative products and is available digitally.

The "push" strategy includes:

- *permanent priority inventories* held by distributors, in return for which Legrand guarantees the storage and rapid delivery of non-priority finished products, for example within 24-48 hours anywhere in France, through an agile and responsive production system;
- *management of the main distributors' inventories* via a system in which items are automatically shipped if inventory levels fall below a predefined threshold, as used in the United States by the Wiremold and Pass & Seymour subsidiaries;
- *intelligent sorting*. To reduce the preparation work that distributors have to do themselves, as well as shipping errors and handling costs, Legrand pre-sorts its products before shipping based on their final destination, for example in France. This value-added service is popular and gives Legrand a competitive advantage;
- *the creation of international logistics platforms.* Legrand manages its international distribution via logistics platforms in Asia, the Middle East and Eastern Europe. By reducing the distance between its products and customers, Legrand improves the service provided, significantly reducing delivery lead times and CO_2 emissions. These platforms and various subsidiary-owned warehouses are connected by a single network that is synchronized daily.

Legrand enjoys strong, long-standing commercial relationships with its distributors, and particularly with its two largest distributors, Sonepar and Rexel. In 2020, sales through Sonepar and Rexel accounted for almost 17% of the Group's consolidated 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 2020. Legrand's other main clients include Adeo, Amazon, Comoli, Graybar, Menards, Wesco and Yess Electric.

The electrical products and systems distribution structure in most countries enables Legrand to channel its products towards distributors' centralized distribution centers, and therefore benefit from their local sales outlet infrastructure. This organizational structure also limits the logistics costs and credit risk that Legrand would incur if it had to deal with electrical installers and end-users directly.

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

Where its "pull" strategy is concerned, Legrand believes that demand for its products is mostly determined by requirements that electrical installers, product specifiers and end-users make known to distributors. As a result, by actively promoting its products to installers, product specifiers and end-users, Legrand focuses the bulk of its marketing efforts on developing and sustaining demand for them. As well as ensuring the reliable and rapid availability of its products, Legrand focuses on providing training, technical handbooks, business software applications and a large amount of information in digital format to help clients with their digital communication.

The Group offers training programs to local distributors and electrical installers, in particular at its Innoval international training centers (in France, the Middle East, Asia and South America). In total, there are more than 20 principal training centers around the world for participants in the electrical industry. More than a million customers have received training since 2014. These training programs are designed to expand electrical installers' expertise and service offering by familiarizing them with the Group's latest product innovations and product installation methods. Hands-on programs are offered in areas as diverse as connected residential systems, the wiring of electrical and fiber-optic cabinets, the installation of emergency lighting systems, and current regulations and technical standards. The Group also organizes local training in many countries, and particularly in the United States.

Legrand also uses new communication and training technologies, including e-learning and webinars. Additionally, the Group offers various software applications specifically designed to provide day-to-day support to professionals, depending on their role (from architects to electricians) or the type of project. The main professional software applications offered by the Group include:

- XLPro3, intended for designers of energy distribution panels, who can use it to plan the distribution and siting of panels, but also to visualize and cost entire projects;
- LCS Pro3, which can be used to configure Voice-Data-Image systems (patching racks and communication cabinets for multimedia networks as well as UPS systems); and
- illiPro, which allows users to design entire electrical installations quickly by selecting products room-by-room, for both residential and tertiary applications.

Legrand ensures that its products have a digital presence through:

- e-catalogues, available on its various brands' websites and containing technical, commercial, logistics and certification-related information. They provide installation support for all products;
- online configurators;
- digital marketing content for distributors, specifiers and end-users (rich content), with information about almost 100,000 product lines already available in ETIM (Electro-Technical Information Model) format;
- its active contribution to the development of BIM (Building Information Modeling), an innovative process for the digital planning of the building life cycle;
- apps for tablets and smartphones (e-catalogs and the Home + Control and Home + Security apps for connected products). These apps make it easier to find information concerning products, configure and cost an electrical installation and manage numerous functions remotely.

Legrand promotes its products via marketing initiatives that are particularly aimed at electrical installers, and also seeks to stimulate demand among end-users through advertising campaigns and targeted marketing events promoting the design and functionalities of its products. For more information about the Group's commercial initiatives, particularly in the digital realm, please refer to section 2.2.2.1.2 of this universal registration document.

Legrand's call centers, which provide a full range of information on new applications, also contribute to this promotional effort.

In order to support end-users' strong interest in simple home DIY, Legrand markets part of its product range in specialist stores, with a particular emphasis on high value-added ranges. This system enables the Group not only to meet demand from customers who want to renovate or improve their electrical installation, but also to communicate with the general public by offering esthetically or functionally innovative solutions.

2.3.2 - Back Office and Operations

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, Finance, Information Systems and Human Resources).

At the Group level, this organization aims to define strategy, optimize industrial organization, accelerate the development of new products, keep capital employed under control, adapt resources to the business, appoint key managers worldwide, establish all internal control rules, and coordinate risk management processes.

In 2014, Legrand set up an Operations Department that brings together its entire operational Back Office (product marketing, innovation, R&D, purchasing, manufacturing and supply chain) under a single roof, with three priorities:

- boosting innovation in the Group's strategic business areas;
- monitoring productivity more closely; and
- improving supply chain and purchasing efficiency by bringing them closer to operations.

2.3.2.1 INDUSTRIAL ORGANIZATION AND PRODUCT DEVELOPMENT

Manufacturing and product development activities are organized according to areas of expertise specific to industrial processes and consistent with the local structure of markets.

The Operations Department is in charge of the Group's industrial organization and product development, and its aims include:

- handling product marketing and develop new products;
- defining and implementing industrial plans, in line with commercial development;
- ensuring the best customer service rate and optimal product quality;
- improving cost prices on an ongoing basis; and
- controlling capital employed and in particular capital expenditure and inventories.

Legrand has the ongoing goal of improving industrial performance and reducing capital employed by:

- factoring these criteria into the product design phase, specifically through the deployment of product and technology platforms (see section 2.2.2.1.1 of this universal registration document). Product platforms significantly reduce development time and the number of components used, and increase the utilization rate of equipment. The platform concept covers all of the Group's product ranges (user interfaces, digital infrastructure, emergency lighting, UPS [1] systems, cable management, etc.).
  Using technology platforms makes it possible to pool investments in engineering and to enhance product quality by sharing experience. More than 65% of the Group's sales were covered by platforms in 2020;
- adjusting expenditure levels to business developments;
- streamlining and optimizing the industrial and logistics footprint;
- introducing plant specialization by product line or technology so as to reach critical mass and prevent the dispersal of resources and skills;
- systematically applying a "make or buy" approach to all new projects to determine whether to invest in new manufacturing assets, and using outsourcing in order to gain extra flexibility and adaptability, while at the same time reducing the amount of capital employed; and
- deploying industry best practices in all production units through the "Legrand Way" program, aimed at overall operational excellence (productivity, capital employed, quality, customer service, etc.). The program's deployment rate across industrial sites rose by 3 points to 77% between 2018 and 2020.

In addition, the Group is investing in digitalizing its manufacturing processes, with the aim of allocating up to 10% of its capital expenditure for new products and manufacturing processes to Industry 4.0 projects. Through Group-level initiatives (Connected Factory, Data Analytics and Automated Tasks), Legrand is:

- gradually deploying data gathering and analysis applications that help control production processes in real time, and to accelerate them; and
- implementing smart production assistance solutions such as AGVs [2], Cobots [3] and augmented reality.

These initiatives come as part of an overall industrial excellence approach.

More generally, the Group permanently seeks to optimize its cost structures and reduce its impact on the environment, in particular by manufacturing products as near as possible to the areas in which they are sold – which is reflected by the fact that the revenue base and cost base are broadly balanced. The Group is therefore locating more of its production in markets that offer long-term development opportunities, such as China, India and Russia.

1 Uninterruptible power supplies.

2 AGV: Automated Guided Vehicle.

3 Cobot: collaborative robot.

Working closely with the Strategy and Development Department, the Group's Operations Department is in charge of:

- promoting and coordinating the innovation process within the Group;
- defining major technology roadmaps and ensuring the consistency of the technologies used within the Group;
- helping ensure that all the Group's offerings are compatible and organized into consistent systems.

2.3.2.2 PURCHASING

For more than fifteen years now, Legrand has been implementing a Group-level purchasing policy. The aim is to safeguard supplies, optimize procurement costs and harmonize practices within the Group, 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: strategic purchases for which Legrand has adopted a global approach. At the end of 2020, 410 Group suppliers accounted for around 20% of total purchases;
- local purchases: meeting the specific requirements of a site or operational department.

The purchasing organization coordinates a network of internal and external stakeholders to create value through innovation and contribute to profitable, sustainable and responsible growth.

It also carries out rigorous oversight of operational, financial and reputational risk management, in order to entrench the progress made by the Group and take account of changes in its market context and in requirements arising from regulations and standards.

It also seeks to:

- involve teams in the process of creating value via purchasing and in the management of development plans with suppliers (business line-specific training addressing each participant's objectives and career development; management awareness of collective performance and of sustainable procurement responsibilities);
- make processes more efficient and digital, to ensure that they work in a consistent and agile way throughout the world, via the deployment of best practice and shared digital tools.

The Group had around 35,000 suppliers at the end of 2020. Purchases equal almost 50% of the Group's sales.

2.3.2.3 LOGISTICS AND SUPPLY CHAIN

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

To that end, procurement, production and distribution cycles are studied from the product design phase, and the Group opts for solutions that optimize product availability as well as costs, while minimizing the environmental footprint of the various flows.

Logistics facilities form a network of local, regional and central storage and distribution centers, enabling the Group to serve the market in the most effective way.

This approach is based on dedicated tools and processes for planning and execution:

- distribution sites and subsidiaries are connected to a Distribution Resource Planning (DRP) tool. The tool is used to plan procurement at the global level in response to local demand, and thus optimize finished product inventory levels;
- industrial facilities use planning tools based on the Manufacturing Resource Planning concept. The Sales & Operations Plan compares demand with capacity in order to define production and procurement plans;
- operational best practice among the functions contributing to supply-chain performance is recorded and shared through the "Legrand Way".

At the same time, Legrand is continuing to digitalize its supply chain, through:

- end-to-end collaboration solutions that allow greater communication about all flows and faster and more accurate responses to customer requests;
- data analytics, to improve both inventory levels and customer service.

This system has enabled Legrand to reduce the ratio of inventory value to consolidated sales from more than 15% on average between 1990 and 2014 to over 13% on average between 2015 and 2020, while guaranteeing a high-quality service for its distributors in terms of availability, flexibility, speed and adaptability.

2.4 - OTHER INFORMATION

2.4.1 - Suppliers and raw materials

Legrand does not depend on any single supplier for any type of purchase. It considers that most of the raw materials and components required by its operations will remain available in all its major markets.

In 2020, the main raw materials used for manufacturing purposes were:

- plastics of various types, components and colors. They are selected according to their physical properties;
- metals, particularly steel, brass and copper; and
- packaging materials.

Legrand also buys a large number of finished and semi-finished electro-mechanical and electronic components that are incorporated into its products.

The table below sets out the Group's raw material and component purchases as a percentage of Group sales for the 2019 and 2020 financial years:

(% of consolidated sales)	December 31, 2020	December 31, 2019
Raw materials	7.9%	8.9%
Components	24.2%	23.6%
Total	**32.1%**	**32.5%**

With the aim of increasingly integrating circular economy principles, Legrand is:

- making greater use of recycled raw materials;
- limiting its use of materials with high risk of depleting non-renewable natural resources;
- actively promoting the collection and recovery of its products at the end of their lives via industry-specific initiatives.

For more information about the Group's circular economy initiatives, please refer to section 4.2.2 of this universal registration document.

2.4.2 - Property, plant and equipment

Legrand intends to optimize its industrial processes, increase efficiency and reduce production costs by:

- making each site more specialized in terms of producing a particular technology or product family;
- optimizing the portfolio of production sites;
- favoring production close to where the products are sold;
- systematically applying a "make or buy" approach and deploying industrial best practice in order to enhance productivity and limit capital employed.

As of the date when the 2020 financial statements were finalized and to the best of the Company's knowledge, there are no significant non-provisioned charges relating to the Group's sites.

2.4.3 - Information by geographic region

Since Legrand's business is local, i.e. country-specific, its financial reporting is organized into three geographic regions.
With an organization aligned with its markets in this way, the Group can optimize coverage of its international clients, speed up development in fast-growing verticals, roll out its international programs more extensively and promote the sharing of best practice.
Please refer to sections 5.4.1.1 and 4.6.2.2 of this universal registration document for more information on

business trends by geographic region over the past two years, and for a breakdown of average headcount by geographic region and by category (Front Office and Back Office). Sales by destination and weighted average headcount were as follows in 2020:

- for Europe, €2,396.0 million and more than 14,000 people;
- for North and Central America, €2,485.4 million and more than 6,800 people; and
- for the Rest of the World, €1,218.1 million and almost 15,900 people.

2.4.4 - Competitors

Legrand enjoys established market positions in France, Italy, Russia and many other European countries, as well as in North and South America, Africa and Asia. Legrand's main direct competitors include the following:

- divisions of large multinational companies that compete with Legrand in various domestic markets, for some or all of Legrand's product ranges, such as: ABB, Eaton, Honeywell, Panasonic, Schneider Electric and Siemens;
- specialized companies that mainly offer one or two product categories, such as CommScope and Belden (VDI structured cabling), Aiphone and Urmet (door entry systems), Crestron and SnapAV (building systems), Lutron and Signify (lighting control), Obo Bettermann and Niedax (cable management), Panduit (VDI and cable management), Rittal and nVent (envelopes and racks for datacenters) and Vertiv (racks for datacenters and UPS systems); and
- multi-specialist companies such as Hager in Germany and France, Gewiss and Vimar in Italy, Niko in Belgium, Gira in Germany, Simon in Spain, Leviton and Hubbell in the United States and Canada, Havells in India and Chint in China.

INTERNAL CONTROL AND RISK MANAGEMENT

3

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. It 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, formally enshrined in a set of charters that are widely circulated among its 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, and its Guide to good business practice. Commercial practices are governed by the Fair Competition Charter and the Guide to Good Business Practice;
- exemplary behavior, an essential means of disseminating values within the Company;
- the clear objectives set out by the Company and communicated to its employees (see section 2.2.1);
- 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 access to information systems determined according to each person's role, in compliance with the rules regarding segregation of duties.

The reporting structures 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, and the multiple reporting systems (financial, HR, corporate social responsibility, environmental responsibility, etc.), as well as the internal control self-assessment questionnaire completed by each Group entity.

The Covid-19 pandemic has not fundamentally changed the Group's risk environment or the associated internal control system. However:

- the Covid-19 pandemic gave rise to specific crisis management actions and reporting to the Risk Committee and the Audit Committee;
- the audit approach was adjusted to allow audits to be conducted remotely;
- the Group's risk map was updated.

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 to internal control risk areas, as well as rapid adjustment of the internal control framework to address weaknesses detected during audits.

The Group's Internal Control Department relies on local internal controllers who coordinate the process in their respective units. This is the case for roughly fifteen Group countries, including the largest contributors in terms of business (United States, France, Italy, China, India, Brazil, Russia, Mexico, Colombia, etc.). In smaller entities, internal control is the direct responsibility of their Chief Financial Officers. In the Group as a whole, around 30 staff members were dedicated to internal controls at the end of 2020.

The manager in charge of this function at Group level has direct access to the Chair of the Audit Committee, with whom he/she confers independently when preparing for Audit Committee meetings.

The manager in charge of this function at Group level reports directly to the Chief Executive Officer, ensuring that he/she enjoys the required authority at the internal level.

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 Company's 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.

The integrated report contains a summary diagram presenting the existing governance structure for internal risk management and control.

LIMITATIONS

The 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. Neither can it guarantee that every risk, 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 or compliance-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 solely to procedures for making accounting and financial reporting data more 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 the proper functioning of the internal procedures, especially those that contribute to the protection and safeguarding of assets;
- provide assurance regarding the reliability of financial and accounting information;
- support both organic and external growth;
- contribute to the optimization of procedures and operations.

The risk management process continually feeds into the internal control process, which, as a result, 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 internal control standards, which are regularly updated. These internal control standards, as well as all the legal, financial, management and accounting rules followed by the Group, 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 is also adapted to 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 self-assessment questionnaires and tests are systematically reviewed, consolidated and analyzed by the Internal Control Department.

The 2020 self-assessment campaign showed that the Group's entities achieved an overall compliance rate of 91% in respect of the internal control system's minimum requirements, the same figure as was seen in 2019. The Group considers that this is a satisfactory compliance rate. Targeted support is provided to help all entities achieve an individual compliance rate of at least 90%. Cross-functional initiatives are launched as and when required. In 2020, specific actions were carried out to continue strengthening rules for overseeing information systems processes.

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 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 the Company's activities, processes and assets.

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

- ensure the safety of the Group's employees;
- preserve the value, assets and reputation of the Group;
- secure the Group's decision-making and procedures to encourage achievement of its objectives and thus the creation of value for all stakeholders;
- ensure that the initiatives undertaken are consistent with Group values; and
- encourage Group employees to buy into a shared vision regarding major risks, and to raise 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 ("top-down" approach). It is supplemented by contributions from Group subsidiaries and functional departments ("bottom-up" approach), 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. The risks 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.

The risk management process is supported by a specific tool. This allows the methodology to be documented, allows participants to be more closely involved, and facilitates coordination and reporting.

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 risk is the subject of an annual discussion with the Audit 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 Audit Committee meeting are submitted to the Board of Directors.

In the specific context of managing the Covid-19 crisis, in which the Risk Committee is heavily involved, a comprehensive update of the risk map began in September 2020.

The previous complete update was carried out in 2018, and the current update has allowed conclusions to be drawn from the handling of the crisis arising from the Covid-19 pandemic.

The updated risk map was presented to the Audit Committee and Board of Directors for validation in February 2021.

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 acquiring them or investing in them;
- 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 bottom-up approach. The Internal Control Department systematically monitors the correct implementation of action plans.

In 2020, remote audits were organized in order to adjust to the specific situation arising from the Covid-19 pandemic.

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 meet the following objectives:

- 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 particularly on the work of 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 accounting and finance areas;
- the Statutory Auditors who, through their external audit work, express an independent opinion on the published 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 the following staff within the Finance Department.

FINANCE MANAGERS IN SUBSIDIARIES

Finance managers in subsidiaries, who are appointed by, and report functionally to, the Group's Finance Department, are specifically entrusted with responsibility for internal control and with the role of Compliance Officer in their respective companies. They are appointed by the Group's Finance Department, to ensure consistently outstanding levels of expertise.

GROUP FINANCE CONTROL

Group Finance Control reports to the Group Finance Department. It plays a key role in monitoring and controlling subsidiaries' performance and their enforcement of procedures. He/she 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, prepares and analyzes the Group's consolidated financial statements. It prepares and circulates, on a monthly basis, a progress sheet showing the Group's 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.

Accounting data are consolidated by a dedicated team using the 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.

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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 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 processes related to the implementation and operation of information systems, as well as system and network protection and access arrangements.

The very nature of data processing activities, in an environment that is subject to frequent change in terms of the scope of Group activity and the information systems used, makes IT risk management a process of continuous improvement

3.6 - RISK FACTORS AND CONTROL MECHANISMS IN PLACE

As of the date this document was registered, the risks described below are those identified by the Group as capable of having a material adverse impact on its business, image, financial position, results or 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 effect on the Group.

In September 2020, the Group started updating its risk map, as described in section 3.3.2 of this document. The risk factors identified after the process were submitted for validation to the Audit Committee and the Board of Directors in February 2021.

All risks are assessed according to the probability of their occurrence and their potential impact (based on a scale with four levels, i.e. minor, moderate, material and major). They are then ranked according to 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. Risk factors are analyzed by taking into account potential risks in Legrand’s business model and risk mitigation arrangements. The approach differs from that used in relation to Corporate Social Responsibility (CSR). The CSR approach refers to gross risks. As a result, this risk factors chapter does not cover most CSR risks.

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

In accordance with the requirements set out in Article 16 of Regulation (EU) 2017/1129, this chapter only presents the Group’s specific risks whose net impact appears to the Group to be capable of influencing investment decision-making. In terms of methodology, therefore, details are only provided in relation to “Priority” risk factors that could have a major or material impact. In each of the four categories, the table below ranks the risk factors in decreasing order of priority and impact.

Update of the risk map

The Group's new risk map features 18 risks as opposed to 25 risks in 2018.

It covers all of the 25 risks featured in 2018, but in a more concise way.

It includes a new risk: crisis management and business continuity. This risk is in the "Keep on watch" category.

The updating of the risk map has changed the order of priority of certain risks.

Risk factors related to environmental and climate-change impacts are currently assessed as falling into the “Priority” category within the Group’s hierarchy of strategic risks.

The Group has also improved its control over risks related to acquisitions and employment conditions. These are now in the "Keep on watch" category.

Of the 18 risks in the updated risk map, nine risk factors are in the "Priority" category with a "major" or "material" risk. They are presented in this universal registration document.

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	■ Damage to the environment ■ 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 ■ Environment department and certification policy ■ "Creation of the Product Offering" process led by the Strategic Business Units ■ Adoption of circular economy principles (priority in the CSR roadmap) ■ Mapping of climate-related risks and opportunities	Major / Priority	3.6.1.1 see Chapter 4 - CSR and DEFP
Digital acceleration	■ Insufficient range of connected products and solutions with enhanced value in use ■ Inability to deal with changes in the economic chain, particularly e-business and the need for data ■ Failure to grasp digital opportunities for enhancing operations ■ Failure to keep pace with new ways of working in the context of the pandemic	■ Eliot program to develop the connected offering, dedicated governance and appointment of a Chief Technological Officer ■ "Creation of the Product Offering" process led by the Strategic Business Units ■ Digital acceleration program, dedicated governance and appointment of a Chief Digital Officer ■ Deployment of Industry 4.0 technologies and automation of administrative tasks, coordinated by Corporate departments ■ Strategic partnerships	Material / 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 ■ Innovation insufficient 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 by country (annual review in conjunction with General Management) ■ "Creation of the Product Offering" process led by the Strategic Business Units ■ Monthly marketing meetings led by General Management, intended to review plans for new products ■ Technological collaborations, partnerships and alliances ■ Standardization team and committee, network of correspondents	Material / 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 by country (annual review in conjunction with General Management) ■ Department dedicated to intellectual property and network of correspondents within the Group ■ Charter regarding individuals' use of social media and a dedicated team tasked with monitoring social media	Material / Priority	3.6.1.4
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 ■ Breaches of personal data suffered by customers of Eliot connected products ■ Financial penalties for failing to meet regulatory obligations	■ Centralized management of IT infrastructure, office software and credentials under the Group Information Systems Department ■ Dedicated governance of all IT projects, with mandatory cybersecurity assessment ■ Cybersecurity program led by the Chief Information Security Officer, accompanied by external experts (including a Security Operations Center and a Computer Emergency Response Team) and structured according to the principles of the NIST (National Institute of Standards and Technology) framework ■ Systems audit, security audit and cyber risks insurance policy ■ Data Privacy Officer and network of Data Privacy Representatives ■ Application of the Privacy by Design principle for Eliot products ■ Systematic Privacy Impact Assessments for connected products ■ Binding Corporate Rules regarding the processing of 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 resulting from developments in information systems	■ Centralized management of IT infrastructure, office software and credentials under 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 Reviews)	Material / 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 (COPRs) ■ 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	Material / Priority	3.6.2.3

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 staff members ■ Failure to address the challenges of diversity ■ Employee dissatisfaction	■ Identification and deployment of best practice in terms of health and safety at work, including the strictest health protection measures and Group-level accidents 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 ■ Promotion of equal opportunities and diversity ■ Buy-in from staff members through communication about the Group's strategy and objectives	Material / Priority	3.6.2.4 see Chapter 4 - CSR and DEFP
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	Material / Priority	3.6.3.1 see Chapter 4 - CSR and DEFP
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 safeguarding the environment. This responsibility applies not only to the Group's sites but also 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 and the assembly of plastic, metal and electronic components, as well as painting or surface treatment on a less frequent basis. These activities could have an impact on the environment, even if that impact is, by its nature, limited.

Climate change is creating new risks for the Group. Climate phenomena (flooding, droughts, hurricanes 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 or the increasing desire to reduce energy consumption.

The Group may also be unable to offer to the market products designed according to circular economy principles.

Main ways of addressing risks

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 reports to the Strategy and Development Department;
- a Group Environment team and an ISO 14001 certification policy for its production, logistics and R&D sites;
- a "Creation of the Product Offering" process, led by the Operations Department in conjunction with the Strategy and Development Department;
- circular economy principles when developing the Group's products. Two priorities of the CSR roadmap address this area specifically (see section 4.4.2 "Innovate for a circular economy" in this document);
- a project carried out in 2020 to map climate-related risks and opportunities (see section 4.4.4 "Managing climate-related risks and opportunities" in this document).

3.6.1.2 DIGITAL ACCELERATION

Risk factors

Against the background of the digitization 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 ways of working in the context of the pandemic.

Main ways of addressing risks

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

- the Eliot program, which is developing Legrand's connected offering. The program was launched in 2015, is led by a Chief Technology Officer, and is overseen by a Steering Committee. It represented 13.1% of sales in 2020;
- a "Creation of the Product Offering" process led by the Strategic Business Units;
- a digital acceleration program, led by the Chief Digital Officer and monitored directly by the Executive Committee. The program aims to improve the customer experience, the employee experience and operational excellence through the contribution of new technology;
- the deployment of Industry 4.0 technologies and the automation of administrative tasks, coordinated by the Corporate Departments;
- strategic partnerships and numerous technological alliances, particularly as part of the "Works with Legrand" program (see section 2.1.1.2.2 "Development of connected solutions and new technologies" in this 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.

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 (stores, hospitals, schools, universities etc.).

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

- identify promising segments or verticals (services related to the solutions it sells, for example);
- capture trends and developments in building design, building use or construction technologies, for example in order to:
  - offer environmentally responsible products and sustainable products;
  - develop smart solutions;
  - integrate innovative functions;
  - address the emergence of new requirements related to changing lifestyles and working methods, which are becoming increasingly digital (as 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 risks

To ensure that 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 country. These macro-trends and indicators are reviewed annually with General Management;
- a "Creation of the Product Offering" process led by the Strategic Business Units. Their role is to build the Group's offering through multi-year plans;
- Monthly Marketing Meetings (MMMs) attended by sales teams, Strategic Business Units and 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 represented around two thirds of Group sales in 2020.

Legrand's products are sold under more than 70 brands and 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 adequately, 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 by its stakeholders (employees, shareholders, customers, suppliers).

Main ways of addressing risks

- 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 country. These macro-trends and indicators are reviewed annually with General Management.
- To manage its intellectual property, the Group relies on a dedicated team within its Legal Department. This team has particular responsibility for monitoring patents, designs, 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 regarding 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 are in place within the Strategy Department, in charge of overseeing and monitoring activity on social media.
  - Response procedures are in place for addressing identified risks.

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 (Eliot program) potentially exposes the Group to specific risks related to cybercrime and data security.

New ways of working in the context of the current pandemic have increased this 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.

It has been established that there is a close link between utility, security and respect for users' privacy. As a result, any leak, theft or loss of data could have a major impact on user confidence in Legrand's products, and thus on the Group's sales. The Group could also be sued for damages.

Finally, with the entry into force of the EU General Data Protection Regulation (GDPR) in May 2018, the Group's obligations regarding data processing and protection have increased. Accordingly, the Group could be fined for failing to meet those obligations.

Main ways of addressing risks

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

- IT infrastructure, office software and credential management;
- information systems-related projects overseen by a dedicated Group governance arrangement;
- information systems 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 systems security policy, based on 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 cybersecurity awareness program. In 2020, more than 16,000 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 Eliot 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 specializing 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.

The Group 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.

Finally, 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, as highlighted by the current pandemic.

They increase the risk of information systems failing. 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, and
- the efficiency of infrastructure and the cloud (even more so given use of remote working arrangements increased by the pandemic).

Main ways of addressing risks

- 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 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 become 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 its products. This could potentially result from technological decisions, management of capital employed, or decisions about whether to make or buy certain items and decisions about the location of manufacturing.

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 raw materials and components.

Main ways of addressing risks

To prevent these risks, the Operations Department has sole responsibility for all back-office functions of Group operations (product marketing, innovation, R&D, procurement, 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 across 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 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 section 2.3.2.2 "Purchasing" in this document).

  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 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 (see section 2.3.2.3 "Logistics and supply chain" in this document).

3.6.2.4 HUMAN RESOURCES POLICY ADEQUACY

Risk factors

The Group has almost 33,000 employees worldwide.

In a pandemic context, the Group's priority is to protect the health, safety and well-being at work of its staff members.

The Group's internal and external development is partly dependent on its ability to hire, train, motivate, promote and retain new talent in all 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 also limit the enrichment of its teams.

Well-being at work makes employees more engaged and therefore more effective in their activities. Employee dissatisfaction could cause them to become disengaged and therefore less effective, and in the most serious cases could lead to strikes or resignations.

Main ways of addressing risks

The Group's main priority is to protect the health and safety of its staff members including, in the context of the Covid-19 pandemic, by rigorously applying the recommendations of authorities at the local level and of the World Health Organization.

In general, the Group 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 4.3.2 "Promote health, safety and well-being at work" in this document).

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. In particular, the Group carries out an annual OSR (Organization & Staffing Review).
- 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 4.3.3 "Developing skills" in this document).

  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 14,000 active users in 2020;
  - meetings between managers and employees, known as CAPP (Competency Appraisal Performance and Perspectives) interviews;
  - talent management. Two talent development plans are in place, i.e. 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 4.3.4 "Promote equal opportunities and diversity" in this document).
- Staff engagement. 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 the Group'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 and solutions that are safe to use and meet the highest standards. The Group is 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 and 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 risks

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

The Group's quality policy is essentially implemented through:

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

For more information, please refer to section 4.2.1.1 "Protect the health and safety of users" of this document.

3.6.4 - Financial risks

None of the financial risks monitored by the Group are presented in the 2020 risk factors because they have been assigned a "Keep on watch" priority due to the risk mitigation methods used by the Group.

However, two risks could have a major or material impact and are therefore mentioned specifically in other parts 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 2.2.3.3.

Similarly, the risk related to the financing of the business model (the potential impact of which could be material) is covered by specific information in Chapter 8, Note 4.6.

3.7 - INSURANCE POLICIES AND RISK COVERAGE

Legrand has taken out global insurance policies 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. These policies provide global coverage for the Group and take into account the specific risks and activities related to the Group's operations, including property damage and the resulting business interruption, and product liability.

Legrand believes that the coverage offered by these insurance programs is adequate in scope, amounts insured 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 annual review of the Group's main risks).

3.7.1 - Civil liability

The Group's civil liability program is global and integrated. It covers possible 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 limits, the Group's property/casualty and business interruption insurance program covers direct damage to property arising from any unexpected and accidental event (such as fire, storm, explosion, electrical damage, water damage, etc.) affecting the insured property, 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, employer liability, credit insurance, fraud and attacks on its IT systems and data.

CORPORATE SOCIAL RESPONSIBILITY AND DECLARATION OF EXTRA FINANCIAL PERFORMANCE

4

4.1 - THE GROUP'S CSR STRATEGY

In addition to reading this Chapter 4, please refer to the latest information, data and examples at:

https://legrandgroup.com/en/our-responsibility/csr-home

4.1.1 - Longstanding commitment

Legrand CSR initiatives through the years

1996: first ISO14001 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 Electriciens 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 women's network.

2014: launch of the third CSR Roadmap, creation of the Legrand Foundation, membership of the Global Compact Advanced Group.

2015: 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: validation of climate targets by the Science Based Targets initiative, publication of the Charter of Human Rights.

2019: renewed Group commitment regarding climate change through the French Climate Business Pledge, publication of the fourth CSR Roadmap, publication of the Diversity and Inclusion policy.

2020: announcement of the carbon-neutral strategy, aligned with the Paris Agreement's 1.5°C target.

4.1.2 - Integration with the business model

As a global group that takes responsibility within its ecosystem, Legrand is fully committed to addressing major workforce-related and environmental issues, and is always ready to listen to its stakeholders.

The Group's CSR strategy is fully integrated with its business model (presented in section 1 of the integrated report included in this universal registration document) and supports its responsible, profitable growth model.

The holistic approach consists of identifying the social, workforce-related and environmental risks specific to the Group, and responding to them appropriately by adopting policies and targets.

All Group entities and subsidiaries are involved in deploying the CSR strategy, and are committed to implementing it worldwide.

4.1.3 - Multi-year CSR Roadmaps

Since 2007, Legrand has defined and coordinated its CSR strategy through multi-year roadmaps, built around the key priorities of this strategy and their performance indicators.

The three preceding roadmaps covered the periods 2007-2010, 2011-2013 and 2014-2018.

Legrand's CSR strategy and its fourth CSR Roadmap for 2019-2021 are based on the following guiding principles:

- the achievements of previous roadmaps, to maintain Legrand's longstanding commitments;
- new subjects emerging from developments in the Group's businesses and the economic, workforce-related, social and environmental context in which they operate;
- dialogue with internal and external stakeholders and the risk management system, to define materiality issues and priority risks;
- compliance with regulatory and legislative requirements and standards concerning CSR ("hard law" and "soft law").

4.1.4 - Compliance with standards and reference texts

4.1.4.1 INTERNATIONAL STANDARDS

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

- the Universal Declaration of Human Rights;
- the Declaration of the International Labour Organization (ILO);
- the Global Reporting Initiative (GRI) (see cross-reference table in section 4.6.4);
- ISO 26000 (see cross-reference table in section 4.6.7);
- SASB (Sustainability Accounting Standards Board) standards for the Electrical & Electronic Equipment and Software & IT Services industries;
- the Ten Principles of the United Nations Global Compact (see cross-reference table in section 4.6.5);
- the United Nations Sustainable Development Goals (2030) (see cross reference table in section 4.6.6).

FOCUS: Global Compact Advanced Group

In 2006, Legrand signed up to the United Nations Global Compact and its 10 principles in areas relating to human rights, labor, environment and anti-corruption.

Legrand's consistent commitment to the Global Compact and its resulting initiatives led to its inclusion in the Global Compact Advanced Group launched in 2014. This Group is composed of companies who display the highest standards of CSR reporting.

In 2020, the United Nations Global Compact had around 16,400 members, including 12,600 companies (small and medium-sized enterprises and large corporations). Around 11% of the world's companies carry out CoP (Communication on Progress) according to the GC Advanced level.

The Group also strives to comply with the following regulatory obligations regarding ESG (environmental, social and governance) risks:

- 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 extra 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 Extra Financial Performance meets the relevant requirements and is accurate (see opinion in section 4.7).

4.1.4.2 INTERNAL CHARTERS AND POLICIES

Legrand has also developed its own standards and guidelines through the years. All employees are expected to observe the following:

- 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 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 three principles: complying with national legislation and regulations, making safety an integral part of operating policies, and harmonizing prevention strategies;
- the **Charter of Human Rights**, which details the rules that the Group requires its own businesses 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: gender diversity, inclusivity towards people with disabilities, intergenerational collaboration, social and cultural diversity and 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 wellbeing at work and the Group's performance.

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 on the Group's website at https://www.legrandgroup.com/en/our-responsibility/csr-resource-center.

4.1.5 - Dialogue with stakeholders and involvement with CSR networks

Dialogue with stakeholders

Legrand's CSR strategy is based on:

- its historic involvement with participants in the electrical sector;
- its culture of employee-management dialogue;
- its interaction with local communities;
- its willingness to listen to stakeholders' expectations so that it can respond accordingly.

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 extra financial community (including investors, banks and rating agencies);
- shareholders;

- civil society;
- NGOs and charitable organizations.

Legrand has mapped its stakeholders in detail, identifying their expectations, the Group's responses and forms of dialogue.

This map is available at https://www.legrandgroup.com/en/our-responsibility/csr-home

Involvement with CSR networks

Legrand is involved in studies, surveys and round-tables, both within and outside the industry, which represent important sources of information and opportunities to share best practice.

The Group is also a member of the CSR and circular economy committees set up within professional bodies (GIMELEC, FIEEC, etc.), the Club des Directeurs du Développement Durable (C3D), the Institut du Capitalisme Responsable and French Global Compact Advanced Club.

Locally, Legrand's teams take part in studies, working groups and committees regarding CSR topics in their countries.

4.1.6 - CSR organization and governance

CSR organization

The CSR Department is responsible for overseeing and implementing the Group's CSR strategy. It is attached to the Strategy and Development Department, whose Executive Vice-President is a member of the Group's Executive Committee.

This central structure relies on several specialist functional departments: the Group's Legal, Human Resources and Purchasing departments, along with Health and Safety, Environment and Quality experts. These functional departments coordinate networks of around 300 representatives within the Group's subsidiaries who work directly on the different areas comprising the CSR strategy.

CSR governance bodies

CSR steering committee

- This committee consists of all nine members of the Executive Committee.
- It meets two or three times per year.
- It directs and validates the CSR strategy and monitors how initiatives are implemented.

Strategy and social responsibility committee

- This committee consists of six directors, of whom four are independent.
- It meets three times per year.
- It checks that the Group's strategy and CSR approach are consistent.
- It checks that CSR issues are properly taken into account, particularly those relating to climate-related risks and opportunities.

It reports on its work to the Board of Directors.

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4.1.7 - CSR and compensation

Since 2016, CSR criteria have been factored into compensation system.

In 2020, variable compensation was structured as follows:

Bonuses

- **10%** of the variable compensation of the **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, change in revenue derived from energy-saving solutions, inclusion in CSR indices etc.).

Long term incentive plans

- Of the LTI criteria for all **Executive Committee members, 25%** are linked to CSR performance.
- For **other key positions**, one third **(33%)** of the LTI criteria are linked to CSR performance.

4.1.8 - Main extra financial risks and opportunities

The main risks and opportunities in workforce-related, social and environmental terms for stakeholders and for the Group are identified and ranked in terms of importance through two complementary approaches:

- the risk map, which is presented by the Group Risk Manager to the Risk Committee;
- the materiality analysis, which is presented by the Vice-President of CSR to the CSR Steering Committee.

The Group's Social Responsibility Department brings these two approaches together to identify the main issues, risks and opportunities relating to the Legrand's business model.

The related summary is set out below.

It works with other departments to establish policies for addressing them.

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). It is updated every two to three years and reviewed annually to ensure its relevance.

The Group's risk mapping approach and results are presented in Chapter 3 of the universal registration document.

Materiality matrix

This identifies the priority issues for which stakeholders have high expectations and which have a major influence on Legrand's business.

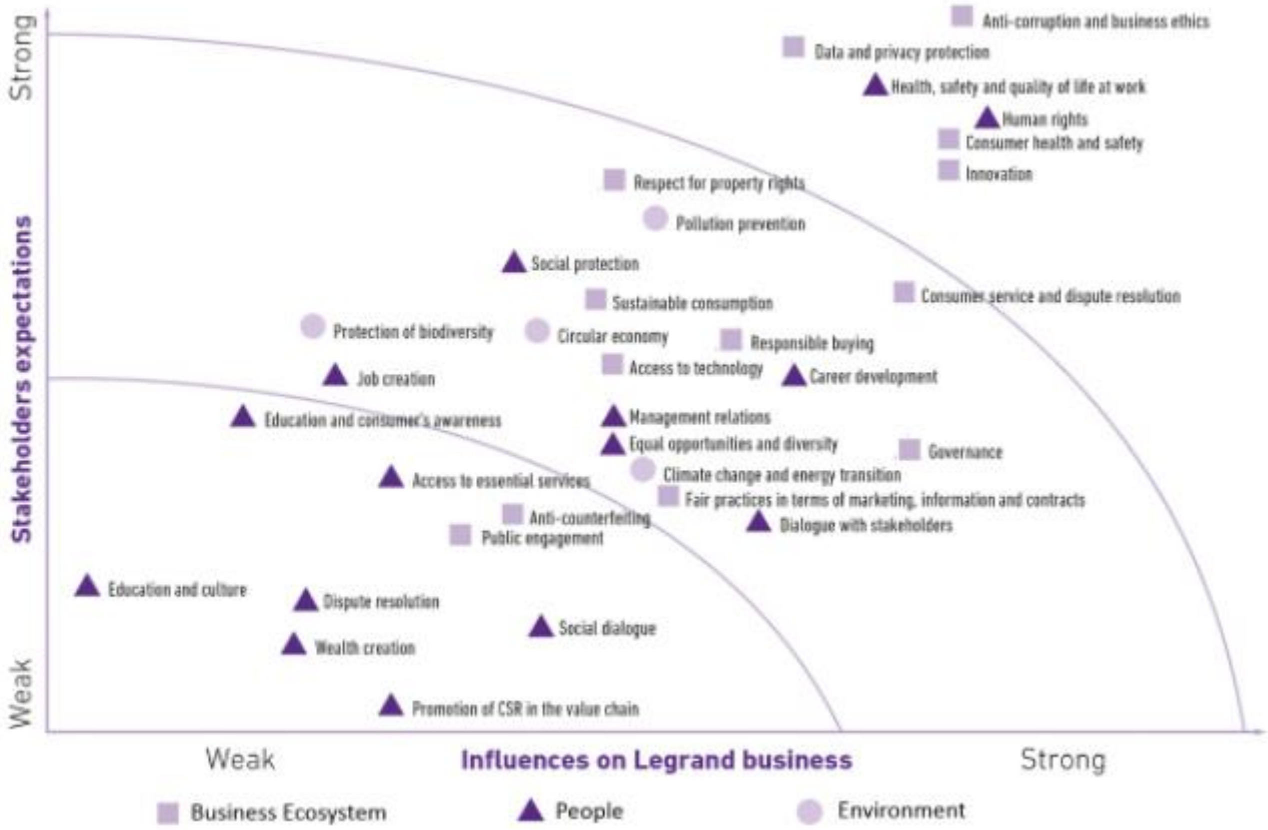
Methodology

Key issues have been selected in view of the CSR approaches of various institutions (including the UN Sustainable Development Goals, OECD and Global Compact), applicable standards (including ISO 26000), and the existing practices of companies in Legrand's business ecosystem (suppliers, distributors, real estate developers). This effort to determine material issues for people and the environment led to identification of 33 issues that were the subject of consultation.

In 2018, a questionnaire was made available for all internal and external stakeholders in 9 languages. Nearly 3,700 responses were received from 70 countries, with a representative distribution across all stakeholders.

The complete details of the survey are available on its website at https://www.legrandgroup.com/en/our-responsibility/csr-home.

A new materiality survey is currently taking place in 2021.


Strong
Stakeholders expectations
Weak
Anti-corruption and business ethics
Data and privacy protection
Health, safety and quality of life at work
Human rights
Consumer health and safety
Innovation
Respect for property rights
Pollution prevention
Social protection
Sustainable consumption
Consumer service and dispute resolution
Protection of biodiversity
Circular economy
Responsible buying
Access to technology
Job creation
Career development
Education and consumer's awareness
Management relations
Equal opportunities and diversity
Governance
Access to essential services
Climate change and energy transition
Fair practices in terms of marketing, information and contracts
Anti-counterfeiting
Public engagement
Dialogue with stakeholders
Education and culture
Dispute resolution
Social dialogue
Wealth creation
Promotion of CSR in the value chain
Weak
Influences on Legrand business
Strong
Business Ecosystem
People
Environment

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Summary of the main extra financial risks and issues

Summarizing the two approaches, the priority risks and issues for Legrand and its stakeholders are assessed as follows:

- **Materiality of issues**: high, medium or low – this refers to gross materiality before the implementation of policies, procedures or controls aiming to limit impacts for stakeholders.

- **Impact of risks**: major, significant or moderate – this refers to the gross impact, assessed before the implementation of risk mitigation policies, procedures and controls. The aim is to reduce risk for the Group.

Risks related to the Business Ecosystem	Materiality	Impact	Reference
Risks related to consumer health and safety, in connection with the quality of products, particularly electrical safety products.	high	significant	CSR priority no. 1: Protect the health and safety of users
Risk of not meeting customer expectations, particularly in terms of innovation in products and services	high	significant	CSR priority no. 2: Stimulate innovation through partnerships
Workforce-related and environmental risks within the supply chain.	medium	significant	CSR priorities no. 3 and no. 4: Ensure sustainable procurement
Risk of corruption or non-compliance with business ethics in the conduct of operations, particularly in connection with Legrand's presence in countries with a high corruption index score.	high	significant	CSR priorities no. 5 and no. 6: Act ethically
Risk of tax evasion, in connection with the Group's international presence.	not assessed	moderate	Section 4.2.3.4 - Responsible taxation
Risk of non-compliance with data protection and privacy rules, in connection with the sale of connected objects.	high	significant	Section 3.6.3.1 in the "risk management" chapter
Efforts to combat counterfeiting, in connection with sustained growth in new economies.	low	significant	Section 4.2.1.4
Respect for property rights, in connection with our major investments in intellectual capital.	medium	significant	Section 4.2.1.5
Workforce-related risks	**Materiality**	**Impact**	**Reference**
Risk of non-compliance with human rights and fundamental rights at work, in connection with the Group's manufacturing operations around the world.	high	significant	CSR priority no. 7: Comply with the Group's commitment to human rights
Risks related to health, safety and quality of life at work, in connection with Legrand employees around the world.	high	significant	CSR priority no. 9: Deploy best practice regarding health and safety at work
Risks related to respect for diversity, in connection with Legrand employees around the world.	medium	moderate	CSR priority no. 12: Encourage diversity at work
Risks related to the development of skills, in connection with Legrand employees	medium	significant	CSR priority no. 11: Develop the skills and talents of all staff members
Risks related to attracting and retaining talented people, in connection with Legrand employees around the world.	not assessed	significant	CSR priority no. 10: Strengthen the commitment of Group employees

Risks related to ensuring welfare benefits for Legrand employees around the world.	medium	moderate	CSR priority no. 10: Strengthen the commitment of Group employees
Management-employee dialogue, in connection with Legrand employees around the world	low	moderate	Section 4.3.1.3 Ensure union representation and management-employee dialogue
Environmental risks	**Materiality**	**Impact**	**References**
Risks related to pollution caused by the Group's operations or those of its suppliers, in connection with its manufacturing and tertiary sites around the world.	medium	moderate	Priority 17: Recover waste Priority 18: Reduce volatile organic compound (VOC) emissions
Risks related to the impact of Legrand activities and products on global warming, in connection with its activities around the world and the products and services it sells.	medium	critical	Priority 13: Reduce the Group's carbon footprint Priority 14: Avoid CO_2 emissions through our energy efficiency offering
Risks related to the preservation of natural resources and biodiversity, in connection with the Group's activities around the world and the products and services it sells.	medium	significant	Priority 15: Integrate circular economy principles Priority 16: Provide environmental information on Legrand products

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N.B.:

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.

The risk of non-compliance with data protection and privacy rules (the impact of which is assessed as critical) in connection with the sale of connected objects, which is an extra financial risk but is also regarded by the Group as an operational risk, is covered in chapter 3 "Internal control and risk management".

4.1.9 - CSR Roadmap: 18 priorities for 2019-2021

In 2019, Legrand published its **fourth CSR Roadmap**, which sets out its CSR priorities for the period 2019-2021.

It reflects the Group's desire to support efforts to develop buildings in a way that represents progress for staff members, society and the planet. This ambition is shown in the way the roadmap is structured, its duration and the priority issues selected:

- to make the Group more agile and responsive in this domain, the 2019-2021 CSR Roadmap covers a **three-year period**;
- it addresses **three key areas**: the Business Ecosystem, People and the Environment;
- it comprises 10 key challenges and 18 priorities, achievement of which will be measured annually using **22 indicators**;
- It actively contributes to the Group's achievement of the **Sustainable Development Goals** (SDGs) defined by the United Nations in 2015.

Challenges and priorities for 2021

BUSINESS ECOSYSTEM

All along the value chain, Legrand aims to address the expectations of business stakeholders, suppliers, users and partners, in order to ensure progress for all in strict compliance with ethical rules.

PROVIDE SUSTAINABLE SOLUTIONS

- Protect the health and safety of users
- Stimulate innovation through partnerships

ENSURE SUSTAINABLE PURCHASING

- Raise awareness and provide training about responsible purchasing
- Measure the progress of suppliers identified as at-risk in CSR terms

ACT ETHICALLY

- Continue to train employees and raise their awareness about business ethics
- Monitor the application of the compliance program

PEOPLE

All over the world, Legrand is committed to ensuring the greatest respect for human rights, diversity, safety, wellbeing, health and talent among its employees and communities.

RESPECT HUMAN RIGHTS AND COMMUNITIES

- Comply with the Group's commitment to human rights
- Contribute to communities

PROMOTE HEALTH, SAFETY AND WELL-BEING AT WORK

- Deploy best practice on health and safety at work
- Strengthen the commitment of Group employees

DEVELOP SKILLS

- Develop the skills and talents of all employees

PROMOTE EQUAL OPPORTUNITIES AND DIVERSITY

- Encourage diversity at work

ENVIRONMENT

It is Legrand's responsibility to limit the environmental impact of its activities, particularly by reducing CO_2 emissions.

LIMIT GREENHOUSE GAZ EMISSIONS

- Reduce the Group's carbon footprint
- Avoid CO_2 emissions through the Group's energy efficiency offers

INNOVATE FOR CIRCULAR ECONOMY

- Integrate circular economy principles into the development of new products
- Provide environmental information on the Group's products
- Ensure waste recovery

COMBAT POLLUTION

- Reduce Volatile Organic Compound (VOC) emissions

4.1.10 - Three ambitions for 2030

Along with the challenges set out in the 2019-2021 CSR Roadmap, to provide a set direction for its longer-term approach, Legrand has adopted three targets to be achieved by 2030:

- **Generate a larger proportion of revenue from sustainable activities:**

  Legrand intends to pursue its sustainable and responsible growth model by offering products and solutions that are sustainable, i.e.:

  - that are safe, economical in terms of resources and transparent regarding their impact. This involves factoring eco-design into products and adopting circular economy principles.

  This commitment contributes to the achievement of **SDG 12** (Responsible consumption and production).

  - that improve the safety, well-being and health of people occupying living spaces.

  This commitment contributes to the achievement of **SDG 3** (Good health and well-being).

  - 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).

  All of these commitments contribute to the achievement of **SDG 11** (Sustainable cities and communities).

By 2030, Legrand wants 80% of its revenue to come from these sustainable solutions.

- **Giving women a more prominent role in the Group**

  Legrand wants to help all staff members pursue their development commensurate with their commitment and capabilities, without any regard to gender, and to ensure, over time, that the Group's practices are among the best in the industry. Gender equality in the workforce is a source of wealth and is therefore 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).

- **Continuing to reduce the Group's energy footprint**

By joining the Science Based Targets initiative (backed by the WWF, the United Nations Global Compact, the World Resources Institute and the Carbon Disclosure Project), Legrand has publicly committed to targets for reducing greenhouse gas emissions.

The Group initially made a commitment to reduce its greenhouse gas emissions directly arising from its energy consumption (scopes 1 and 2) by 30% by 2030 compared with 2016 and by 75% by 2050.

It stepped up that commitment in 2020.

The Group decided to align 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 and to become carbon-neutral.

Legrand is aiming to eliminate its net greenhouse gas emissions by 2050 across scopes 1, 2 and 3.

On the path to becoming carbon-neutral, Legrand has made the following intermediate commitments:

- Accelerate efforts to reduce emissions in order to achieve the objectives validated by the Science-Based Targets initiative in 2030. This involves:

- Reducing the energy consumption of its sites by 3% per year on average;

- Deploying highly energy-efficient solutions across its sites;

- Using renewable energy in its production system or buying green energy;

- Shifting its vehicle fleet towards hybrid or electric vehicles;

- Helping its supply chain to reduce CO_2 emissions.

As well as these initiatives, Legrand is committed to taking part in voluntary projects to offset the residual carbon emissions arising from operational activities and employee travel, in order to become carbon-neutral across these scopes in 2022 and thereby make a very rapid contribution to the global effort to reduce CO_2 emissions. This objective relates to the whole of scopes 1 and 2, as well as business travel and commuting by staff members (part of scope 3) as defined by the *Greenhouse Gas Protocol.*

This commitment contributes to the achievement of **SDG 13** (Climate action).

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4.1.11 - Recognized CSR performance

To promote transparency and openness, particularly for investors and shareholders, Legrand takes part in ESG-themed conferences and responds to numerous requests to assess and rate its ESG performance.

The Group's extra financial achievements are recognized, in France and abroad, in particular by its inclusion in certain ESG indices compiled by independent agencies.

In 2020, Legrand achieved the following ratings:

- CDP Climate Change: B-list
- DJSI: score of 79
- MSCI: ESG rating AA
- Ecovadis: Gold status
- ISS Oekom Corporate Rating: Prime Status
- Sustainalytics: low risk

The Group is a constituent of the following indices:

- FTSE4Good
- ESI Excellence Europe and Excellence Global
- Vigeo Eiris: Eurozone 120, Europe 120

For ease of access to information, a special section of the website for CSR analysts is available at

https://www.legrandgroup.com/en/our-responsibility/csr-resource-center

4.1.12 - Integration of newly acquired entities

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 24 months from the date of acquisition.

Integration of new firms within the Group CSR performance structure starts from the second year after the year of acquisition, with the various indicators being integrated up to the fifth year.

Year of acquisition	Year 1	Year 2	Year 3	Year 4	Year 5
Integration process 24 months max		HR indicators Compliance program Quality indicators Energy efficiency	Partnerships Sustainable procurement Health and safety Charity strategy Environmental performance Eco-design (level 1) Product Environmental Profiles	Eco-design (level 2)	ISO 14001 Eco-design (level 3)

4.1.13 - Performance measurement

CSR performance is measured through 22 indicators. These indicators are deployed and monitored at two levels:

Local level

A CSR scorecard is produced annually for each scope (subsidiary, region, entity, functional department), which allows performance to be tracked over time.

Each priority is ranked on four levels ("Insufficient", "Under deployment", "Effective", "Excellent").

By the end of 2020, more than 70 scorecards had been produced, representing all Group activities:

- 13% of subsidiaries were deemed "Excellent" (score of over 3.5 on a scale of 1 to 4, where 4 is the best score);
- 69% of subsidiaries were deemed "Effective" (score between 3 and 3.5);
- 18% of subsidiaries were deemed "Under deployment" (score between 2 and 3).

Consolidated Group level

Overall CSR performance is based on the consolidated results of all Group entities. It is presented in section 4.1.15 below.

An independent third-party organization issues an opinion about whether the Declaration of Extra Financial Performance meets the relevant requirements and is accurate (see opinion in section 4.7).

4.1.14 - Impact of the Covid-19 crisis on extra financial performance

In 2020, faced with an unprecedented and entirely unforeseeable health and economic crisis, Legrand was able to rely on the unique benefits of its responsive, solid and balanced business model. From the outset of the crisis, the Group determined its priorities by taking a responsible and balanced approach to all of its stakeholders. Legrand stepped up both cyclical and more fundamental initiatives, strengthening the foundations of its medium- and long-term development.

The Covid-19 pandemic affected environmental, workforce-related and social matters.

Transparent information about the consequences of the pandemic and about the measures taken by Legrand to mitigate them is included throughout this declaration of extra financial performance. The main elements are summarized below:

Health and safety of employees

When the crisis began in China, a crisis center was set up to coordinate staff protection measures at the Group level.

As well as the rapid deployment of health protocols and the strict application of recommendations made by local authorities and the World Health Organization, working methods were adjusted across the Group.

Group entities drew up business continuity plans allowing staff members to work remotely where their roles allowed this.

Close links with employees were maintained through regular communication. A psychological support center was also set up for employees.

The Group also continued to deploy its Serenity On program, which aims to ensure that staff members around the world are all offered the same minimum benefits from 2021.

Continuing operations, maintaining contact and customer service

The Group's second priority was to ensure continuity of service for customers, whose activities are essential to the smooth running of the economy.

- **Sales:** By stepping up the digitalization of commercial relationships, Legrand was able to main close, constant contact with its customers. By using digital tools, it was possible to maintain and even strengthen support, service and training activities.
- **Logistics:** Almost all logistics centers were kept open and production sites resumed operations in April, with optimal health protection measures, allowing Legrand to continue supplying customers without interruption and to maintain a high service rate in 2020.
- **Procurement:** The ISO 9001:2015 renewal audit carried out by Bureau Veritas in late December

2020 highlighted the maturity and effectiveness of the procurement QMS (quality management system) in 2020. It mentioned Legrand's effective management of the crisis, its ability to continue operating and its attainment of targets despite the difficulties arising from the context. The audit highlighted Legrand's focus on internal clients and its ability to secure critical supplies, as well as its attention to difficulties experienced by suppliers during the crisis.

IT infrastructure and cybersecurity

From the outset of the crisis, the Information Systems Department worked to upgrade the Group's IT infrastructure in order to cope with the large-scale use of remote working methods. This involved extending secure remote access capabilities. From the first lockdown, tools were scaled to deal with remote working for all suitable roles.

The risk of cyberattacks rose sharply, and the threat to the Group visibly increased, since it dealt with a large number of attempted phishing and malware attacks.

In response, Legrand stepped up awareness-raising initiatives and strengthened its technical arrangements.

As regards awareness-raising, more than 16,000 users received specific cybersecurity training, two phishing tests were carried out to test the responses of all users, and numerous communication efforts were made including a Group "cyber week".

In technical terms, Legrand focused on four areas:

- addressing key vulnerabilities more quickly with the assistance of a specialist provider;
- sharply restricting privileged access rights and strengthening access management;
- acquiring new IT network surveillance technologies with the assistance of the SOC (Security Operations Center) provider;
- improving the segregation of the IT network.

Solidarity initiatives

Legrand stepped up initiatives to show solidarity with communities within its countries. For example, it developed and delivered critical equipment for medical use, distributed protection kits and donated food to struggling communities.

The Legrand Foundation set up a fund to support more than 200 nursing homes for older adults in France.

The overall annual target for the CEO's compensation was reduced by 25% in 2020 compared with 2019.

The compensation of Board members was also frozen at 2019 levels.

Finally, Legrand ensured that it met all payment deadlines, particularly when paying its suppliers and government entities. The Group decided not to use the opportunities to defer tax payments offered by some governments as a result of the Covid-19 situation.

Adaptability and resilience of the business model

Legrand stepped up both cyclical and more fundamental initiatives, strengthening the foundations of its medium- and long-term development:

- Adopting numerous commercial initiatives to roll out its products and services and increase its market share;
- Stepping up the digitalization of its entire organization;
- Rapidly adjusting its cost base in a targeted and supported way. Where it was necessary to adjust the workforce, the people concerned received assistance. Particular attention was paid to maintaining skills;
- Ensuring a strong pace of innovation, launching large numbers of new products and preserving research and development capabilities;
- Carrying out four acquisitions, successfully integrating recently acquired companies and pursuing a large number of active contacts;
- Deploying the CSR Roadmap and stepping up efforts regarding certain commitments as detailed below.

CSR and duty-of-care targets maintained

Legrand continued to deploy its CSR Roadmap and stepped up efforts regarding its environmental, social and governance commitments, including new carbon-neutrality targets for 2022, 2030 and 2050, action to increase diversity at work and the appointment of an independent Chairwoman.

The employee engagement survey, scheduled for 2020, was the only part of these efforts that Legrand was unable to complete. It is now scheduled to take place in 2021.

As regards the environment, the crisis led to lower business levels and so had a positive impact on indicators such as energy consumption, CO_2 emissions and water consumption.

The Group continued to focus on its duty of care across its value chain, particularly regarding its suppliers' compliance with human rights and environmental requirements. Supplier CSR audits continued to take place, but remotely.

4.1.15 - 2020 extra financial performance

In 2020, the overall achievement rate for CSR targets was 128%.

OVERALL ACHIEVEMENT RATE	**113%**	**128%**		
BUSINESS ECOSYSTEM	**2019**	**2020**	**2021**	**Reference**
PROVIDE SUSTAINABLE SOLUTIONS				
1- Protect the health and safety of users	98%	100%		4.2.1.1
2- Stimulate innovation thanks to partnerships	150%	240%		4.2.1.2
ENSURE SUSTAINABLE PURCHASING				
3- Raise awareness and provide training about responsible purchasing				4.2.2.1
3A- Training on sustainable procurement	126%	217%		4.2.2.1.1
3B- Implementation of Life Cycle Cost in purchases processes	113%	110%		4.2.2.1.2
4- Measure progress of suppliers identified as at-risk in CSR terms	135%	157%		4.2.2.2
ACT ETHICALLY				
5- Continue to train employees on business ethics	138%	225%		4.2.3.1
6- Monitor application of the Compliance program	97%	95%		4.2.3.2
% of Achievement	**123%**	**163%**		
PEOPLE	**2019**	**2020**	**2021**	**Reference**
RESPECT HUMAN RIGHTS AND COMMUNITIES				
7- Comply with Group's commitment on human rights	100%	100%		4.3.1.1
8- Contribute to communities	111%	123%		4.3.1.2
PROMOTE HEALTH, SAFETY AND WELL-BEING AT WORK				
9- Deploy best practices on health and safety at work				4.3.2.1.
9A- Decrease the frequency rate of accidents with or without stoppage	228%	212%		4.3.2.1.1
9B- Deployment of the Legrand Way on H&S program	145%	108%		4.3.2.1.2.
10- Strengthen the engagement employees				4.3.2.2
10A- Deployment of the Serenity On program	110%	103%		4.3.2.2.1
10B- Mesure and improve employee's engagement	100%	100%		4.3.2.2.2
DEVELOP SKILLS				
11- Develop the skills and talents of all employees				4.3.3
11A- Training	100%	105%		4.3.3.1
11B- CAPP Managers (annual performance review)	103%	108%		4.3.3.2
PROMOTE EQUALITY OF OPPORTUNITY AND DIVERSITY				
12- Encourage gender diversity	46%	71%		4.3.4
% of Achievement	**108%**	**110%**		
ENVIRONMENT	**2019**	**2020**	**2021**	**Reference**
LIMIT GREENHOUSE GAS EMISSIONS				
13- Reduce the Group's carbon footprint (scope 1 & 2)	103%	119%		4.4.1.1
14- Avoid CO_2 emissions thanks to the energy efficiency offers	113%	119%		4.4.1.2
INNOVATE FOR A CIRCULAR ECONOMY				
15- Integrate circular economy principles in the development of new products	109%	105%		4.4.2.1

16- Provide environmental information on Legrand products	94%	100%			4.4.2.2
17- Ensure waste recovery	100%	100%			4.4.2.3
COMBAT POLLUTION					
18- Reduce Volatile Organic Compounds emissions (VOC)	127%	120%			4.4.3.1
% of Achievement	**108%**	**110%**			

4.2 - INTERACTING ETHICALLY WITHIN THE BUSINESS ECOSYSTEM

As a major player in electrical and digital building infrastructure, Legrand produces and sells a range of more than 300,000 product lines in almost 90 countries.

All along its value chain, the Group is determined to set an example by offering sustainable solutions to its customers, ensuring sustainable purchasing and complying strictly with ethical rules in its relations with all business partners.

4.2.1 - Offering sustainable products and solutions

According to a United Nations report, the world's population is expected to exceed 10 billion by 2100, putting increasing stress on limited resources with a potential impact on human health, safety and the environment.

Sustainable products are those that have an improved environmental, social and economic impact.

Legrand is determined to develop sustainable solutions and is committed to ensuring user well-being and safety by striving for product quality. Legrand is also stimulating innovation within its industry by developing partnerships with various types of entity (suppliers, startups, the scientific and academic community and civil society).

In addition, the Group seeks to respect and make the most of the intellectual capital within industry by defending its intellectual property and respecting that of other participants.

Finally, Legrand intends to continue training people involved in the electrical and digital industry, and also to listen to and ensure the satisfaction of its customers.

The environmental impact of Legrand products is discussed in relation to the circular economy in section 4.3.2.

4.2.1.1 PRIORITY NO. 1: PROTECT THE HEALTH AND SAFETY OF USERS

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. Such accidents 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.

It is the Group's mission to make and supply products that are safe and meet the highest standards, and to ensure the well-being of its users. Legrand is also committed to providing customers with the information they need to use its products safely and to maintain them.

Legrand, though its numerous well-known brands, is globally renowned for its high-quality products. As a result, this approach is very important for the Group's brand image.

Legrand's quality policy

The quality policy, managed by the Group's Operations Department, 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-responsibility/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 2020, 81% 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;

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- **The customer dissatisfaction management process** ranks instances of dissatisfaction according to various levels of severity. Those that could have 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 arising due to defects in manufactured products.

Any divergence from these indicators is systematically analyzed and gives rise to action plans.

2019-2021 target and achievements

100% of revenue covered by the product risk management procedure

For new acquisitions, this procedure must be deployed at the latest in the second year following the year of the acquisition. As a result, the percentage below does not include 2019 and 2020 acquisitions.

In 2020, 99.9% of revenue was covered by the product risk management procedure, up from 97.5% in 2019. Only one Group entity partially applies the required procedure.

Priority no. 1		2019	2020	2021
% of revenue covered by the product risk management procedure	Results	97.5%	99.8%	0%
	Targets	100%	100%	100%
	Achievement	**97.5%**	**99.8%**	**0%**

4.2.1.2 PRIORITY NO. 2: STIMULATE INNOVATION THROUGH PARTNERSHIPS

The risk of not meeting customer expectations, particularly in terms of innovation in products and services, is described in section 3.6.1.1 "Technological disruption and digital transformation".

Innovation eventually enhances business value by:

- leading to better products that are suited to new, more responsible uses;
- allowing the company to stand out in its market;
- increasing productivity and reducing costs;

The determined pursuit of innovation is central to Legrand's business strategy.

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 that, Legrand works closely with the industrial, scientific and academic communities.

Focus: I.Hub: an internal platform for managing partnerships

The Group has developed, in partnership with a French startup, a collaborative platform to share all information about partnerships:

- identification of potential partners around the world;

- creation of innovation communities by theme;

- improved management of partnerships;

- experience-sharing.

4.2.1.2.1 Partnerships in business clusters

Legrand is a member of business clusters. These are designed to bring together, in a given region, local businesses, startups, 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, created in 2017 in the Nouvelle Aquitaine region;
- S2E2 (Science et Système de l'Énergie Électrique – Science and Electrical Power System), which focuses on electrical energy for the Centre-Val de Loire and Nouvelle-Aquitaine regions. It runs initiatives on topics such as energy efficiency, smart grids, sustainable building and energy storage.

4.2.1.2.2 Partnerships to develop new products and services

Legrand cooperates with startups, SMEs and international players to develop innovative solutions and bring them to market, particularly in the fields of:

- interoperability between ecosystems;

- artificial intelligence;
- technological alliances.

Partnerships to increase interoperability, in order to play a central role within the connected building ecosystem

Connected and interoperable solutions are being developed to deliver sustainable benefits to both individual and business users through strategic partnerships:

- As part of the Works with Legrand program, launched at CES in Las Vegas in 2018. The program enables third parties to connect to the Group's solutions in order to offer new services and functions.
- With Amazon: development of a voice-controlled home management system (switches, sockets, thermostats etc.). This innovation won an award in the smart home category at CES in Las Vegas in 2019.
- With Samsung, development of comprehensive connected solutions for hotel rooms.
- With an American semiconductor manufacturer: the "Advanced Sensors" solution for commercial buildings (presence detectors, occupancy sensors, air quality sensors). The solution was presented at CES 2019.
- With an American manufacturer of IP audio/video streaming solutions: development of devices compatible with Dante® technology.
- With a leading US software company: co-development of a platform for lighting management throughout a building's lifecycle.
- With a Chinese company specializing in connected objects: development of Home System solutions for the Chinese market.

Legrand Artificial Intelligence

Artificial intelligence now has practical applications in buildings. Legrand is integrating the functions of prediction, action, dialogue and visualization into its solutions.

Legrand has anticipated this trend with program of partnerships with players specializing in AI, for example:

- a virtual assistant to provide remote technical support to users;
- augmented reality solutions to assist professional installers with complex systems.

Technological alliances

Legrand is a member of numerous technological alliances in the fields of communication and interoperability, such as:

- Zigbee Alliance and Thread Group, for wireless sensor networks;
- KNX, for building automation;
- Wireless Power Consortium, for wireless recharging of mobile equipment;
- ZHAGA, for lighting solutions;
- Open Charge Alliance, for recharging electric vehicles.

Partnerships with startups

Legrand is a signatory of the "Open Innovation Alliance", aimed at fostering innovation between large corporations and startups.

In recent years, the Group has extended its startup partnerships and carried out POCs (proofs of concept), some of which have led to innovative solutions being brought to market.

In France, for example, the Group is involved in the French Tech program, particularly as regards energy, health and smart buildings networks.

The Group's numerous discussions and collaborations with startups in various countries include:

- a partnership to provide comprehensive energy management solutions for commercial buildings, combining Legrand's energy measurement products with management software platforms;
- a partnership to develop highly efficient power supplies, based on new semiconductor technologies;
- a partnership to offer easy-to-use recharging solutions for mobile products.
- partnerships to reduce the energy consumption of data centers.

4.2.1.2.3 Partnerships with research laboratories and universities

- Legrand has had a partnership with CEA-Tech since 2017. Among other achievements, this collaboration has resulted in the development of autonomous power supply solutions.
- Cooperations have been formed with various universities such as Ulianovsk State University in Russia, the University of Nevada in the United States in 2019, the National University of Singapore and the Federal University of Bahia in Brazil in 2020.

In countries in which the Group has a strong presence, subsidiaries are working with engineering schools and universities to develop the skills of future electrical industry professionals. For example, Legrand supports the creation of specialist courses, takes part in joint research projects and arranges for its experts to provide teaching support.

2019-2021 target and achievements

At least 10 effective partnerships per year.

To meet that challenge, the Group has selected 10 priority countries that must initiate at least one partnership annually. Other countries are encouraged to make proactive efforts.

In 2020, the Group formed 24 significant partnerships.

Priority no. 2		2019	2020	2021
Number of partnerships established during the year	Results	15	24	0
	Targets	10	10	10
	Achievement	**150%**	**240%**	

4.2.1.3 SUPPORT THE DEVELOPMENT OF SKILLS ACROSS ALL PARTICIPANTS IN THE ELECTRICAL INDUSTRY

Work done in the electrical and digital industries is becoming increasingly high-tech. Legrand intends to train industry participants to help them develop their skills and adopt best practice in terms of installation at all times, in all locations and using all kinds of tools.

To achieve that, Legrand has set up training centers around the world.

Those centers are a way for distributors, specifiers and electrical installers to keep their skills up to date, consolidate their knowledge and develop their commercial offerings. In particular, they offer:

- hundreds of training sessions that allow participants to acquire practical experience; in 2020, a number of remote-learning sessions were developed to adjust to the Covid-19 crisis;
- self-learning modules available on the “Innoval Online” platform;
- virtual and/or online classrooms, which reproduce actual on-site installation conditions (e.g. home automation, wiring of electrical cabinets and fiber-optic cabling, installation of security lighting systems etc.);
- training on current regulations and technical standards;
- tailor-made courses for professionals at each stage of their projects.

By way of illustration, in 2019 more than 8,500 customers and almost 5000 apprentices attended training courses at Innoval centers in France. In 2020, around 2,000 customers and 2,000 apprentices attended training courses in person, and these were extensively supplemented by training, webinars, meetings and tutorials provided online.

Focus: Online training for installers

In 2020, in response to the Covid-19 crisis, Legrand’s Italian business introduced digital training for installers covering topics related to product safety, installation safety and energy efficiency. Around 1,000 participants signed up.

For more information on the Group’s training strategy, see section 2.3.1.3. More information on training can be found on the website at https://www.legrand.fr/pro/formations

Focus: the Recognition of Prior Learning program in India, aimed at recognizing and increasing skills levels among electrical installers

This development program, developed by Legrand India, helps electrical installers with few qualifications to become self-sufficient technicians. The program is delivered through a partnership between Legrand India and the Power Sector Skills Council. The Group also provides those taking part with new tools, so that they can work as effectively as possible.

The program enables them to move from being subcontractors to independent contractors and to build a better future for them and their families, while ensuring a higher level of safety and quality in electrical installations.

Between 2,000 and 2,500 electricians, male and female, receive training every year in India under this program.

For more information, a video about the program can be viewed online at https://legrandgroup.com/en/our-responsibility/people/respecting-human-rights-and-communities.

4.2.1.4 COMBAT COUNTERFEITING

The Group’s international presence and particularly its operations in certain new economies mean that it faces a greater risk of its products being counterfeited.

Given the potential risks associated with the use of electricity, counterfeiting endangers the safety of users.

The Group is involved in an ongoing industry campaign to prevent counterfeiting.

Coordinated by the Group’s Intellectual Property Department, which is part of the Group’s Legal Department, efforts to combat counterfeiting and to protect consumers take place on three levels:

- through internal anti-counterfeiting mechanisms (see Copytracer, below), supported in particular by intellectual property representatives at the operational level;

- through active participation 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) and BEAMA (British Electrical and Allied Manufacturers' Association). Through these efforts, Legrand seeks to raise awareness among all participants, particularly installers and distributors.

Since 2006, millions of counterfeit electrical devices and dozens of production tools have been seized and destroyed.

Those seizures result from action taken directly by Legrand's teams and its involvement in joint electrical industry initiatives, and from customs surveillance.

In addition, efforts to combat counterfeiting online have made it possible to detect and take action against people selling such products on the various e-commerce platforms. As a result of legal action, many sites and thousands of links have been shut down.

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.

It is gradually being extended across the Group's entire range of products and solutions.

4.2.1.5 RESPECT AND ENSURE RESPECT FOR INTELLECTUAL PROPERTY

The Group's future success depends in part on developing and protecting its intellectual property rights (around 3,900 patents and 75 brands).

In spite of the precautions taken, it is also possible that Legrand may infringe the rights of third parties.

To minimize this risk, Legrand pays particular attention to managing its intellectual property, and relies on a dedicated team. This team, as well as tackling counterfeiting, is in charge of monitoring patents, designs, trademarks and domain names.

It draws on input from intellectual property representatives in key subsidiaries.

Finally, Legrand uses external consulting firms to assist it with drafting patents and dealing with certain matters in order to protect its rights.

4.2.1.6 ENSURE CUSTOMER SATISFACTION AND FEEDBACK

The Group defines objectives and monitors a number of quantitative targets, aiming to assess and improve customer satisfaction.

Service rate

The availability of Group products 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 2020 service rate was 85%, as opposed to 91% in 2019. This shows a good level of resilience in the context of the Covid-19 pandemic.

CRM tools

The Group has introduced a standard system for enhanced customer relationship management (CRM).

Monitoring dissatisfaction

Responsibility for monitoring customer satisfaction lies at the local level in each country. Country teams pass on comments or requests for improvement to the teams in charge of developing the product range, to assist the product improvement process.

Instances of dissatisfaction are recorded in a dedicated software package (SOLUTIO or similar), which provides a direct connection between each subsidiary's after-sales service department and the Group's quality departments.

Focus: Rolling out the Best of Us customer experience enhancement program

Satisfying professional and consumer customers is a long-standing cornerstone of Legrand's strategy. To become and remain a preferred business partner for these customers, the Group must provide them with rich and unique experiences throughout the business relationship, from initial product advice through to after-sales support.

Legrand has a multi-year program aiming at enhancing the customer experience, called Best of Us.

The program brings together the best initiatives in terms of satisfaction, service quality, the relevance of tools provided, responsiveness and the way Legrand interacts with customers in general.

Satisfaction surveys

Satisfaction surveys are carried out at various levels:

- Within each country, multi-criteria customer surveys are carried out regularly (sometimes every year) to measure aspects such as brand perception, quality, price and service. A survey was also carried out at the European level in early 2020. It will be extended to all of the Group's geographies in 2021.
- Every year, the Group's key distributors evaluate its performance and services (marketing, technical support, supply chain, distribution policy and cooperation). The Strategy and Development Department analyzes these results and shares them with all countries. Meetings are held every two years with distributors to develop, monitor and discuss business relationships. Regular meetings are also held with product specifiers to discuss their expectations.

Net Promoter Score

The Net Promoter Score (NPS) measures customer satisfaction by assessing how likely customers are to recommend a company, a brand and products to their friends and family.

A NPS tool is currently being deployed across most of the Group's commercial websites.

The application currently covers 70 countries.

Involving the end user

The value and functional properties of the Group's products are essential for customer satisfaction. Users are involved in the Group's innovation processes through shared creativity workshops, for example via the UCD (User Centered Design) method.

Based on ISO 13407, this method involves a design approach focusing on the user and how the product is used.

The method is one of the tools included in the Legrand Way Offer Creation.

4.2.2 - Ensuring sustainable procurement

The supply chain operates on a multi-regional basis. Legrand has production and/or purchasing units located in countries where environmental and workforce-related standards are less strict than in OECD countries.

The production of raw materials, products and purchased components may cause environmental damage or pollution or may not be done in compliance with the human rights and fundamental freedoms of workers and local communities.

Legrand is aware of its responsibility to ensure that its suppliers comply with environmental and workforce-related standards and to help them make improvements where necessary. In addition, Legrand wants its suppliers to show greater social commitment in their choices, and has decided to:

- give sustainable procurement training to Group employees involved in the procurement process;
- gradually adopt a purchasing approach that takes into account the life cycle cost of the relevant purchases;
- identify risks and improve the situation for suppliers that present risks in terms of CSR.

The Group also remains vigilant regarding its purchases of conflict minerals, its management of hazardous substances and its use of resources that are being depleted.

The Purchasing Quality Management System (QMS)

The Group manages its sustainable procurement strategy with its suppliers via a Purchasing Quality Management System (QMS) that is ISO 9001:2015-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 procurement rules, in particular:

- Purchasing Specifications: a contractual document containing Legrand's requirements for its suppliers, particularly 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 group, the issue, the type of supplier and the risk, regardless of location.

Focus: A mature QMS capable of dealing effectively with the crisis in 2020

The ISO 9001:2015 renewal audit carried out by Bureau Veritas in late December 2020 highlighted the maturity and effectiveness of the procurement QMS during the year. In particular, it mentioned Legrand's good management of the crisis, its ability to continue operating and its attainment of targets despite the difficulties arising from the context. The audit highlighted Legrand's focus on internal clients and its ability to secure critical supplies, as well as its attention to difficulties experienced by suppliers during the crisis.

The sustainable procurement approach

Principles

For several years, Legrand has had a sustainable procurement strategy, which is applied strictly at all levels of the organization and in its relationships with stakeholders.

The strategy is based on the principle that the Group's ethical, environmental and social rules also apply to its suppliers and subcontractors.

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 63% of purchases from the Group's panel are from suppliers that embrace these principles.

Focus: Legrand recognized for its supplier relations and sustainable procurement

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 2018, Legrand's purchasing operations in Italy adopted a process of assessing their maturity with respect to ISO 20400, with the support of Bureau Veritas. In terms of sustainable procurement, audits carried out in December 2019 and 2020 found an advanced level of maturity.

Organization

Within the Group Purchasing Department, the head of sustainable purchasing, who started working under the supervision of the CSR Department in 2020, ensures that these rules are followed and implemented via a network of sustainable procurement correspondents in countries that have a purchasing department (around 30).

Reporting

Group reporting regarding purchasing is carried out by the person responsible for overseeing purchasing performance.

Since 2019, sustainable procurement performance indicators have been included when measuring the Group's purchasing performance.

Sustainable procurement indicators are monitored:

- every month within the Purchasing Department;
- every quarter within the CSR Department and Operations Department;
- every six months by the Group Risk Committee.

4.2.2.1 PRIORITY NO. 3: RAISE AWARENESS AND PROVIDE TRAINING ABOUT SUSTAINABLE PROCUREMENT AND TAKE INTO ACCOUNT LIFE CYCLE COSTS

Legrand is continuing to make social responsibility an integral part of its purchasing processes in line with the recommendations of ISO 20400, particularly by taking into account life cycle costs. This requires awareness and training efforts covering employees involved in purchasing decisions and processes worldwide.

As a result, Priority 3 has two objectives:

- **Training**, so that all individuals involved in the procurement process, purchasers and internal stakeholders understand the principles for implementing the sustainable procurement approach and their role within it.
- The gradual integration of **life cycle costing (LCC)** when selecting suppliers, by taking into account the impact of purchases on the environment and society in general.

These objectives are to be achieved by the end of 2021 in 30 countries and territories representing 98% of the Group's purchasing.

The implementation timetable is as follows:

- 2019: Australia, Brazil, United States, France, the International Purchasing Office in Hong Kong, India, Italy, New Zealand.
- 2020: Saudi Arabia, Chile, China, Colombia, Hungary, Malaysia, Mexico, Netherlands, Poland, United Kingdom, Russia, Thailand, Turkey.
- 2021: Germany, Austria, Egypt, Spain, Indonesia, South Korea, Portugal, Singapore, Taiwan.

4.2.2.1.1 Priority 3A: Provide training about sustainable procurement

To ensure that training about sustainable procurement is deployed widely within the Group, a dedicated e-learning module has been available since 2019.

The main staff members involved in the purchasing process must take this module. At the same time, specific training sessions may be organized at the local level.

2019-2021 target and achievements

Train 1,000 staff members in sustainable procurement

The target was to train 400 staff members in 2019, 300 in 2020 and 300 in 2021.

In 2020, 651 staff members followed the e-learning program in around 30 countries, mainly France, the United States, China, Italy, Mexico, India and Turkey.

Priority no. 3-A		2019	2020	2021
Number of employees trained on responsible purchasing	Results	503	651	0
	Targets	400	300	300
	Achievement	**126%**	**217%**	

4.2.2.1.2 Priority 3B: Implementation of a Life Cycle Cost approach in purchasing processes

The Group has set up a Life Cycle Cost (LCC) matrix: this is used to compare supplier offerings by factoring in CSR criteria. This means progressively considering all costs associated with goods and services throughout their lifetime (acquisition, use, end of life, cost/benefit of risks and opportunities, environmental and social cost of externalities).

CSR criteria make up 17.5% of the overall score.

2019-2021 target and achievements

Roll out the approach across 30 countries

- 8 countries in 2019
- 21 countries in 2020
- 30 countries in 2021

In 2020, the approach was used in 23 countries, including nine since 2019.

A country hits its target when it produces the required number of LCC matrices according to the Group Purchasing Department's methodology.

Priority no. 3-B		2019	2020	2021
Number of countries with a LCC* approach	Results	9	23	0
	Targets	8	21	30
	Achievement	**113%**	**110%**	

**Life Cycle Cost*

4.2.2.2 PRIORITY NO. 4: MEASURE THE PROGRESS OF SUPPLIERS THAT PRESENT RISKS IN TERMS OF CSR

Since 2014, Legrand has adopted an approach involving extensive assessment of and support for suppliers that present risks regarding CSR matters.

Suppliers are targeted using a risk map that was updated in late 2018 with the help of Ecovadis, which specializes in assessing CSR practices in supply chains.

In 2014-2018, 200 suppliers were involved, while around 500 have been targeted for the 2019-2021 period.

The targeted suppliers are described as "higher-risk suppliers" and are monitored with the help of a CSR score in the following ways:

- **A documentary audit** is used to calculate the supplier's CSR scorecard. Evidence is required to illustrate the responses and a points-based system is used to assess the supplier's CSR level: compliant, risky or critical. A prospective supplier whose CSR level is critical cannot be selected;
- **An on-site audit** is organized following the documentary audit for clarification purposes where needed, mainly by a two-person team consisting of a purchaser and a QSE (Quality, Safety and Environment) expert;
- **A formal action plan** is required for risky and critical suppliers; it is drawn up and sent to the supplier. Where a supplier has not sought to make any improvements, it may be phased out of the supplier portfolio.

Focus: India innovating with virtual audits during the Covid-19 crisis

In 2020, because of the health crisis, it was very difficult to carry out audits at supplier sites. To address that problem, the Indian team developed a virtual audit process.

Progress with action plans and critical situations is **monitored centrally**. Information about action plans and critical situations is shared periodically between the Group's country purchasing managers and sustainable purchasing managers.

Since 2019, as part of the program to digitalize the purchasing function, the Supplier Value Management (SVM) platform has been rolled out within Group purchasing to oversee supplier performance, monitor expenditure and manage contracts.

CSR scorecards and the corresponding action plans is integrated into this platform, to ensure that the sustainable procurement approach is deployed in a consistent and sustainable way within the Group.

In 2020, the CSR risk management system for France, China and Brazil became part of the SVM platform. The roll-out is continuing in other countries.

2019-2021 target and achievements

100% of suppliers identified as critical or presenting risks in CSR terms showing an improvement.

Around 500 CSR scorecards should be produced between 2019 and 2021. Since 2019, 447 CSR scorecards have been produced.

At the end of 2020, the situation was as follows:

- 391 suppliers were found to be compliant in CSR terms (88%);
- 46 were found to be risky in CSR terms (10%);
- 10 were found to be critical in CSR terms (2%).

Action plans are being prepared for risky and critical suppliers.

The improvement plan has been sequenced as follows:

- 2020: 50% of critical and risky suppliers identified in 2019 showing an improvement;
- 2021: 100% of critical and risky suppliers identified in 2020 showing an improvement.

At the end of 2019, there were 92 critical and risky suppliers.

As a result, the aim in 2020 was for 46 of those suppliers (50%) to show an improvement, i.e. for their CSR score to improve after the implementation of an action plan.

In 2020, the scorecards of 72 suppliers showed an improvement following action plans, mainly in the United States, France, Italy, Thailand, Colombia and Egypt. This represents 78% of the risky suppliers identified in 2019.

Action plans will continue at suppliers that continue to present risks.

*For more details about **improvement plans**, please refer to chapter 4.5 “Duty of care”, section 4.5.4 “Supplier activity / Risk prevention and mitigation measures”.*

Priority no. 4		2019	2020	2021
Performance relating to risky suppliers	Results	269	78%	0
	Targets	200*	50%**	100 %**
	Achievement	**135%**	**157%**	

** 2019 : number of scorecards completed*
*** 2020 & 2021: % of CSR risky suppliers showing an improvement*

Since 2019, 87 supplier CSR audits have taken place, including around 15 in 2020, most of which were virtual because of the Covid-19 crisis.

4.2.2.3 BE VIGILANT REGARDING 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 funds armed groups, conflicts and crimes against the population. The main minerals concerned, known as “conflict minerals”, are cassiterite (tin ore), coltan (tantalum ore), wolframite (tungsten ore) and gold. They are also known collectively as 3TG for “Tin, Tantalum, Tungsten, Gold”.

Given the nature of its business, Legrand is never in a position where it has to purchase minerals directly. However, as a responsible company, Legrand supports OECD initiatives by following the guidance contained in the “OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas”, and is developing a strategy to identify and assess the risks associated with its supply chain.

This position was confirmed in November 2015 with the publication of Legrand’s Conflict Minerals Policy.

The risk assessment identified 25 categories of purchases – mainly purchases of electronic components, metals and contacts – potentially exposed to the risk of minerals originating from conflict zones, since they contain one or more of the 3TG minerals.

As part of implementing the SVM platform, the potentially exposed suppliers are being identified and invited to send undertakings not to source materials from conflict zones (conflict minerals policy or completed CFSI CMRT template).

By the end of 2020, 36 supplier documents of this type were available on the platform, and investigations had confirmed that the suppliers used conflict-free sources.

In 2020, Legrand also prepared to comply with Regulation (EU) 2017/821 of 17 May 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 are not affected at this stage. Some additional checks are still taking place.

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 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.

For more information on sustainable procurement within the Group, visit

https://www.legrandgroup.com/en/our-responsibility/business-ecosystem/ensuring-sustainable-procurement

4.2.2.4 MANAGE THE PRESENCE OF HAZARDOUS SUBSTANCES

In order to prioritize the constructive consultation of the suppliers concerned, a panel of experts from the central materials laboratory works with designers and buyers to identify the types of materials and items purchased with a high probability of containing regulated substances, particularly those governed by RoHS and REACH. The corresponding compliance documents are managed in the SVM purchasing platform.

As regards REACH, specific monitoring is carried out regarding the “SVHC (substances of very high concern) candidate list for authorization”, so that substitution programs can be adopted if necessary with the suppliers concerned.

4.2.3 - Act ethically

Risk of corruption and failure to respect business ethics

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. 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 and its growing project-based activities (as opposed to sales flow activities), the Group faces a risk of non-compliance with these laws and regulations.

Group General Management’s commitment

One of the basic tenets of Legrand’s social responsibility is to abide by ethical principles.

As a result, General Management is closely involved in ensuring compliance with business ethics. Accordingly, it plays an active role in enforcing the Group’s Compliance Program and works to ensure that it is properly applied through dedicated governance efforts.

General Management’s strong commitment to business ethics has been confirmed by the Group’s adoption of 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.

General Management’s commitment also covers all Group employees.

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.

That pledge is upheld at the highest level of their organization. Reflecting the two priorities of the CSR Roadmap, the letter confirms the signatories' commitment to training local staff and effectively implementing the rules and procedures of the Group's compliance program.

They reaffirm their deep commitment to deploying the program's initiatives at the local level, thus ensuring that the right messages are conveyed within the organization.

Organization of business ethics within the Group

Business ethics is the responsibility of the Group Legal and Compliance Department. Legrand's Legal Department has a network of country Compliance Officers tasked with ensuring that the compliance program is fully in place.

The Group's business ethics approach closely involves General Management and the Group's various departments, which thus contribute to strengthening the established rules and to developing awareness, training and monitoring activities.

The Group Compliance Committee reports annually on its work to the Group Risk Committee, which in turn reports to the Audit Committee and the Board of Directors. The Group's Compliance Officer works directly with these Committees.

Risk is managed by the Group Audit and Internal Control Department. Monitoring procedures and policies associated with compliance are also fully integrated within the Group's internal control program. Compliance risks are thus assessed according to an occurrence/impact matrix.

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** illustrates how Legrand views and conducts business. It sets out the values shared by the Group's employees. It therefore reflects General Management's commitment to unreservedly and unequivocally involving 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, as defined by the Group's internal procedures, or any other local measure.
- 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, which must comply with the rules they contain. The Charter of Fundamental Principles is supplemented by a system of sanctions if the rules are breached.

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/our-responsibility/business-ecosystem/acting-ethically

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 an 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 topics**:

- 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.

4

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 letter pledging to comply with the rules on business ethics. The program translates into local action plans based on the priorities set and a specific communication plan. Country Compliance Officers are responsible for overseeing the program and report to the Country Compliance Committees on the achievement of targets.

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 are designed to meet the 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.

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 2020, the Group received around 20 ethics alerts. 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: The Legrand group'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
- 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.

Litigation

No legal action relating to failures to comply with business ethics regulations is currently underway.

4.2.3.1 PRIORITY NO. 5: CONTINUE TRAINING STAFF MEMBERS IN BUSINESS ETHICS

Communication and training

In order to raise awareness of the ethical behavior to be adopted and to avoid improper 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 staff members:

- 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 staff 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 is available via e-learning and is provided in classroom or online training modules in local languages.

2019-2021 target and achievements

Train at least 3,000 staff members per year.

Since the Compliance Program was launched, almost 20,000 staff members have completed an e-learning or classroom-based compliance training course:

- 2,500 before 2014;
- 3,377 during the 2014-2018 CSR Roadmap;
- 13,511 since the start of the 2019-2021 roadmap.

Priority no. 5		2019	2020*	2021*
Number of employees trained on business ethics	Results	4,151	13,511	0
	Targets	3,000	6000*	9000*
	Achievement	**138%**	**225%**	

** year to date from 2019*

4.2.3.2 PRIORITY NO. 6: MONITOR THE APPLICATION OF THE COMPLIANCE PROGRAM

The effectiveness of a compliance program depends on the extent to which it is followed. As a result, its application must be closely monitored. Legrand intends to ensure that the compliance program is implemented effectively across all levels of the Group.

Evaluation of the compliance program

This covers the program's five themes as described above.

Some of these controls are reviewed annually as part of an internal control self-assessment exercise, coordinated and checked by internal audit.

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 2020, 27 subsidiaries were subject to a full internal audit including a "business ethics" review. Of those audits, three were performed on recently acquired companies.

2019-2021 target and achievements

Compliance program to cover 100% of the Group's revenue.

The Group checks that it is being deployed correctly by applying a set of 14 key controls in each subsidiary.

For new acquisitions, the program must be fully deployed at the latest in the second year following the year of the acquisition. As a result, the percentage below does not include 2019 and 2020 acquisitions.

At the end of 2020, the compliance program's rate of deployment within the Group was measured at 95%.

Only three subsidiaries representing 1% of Group revenue showed a level of deployment that was deemed insufficient and will as a result be the subject of an enhanced action plan in 2021.

Priority no. 6		2019	2020	2021
% of deployment of Group compliance program*	Results	96.9%	94.9%	0.0%
	Targets	100%	100%	100%
	Achievement	**96.9%**	**94.9%**	

**in % of Group sales covered*

4.2.3.3 SUPERVISE LOBBYING ACTIVITY

Lobbying does not form part of the Group's strategy.

In 2020, no money was used to fund political parties. The Charter of Good Business Practice requires prior approval to be sought for these types of contributions.

As a result, in its statement of activity filed with France's High Authority for Transparency in Public Life, the Group did not have anything to disclose in 2019 or 2020.

The Group's main activities in this area comprise joint initiatives with other major market players within professional organizations such as GIMELEC, IGNES, and ASEC.

4.2.3.4 COMMIT TO RESPONSIBLE TAXATION

According to the United Nations, taxes play a vital role in achieving sustainable development objectives. They are an essential mechanism for large corporations to contribute to the economies of the countries in which they operate.

Because of Group's international presence and the complexity of the various tax systems around the world, the Group 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.

4.3 - MAKING COMMITMENTS TO EMPLOYEES AND COMMUNITIES

With almost 33,000 employees worldwide, and sales and production sites in some 90 countries, Legrand pursues its business development while paying particular attention to the working conditions of its employees and its social responsibilities.

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' wellbeing, 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 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.

4.3.1 - Respect human rights and communities

4.3.1.1 PRIORITY NO. 7: COMPLY 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 eight 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 discussed 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 responsible procurement policy that takes into account the rights of employees working for the Group's suppliers. For more information on the Group's sustainable procurement policy, see section 4.2.2 "Ensure sustainable procurement" 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

Risk mapping, regular assessment, prevention and mitigation

The duty of care systems in place are described in the "Duty of Care" section in chapter 4.5 of this universal registration document. The systems cover not only Legrand employees but also those working in its supply chain and its level-1 suppliers.

2019-2021 target and achievements

Continuous improvement approach regarding human rights to cover 100% of the workforce

In practical terms, countries must:

- Complete the Legrand self-assessment in relation to human rights and share it with the Group.
- Define their own plan of action if areas for improvement are found.

In 2020, the countries or entities completing the questionnaire covered 100% of the workforce.

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 4.5 "Duty of Care" in this document.

Priority no. 7		2019	2020	2021
Implementation of a continuous improvement approach on Human Rights*		99.9%	100%	0%
	Targets	100%	100%	100%
	Achievement	**99.9%**	**100%**	

**In % of workforce of entities who completed their self-assessment questionnaire*

4.3.1.2 PRIORITY NO. 8: CONTRIBUTE TO COMMUNITIES

The Group believes that it has a responsibility to contribute to the life of the communities in which it operates.

The focus is on programs and initiatives that have a connection with the Group's business, enabling it to leverage its products, brand employees in order to have the maximum benefit for the community.

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.

Focus: employee involvement

Legrand has several country programs that enable staff members to take part in community initiatives during working hours. Examples are India, North and Central America – where Legrand has its https://www.legrand.us/aboutus/sustainability/employee-and-community-welfare.aspxBetter Communities program – and France, where a community engagement program was launched in September 2020.

In 2020, employees spent a total of 2,232 working days on community engagement projects addressing issues of shared interest.

Legrand's "Charitable Giving Guide" defines the **three main themes** of sponsorship:

- taking action to ensure suitable housing;
- combating energy poverty;
- promoting equal opportunities in the electrical industry.

Support is provided in four main ways:

- financial donations;
- products;
- contribution of skills;
- other gifts in kind.

Focus: the Legrand Foundation in France since 2014

The Legrand Foundation for independent living, set up in 2014 under the aegis of the Fondation Agir Contre l'Exclusion (FACE), is a registered non-profit organization.

Its aim is to support those who are excluded, disadvantaged or discriminated against.

It initiates or supports simple, local initiatives that are consistent with Legrand's business activity and geographical footprint and that involve its staff members.

The Foundation also forms medium-term partnerships with existing charities to increase the scope and impact of these initiatives.

The contribution of the Legrand Foundation takes the form of material assistance, voluntary work, contributions of skills and financial support.

Housing that allows people to continue living at home

Helping people to live independently and to continue living at home have become major issues in society. By 2050, the number of people aged over 80 is expected to triple.

Mindful of this, Legrand assists aging or dependent people who are financially insecure. To achieve this, it uses the Group's expertise and its wide range of solutions as a pioneer in the field of assisted living.

Focus: Care home support fund

To help deal with the Covid-19 pandemic, Legrand took action to help vulnerable people and, via the Legrand Foundation, set up a fund to support care homes for the elderly in France.

The fund provided assistance to 228 care homes and 15,000 of their employees.

It financed specific staff requirements arising from the Covid-19 crisis, providing items such as:

- hotel rooms close to their workplaces, so that they could avoid long commutes while protecting their loved ones and care home residents;

- equipment for break rooms;

- digital communication systems;

- personal protective equipment.

Combating electrical risk and improving access to energy

Almost 850 million people around the world have no access to electricity. 11% of European households live in energy poverty and spend a large proportion of their income on energy. In addition, 25% of fires taking place in buildings are electrical in origin.

Because electricity is a crucial factor in a country's development, Legrand considers it its duty to enable as many people as possible to have sustainable access to electricity.

Such electricity-related initiatives fit with Sustainable Development Goal (SDG) 7: ensure access to affordable, reliable, sustainable and modern energy for all.

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, 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 occasionally donates aid to emergency humanitarian actions.

Since 2007, Legrand has supported Électriciens Sans Frontières in more than 235 projects to increase access to electricity and provide emergency aid in 43 countries. Joint initiatives with Electriciens Sans Frontières have given 2.8 million people access to electricity.

In 2020, Legrand, alongside Electriciens Sans Frontières, provided aid to people affected by the explosion that took place in the port of Beirut, Lebanon on 4 August. Through that initiative, Legrand responded to multiple immediate energy requirements: providing lighting in homes, ensuring safe journeys in the evenings and at night, and maintaining communications (e.g. by charging mobile phones). During the project, Electriciens Sans Frontières identified six educational establishments that will now have photovoltaic panels installed in 2021 in order to limit their use of fossil fuels, and above all to allow these establishments, which are in financial difficulties and serve more than 15,000 students, to cut their costs.

To find out more, visit www.electriciens-sans-frontieres.org.

Promoting equal opportunities in the electrical industry

The electrical industry is suffering from a shortage of labor. One of the main reasons is a lack of proper qualifications and training. To address this problem, Legrand wants to support training initiatives to help people gain skills and have greater access to employment.

To achieve that, Legrand is using:

- its knowledge of training courses for electrical occupations;
- its close relationships with the establishments delivering them;
- the Group's close ties with numerous companies, particularly local firms and small businesses, via its network of installers and specifiers.

The number of people unemployed around the world equals 4.9% of the labor force according to the ILO. Unemployment is highest among people aged under 25 and seniors. Certain groups can also suffer discrimination when trying to find a job.

In response, the Group provides support to young people, older workers, women and people with remote employment prospects to gain employment in the electrical industry:

- funding for training;
- help with developing innovative training courses, for example funding the "Ecole de Production" in the Nouvelle Aquitaine region;
- mentoring;
- organizing "job dating" events etc.

2019-2021 target and achievements

Roll out a sponsorship strategy in 75% of the countries in which the Group operates.

In 2020, 80% of countries had a charitable policy in place, i.e. 43 of the 54 countries identified.

The total budget allocated to charitable activities amounted to more than €7.1 million in 2020, breaking down as follows:

- Cash donations: €1.1 million
- Product donations or other gifts in kind: €6 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.

Priority no. 8		2019	2020	2021
Number of countries with a charitable policy	Results	61.0%	80.0%	0%
	Targets	55%	65%	75%
	Achievement	**111%**	**123%**	

Other initiatives in pursuit of the UN's Sustainable Development Goals

Countries can develop initiatives that address a specific need in their local communities, provided that it helps achieve an SDG.

The following example describes a program developed by India that helps achieve SDG 3: ensure healthy lives and promote well-being for all at all ages.

Focus: Legrand remote medicine centers in India

This project involved a unique remote medicine concept, and its aim was to provide free medical consultation services to communities located in isolated villages, where high-quality medical care requires miles of traveling or is simply inaccessible because of the distance and financial constraints involved.

The remote medicine centers were launched in 2017. With their innovative use of medical technology, they have helped more than 10,000 patients in the last three years to receive specialist advice from doctors at the Nanavati Super Specialty Hospital in Mumbai.

Focus: Legrand India's UGAM Legrand Scholarship Program

In partnership with the Indo-French Education Trust, Legrand has since 2018 helped deserving Indian students take Masters courses at well respected colleges and universities.

Legrand provides financial support that covers their tuition fees and living expenses. Legrand also offers them internships in France and/or a few days of immersive work experience within the Company.

Focus: supporting hospital staff and carers around the world in dealing with the Covid-19 crisis

In Spain, the teams at Neat – the Group's specialist assisted living solutions brand – provided nurse call solutions in response to urgent equipment needs.

In the United States, a cable management solution was developed within four days to supply power to 2,000 beds in temporary hospitals in the state of New York. In the state of Indiana, a production line for display screens was converted to produce face masks.

In France, the logistics platform at Verneuil-en-Halatte mobilized its resources in order to deliver components to a customer producing medical respirators in less than 24 hours.

In India, the Group's UPSs (uninterruptible power supplies) were provided as a matter of urgency to a university hospital in Kolkata that had been converted into a specialist center for Covid-19 patients, to ensure that it had a continuous supply of power.

In Italy, emergency solutions (including bedhead units, nurse call devices and VDI cabling systems) were provided to two temporary hospitals set up in Milan and Bergamo.

In the Netherlands, a videoconferencing system was donated to a retirement home in Eindhoven, to help maintain links between residents and their relatives.

In the United Kingdom, the Aidcall emergency call solution was installed quickly in a private hospital to help relieve pressure on the National Health Service (NHS).

Information about all action taken and initiatives adopted to respond to the global health and economic crisis is available at the "Legrand is #SwitchedOn" website (https://legrandswitchedon.com).

4.3.1.3 ENSURE 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 on 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 was to improve the way this body operates, particularly by developing relations with the EWC's bureau and by giving it additional resources.

Since 2018, one employee representative has sat on the Board of Directors. A second was appointed in 2020.

Certain indicators, monitored via the HR reporting process, give an overview of dialogue taking place within the Group in 2020:

- 63% of the workforce was employed in entities in which there was an employee-representation body and/or a union;
- 45% of employees were covered by collective agreements or agreements applicable to their entity;
- 1,221 information or consultation meetings with employee representative bodies or unions were held during the year;
- 207 new collective agreements were signed, covering 13,431 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 agreement on managerial best practice in France, an agreement on quality of life at work has been signed by all unions. In Italy, an agreement was signed in 2016 on workplace harassment and abuse.

4.3.1.4 ENSURE RESPONSIBLE REORGANIZATION

A company that can take into account changes 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 staff member 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 close attention to ensuring fairness and respecting individuals, as well as complying with national and supranational regulations.

For example, Legrand has reorganized its operations by grouping its activities into four Strategic Business Units as opposed to seven previously. The impact of the changes was assessed at an early stage with input from management and HR teams.

Working with employee representatives, numerous early-stage discussions and meetings took place, allowing information to be shared and seeking input from those concerned to ensure that the organization was successfully adopted.

This work led to the creation of a support system that takes into account specific individual situations and allows targeted prevention measures to be adopted.

In France, a multi-discipline team consisting of healthcare professionals, prevention officers and HR managers was set up. Based on information taken from psychosocial risk assessments but also alerts submitted by internal stakeholders, the team offers solutions to complex collective and individual situations.

4.3.2 - Promote health, safety and well-being at work

As Legrand's Materiality Assessment shows, Health and Safety (H&S) and well-being at work are key priorities for the Group, but also a core concern for its stakeholders.

4.3.2.1 PRIORITY NO. 9: DEPLOY BEST PRACTICE REGARDING HEALTH AND SAFETY AT WORK

The ultimate aim of reducing the frequency of accidents at work relies on the occupational risk management processes already in place and on the deployment of the Legrand Way for health and safety.

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 their working environment;
- incorporating occupational 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. It is accessible on the Legrand intranet. It is also available 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/she is supported by a network of OHS officers at 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.

Performance measurement

In addition, OHS 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.

Since 2015, the Group has implemented a real-time reporting process for all accidents. It supplements the comprehensive monthly and quarterly reports on accident statistics and the annual report on the deployment of best practice.

Focus: managing the Covid-19 crisis

In responding to the pandemic, Legrand prioritized the health of its employees. It set up a crisis center to coordinate initiatives at the Group level. This team established guidelines for Group employees to follow. Countries then managed the situation according to their specific circumstances, in a decentralized and pragmatic way.

The Group produced documents showing how all entities should respond and stating guidelines regarding:

- the establishment of a crisis center or "Covid committee";

- social distancing measures;

- mandatory training regarding ways of stopping the virus from spreading;

- adjustments to premises (one-way routes, installation of plexiglass screens etc.);

- provision of protection kits (face masks, hand sanitizer, gloves, visors etc.);

- limiting the number of people in meeting rooms;

- restrictions on business travel;

- enhanced cleaning routines.

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.

To give an example, the discussion may be based on a picture and the attendees must first discuss the risks and then think of ways to prevent them. Finally, they must agree on a commitment that will be displayed on-site and regularly checked by the manager.

The Group intends for safety talks to be implemented across all activities, on a monthly basis for industrial/logistics environments and on a quarterly basis elsewhere.

4.3.2.1.1 Priority 9A: Reduce the frequency of accidents with or without lost time (FR2)

The priority of decreasing accident frequency rates is designed to reduce the number and severity of injuries among employees.

In the previous CSR Roadmap that ended in 2018, the Group set a target of reducing the FR1 indicator (lost-time accident frequency rate). Legrand achieved good results, with the Group FR1 indicator halving to 4.21 by the end of the last roadmap period.

In 2020, the FR1 indicator improved again to 2.61.

For the 2019-2021 roadmap, a decision was taken to adopt a different key indicator, i.e. FR2, which covers accidents both with and without lost time.

The objective is an ambitious one, since the indicator includes both types of accidents and the aim is to reduce it by a further 20% but over a shorter period (three years instead of five).

2019-2021 target and achievements

Reduce the FR2 indicator by 20% compared with 2018.

The FR2 figure for 2018 was 6.53, and so that target for 2021 is 5.22.

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 three years ago. As a result, the result stated below does not include 2018, 2019 or 2020 acquisitions.

With a FR2 rate of 4.59 at the end of 2020, the Group has already achieved its target level for 2021.

Priority no. 9-A		2019	2020	2021
% reduction in the frequency of accidents*	Results	(15.9%)	(29.7%)	0%
	Targets	(7%)	(14%)	(20%)
	Achievement	**228%**	**212%**	

** with or without stoppage (FR2)*

4.3.2.1.2 Priority 9B: Roll out the Legrand Way occupational health and safety program

The Group has prepared the Legrand Way for health and safety with the aim of fostering a culture of safety and allowing ongoing monitoring of these topics.

This commitment covers managing occupational risks, monitoring the effectiveness of preventive measures, and implementing a continuous improvement approach.

The Legrand Way program has the following themes:

- **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.

- **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, Group reporting).
- **Must Have no. 4:** prevent future accidents through a near-miss reporting system.
- **Must Have no. 5:** adopt four key methods, i.e.
  - 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.
- **Must Have no. 6:** adopt four major health-related themes, i.e.
  - employee health monitoring through regular check-ups;
  - prevention of musculoskeletal disorders;
  - significant efforts, in accordance with the UN goals, to ensure healthy lives and promote well-being,
  - prevention of psychosocial risks.

2019-2021 target and achievements

Cover 90% of staff members with the Legrand Way health and safety program.

Those initiatives are assessed according to their deployment and progress with implementing them. To reach the target, entities are expected to achieve a minimum score of 45 out of 60 (each "Must Have" is given a score out of 10).

In 2020, 65% of registered employees worked for entities scoring 45 or more out of 60, as opposed to the target of 60%.

The proportion excludes acquisitions in the last three years – i.e. in 2018, 2019 and 2020 – and is based on the workforce at end-September 2020.

Priority no. 9-B		2019	2020	2021
% of deployment of "Legrand Way" for H&S program*	Results	43.6%	65.0%	0%
	Targets	30%	60%	90%
	Achievement	**145%**	**108%**	

** In % of workforce covered*

Focus: UN 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 may be extended to their families or local communities.

For example, one unit could organize a vaccination campaign, another could arrange a program to prevent road risks and a third could devise a communication plan to help people quit smoking.

4.3.2.2 PRIORITY NO. 10: STRENGTHEN THE COMMITMENT OF GROUP EMPLOYEES

As a major international company, and in line with its purpose of helping people to "Live life better", the Group has a duty of care towards its employees. It intends to offer protection that goes 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, due to more attractive benefit packages.

4.3.2.2.1 Priority 10A: Roll out the Serenity On program

Serenity On is a program launched by Legrand to ensure that all its employees globally enjoy the same minimum level of welfare benefits. The program takes into consideration best practice and the highest international standards to ensure that all Legrand employees have the same level of welfare benefits, over and above those arising from labor laws and national policies, which often offer 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.

  As a result, a minimum of 14 weeks of maternity leave is offered at 100% of gross basic salary. For paternity leave, Legrand has set a minimum of at least 5 days during which fathers receive the equivalent of 100% of gross basic salary.

- **Healthcare**- Legrand ensures that each employee is protected during any health emergencies, by covering hospitalization and surgery costs. Depending on the local situation, this may for instance involve 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

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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 related benefit is paid through an insurance policy.

Legrand intends to roll out the Serenity On program across all Group entities by 2021, and to cover at least 95% of its workforce.

2019-2021 target and achievements

Cover 95% of the workforce with the Serenity On program

In 2020, it covered 92% of the workforce:

- Healthcare: 99%
- Death benefits: 81%
- Disability benefits: 81%
- Maternity: 99%
- Paternity: 99%

This target covers all consolidated entities, excluding companies acquired less than three years ago. As a result, the result stated below does not include 2018, 2019 or 2020 acquisitions.

Priority no. 10-A		2019	2020	2021
% of employees covered by the *Serenity On* program	Results	82.7%	92.6%	0%
	Targets	75%	90%	95%
	Achievement	**110%**	**103%**	

4.3.2.2.2 Priority 10B: Measure and improve employee engagement

Commitment 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.

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 in order 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.

The well-being and satisfaction of the Group's employees are addressed through different processes:

- **CAPP** interviews (see section 4.3.3.1.2), during which quality of life at work is discussed;
- **surveys about specific projects;**
- **Pulse surveys** were carried out in 2020 within around 30 entities covering around 18% of the Group's workforce. The survey results showed that:
  - employees were happy with the managerial support they received during the Covid-19 crisis;
  - they had confidence in management's ability to take the right decisions to get through the crisis; and
  - they had confidence in the measures taken by Legrand to protect their health and safety.
- **global employee engagement surveys** conducted by an external service provider. The survey offers all employees an opportunity to discuss their engagement. The most recent global survey was carried out in late 2017.

In 2020, the aim was to complete action plans relating to the previous survey and to increase support for employee engagement still further, given the circumstances.

2019-2021 target and achievements

Measure employee engagement

The 2017 engagement survey, which covered all staff members worldwide, produced an engagement score of 69.

The new engagement survey was initially scheduled for 2020 but was delayed until 2021 because of the Covid-19 situation.

In 2020, 100% of Legrand's countries undertook initiatives to increase employee engagement.

Priority no. 10-B		2019*	2020*	2021**
Performance relating to employee engagement	Results	100%	100%	0%
	Targets	100%	100%	70%
	Achievement	**100%**	**100%**	

**2019 & 2020 : % of scopes covered by an action plan*
*** 2021: employee engagement score*

4.3.3 - Developing skills

Legrand pays special attention to managing and developing the talent of its employees. It encourages internal mobility and invests in the career development of its staff members.

In this way, the Group aims to foster engagement among its staff members, 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.

4.3.3.1 PRIORITY NO. 11: DEVELOP THE SKILLS AND TALENTS OF ALL STAFF MEMBERS

The skills development policy focuses on three key areas of action:

- training;
- talent management;
- meetings between managers and employees, known as CAPP (Competency Appraisal Performance and Perspectives) interviews;

The 2019-2021 CSR Roadmap focuses on two key aspects of the HR management policy: training all staff members and holding CAPP interviews for all managers, defined as employees with a grade of 14 or more according to the Hay methodology.

4.3.3.1.1 Priority 11A: Provide training

Training not only ensures that the Group has the appropriate skill set to execute its business strategy, but also enables it to attract and retain talent and to motivate employees.

Training programs

The training strategy is applied as follows:

- **For all staff members,** initiatives are carried out at the Group level in areas such as compliance, health and safety at work, cybersecurity, diversity and anti-discrimination;
- **For non-managers,** training programs 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.);
- **For particularly talented employees,** the aim is to introduce individual training courses to support them in new roles, increase their responsibilities and help them manage change, as well as speeding up their adoption of the business culture and growing their networks (see specific section on the "talent training program");
- **For managers,** the objective is to provide management training to equip new managers with core management skills and strengthen the leadership skills of more experienced managers;
- **For customer-facing employees,** the aim is to provide training in relation to new solutions, products and systems in order to increase sales, boost market share and improve customer relations.

In 2020, close to 530,000 hours of training were provided, as opposed to 598,000 in 2019.

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 Legrand, 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 of the Group's countries and had more than 14,000 active users in 2020.

More than 100 courses are offered to employees on topics such as compliance, purchasing, cybersecurity, digital, soft skills, language learning and the day-to-day use of digital tools. To enhance learning, the tool is accessible in multiple languages. Employees have taken part in more than 60,000 training sessions representing a total of 90,000 hours of training on the platform.

Onboarding

To help new hires reach the required competency level as quickly as possible, some countries (Mexico, US 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, behavioral competency matrix 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, as in North America for example.

Remote management training was stepped up in 2020. Through numerous local initiatives and Group materials, management received training in how to maintain contact with their teams and keep them motivated and working efficiently at a time when the vast majority of employees were working remotely, depending on the context.

Talent training program

Two specific talent development plans have been in place since 2019.

- **Legrand Promising Group Talents** is a plan intended for people with positions of responsibility within a given scope, providing a set of processes and tools to employees identified as showing a high probability of career progression.
- **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.

These programs cascade down into local initiatives, such as the Effective Leadership Program in Mexico and the Emerging Leaders Program in the United States and India, illustrating the complementary nature of the various arrangements. The aim of these initiatives is to prepare talented staff members in each country for key local roles.

2020 target and achievements

85% of staff members to have at least four hours of training per person per year.

In 2020, 89% of the workforce received training. This percentage excludes acquisitions made in 2019 and 2020 and is the number of hours of training delivered divided by the number of people in the workforce at the end of the year. The take-up rate in each country is limited to 100%.

Priority no. 11-A		2019	2020	2021
% of employees receiving a training	Results	85.3%	89.3%	0%
	Targets	85%	85%	85%
	Achievement	**100%**	**105%**	

** At least 4 hours during the year*

4.3.3.1.2 Priority 11B - Carry out annual performance appraisals

Regular appraisals and performance reviews help staff members develop their skills and enhance their employability. They allow methods of managing staff to be harmonized within the Group, which helps to increase employee motivation, commitment and loyalty.

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.

2020 target and achievements

90% of managers to take part in a CAPP interview each year.

The process may be implemented locally or by using Tohm or any other local tool.

In 2020, the proportion was 97.58%. This percentage excludes acquisitions made in 2019 and 2020 and is the number of annual manager interviews held divided by the number of managers in the workforce at the end of the year. The take-up rate in each country is limited to 100%.

2020 saw huge use of remote working methods. Managers were asked to use CAPP interviews as an additional way of maintaining contact with staff members, and thereby to adjust current-year targets on the basis of new aims and priorities.

Priority no. 11-B		2019	2020	2021
% of managers who had an individual appraisal	Results	93.1%	97.6%	0%
	Targets	90%	90%	90%
	Achievement	**103%**	**108%**	

4.3.3.2 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 Group-wide management of talented staff in key positions, helping them to achieve ongoing professional development.

Mobility committees are organized by industry and geographical zone to provide the coverage required to foster discussions with employees and meet operational requirements.

Vacancies are posted on the Group intranet, helping to drive professional and geographical mobility. Talented Group employees identified during the OSR (Organization and Staffing Review) process as ready for mobility are systematically taken into account in the various Group Mobility Committees.

4.3.3.3 RETAINING TALENT THROUGH THE COMPENSATION POLICY

In addition to talent management programs and a strong bias towards internal promotion, Legrand also relies on its compensation policy to retain managers.

Long term incentive plans

Under these plans, performance shares or bonuses are distributed, depending on the year.

A selection process involving line management and General Management seeks to identify the best-performing employees within all of the Group's subsidiaries who help to create value in a responsible way across the organization. The process covers roughly 6% of the Group's workforce (about 1,900 people). Three quarters of these staff members are currently employees of international subsidiaries.

4.3.4 - Promoting equal opportunities and diversity

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.

Focus: the Diversity and Inclusion Policy published in 2019

In 2019, Legrand published its Diversity and Inclusion Policy, which applies to all Legrand establishments and companies across the world, and mainly focuses on the following five areas and objectives:

- Gender balance
- Inclusion of disabled workers
- Intergenerational collaboration
- Social and cultural diversity
- Inclusion of LGBT+ people

4.3.4.1 PRIORITY NO. 12: ENCOURAGE DIVERSITY AT WORK

Gender diversity is a key business imperative for Legrand. The Group has put policies and procedures in place to achieve that objective. Legrand intends to make diversity in the workplace a reality with tangible effects.

Promoting diversity, particularly by placing more women in management positions

Legrand is actively encouraging the recruitment of more female managers.

- **Executive Committee**: since the end of 2019, the proportion of women on the Executive Committee has been one third, as opposed to one quarter at the end of 2018.
- **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 actually increased by 32% by the end of the last CSR Roadmap.
- **Managerial positions**: in 2018, female managers made up 22.6% of the workforce. For 2021, the Group is seeking to increase the number of women in intermediate management teams by 20%.

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. Guidelines have also been sent to Group managers in France during annual pay reviews.

Coordinating a network of gender equality officers

These officers have a mediation and advisory role, and take part in sharing best practice. 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 18 potential cases of discrimination in 2020 (versus 19 in 2019), 12 of which resulted in salary adjustments being made (versus 14 in 2019).

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 training for HR teams and prevention officers regarding efforts to combat sexual harassment and sexist behavior.

Promoting the elle@legrand gender equality network

This network is an initiative developed by Group employees, run by an independent firm 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 2020, the network was present in 24 countries.

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.

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 young 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 125 female students.

In February 2020, the Students Connect platform was launched. It enabled around 100 female students to connect with each other, to receive mentoring support and advice, and to access projects, work placements and seminars.

2020 target and achievements

20% increase in the number of women in managerial roles

Units in each country must increase the proportion of women in managerial positions (i.e. with a Hay grade of 14 or over) by 20% between 2018 and 2021. That equates to an annual increase of 7%.

In 2018, female managers made up 22.6% of the workforce. That increased to 24.8% by the end of 2020 Excluding acquisitions made in 2019 and 2020.

Priority no. 12		2018	2019	2020	2021
% of female managers	Results	22.6%	23.3%	24.8%	
	Targets	N/D	24.2%	25.6%	27.1%
	Achievement		**46%**	**71%**	

4.3.4.2 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, showing a score of 91 out of 100. That score has risen by 6 points compared with the 2018 figure of 85.

The score 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 under-represented 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.

DIVERSITY AND INCLUSION: MULTI-DIMENSIONAL ISSUES

In 2020, a diversity training course was made available to employees on the Learning with Legrand platform. More than 500 employees took the course during the year.

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".

Since the end of 2016, Legrand has been part of the ILO Global Business and Disability Network, which brings together companies to promote the inclusion of disabled people by highlighting the benefits of recruiting people with disabilities and facilitating the sharing of knowledge and best practice.

Legrand has ratified the Global Business and Disability Charter. As a signatory, Legrand intends to pursue its efforts to promote the inclusion and integration of people with disabilities in the workplace.

Overall, people with a disability make up 2.22% of the Group's workforce included in HR reporting.

Internships are also granted to people with disabilities by various Group entities.

In France

Prevention and integration agreement

A new agreement on preventing discrimination and integrating people with disabilities has been signed for the 2021-2023 period. 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 (Établissements 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 "management and disability" was held at the Group's head office in Limoges in 2019. 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.

In 2020, a webinar focusing on integrating disabled workers was organized, with 150 staff members taking part.

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, the Bticino subsidiary 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), the UK (diversity training), Germany (work experience for a young autistic person) and Hungary (awareness-raising sessions for around 50 managers led by deaf and hearing-impaired people) as part of European Disability Employment Week.

Focus: Signature of the manifesto for the economic inclusion of disabled people

In November 2019, the Legrand Group, along with around 100 other companies, signed a charter of operational commitments, also known as the "Disability Manifesto". This formal charter is ambitious and requires pro-active efforts to promote the employment of disabled people.

The main aims are to get companies to make transformative commitments in favor of integrating disabled people into the workforce: developing and maintaining links between schools and companies, allowing young people – through internships and apprenticeships – to work out their career plans, raise awareness about disabilities among employees, develop a managerial culture of diversity, promote sustainable procurement and build bridges with ESATs and companies that employ disabled staff.

Inclusion and LGBT+

On the International Day Against Homophobia, Transphobia and Biphobia on May 17, 2019, Legrand added the rainbow flag – a symbol of the LGBT+ community – to its communications.

In France, it then sought to raise awareness of these matters through a conference in which LGBT+ people gave personal accounts of work-related situations they have experienced.

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 Autre Cercle charter (see Focus below).

In 2020, a webinar on the inclusion of LGBT+ people was attended by 180 staff members. 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.

Focus: Signature of 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 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 difference within the company.

Inter-generational inclusion

Legrand has developed several initiatives to help the various generations to work together.

Many young people around the world benefit daily 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 staff members to speak at schools, universities and training establishments, and by inviting 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 jobs market.

In Italy, the "Schools visiting Bticino" program allows university students to visit the Varese or Erba sites, to help them choose their future career. 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, electronics or mechanical engineering industries.

In France, the "S'cool Days" initiative was organized with Ingénieurs Pour l'Education in 2020, allowing middle-school students to find out about careers at Legrand. In addition, despite the particularly difficult context, Legrand in France maintained its policy of welcoming interns and people on work/study contracts through its Cam'plus program.

In the United Kingdom, Legrand's partnership with Job Centre Plus as part of the My Choice, My Future program allows young people aged 14-17 to find out more about working at Legrand.

In Germany, Legrand's initiatives included organizing the Apprentice Business Games. The "ruhrtalente" program also seeks to recruit and raise awareness among talented female students from deprived backgrounds.

In Mexico, a program has already allowed 10 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 where supported during a one-year university course at Politeknik Negeri Sriwijaya with Legrand technical solutions.

Legrand's Indian and French operations are also cooperating as part of the UGAM program to help Indian students attend prestigious universities (such as ESSEC, ESCP, EDHEC and KEDGE) in France.

In Colombia, the Canguro plan seeks to help people move forward in their careers using a mentoring approach. The aim is to provide support to selected staff members in order to help them progress within the company.

Social and cultural inclusion

Legrand has several locations in France, and supports the development of the communities in which 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. For example, it invites around 100 high-school students to gain work experience every year.

Legrand France is a partner of the "Capital Filles" charity: around 20 employees mentor around 20 female high-school students and give them career guidance.

The Company also takes part in the initiatives of Fondation Agir Contre l'Exclusion in the Seine-Saint-Denis *département* through its involvement in the Watt Elle's program. This aims to help young women from disadvantaged areas find work in the manufacturing industry and particularly in the electrotechnical field.

Focus: GEEIS – Diversity label

In 2020, the Legrand 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.

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.

4.4 - LIMITING ENVIRONMENTAL IMPACT

Legrand has long been committed to safeguarding the environment. This responsibility applies to both operations and product design.

The Group aims to limit the environmental impact of its business, and to develop responsibly designed products and systems that enable customers to reduce their CO_2 emissions.

Organization and dedicated resources

At the same time, the Group Environment team manages the Group's environmental policy within the Strategy and Development Department.

Overall, around 110 people have direct responsibility for the environment at the Group's sites.

For example, Quality, Safety and Environment experts at the various production sites ensure that the Group's environmental policy is implemented. In particular, they are tasked with carrying out environmental analyses and taking part in setting up improvement plans as part of an ISO 14001-certified Environmental Management System (EMS).

Similarly, eco-design specialists at R&D centers are involved in implementing tools and best practices.

Environmental reporting process

Environment reports allow periodic consolidation of environmental data from:

- production sites;
- administrative and commercial sites with more than 200 employees;
- logistics sites of more than 15,000 m².

At the end of 2020, 99 sites fell within the scope of the environmental reporting process.

New acquisitions are integrated at the latest three years after they join the Group.

In 2020, 13 sites were integrated into the reporting process, while three sites left the scope.

A selection of the data from these reports can be found in section 4.6.3 of this universal registration document.

Systematic ISO 14001 certification

Legrand's approach is to prevent environmental risks and improve the performance of its sites.

To that end, the Group's policy is to certify all production and logistics sites. With the new version of the ISO 14001 standard (v2015), R&D teams are also involved in the certification process, either because the process is associated with production sites or because it specifically concerns their development activities.

The introduction of an ISO 14001-compliant Environmental Management System has two main consequences:

- it determines a site's Significant Environmental Aspects (SEAs). The site's management and personnel will put measures in place in accordance with the site's environment, activities and local culture in order to prevent pollution and environmental risks in general;
- it establishes a continuous improvement process, often based on the Deming Cycle (Plan-Do-Check-Act) and involving the implementation of improvement actions.

Sites of companies that the Group has recently acquired must be certified within five years.

Through this approach, 91.2% of the eligible sites have obtained third-party ISO 14001 certification.

Focus: recognition for Legrand India's contribution to safeguarding the environment

In 2020, Legrand's plant in Haridwar was one of the winners in the Greentech Environment Awards 2020 organized by the Greentech Foundation in New Delhi. This is a prestigious award that recognizes Legrand's contribution to protecting the environment in its sector.

4.4.1 - Limiting greenhouse gas emissions

Legrand's industrial activities mainly consist of materials implementation and assembly work, which means that its energy consumption is low. It consumed 406 GWh of energy in 2020.

Its main sources of CO_2 emissions are heating and lighting for its production units. As regards industrial processes, the only ones that use significant amounts of energy are plastic injection and extrusion.

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

Long-term commitment

Nevertheless, Legrand is committed to a low-carbon economy model.

For many years now, the Group has made a series of major commitments to combat climate change.

In 2015, Legrand was closely involved in the United Nations Climate Change Conference in Paris (COP21), signing the climate manifesto and joining 39 other major French companies which are resolutely committed to combating against climate change and helping 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.

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

In 2017, Legrand signed the declaration of support for the **Task Force on Climate-related Financial Disclosures (TCFD)** and the **French Climate Business Pledge.**

In 2018, Legrand became the sixth CAC 40 company to have its greenhouse gas reduction targets validated by the **Science Based Targets** initiative.

In 2019, Legrand and 100 other French companies renewed their commitment to the **French Climate Business Pledge.**

In 2020, the Group made a commitment to reducing its CO_2 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.

Focus: trajectory towards carbon neutrality

The Group initially made a commitment to reduce its greenhouse gas emissions directly arising from its energy consumption (scopes 1 and 2) by 30% by 2030 compared with 2016 and by 75% by 2050. That trajectory was validated in 2017 by the Science Based Targets initiative, which is backed by the WWF, the United Nations Global Compact, the World Resources Institute and the Carbon Disclosure Project.

Legrand stepped up that commitment in 2020.

The Group decided to align 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 and to become carbon-neutral.

Legrand is aiming to eliminate its net greenhouse gas emissions by 2050 across scopes 1, 2 and 3.

On the path to becoming carbon-neutral, Legrand has made the following intermediate commitments:

1/ Accelerate efforts to reduce emissions in order to achieve the objectives validated by the Science- Targets initiative in 2030. This involves:

- Reducing the energy consumption of its sites by 3% per year on average;
- Deploying highly energy-efficient solutions across its sites;
- Using renewable energy in its production system or buying green energy;
- Shifting its vehicle fleet towards hybrid or electric vehicles;
- Helping its supply chain to reduce CO_2 emissions.

2/ As well as these initiatives, Legrand is committed to taking part in voluntary projects to offset the residual carbon emissions arising from operational activities and employee travel, in order to become carbon-neutral across these scopes in 2022 and thereby make a very rapid contribution to the global effort to reduce CO_2 emissions. This objective relates to the whole of scopes 1 and 2, as well as business travel and commuting by staff members (part of scope 3) as defined by the Greenhouse Gas Protocol (GHG Protocol).

As of the date of publication of this Declaration of Extra Financial Performance, Legrand's new carbon-reduction trajectory is being validated by Science Based Targets.

Climate performance and CDP score

Every year, Legrand completes the CDP Climate Change questionnaire. CDP is a non-profit organization that measures, publishes and shares environmental information and provides a framework of action to combat global warming. By publishing its detailed carbon emissions analysis and improvement targets, the Group underscores its commitment to this issue and its intention to maintain complete transparency.

In 2020, over 9,000 companies published environmental information through the CDP.

In 2020, Legrand obtained a B rating after completing its Climate Change questionnaire.

The Group's carbon footprint

Following the GHG Protocol, the Group's carbon footprint results from three scopes:

Scope 1 emissions

These are the Group's direct emissions. They result mainly from:

- consumption of fossil fuels (almost entirely natural gas) used for heating buildings, and for some industrial processes;
- consumption by company cars;
- refrigerant leakage.

Scope 2 emissions

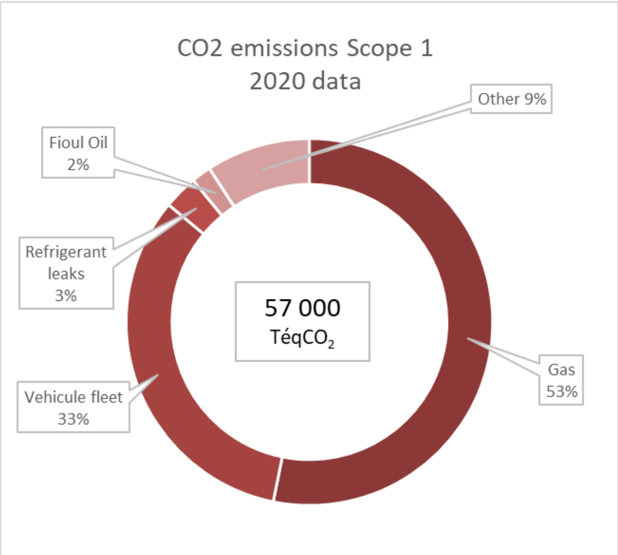
These are the Group's indirect emissions related to the production of electricity, heat or steam imported for its business activities.

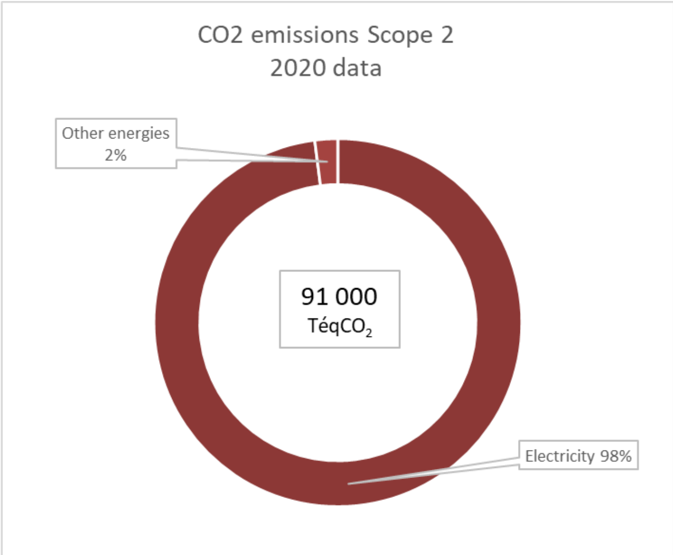
They result mainly from the consumption of electricity and heat used in heating and lighting the Group's buildings and in its industrial processes.

The specific emission factor of each country's power generation system is taken into account when calculating these emissions.

Scope 1 and Scope 2 emissions relate to the Group's own activities. As a result, reducing Scope 1 and Scope 2 emissions is the priority.

Unadjusted for changes in scope, these issues amounted to 148,383 metric tons of CO_2 equivalent (rounded down to 148,000 metric tons), versus 167,891 metric tons in 2019 (rounded up to 168,000 metric tons) and 178,000 metric tons in 2018.





Scope 3 emissions

These are indirect emissions from both upstream and downstream sources occurring in Legrand's value chain (see section 4.4.1.3 "Limiting Scope 3 CO_2 emissions").

Scope 4 emissions

This indicator measures the carbon footprint of users of energy-efficiency products (see section 4.4.1.2).

The measurement is based on energy consumption avoided by uses of energy-efficiency products installed since 2014. It represents an indicator in its own right and is a priority in the Group's CSR Roadmap (see section 4.4.1.2).

4.4.1.1 PRIORITY NO. 13: REDUCE THE CARBON FOOTPRINT (SCOPE 1 AND SCOPE 2 DIRECT EMISSIONS)

The CO_2 emissions reduction strategy is based on three main measures:

- reducing energy consumption;
- using energy sources that are renewable or result in lower GHG emissions;
- taking action to offset emissions.

4.4.1.1.1 Reducing energy consumption

Reducing the carbon footprint by optimizing energy consumption is a priority.

To achieve this, 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 at each site and action plans implemented to reduce energy consumption.

The Group's energy consumption amounted to 406 GWh in 2020, as opposed to 436 GWh in 2019 and 451 GWh in 2018.

This corresponds to an absolute decrease of around 10% in two years, against a background of growth through acquisitions and a cyclical decrease in production.

Energy management certification for the Group's sites

Compliance with statutory energy-related requirements is ensured by the site management system as part of ISO 14001 certification.

In 2015, Legrand obtained ISO 50001 certification for its energy management system (EMS) covering Legrand's headquarters, 21 production sites and three logistics sites located in France, Hungary, Italy, the Netherlands, Poland, Spain and the United Kingdom. This scope covered more than 40% of the Group's global energy consumption and 80% of all its industrial, logistics and administrative operations in Europe.

In 2018, the main tools of this EMS were rolled out more broadly across the whole Group through the ISO 14001-certified EMS. The group is continuing to refer to ISO 50001 guidelines in framing its policies.

Energy efficiency at production sites

Energy efficiency principles are implemented during construction, refurbishment and maintenance projects at the Group's sites.

Energy consumption metering:

Electricity consumption metering and sub-metering systems developed by the Group are installed at its industrial and service sites. They helped the Group's three Chinese sites to achieve LEED certification.

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 three years now, 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.

Focus: Reducing energy consumption at Legrand North America

Legrand is taking part in the Department of Energy's Better Building, Better Plants (BBBP) program, supported by the White House. Its North American entities are committed to carrying out energy upgrades and to improving the energy efficiency of their office buildings and industrial sites in order to achieve a steady decrease in energy intensity.

Recent initiatives include:

- The upgrade of the West Hartford head office's fuel cell, which allows electricity to be generated from oxygen and natural gas with no fuel being burnt. Calculated over a 20-year period, the fuel cell will deliver up to a 40% reduction in greenhouse gas emissions.

- Energy Marathons: internal competitions between the various entities to encourage staff members to save as much energy as possible over a 26.2-day period;

- Sales teams' adoption of hybrid and electric vehicles.

Transition in the vehicle fleet

Subsidiaries are gradually adding electric vehicles to their fleet. Charging stations continue to be installed in the parking areas of several industrial sites.

4.4.1.1.2 Renewable energy use

Legrand aims to produce renewable energy and use that energy at its sites wherever possible.

- For many years, solar power has been used at some sites for domestic hot water purposes, such as the Huizhou site in China.
- The Szentes production site in Hungary is heated using geothermal energy.
- Many solar photovoltaic projects are underway: in 2020, sites in India and the United Kingdom started to consume self-produced solar power.

The Group is working to replace its purchases of traditional energy with green energy from wind, hydro and solar sources, and to replace some of its natural gas consumption with biogas.

4.4.1.1.3 Action to offset emissions

In addition to its efforts to reduce Scope 1 and Scope 2 emissions, the Group is working on scenarios that include purchases of Guarantees of Origin, Renewable Energy Certificates and offsetting projects, particularly in India and Brazil.

2019-2021 target and achievements

Reduce operational CO_2 emissions (Scope 1 and Scope 2) by 7% in 2021 compared with 2018.

This intermediate target forms part of the trajectory for reducing greenhouse gas emissions as validated by the Science Based Targets initiative.

For comparison purposes, this priority is assessed on the basis of the 2018 reporting scope. In 2018, emissions totaled 178,000 metric tons.

In 2020, across the same scope, operational emissions were reduced to 137,250 metric tons, ahead of the 2021 target of 166,000 metric tons (again based on the 2018 scope).

Priority no. 13		2019	2020	2021
Reduction of CO_2 emissions Scope 1&2* (constant)	Results	165,282	137,250	0
	Targets	174,000	170,000	166,000
	Achiev.	105 %	119 %	

*in metric tons of CO2 equivalent

		2019	2020	2021
Reduction of CO_2 emissions Scope 1&2* (current)	Results	168,000	148,383	0
	Targets	174,000	170,000	166,000
	Achiev.	103 %	113 %	

*in metric tons of CO2 equivalent

4.4.1.2 PRIORITY NO. 14: AVOID CO_2 EMISSIONS THROUGH OUR ENERGY-EFFICIENCY PRODUCTS

The fight against climate change is giving a major boost to demand for environmentally-friendly products.

Because buildings are responsible for 35% of energy consumption and 40% of CO_2 emissions (global data, source: International Energy Agency), reducing their energy consumption is a major part of efforts to combat global warming.

Legrand's target, in line with its corporate purpose and Sustainable Development Goals 7, 11 and 13, is to improve the energy efficiency and reliability of buildings in order to combat climate change.

Simple and accessible solutions

The Group offers a broad range of energy-efficient solutions for residential, commercial and industrial buildings and for datacenters, as part of both newbuild and refurbishment projects.

They are easy to install, adapt and use and can be implemented by the Group's usual industry partners.

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, smart solutions form part of the Eliot program. 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. Legrand has recently launched its first DRIVIA smart panel capable of monitoring consumption, managing loads and carrying out load-shedding;
- The NemoGreen cloud platform, launched in 2020, gives customers a comprehensive "energy dashboard" to meet legislative obligations (such as those arising from the *"décret tertiaire"* relating to tertiary buildings in France).

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).

Energy supply and distribution solutions

- Reactive energy compensation and harmonics filtration: Alpes Technologies offers 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 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 UPSs 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 has a wide range of 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.

Specific solutions for datacenters

The Group provides highly energy-efficient solutions for datacenters largely thanks to Minkels, a Dutch company specializing in datacenter equipment and its recent acquisitions Universal Electric Corporation and Modulan.

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.

Following the acquisition of Raritan and Servertech, the data center offering is rounded out with smart PDUs (Power Data Units) to analyze energy consumption and improve performance.

2019-2021 target and achievements

Avoid 7.2 million metric tons of CO_2 by using the energy-efficient solutions marketed by the Group

The energy saved is calculated by taking into account various factors:

- the Group's sales of those solutions in each country since 2014;
- the carbon content of local electricity (the electricity emission factor of each national power network);
- the 5-year return on investment (ROI) in France estimated by GIMELEC.
- Sales in a given year have a 50% weighting in the calculation, in order to obtain a value which is the closest approximation of the actual period of use during the year.

This produces an annual amount of avoided CO_2 emissions, in metric tons, due to the use of the Group's high energy-efficiency products installed around the world since 2014.

Between 2014 and 2018, the total amount of avoided emissions was 4.5 million metric tons.

For the 2019-2021 period, the annual targets are as follows:

- 2019: 2.2 millions of metric tons avoided;
- 2020: 2.5 millions of metric tons avoided;
- 2021: 2.9 millions of metric tons avoided.

Priority no. 14		2019	2020	2021
Metric tons of CO_2 emissions avoided*	Results	2,456,675	2,970,093	-
	Targets	2,174,053	2,500,000	2,900,000
	Achiev.	**113%**	**119%**	

**thanks to the Group's energy efficiency offers*

Between 2014 and 2020 therefore, the Group's solutions enabled customers to avoid almost 10 million metric tons of CO_2 emissions in total.

4.4.1.3 LIMIT SCOPE 3 CO_2 EMISSIONS

Scope 3 emissions are indirect emissions from both upstream and downstream sources occurring in Legrand's value chain.

Based on 2019 emissions figures, they amount to 3.3 metric tons and break down as follows:

- upstream emissions come from the production of raw materials, purchases of goods and services (69%), upstream transportation (9%), fixed assets (2.7%), employee commuting (0.9%) and business travel (0.2%);
- downstream emissions come from downstream and intra-group transportation (3.6%), end-of-life processing of products (2.6%) and emissions from products sold (11%) in Scope 3.

Details regarding "emissions from products sold":

In methodological terms, greenhouse gas (GHG) emissions are associated with energy-consuming equipment such as heating or cooling systems (boilers, air conditioning units etc.) or sources of light. Barring exceptions, this equipment does not form part of the product ranges currently marketed by the Group. This 11% figure is likely to change over time according to the Group's business development, for example with the integration of light sources into smart lighting products.

Certain Scope 3 emissions are addressed by key priorities in the Group's CSR policy, i.e. ensuring sustainable purchasing (4.2.1) and using recycled materials (4.4.2.5).

Focus: SBTi commitment relating to Scope 3 emissions and Group purchasing

By signing up to the SBTi (Science Based Targets initiative), Legrand has promised that, by 2030, its raw materials suppliers will apply targets for reducing greenhouse gas emissions in accordance with IPCC recommendations (validated by the SBTi or equivalent). This commitment covers 75% of Legrand's total Scope 3 emissions (reference year: 2017).

In 2019 and 2020, the list of suppliers concerned was shared within the Group and an assessment and monitoring methodology is now in place.

Initiatives to reduce Scope 3 emissions

Investments

Since 2016, Legrand has gradually been taking into account a nominal carbon dioxide price per metric ton in its opportunity assessment relating to its capex and product development strategy.

Raw materials and components

The eco-design approach allows the amount of raw materials used in new products to be reduced to the bare minimum. While maintaining functionality, the approach aims to reduce consumption of raw materials, which is one of the main ways of reducing environmental impacts.

Logistics

As regards logistics, the following methods are used to reduce CO_2 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 far as possible;
- increasing the use of transportation by sea, rail or river where possible as an alternative to road transportation (for example between France and Turkey);
- using the same means of transport for both incoming and outgoing shipments, to avoid empty return journeys;
- optimizing the loading of trucks.

4.4.2 - Innovating for a circular economy

Safeguarding the environment also means implementing circular economy principles.

This consists of moving from a linear consumption pattern (resource exploitation, manufacturing, use, end-of-life and waste management) to a circular approach, like natural cycles within ecosystems.

The Group integrates circular economy principles into the development of its new products. Circular economy principles are divided into the following categories:

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

It should also be emphasized that the Group's products, usually associated with construction infrastructure, have long life spans (typically several decades).

Electrical equipment changes throughout the lifetime of a building and the Group's products and systems enable new functionality to be added, thereby delaying, or even preventing, the obsolescence of that infrastructure.

4.4.2.1 PRIORITY NO. 15: INTEGRATE CIRCULAR ECONOMY PRINCIPLES INTO THE DEVELOPMENT OF NEW PRODUCTS

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.

Legrand Way for Eco-design 9 practices

For the 2019-2021 roadmap, the approach has been adjusted. It now focuses on the progressive deployment of nine good practices:

Practice 1: Assessing the risk of hazardous substances being present

Legrand voluntarily applies RoHS (Restriction of Hazardous Substances) regulations to all of its products around the world.

Legrand has also introduced 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 PVC in 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 defines the SEAs of its representative product families on the basis of 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: Integration of the supply chain

This requires suppliers to be involved in the R&D unit's eco-design approach. In 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: Improvement of 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: Product design for a circular economy

This involves integrating circular economy principles such as:

- using recycled and recyclable materials;
- designing products specifically to increase durability (or repairability);
- certifying products with environmental labels;
- making a product end-of-life plan (reuse and recycling).

Practice 9: 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, water-based inks and acrylic adhesives that emit fewer VOCs (volatile organic compounds).

2019-2021 target and achievements

Roll out the Legrand Way for Eco-design fully across R&D centers.

A score is assigned to each practice. Each R&D site is expected to achieve a minimum score each year, according to a trajectory defined by the Group.

R&D centers must therefore show that they have implemented the expected practices.

The results are reviewed, consolidated and analyzed by the Group's Environmental Department and a performance rating is assigned to each R&D center.

This means that the deployment target (Group score) varies each year.

In 2020, the Group's target was an implementation rate of 91%. The actual figure was 96.5%, giving an achievement rate of 105%. The rate does not take into account acquisitions in the last three years, i.e. in 2018, 2019 and 2020.

Priority no. 15		2019	2020	2021
% deployment of the *"Legrand Way for Eco-design"* program	Results	94.2%	96.5%	0%
	Targets	87%	92%	100%
	Achievement	**109%**	**105%**	

4.4.2.2 PRIORITY NO. 16: PROVIDE ENVIRONMENTAL INFORMATION ON THE GROUP'S PRODUCTS

Consumers are increasingly seeking information about the environmental impact of the products they use.

The approach taken by Legrand in the last 20 years enables it to meet this requirement.

Product Sustainability Profiles (PSP)

The PSP is a proprietary concept defined by Legrand to provide environmental or health-related information about products. PSPs include two types of product-related disclosures:

- the Environmental Product Declaration or EPD;
- the Health Product Declaration or HPD.

Where either of these 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 usage phase;
- maintenance;
- end-of-life collection and processing.

The impacts highlighted include climate change, the depletion of natural resources, water consumption and waste generation.

EPDs comply with ISO 14025, which itself is based on the ISO 14040 series of standards that allow the environmental impact of a product or process to be quantified.

To be compliant with ISO 14025, the EPD must be registered by a Program Operator, which ensures compliance, 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 are produced by analyzing multiple criteria relating to the product life cycle, and are checked according to the requirements of the PEP Ecopassport® program.

The PEPs available for Legrand products provide customers with tangible and verified environmental 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 permanently installed.

Health Product Declaration (HPD)

The HPD is used to disclose information about the content and health impact of products and materials. It provides 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.

2019-2021 target and achievements

Have EPD (or PEP) covering two thirds of revenue.

At the end of 2019, the proportion of revenue covered by PSPs was 62.4%.

In 2020, the proportion of revenue covered by PSPs was 66.6% (excluding acquisitions in 2018, 2019 and 2020).

Priority no. 16		2019	2020	2021
% of revenue covered by a PSP*	Results	62.3%	66.6%	0%
	Targets	67%	67%	67%
	Achievement	**94%**	**100%**	

**Product Sustainability Profile*

4.4.2.3 PRIORITY NO. 17: RECOVER WASTE

Managing and recovering waste is critical for the environment, in terms of both pollution and the depletion of resources.

Industrial waste management

From an operational perspective, Legrand is seeking to reduce waste in four main ways:

- **Product design and industrialization**, to minimize production waste and scrap. In addition, 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;
- **The sharing of best practice 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.

As an example of good practice, the Group has introduced the “3 Rs” approach at its industrial sites: Reduce, Reuse, Recycle. Several initiatives have been set up in production workshops with the active participation of all employees: weekly meetings including analysis of indicators, improvement proposals, brainstorming and suggestions.

The volume of waste generated in 2020 was 49,000 metric tons as opposed to 51,000 metric tons in 2019, unadjusted for changes in scope.

2019-2021 target and achievements

Recover at least 90% of waste.

In 2020, 89.9% of waste was sent to the recycling sector. This rate does not take into account acquisitions in the last three years, i.e. in 2018, 2019 and 2020.

Priority no. 17		2019	2020	2021
% of waste recovered *	Results	90%	89.9%	0%
	Targets	90%	90%	90%
	Achievement	**100%**	**100%**	

**Sent to the recycling sector*

4

4.4.2.4 USE OF HAZARDOUS SUBSTANCES

RoHS Directive

The RoHS (Restriction of Hazardous Substances) directive lays down rules restricting the use of hazardous substances for electrical and electronic products.

Since 2004, Legrand has aimed to eliminate RoHS substances from all of its solutions, whether they are covered by the European directive's scope of application or not. As a result, after eliminating regulated flame retardants in the early 2000s, in 2007 the Group adopted lead-free welding processes, opted for the use of lead-free PVC from 2009, and gradually extended Cr(VI)-free passivation of surface coatings for metal parts.

As a result, the Group was ready for the "open scope" phase of the RoHS Directive (2011/65/EU) in July 2019.

Legrand has also sought to extend these RoHS-related usage restrictions on hazardous substances to all of its global sales.

At the end of 2020, 91.4% of revenue was generated from products compliant with the RoHS restrictions on the use of 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 European directive.

REACH Regulation

REACH refers to European Regulation (EC) No 1907/2006 on the Registration, Evaluation, Authorization and Restriction of Chemicals.

Legrand goes beyond its regulatory requirements, undertaking to exclude any substances included in the REACH "candidate list" from its products whenever an alternative is available.

Legrand is therefore also involved in applying the European REACH regulations, in particular by facilitating the transmission of data on the relevant substances used in its economic chain (upstream and downstream):

- It arranges the collection from strategic suppliers (particularly plastics suppliers) of Material Safety Data Sheets on substances and preparations, such sheets being key components for disclosing product information under REACH;
- A panel of experts from the central materials laboratory works with designers and buyers to identify the types of materials and items purchased with a high probability of containing REACH substances. The aim is to prioritize the constructive consultation of the suppliers concerned;
- The Group's European customer service departments have a response system connected to the Group's intranet site covering all brands. This ensures that the most up-to-date information is sent.

4.4.2.5 PRODUCT END-OF-LIFE: MANAGEMENT OF WASTE 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 electrical and electronic equipment) Directive has created rules and a structure for dealing with WEEE in Europe. It has prompted the creation of eco-organizations, which have established systems to collect WEEE and process it safely, with the emphasis on recovery.

In response to its obligations, Legrand helps fund 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 "WEEE Pro" waste handled by Ecosystem is more than 75%.

4.4.2.6 USE OF RECYCLED PLASTIC AND METAL

Legrand takes particular care to use recycled materials whenever possible.

The benefits of using recycled material are multiple:

- It preserves natural resources;
- It reduces the impact on the environment by reducing the volume of virgin raw material used;
- It reduces the Group's Scope 3 CO_2 emissions;
- It gives a new lease of life to used plastics (reducing the volume of waste sent to landfill);
- It helps Legrand to offer more sustainable products to its customers.

The integration of recycled materials is specifically recognized and promoted as part of the Legrand Way for Eco-design, which frames the Group's global eco-design approach.

Recycled plastics

Networks established with participants in the recycling industry (particularly Ecosystem in France and Ecolight in Italy) and plastics suppliers have allowed new opportunities for the use of recycled post-use plastics to be identified.

Note that the use of recycled plastics for technical and highly regulated products is generally complex and requires specific R&D work. However, recycled plastics represent a growing proportion of the raw materials used by the Group. For its activities in France, around 10% of the plastic material it processed in 2020 was from recycled sources.

Focus: commitment to using recycled plastic in France through AFEP

In 2017, 33 AFEP member companies publicly made 100 commitments to the circular economy.

In particular, they promised to develop uses for recycled raw materials, taking overall volumes from 1,000 metric tons in 2017 to more than 2,000 metric tons in 2025.

The integration of recycled plastics into a closed loop poses inherent difficulties because of the presence of "legacy" substances, i.e. substances used in the past to produce electrical and electronic equipment and that are now regulated.

As a result, Legrand also uses recycled plastics from other industrial sectors (open loop).

Legrand is part of the working group addressing this issue as part of France's "Commitments to Green Growth" (circular economy roadmap).

The widespread adoption of these methods requires multi-sector collaborations, particularly research partnerships with the chemicals industry, and the support of public bodies such as the French environment and energy management agency (ADEME) via the ORPLAST scheme.

There are several examples of this approach:

- 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).
- In 2018, Legrand 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.
- Since 2016, Legrand's Brazilian subsidiaries have used "post-consumer" recycled polypropylene (PP) for the injection molding of plastic parts;
- 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.);
- Overmolds for Céliane and Mosaic products are made with polyamide (PA66) from recycled automobiles;
- Legrand works with a major European producer of recycled polystyrene (PS), and in 2017 this 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 back components in some equipment ranges;
- In the US, PET felt acoustic panels in the OCL Acoustic Solutions range are made from 75% post-consumer recycled material (water and carbonated drinks bottles).

Recycled metals

The incorporation of recycled material is common practice for metal suppliers. For example, ordinary steels generally contain between 25% and 35% recycled material.

However, it is important to design products so that steel grades including a high proportion of recycled metal (up to 100%) can be used. This explains why Legrand is developing products based on materials specifications that fit with this requirement to include recycled steel. The same applies to aluminum and copper alloys, which the Group uses in large quantities. The proportion of recycled metal is generally 80% for aluminum and between 40% and 80% for copper and copper alloys.

4.4.3 - Combating pollution

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.

4.4.3.1 PRIORITY NO. 18: REDUCE VOLATILE ORGANIC COMPOUND (VOC) EMISSIONS

Air pollution arising from the Group's activities consists mainly of volatile organic compounds (VOCs) produced by certain processes in production units, 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 has four main aspects:

- 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.

2019-2021 target and achievements

Reduce VOCs by 10% compared with 2018

This target represents an annual decrease of 3.5%, and assumes a constant scope.

VOC emissions amounted to 95 metric tons in 2020 as opposed to 121 metric tons in 2019 and 127 metric tons in 2018.

This equates to a 25% reduction in two years.

Priority no. 18		2019	2020	2021
Volatile Organic Compounds* (tons)	Results	121.3	94.6	
	Targets	121.9	118.1	114.3
	Achievement	**127%**	**120 %**	

** Only emissions linked to the activity are taken into account (excluding maintenance activities). At constant 2018 perimeter.*

4.4.3.2 SOIL POLLUTION AND BIODIVERSITY PROTECTION

Legrand's activities have no direct impact on soil or biodiversity. The majority of the Group's production sites are located inside business or industrial zones that are subject to specific regulations. Because the Group is a manufacturer, its sites can be multi-story, thus limiting their footprint. The Group is aware of soil pollution risks and has taken prevention measures.

Legrand also attaches great importance to the concept of embodied biodiversity. By analogy with embodied energy, embodied biodiversity is understood as the cumulative impact on ecosystems and biodiversity over the entire lifecycle of a material or product: extraction of raw materials, manufacturing, transportation, implementation, use and end-of-life. Each of these stages has an impact on the environment (e.g. destruction of species or natural habitats, consumption of resources, various forms of pollution and GHG emissions).

Embodied biodiversity can be assessed on the basis of PEPs (Product Environmental Profiles), for which there are numerous impact indicators (intermediate indicators), such as air or water toxicity or eutrophication, which enable an estimate to be made of the potential harm to biodiversity (damage indicators).

The Group therefore has a relatively broad base for assessing its indirect impact on biodiversity.

4.4.3.3 OPTIMIZE WATER CONSUMPTION

The Legrand Group monitors its water use separately and takes the scarcity of the local water supply into consideration. It measures its impact by taking account of water consumption at industrial sites (using environmental reporting data) and the local value of water, which is 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

Environment Department has identified 20 sites that account for 80% of the Group'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 enables manufacturers to focus their actions on the most sensitive sites in terms of their environmental impact on local water resources.

Legrand uses water of standard domestic quality. It is not required to comply with any restrictions such as those relating to physico-chemical, microbiological or organoleptic parameters. Most of Legrand's water consumption is for domestic use by staff in the workplace. The treatment of waste water 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. More generally, the ISO 14001 certification policy of Group sites as described above entails responsible industrial processes and practices for water management.

In 2019, the Group's water consumption amounted to 773,000 m^3, down 9.5% unadjusted for changes in scope compared with 855,000 m^3 in 2018.

Since 2013, water consumption has fallen by almost 25%. In the medium term, therefore, the trend is significantly better than the internal target set in the early 2000s, i.e. a 2% annual reduction, and shows the ongoing effectiveness of the Group's actions.

Finally, per million euros of revenue, water consumption halved from 253 m^3 in 2013 to 128 m^3 in 2019. This extremely low figure should be compared with that of other industrial sectors, where it is sometimes 10 times higher.

Methods of recycling and reusing water have been adopted in certain countries:

- The Jalgaon site in India recovers rainwater to supply the domestic water network.
- In Australia, rainwater is collected and used to water green spaces.

4.4.4 - Managing climate-related risks and opportunities

4.4.4.1 GOVERNANCE

Since 2017, Legrand has been a signatory to the declaration of support for the Task Force on Climate-related Financial Disclosures (TCFD).

In 2020, it mapped climate-related risks and opportunities in accordance with TCFD recommendations.

A steering committee was set up for that purpose. The committee is chaired by the Head of Social Responsibility, 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.

Its work is presented to the Group's Risk Committee and shared with the Strategy and Social Responsibility Committee.

4.4.4.2 RISKS AND OPPORTUNITIES IDENTIFIED AND RISK MANAGEMENT

Legrand mapped climate-related risks and opportunities in 2020 in partnership with the EcoAct consultancy, in order to align itself more closely with TCFD recommendations.

Physical and transition risks were taken into account in the mapping process.

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 upcoming ISO 14090 guidelines, impact chains were established to identify relevant vulnerabilities (operational, reputational, legal and financial) and their impact on the Legrand Group'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.

- Nine transition risks and significant opportunities were identified. These risks are detailed below.
- Ten moderate or minor risks and opportunities were identified.

A detailed analysis of physical risks related to climate change was carried out in 2020. It shows that the Group has limited exposure to these risks. The analysis is presented below.

4.4.4.2.1 Transition risks: political, regulatory and market risks

Tougher regulations on the direct carbon footprint of business activities

Climate regulations, such as energy-efficiency rules, are becoming increasingly strict and could make compliance more expensive for Legrand or prompt it to retire productive assets ahead of schedule or replace them, which would affect the Group's competitiveness. Companies that do not make significant efforts to align themselves with strict carbon-related regulations may be regarded as risky investments, adversely affecting their value.

Legrand's response: Legrand is committed to a carbon-neutral trajectory. See section 4.4.1.

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 systems (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 gradually been taking into account a nominal carbon dioxide price per metric ton in its opportunity assessment relating to its capex and product development strategy.

Product standards

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 (e.g. the European ErP Directive and the Green Consumption Pledge). These regulations, along with the lack of international coordination regarding standards, could lead to increased development costs 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 reduce pro-actively the impact of its products on the environment and to comply with regulatory constraints related to the environment. See section 4.4.2.1.

Greater volatility in the prices of strategic raw 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 procurement department and also through its pricing strategy. See section 2.2.3.

4.4.4.2.2 Opportunities related to products and services

Eco-design: efficient, low-carbon products

With customers seeking to reduce greenhouse gas emissions in their supply chains and to monitor their emissions very closely, demand for energy-efficient equipment that involves low carbon emissions is likely to increase. As a result, offering solutions with greater efficiency or a smaller carbon footprint than the market average could help Legrand to create a competitive advantage and increase its market share.

Legrand's response: Legrand applies an eco-design process through which it aims to reduce pro-actively the impact of its products on the environment and to comply with regulatory constraints related to the environment. See section 4.4.2.

Energy efficiency | Smart infrastructure - industrial customers

The increasing regulatory and financial pressure on companies to reduce carbon footprints and energy consumption is creating opportunities to develop new service offerings and 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 smart products that increase the energy efficiency of tertiary and industrial buildings. See section 2.1.1.

Energy efficiency | Smart infrastructure - consumer customers

Demand for energy efficiency products in homes – for example lighting management systems, shutter controls, home automation, standby mode controls etc. – is likely to increase as energy prices rise and as regulations develop, giving Legrand opportunities to diversify its product range.

Legrand's response: Legrand is an active participant in the market for smart products that increase the energy efficiency of residential buildings. See section 2.1.1.

New markets: electric mobility

The automotive industry is currently undergoing a major transformation, particularly with the adoption of electric vehicles. According to the IEA (Global EV Outlook 2019), global sales of electric vehicles exceeded 2 million units in 2019, with the number of new electric cars sold almost doubling. 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 2.1.1.

Minimizing energy costs

The lower cost of renewable electricity and energy-efficiency technology means that it is now more competitive than conventional electricity in several countries, and this is creating new opportunities to reduce expenditure on energy by optimizing sourcing and reducing demand.

Legrand's response: Although reducing expenditure on energy consumption is not the main aim of the carbon-neutral trajectory, the overall reduction in energy consumption (10% between 2018 and 2020) is inherently leading to lower expenditure. See section 4.4.1.1.1.

Focus: Very limited exposure to climate risks at Group sites

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 work will be explored to address all relevant points identified

4

4.5 - DUTY OF CARE

In accordance with its CSR strategy and with France's 2017 act on the duty of care of parent companies and ordering companies, 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.

4.5.1 - 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 24 months from the date of acquisition.

The table below 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 its subsidiaries, and the activities of its suppliers and subcontractors with which it has commercial relationships.

4.5.2 - Governance

The Corporate Social Responsibility 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 devise the duty of care plan and meets regularly to co-ordinate 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 is also presented and discussed in meetings of the Strategy and Social Responsibility Committee and Audit Committee.

The duty of care plan has been presented to union representatives at the French and European levels.

4.5.3 - Overview of the duty of care plan

	Human rights and fundamental freedoms	Occupational health and safety (OHS)	Environment
STAKEHOLDER RISK MAPPING			
Legrand	Human rights risk mapping	Accident reporting (in real time, monthly and annually) Safety while travelling: 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			
Legrand	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 for Health and Safety Action plans monitored by the Group if a risk is detected via reporting Support from International SOS	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 procurement 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 CSR terms" Risk mitigation: centrally monitored action plans of suppliers exposed to CSR risks		
ALERT OR WHISTLEBLOWING MECHANISMS			
Legrand suppliers	Group whistleblowing mechanism – see "Focus: The Legrand group's whistleblowing portal" in section 4.2.3 Group internal audit and audits carried out by Legrand on suppliers		
METHODS FOR MONITORING MEASURES TAKEN AND ASSESSING THEIR EFFECTIVENESS			
Legrand	**CSR priority no. 7:** Comply with the Group's commitment to human rights	**CSR priority no. 9:** Deploy best practice regarding health and safety at work	**CSR priority no. 13:** reduce the operational carbon footprint **CSR priority no. 17:** ensure waste recovery **CSR priority no. 18:** reduce volatile organic compound (VOC) emissions
Suppliers	**Priority no. 3**: raise awareness and provide training about sustainable procurement **Priority no. 4**: measure progress of suppliers identified as presenting risks in CSR terms		

4.5.4 - Supplier activities

4.5.4.1 REGULAR RISK MAPPING AND ASSESSMENT

The purpose of this risk mapping is to:

- identify the risks for each stakeholder (staff members, communities, environment, customers) arising from the activities of our suppliers and subcontractors; and
- weight this risk according to the extent of Legrand's relationship with each supplier and subcontractor, particularly in terms of amounts purchased.

2014-2018 risk mapping

The first risk-mapping initiative took place in 2014 as part of the 2014-2018 CSR Roadmap.

It was aimed mainly at suppliers that consume chemical products, resulting in risks to health and safety for employees and the environment, for example, surface treatment, galvanization, painting and battery production activities. As a result, five categories of purchases exposed to chemical risks were detected. The risk map also looked at suppliers based in countries exposed to CSR risks, particularly workforce-related risks, and economically dependent on Legrand.

Overall, 200 suppliers were identified, analyzed and monitored in this way.

2019 risk mapping

A new risk-mapping initiative began in 2018 and was deployed from January 2019 as part of the 2019-2021 CSR Roadmap.

It was carried out with the help of Ecovadis, which specializes in assessing CSR practices in supply chains. The method involves assigning an overall CSR risk level to each purchasing category, in order to prioritize action.

The risk criteria taken into account in the Ecovadis methodology are as follows:

- the purchasing category's CSR risk, taking into account environmental, workforce-related, ethical and supply-chain risks (70% of the total CSR risk);
- purchasing risk, taking into account factors including the volume of purchases and Legrand's exposure (30% of the total CSR risk).

Each purchasing category is therefore given a CSR risk score of between 1 and 6, where 6 denotes the highest level of risk.

The Group is focusing on the 21 purchasing categories found to have the highest CSR risk levels, starting with suppliers with which it does significant business.

That represents around 500 suppliers for the Group as a whole. They include several dozen suppliers in relation to Corporate purchases in France, the United States, India, China, and Italy, around 20 in Brazil, Colombia, Turkey, around 10 in Russia, European countries and Southeast Asian sites.

To ensure continuity, the five risky categories of purchases identified in the previous roadmap were added, making a total of 26 purchasing categories that the purchasing departments of Group entities are expected to monitor specifically, in around 30 countries.

The risk map is assessed when preparing each new CSR Roadmap.

In 2020, particular attention was paid to selecting suppliers of Covid-19 personal protective equipment, particularly in terms of the supply chain and conformity.

4.5.4.2 REGULAR ASSESSMENT PROCEDURE

The suppliers identified using the risk mapping process are referred to as "higher-risk suppliers" in CSR terms. Primarily, Legrand uses theoretical targeting instead of identifying actual risks.

Those suppliers are systematically managed within the following risk management system:

4.5.4.2.1 Documentary audit or CSR scorecard

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 procurement 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 CSR terms";
- score below 35: the supplier is "critical in CSR terms".

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. For example, US teams consider that a supplier is compliant when its score is over 70.

Since 2019, 447 CSR scorecards have been produced. At the end of 2020, the situation was as follows:

- 391 suppliers were found to be compliant in CSR terms (88%);
- 46 were found to be risky in CSR terms (10%);
- 10 were found to be critical in CSR terms (2%).

Action plans are being prepared for risky and critical suppliers.

4.5.4.2.2 On-site audit

This is carried out following the documentary audit on the basis of evidence provided by the supplier.

Since 2019, 87 CSR audits have been carried out, mainly in Colombia, China, Brazil, Italy, India and Egypt. In 2020, because of the Covid-19 crisis, it was only possible to carry out around 15 audits of this type, and more than half of them took place virtually, particularly in India.

This assessment and monitoring system is being gradually automated via the Supplier Value Management (SVM) digital platform.

4.5.4.3 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. See section 4.2.2 “Purchasing Quality Management System (QMS)”.
- **Following an approval process,** which includes a CSR questionnaire.
- **Training staff members** in sustainable procurement. In 2019-2021, Legrand has a target of providing this training to 1,000 staff members. By the end of 2020, almost 1,100 had already received sustainable procurement training. See section 4.2.2.2, “Priority 3A: Sustainable procurement training”.
- **Incorporating CSR criteria** into the criteria for selecting suppliers, including the supplier’s management of CSR risk. For the 2019-2021 period, Legrand is aiming to implement the “Life Cycle Cost” approach in 30 countries by 2021. In 2020, the approach was used in 23 countries, including nine since 2019.See section 4.2.2.1.2 “Priority 3B: implementation of a “Life Cycle Cost” approach in purchasing processes”.
- **Establishing improvement plans** with suppliers designated as presenting risks or critical. These formal action plans are coordinated locally by the country’s head of purchasing or by a sustainable procurement correspondent (as in India, China and the United States). For 2019-2021, Legrand’s target is for 100% of suppliers identified as “presenting risks” or “critical” to show an improvement.

  In 2020, 78% of the suppliers identified as presenting risks in 2019 showed an improvement. This corresponds to 72 CSR scorecards that improved following action plans implemented by Legrand, mainly in the United States, France, Italy, Thailand, Colombia and Egypt. Action plans will continue at suppliers that continue to present risks. Action plans relate to discrepancies observed during audits or document-based conformity reviews. Examples concern carrying out personnel evacuation exercises, appropriately displaying safety guidelines in workshops, defining an environmental policy and ensuring the conformity of effluent treatment stations. See section 4.2.2.2 “Priority no. 4 - Measure the progress of suppliers identified as presenting risks in terms of CSR”.
- **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.

4.5.4.4 EFFECTIVENESS AND RESULTS OF THE MONITORING PLAN

Since 2014, Legrand has discontinued relations with five higher-risk suppliers because of major discrepancies or for failure 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 chemicals storage, etc.).

Indicators relating to the supplier duty of care plan	
Resource indicators	
Number of people receiving sustainable procurement training since 2019	1,039
Coverage rate of the purchasing risk analysis	100%
Number of documentary audits since 2019 (CSR scorecards)	447
Number of audits since 2019 (including 8 virtual audits in 2020)	87
Risk indicators	
Total number of suppliers	35,000
Number of higher-risk suppliers in terms of CSR (theoretical analysis of CSR mapping)	700 (200 in 2014 + 500 in 2019)
Number of suppliers presenting risks in terms of CSR (with respect to the 447 CSR scorecards completed since 2019)	46
Number of critical suppliers in terms of CSR (with respect to the 447 CSR scorecards completed since 2019)	10
Performance indicators	
Number of ethical alerts (internal and external) concerning suppliers	0
% of suppliers presenting risks in CSR terms (detected in 2019) to have shown an improvement in their situation	78%
Number of suppliers whose contracts have been terminated	2 between 2014 and 2018 3 in 2020

4.5.5 - Group activities

4.5.5.1 HUMAN RIGHTS

4.5.5.1.1 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 eight ILO conventions on fundamental principles and rights at work and the Freedom in the World index.

Through this approach, the Group determined that in 2020:

- 67% of the Group's workforce was based in "free" countries,
- 33% of the workforce was based in countries that are either "not free" or "partially free" according to the Freedom in the World index.

The 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 the 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.

4.5.5.1.2 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.

In 2019, all countries carried out a self-assessment regarding respect for fundamental rights at work. The countries completing the questionnaire covered 99.9% of the workforce.

In 2020, completed assessments covered 100% of the workforce.

4.5.5.1.3 Effectiveness and results of the monitoring plan

No forced labor or child labor situations, as defined by ILO conventions, were detected within the Group entities analyzed.

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. Those action plans are monitored in relation to priority targets relating to human rights in the CSR Roadmap.

In addition, Colombia, Russia, Kazakhstan, Ukraine, Thailand and Singapore have adopted initiatives to train and raise awareness among employees.

4.5.5.2 OCCUPATIONAL HEALTH AND SAFETY

4.5.5.2.1 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 4.5.5.1.

The method produces a score related to the environment in which the Group carries out its activities. Our 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: Brazil, China and India.

As regards accident data, the countries with the highest FR1 lost-time accident frequency rates are France, Turkey, Egypt and the United Kingdom.

The countries with the highest FR2 accident frequency rates (with and without lost time) are the United States, Malaysia and Brazil. Specific action plans are underway in each of those countries.

Work accidents with or without lost time are classified by standard cause, of which the three main ones in 2020 were:

- object being handled (32%);
- fall or collision not at height (17%)
- machinery (10%).

4.5.5.2.2 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 (management, awareness-raising campaigns and results, hours of OHS training);
- treatment of accidents (systematic analysis of root causes and definition of an action plan, use of “totems” to mark incident locations and real-time reporting);
- 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 within the Group’s CSR Roadmap.

For more details about these criteria, please refer to section 4.4.2 of this document.

Comprehensive reporting

A three-tier reporting process is in place:

- real-time reporting of work-related accidents (immediate disclosure to the Group’s General Management);
- quarterly reporting of accident data (accidents, days of lost time, occupational illness);
- annual reporting of accident data but also CSR Roadmap criteria.

Targeted action plans

In France, a specific system is in place that takes into account accident data. The aim is to deploy tools intended to enhance the safety culture among all our staff members. The units experiencing the most accidents are also supported by an external consultancy.

In the United States, a specific action plan is underway to address the main accident risks. For example, ergonomic analyses of activities are being used more widely and a handling policy is being defined to prevent accidents.

4.5.5.2.3 Effectiveness and results of the monitoring plan

By the end of the 2014-2018 Roadmap period, there was a significant reduction in the FR1 lost-time accident frequency rate indicator, from 8.37 to 4.22.

The Group has changed its reference indicator: it now uses the FR2 indicator, which covers accidents with and without lost time.

In 2019, the Group’s FR2 indicator fell substantially, from 6.53 to 5.49.

In 2020, the Group’s FR2 indicator continued to fall to 4.59, already better than the figure expected at the end of the roadmap period in 2021.

Indicators relating to the supplier duty of care at our sites Human rights and occupational health and safety issues	
Resource indicators	
Hours of occupational health and safety training	156,029 (5.2 per person on average)
Human rights risk map coverage rate	100%
Occupational health and safety reporting coverage rate	99.3%
% of the workforce covered by the roll-out of Health and Safety best practice	64.6%
Risk indicators	
% of the workforce working in countries that are “not free” or “partially free”	33%
Performance indicators	
Number of ethical alerts (internal and external) concerning the rights of employees or human rights more generally	0
% of the workforce covered by a continuous improvement approach regarding human rights	100%
FR1 rate (lost-time accident frequency)	2.98
FR2 rate (frequency of accidents with or without lost time)	4.59
Number of entities with a preventive or remedial human rights action plan	11
Number of human rights action plans in progress	13

4.5.5.3 ENVIRONMENT

4.5.5.3.1 Regular risk mapping and assessment

For more than 16 years, Legrand has ensured that each major site 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 4.6.3 regarding the environmental reporting system).

On the basis of energy consumption, the Group’s greenhouse gas emissions are calculated each year, particularly for Scopes 1 and 2.

The elements referred to above are identified as the Group’s main risk factors.

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 most important issues (energy consumption, waste recovery, VOCs) are subject to reduction targets as part of CSR Roadmaps.

4.5.5.3.2 Risk prevention and mitigation measures

ISO 14001 is used as a common reference. Each Group site must have an Energy Management System, 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 plan of action 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 practice as set out in the Legrand Way forms 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.

4.5.5.3.3 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 2019 or 2020.

Indicators regarding the Group's environmental indicators (energy consumption, water consumption, emissions of VOCs into the air and waste production and management) show a decrease in line with stated targets.

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 supplier duty of care at our sites – Environmental issues	
Resource indicators	
Proportion of sites with ISO 14001 certification	91.2%
Risk indicators	
Number of ethical alerts (internal and external) concerning the environment	0
Amount of reserves set aside to cover environmental risks	€7 million
Performance indicators	
% reduction in energy consumption since 2018	-10%
% reduction in direct CO_2 emissions since 2018 (unadjusted for changes in scope)	-17%
% of waste sent to the recycling sector	89.7%
% reduction in VOCs (relative to 2018, unadjusted for changes in scope)	-25%

4.5.6 - Future development of the duty of care plan

Although the duty of care plan is already effective, it aims to achieve continuous improvement.

The following areas for improvement have been identified:

- Consultation with stakeholders. Consulting more broadly with staff representative bodies outside of Europe. For other stakeholders, consultation may take place through multi-party industry or regional initiatives;
- The publication of a report that is independent of other communication documents.

4.6 - SUMMARY OF INDICATORS AND CROSS-REFERENCE TABLES

4.6.1 - 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 in the previous three years) in 2020.

New acquisitions receive training on the rules and standards of reporting 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 2020, 10 entities joined the scope of reporting. They were entities that joined the Group in 2017:

- Server Technology, OCL, Finelite and AFCO in the United States,
- Legrand AV (Milestone) in the United States, Canada, Hong Kong, Australia, China and the Netherlands.

Human Resources reports

These periodically consolidate statistical data on human resources management.

In 2020, they covered 98.6% of the workforce. New acquisitions are integrated the year following their entry into the Group's scope of consolidation.

In 2020, the following entities joined the scope of reporting:

- Jobo Smartech in China;
- Connectrac in the United States;
- Universal Electric in the United States, United Kingdom and Singapore; Rocom Vietnam
- Seico in Saudi Arabia left the scope of reporting.

Environmental reports

These allow periodic consolidation of environmental data.

They concern production sites, administrative or commercial sites with more than 200 employees, and logistics sites larger than 15,000 m^2.

New acquisitions are integrated at the latest three years after they join the Group.

In 2020, reporting covered 99 sites.

- 13 sites joined the scope of reporting and three left it (Seico in Saudi Arabia, Alpes Technoligies in France and Murthal in India).

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.

4

4.6.2 - Overview of workforce-related indicators

4.6.2.1 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 three years (i.e. 30,253 people at the end of 2020).

Risk indicators are consolidated across almost all employees covered by health and safety reporting, with the exception of a few cases of isolated or seconded employees.

For reasons related to the reporting process, the above results (excluding accident data) were calculated on the basis of end-September 2020 headcount, i.e. 30,386.

	2018	2019	2020
FR1 - Frequency rate of lost-time work accidents: (Number of accidents x 1,000,000) / (Number of hours worked)	4.21	3.59	2.98
FR2 - Frequency rate of work accidents with or without lost time: (Number of accidents x 1,000,000) / (Number of hours worked)	6.53	5.49	4.59
Legrand Way - Deployment of OHS best practice (% of Group workforce working for entities with a score of 45 or more)	-	43.6%	65.0%
Health and Safety Committees (HSCs) (% of Group workforce covered by this process)	97%	97%	95%
Occupational health (Number of people who have had a check-up within the last 5 years)	77%	78%	77%
Severity rate of accidents at work (Number of days of lost time × 1,000) / (Number of hours worked)	0.15	0.14	0.16
Number of accidents among subcontractors	116	100	56
Training Number of health and safety training hours per person	4.1	5.2	5.2
Occupational illness (Number of recognized occupational illnesses)	39	64	38
Frequency rate of occupational illnesses (Number of recognized occupational illnesses x 1,000,000) / (Number of hours worked)	1	1	1
Number of fatal accidents	0	0	0

4.6.2.2 INDICATORS ON EMPLOYMENT, ORGANIZATION OF LABOR, LABOR RELATIONS AND TRAINING

Group workforce at the end of 2020

Registered workforce (open-ended and fixed-term contracts): at the end of 2020, the registered workforce consisted of 32,954 people.

The scope of HR reporting is 32,489 people, 98.6% of the total workforce. Note that HR reporting does not include acquisitions completed in 2020.

Average workforce (open-ended and fixed-term contracts): average headcount in 2020 was 36,726. The breakdown by geographical location and main business sector is set out below.

	2018		2019		2020	
Total number of employees (annual average)		**38,378**		**39,007**		**36,726**
By geographical location:						
Rest of Europe		14,400		14,743		14,009
North and Central America		6,385		7,187		6,819
Rest of the world		17,593		17,077		15,898
	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)	**81%**	**19%**	**80%**	**20%**	**80%**	**20%**
By geographical location:						
Europe	79%	21%	79%	21%	79%	21%
North and Central America	77%	23%	79%	21%	79%	21%
Rest of the world	83%	17%	82%	18%	83%	17%

Organization of working hours – Worldwide

	2018	2019	2020
% employees working full-time	97.4%	97.4%	97.4%
% employees working part-time	2.6%	2.6%	2.6%

N.B. The definition of full time and part time is given in the HR reporting user guide.

Absenteeism – Worldwide

	2018	2019	2020
All job categories	2.90%	2.67%	2.98%

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 83.7% of the year-end workforce in HR reporting.

Employee-management dialogue and freedom of association – Worldwide

	2018	2019	2020
% of employees covered by a collective bargaining agreement and/or convention	48%	46%	45%

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

	2018	2019	2020
% of reporting scopes with consultation rules	34%	34%	33%

Compensation – Worldwide

	2018	2019	2020
% of non-managers on minimum wage	3.0%	1.4%	1.7%

N.B.

- *the minimum wage is the legal minimum wage of the country;*
- *10 reporting areas have employees on the minimum wage*
- *the indicator above covers 99,6 % of the Group's non managerial employees,*

Compensation by gender and occupational category – Worldwide

	2018	2019	2020
Gender pay gap: managers	12.3%	14.2%	12.8%
Gender pay gap: non-managers	12.9%	12.3%	10.4%

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 98.1 % of the Group's non-managerial employees and 97.2 % 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

	2018	2019	2020
Mature countries	47%	47%	49%
New economies	53%	53%	51%
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

	2018	2019	2020
Managers	27%	30%	32%
Non-Managers	73%	70%	68%

N.B. Definitions of occupational categories are included in the HR reporting user guide.

Breakdown by age – Worldwide

	2018	2019	2020
Employees < 26 years	7%	7%	6%
Employees ≥ 26 years and < 36 years	26%	26%	25%
Employees ≥ 36 years and < 46 years	31%	30%	31%
Employees ≥ 46 years and < 56 years	25%	25%	26%
Employees ≥ 56 years	11%	12%	12%

N.B. The age pyramid takes into account employees with fixed-term or open-ended employment contracts.

Breakdown by type of contract

	2018	2019	2020
Open-ended worldwide	85%	85%	85%
Fixed-term worldwide	15%	15%	15%

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

	2018	2019	2020
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%	37%	38%
Proportion of fixed-term converted into open-ended contracts in hiring of employees on open-ended contracts	20%	22%	27%
Open-ended contract turnover	13%	14%	15%
O/Wh voluntary open-ended contract turnover (resignations)	6.4%	6.6%	5.1%

In 2020:

- *the total number of hires was 4,627*
- *the number of open-ended contracts among new hires on open-ended and fixed-term contracts totaled 1,742;*
- *the number of fixed-term contracts converted into open-ended contracts was 641.*

"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**	2018	2019	2020
Of which resignations	50%	48%	33%
Of which retirement	10%	9%	8%
Of which other departures	40%	43%	59%
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 2020, the total number of departures was 7,336 for all reasons and for all types of contracts combined (of which 31.38% were departures for personal reasons, layoffs for economic reasons, and fixed-term contracts terminated early by the employer). Out of that total, 4,606 departures concerned employees on open-ended contracts; 2,730 departures concerned employees on fixed-term contracts, of which 67% were in the Group's Chinese entities on account of the high proportion of fixed-term contracts in China. Note that 74% of departures of employees on fixed-term contracts took place at the employee's initiative.

Hirings by gender – Worldwide

	2018	2019	2020
Percentage of women among persons hired	45%	46%	49%
Percentage of men among persons hired	55%	55%	51%

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)

	2018	2019	2020
Number of training hours per employee (Worldwide)	14 h	17 h	17 h
Number of training hours per employee – Managers	20 h	23 h	22 h
Number of training hours per employee – Non-managers	12 h	15 h	14 h
Percentage of the Group's workforce receiving training during the year	94%	85%	89%

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. The calculation of the training rate takes into account the limitation at 100% of the achievement rates of countries.

Talent management – Worldwide

	2018	2019	2020
Rate of Individual Appraisal Reviews (CAPPs) – Managers	90%	93%	98%
Manager retention rate	95%	95%	97%

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. It takes into account the limitation at 100% of the achievement rates of countries.

4.6.2.3 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

	2018	2019	2020
Women	36%	36%	36%
Men	64%	64%	64%

Breakdown of employees by gender and age – Worldwide – Open-ended and fixed-term contracts

	2018	2019	2020
Female employees < 26 years	3.0%	3.2%	2.8%
Male employees < 26 years	4.3%	4.1%	3.6%
Female employees ≥ 26 years and < 36 years	9.7%	9.4%	9.4%
Male employees ≥ 26 years and < 36 years	16.5%	16.4%	15.5%
Female employees ≥ 36 years and < 46 years	11.6%	11.6%	11.8%
Male employees ≥ 36 years and < 46 years	19.4%	18.8%	19.0%
Female employees ≥ 46 years and < 56 years	8.1%	8.4%	8.4%
Male employees ≥ 46 years and < 56 years	16.6%	16.5%	17.3%
Female employees ≥ 56 years	3.7%	3.9%	4.0%
Male employees ≥ 56 years	7.1%	7.7%	8.2%

N.B. At the end of 2019, the average age of male employees was 42.64 years, compared with 41.34 years for women.

Breakdown of employees by gender and occupational categories – Worldwide – Open-ended and fixed-term contracts

	2018	2019	2020
Percentage of female managers	22.6%	23.5%	24.7%
Percentage of male managers	77.4%	76.5%	75.3%
Percentage of female non-managers	41.3%	42.1%	42.1%
Percentage of male non-managers	58.7%	57.9%	57.9%
Percentage of women in key positions	15.2%	16.6%	17.5%

Percentage of disabled workers – Worldwide

	2018	2019	2020
Percentage of disabled workers	2.30%	2.23%	2.22%

4.6.3 - Overview of environmental indicators

The tables below show the main Group environmental indicators.

All data correspond to the Environment reporting scope, with the exception of greenhouse gas emissions expressed in metric tons of CO_2 equivalent, which cover 100% of the Group's activities.

For more information on the rules for including newly merged acquisitions in the reporting process, please refer to section 4.6.1 of this universal registration document.

4.6.3.1 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.

	2018	2019	2020
Energy consumption *(GWh)*	451	436	406
Direct energy consumption (mainly gas) *(GWh)*	187	168	160
Indirect energy consumption (mainly electricity)*(GWh)*	264	268	246
Total CO2 emissions related to energy usage or scopes 1 and 2 (in thousands of metric tons of CO2 equivalent)	178	168	148
Emissions from product transportation *(in thousands of metric tons of CO2 equivalent)*	115.0	115.0	119
Indirect CO2 emissions or scope 3 (thousands of metric tons of CO2 equivalent)	2500****	2230****	3331****
ISO 14001-certified sites *(%)*	90%	91%	91%
Water consumption *(in thousands of m3)*	855	773	698
Waste produced *(in thousands of metric tons)*	54	51	50
of which hazardous waste	5%	5%	4%
Waste recovered** *(%)*	91%	90%	90%
Volatile Organic Compound (VOC) *emisions (metric tons)****	127	121	125

** Recovery complies with the requirements of the GHG Protocol.*

*** Sent for recycling.*

**** Only business-related emissions are taken into account.*

***** Including an initial estimate of emissions from products sold.*

N.B. Acidifying agents nitrogen oxides (NO_x) and sulfur oxides (SO_x):

Legrand uses several boilers at its facilities, primarily for heating purposes and occasionally for industrial processes. Gas is gradually becoming the only fossil fuel used, since coal has been completely abandoned and the share of fuel oil has fallen below 1%. Consequently, the Group's SOx emissions are negligible and NOx emissions strictly limited by local regulations.

4.6.3.2 ENVIRONMENTAL INDICATOR – PRODUCTS

	2018	2019	2020
Share of Group sales generated by products with PEPs	70%	62%	67%
Share of Group sales[(1)] compliant with RoHS regulations	98%	91%	91%

(1) Including Group products outside the scope of RoHS regulations, excluding acquisitions in 2018 and sales of services. The elimination of RoHS substances contained in these products is a voluntary commitment by the Group.

4.6.3.3 ENVIRONMENTAL INDICATORS – OTHER

	2018	2019	2020
Environment-related contingency provisions and guarantees *(in millions of euros)*	7.4	9.0	7.0
Convictions, fines, closures	0.0	0.0	0.0

4.6.4 - GRI cross-reference table

This report was prepared in line with the core level of the GRI Standards (2018 version).

The full GRI cross-reference table can be found on the Group website.

https://www.legrandgroup.com/en/our-responsibility/csr-resource-center

4.6.5 - 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	4.2.2 Ensure responsible purchasing 4.3.1.1 Comply with the Group's commitment to human rights
2.	Businesses should ensure that they are not complicit in human rights abuses	4.3.1.1 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	4.3.4. Promote equal opportunities and diversity
7.	Businesses should support a precautionary approach to environmental challenges	4.4. Work towards safeguarding the environment
8.	The undertaking of initiatives to promote greater environmental responsibility	
9.	The encouragement of the development and diffusion of environmentally friendly technologies	4.4.2 Innovate for a circular economy
10.	Businesses should work against corruption in all its forms, including extortion and bribery	4.2.2 Act ethically 4.2.2 Ensure responsible purchasing

4.6.6 - Cross-reference table with the Communication On Progress under the Global Compact

The full GRI cross-reference table can be found on the Group website.

https://www.legrandgroup.com/en/our-responsibility/csr-resource-center

4.6.7 - Materiality for the Group of the core issues of ISO 26000

ISO 26000 core issues	Low or moderate materiality	High materiality	Group CSR Roadmap priorities
Human rights	Dispute resolution Civil and political rights	Prevention of complicity Discrimination and the underprivileged Economic, social and cultural rights Duty of care Situations posing a risk to human rights at work	Priority 7. Respect human rights Priority 11. Develop skills Priority 12. Promote diversity
Labor practices	Social dialog	Occupational health and safety Working conditions and employee welfare Employment and employer/employee relationship Human resources development	Priority 7. Respect human rights Priority 9. Guarantee health and safety at work Priority 11. Develop skills Priority 12. Promote diversity
Environment	Preventing pollution Protection and rehabilitation of the natural environment	Sustainable use of resources Climate change mitigation and adaptation	Priority 13. Reduce the Group's environmental footprint Priority 15. Innovate for a circular economy
Good business practices	Responsible political engagement Respect for property rights	Fight against corruption Fair competition Promoting social responsibility in the sphere of influence	Priorities 5 and 6. Act ethically Priorities 3 and 4. Ensure responsible purchasing
Consumer issues	Best practice in marketing, information and contracts Sustainable consumption Education and public awareness	Protection of consumer health and safety Access to essential services After-sales service, support and resolution of consumer complaints and disputes Protection of consumer data and privacy	Priority 1. Provide sustainable solutions
Social commitment	Education and culture Wealth and income creation Health Investment in employees	Local presence Job creation and skills development Technological advances and access to technology	Priority 1. Provide sustainable solutions Priority 8. Contribute to communities Priority 11. Develop skills

4.6.8 - 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.	4.1.6 – CSR organization and governance See "Strategy and Social Responsibility Committee" section
b) Describe management's role in assessing and managing climate-related risks and opportunities.	4.4.4.1 - Managing climate-related risks and opportunities / Limiting environmental impact 4.4.4.1 - Governance
TCFD info requirement - Strategy	
a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	4.4.4.1 - Managing climate-related risks and opportunities / 4.4.4.2 - Risks and opportunities identified
b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	4.4.4.1 - Managing climate-related risks and opportunities / 4.4.4.2 - Risks and opportunities identified
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 - A profitable growth strategy based on developing leading positions
TCFD info requirement - Risk management	
a) Describe the organization's processes for identifying and assessing climate-related risks.	4.4.4.1 - Managing climate-related risks and opportunities / 4.4.4.2 - Risks and opportunities identified
b) Describe the organization's processes for managing climate-related risks.	3.3.2 - Risk management procedure
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
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
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	4.4.1 - Limiting greenhouse gas emissions
c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	4.4.4.1 - Managing climate-related risks and opportunities 4.4.4.2 - Risks and opportunities identified

4.7 - STATUTORY AUDITORS' REPORT

Report of one of the Statutory Auditors, appointed as independent third party, on the consolidated non financial statement

This is a free translation into English of the Statutory Auditor's 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 standards applicable in France.

For the year ended December 31, 2020

To the Shareholders,

In our capacity as Statutory Auditor of Legrand SA, appointed as independent third party and accredited by COFRAC under number 3-1048 (scope of accreditation available at www.cofrac.fr), we hereby report to you on the consolidated non financial statement for the year ended December 31, 2020 (hereinafter the "Statement"), 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).*

COMPANY'S RESPONSIBILITY

The Board of Directors is responsible for preparing a Statement pursuant to legal and regulatory provisions, including a presentation of the business model, a description of the main extra-financial risks, a presentation of the policies implemented with respect to these risks as well as the results of these policies, including key performance indicators. The Statement has been prepared by applying the company's procedures (hereinafter the "Guidelines"), summarized in the Statement and available on the company's website or on request from its headquarters.

INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by the requirements of article L. 822-11-3 of the French Commercial Code and the 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 regarding compliance with the ethical requirements, French professional standards and applicable legal and regulatory requirements.

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."

However, it is not our responsibility to provide any conclusion on the company's compliance with other applicable legal and regulatory provisions, particularly with regard to the duty of vigilance, anti-corruption and taxation nor on the compliance of products and services with the applicable regulations.

NATURE AND SCOPE OF PROCEDURES

We performed our work in accordance with Articles A. 225-1 et seq. of the French Commercial Code defining the conditions under which the independent third party performs its engagement and the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie nationale des commissaires aux comptes*) relating to this engagement and with ISAE 3000 (*Assurance engagements other than audits or reviews of historical financial information*).

We conducted procedures in order to assess the Statement's compliance with regulatory provisions, and the fairness of the Information:

- We familiarized ourselves with the Group's business activity and the description of the principal risks associated.
- 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, as well as in the second paragraph of Article L. 22-10-36 regarding the 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 principal risks associated with all the entity's activities, including where relevant and proportionate, the risks associated with its business relationships, its products or services, as well as its 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 those relating to the 2019-2021 roadmap, based on works carried out at the level of the consolidating entity.
- 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 the entity has put in place and assessed the data collection process to ensure the completeness and fairness of the Information.
- We carried out, for the key performance indicators and other quantitative outcomes (presented in Appendix 1) that in our judgment were of most significance:
  - analytical procedures that consisted in verifying the correct consolidation of collected data as well as the consistency of changes thereto;
  - substantive tests, on a sampling basis, 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 (presented in Appendix 2) and covered between 14% and 28% of the consolidated data for the key performance indicators and outcomes selected for these tests;
- We assessed the overall consistency of the Statement in relation to our knowledge of the company.

We believe that the procedures we have performed, based on our professional judgment, are sufficient to provide a basis for a limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

MEANS AND RESOURCES

Our work engaged the skills of eight people between September 2020 and February 2021.

To assist us in conducting our work, we referred to our corporate social responsibility and sustainable development experts. We conducted around thirty interviews with people responsible for preparing the Statement.

CONCLUSION

Based on our work, nothing has come to our attention that cause us to believe that the non financial statement does not comply with the applicable regulatory provisions and that the Information, taken as a whole, is not fairly presented in accordance with the Guidelines.

Moderated assurance attestation on the 2020 achievement rates of the 2019-2021 Roadmap

NATURE AND SCOPE OF OUR WORK

Regarding the 2020 achievement rates of the 2019-2021 Roadmap presented in the summary table of paragraph "2020 extra-financial performance" in the management report, we conducted work of the same nature as the work described in section above regarding the CSR Information that we considered to be the most important.

We consider that this work allows us to express a limited assurance conclusion on the 2020 achievement rates of the 2019-2021 Roadmap.

CONCLUSION

Based on the work performed, no material misstatement has come to our attention that causes us to believe that the 2020 achievement rates of the 2019-2021 Roadmap, taken as a whole, are not presented fairly in accordance with the Guidelines.

Paris-La Défense, February 10, 2021
One of the statutory auditors,

Deloitte & Associés

Jean-François Viat	Olivier Jan
Partner	Partner, Sustainability Services

Appendix 1

The CSR Information that we considered to be the most important, on which we conducted detailed tests, 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 2020
- Total number of hires
- Departures (of which layoffs)
- Number of training hours per employee (Worldwide)
- Absenteeism (All job categories)
- Share of non-managers on minimum wage
- Share of the workforce employed in entities in which there was an employee representative body and/or a union

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 and 2 emissions (in thousands of metric tons of CO_2 equivalent)
- Indirect or Scope 3 CO_2 emissions (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) (%)

Appendix 2

The sample of selected entities and sites is presented below:

Quantitative health and safety information:

Limoges production - SBU Production (France), Numéric Inde (India), Legrand Adlec (India), Legrand Electronics (United Kingdom), West Harford - Wiremold (USA).

Other quantitative social information:

Brazil (Brazil), Legrand Adlec (India), Legrand Electronics (United Kingdom), LNA (USA), KENALL (USA)

Quantitative environmental information:

SMS Diadema (Brazil), Norm Fontaine (France), Senlis Planet (France), Legrand Electronics (United Kingdom), Concord (USA), Middle Atlantic Products (USA), West Hartford – Wiremold (USA)

MANAGEMENT REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2020

5

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.- 2020 HIGHLIGHTS

Responsible crisis management

In 2020, amid an unprecedented and particularly unpredictable health and economic crisis, Legrand leveraged the unique strengths of its proactive, solid and balanced business model.

From the beginning of the crisis, the Group has focused on taking a responsible approach to all of its stakeholders by:

- mobilizing to implement immediate measures to protect the health and safety of its employees and partners, through strict application of best health practices, awareness-raising campaigns, and the deployment of dedicated training programs;
- maintaining services to customers whose own operations are essential to keeping the economy going (almost all logistics centers kept open; operational customer support; and early reopening of production plants as of April);
- multiplying the number of solidarity initiatives offering support to communities in countries where Legrand operates (supplies for medical structures, protective kits, food supplies, and, in France, the creation of a solidarity fund for more than 200 medical facilities for seniors);
- reducing the target value of the CEO's total annual compensation for 2020 by -25% from 2019 and freezing compensation paid to the Board of Directors.

Legrand also stepped up one-off and structural initiatives to strengthen the pillars that underpin its medium and long-term growth, including:

- a host of sales and marketing initiatives to launch product offerings and grow its market share;
- swifter digitization throughout the whole Group's structure;
- quick, targeted adjustments to its cost base;
- a sustained drive for innovation, linked to a series of new-product launches and safeguarded R&D capacities;
- finalization of four acquisitions, with successful docking of recently acquired companies and an ongoing effort to pursue additional opportunities;
- deployment of the Group's CSR roadmap, and stepped-up environmental, social and governance commitments (new carbon-neutrality targets for 2022, 2030 and 2050, campaigns to promote workplace diversity, and the appointment of an independent Chairwoman).

Consolidated sales

Full-year 2020 sales totaled €6,099.5 million, down -7.9% from 2019.

The change in sales at constant scope of consolidation and exchange rates was -8.7%, with declines in both mature countries (-8.5%) and new economies (-9.4%).

The impact of the broader scope of consolidation came to +3.6% in 2020. Based on acquisitions completed in 2020 and their likely dates of consolidation, this would reach +2.5% in 2021.

The exchange-rate effect on sales was negative at -2.6% in 2020.

Adjusted operating profit and margin

Adjusted operating profit for 2020 was €1,156.0 million, down -12.8%, setting adjusted operating margin at 19.0%.

Before acquisitions (at 2019 scope of consolidation), adjusted operating margin for the year came to 19.1%, which represents a limited -0.9-point decline. Excluding the increase in exceptional costs and gains (restructuring and asset disposals), the adjusted operating margin for 2020 was down by only -0.3 point.

Despite a marked retreat in sales volumes, the very good resilience observed in 2020 reflects the effectiveness of measures introduced very early to offset the impact of the health crisis. These included:

- good control of sales and purchase prices;
- significant adjustments to costs from 2019 levels, partly one-off and partly structural; and
- an increase in restructuring costs, which totaled €76 million[1] full year, and reflected the Group's initiatives to adjust its organization.

Net profit attributable to the Group

Totaling €681.2 million, net profit attributable to the Group was down -18% from 2019. This retreat stems mainly from:

- a decrease in operating profit (-€172 million);
- an unfavorable change (-€22 million) in net financial expenses and the foreign-exchange result; and
- the positive change (+€39m) in corporate income tax, which reflects lower Group profit before tax, with a corporate tax rate of 29%.

Cash generation and balance sheet structure

Cash flow from operations stood at €1,108.7 million in 2020, equal to 18.2% of full-year sales, for a very limited -0.2 point decline.

Normalized free cash flow was up +2.4% at 17.0% of sales.

Working capital requirement came to 6.8% of sales, improving by a significant 1.3 point from 2019. This benefited in particular from the positive impact of foreign exchange rates. Free cash flow stood at 16.9% of sales.

The ratio of net debt to EBITDA was 1.9, with cash and cash equivalents of €2.8 billion, reflecting a solid balance sheet.

ESG performance

In 2020, Legrand reported an overall achievement rate of 128% of its CSR roadmap, with solid achievements in each of the three focal areas – Environment, People and Business Ecosystem. Notable achievements included:

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- reducing the Group's carbon emissions (scope 1 and 2) by -17% from 2019 at constant scope of consolidation[2], while helping clients to avoid CO_2 emissions of 3.0 million tons over the year;
- reducing emissions of VOCs (volatile organic compounds) by -22% over the year;
- boosting the share of offerings covered by PEPs (Product Environmental Profile) as a percentage of total sales by +4 points, to 67%;
- increasing the share of managerial positions[3] held by women by +6% from 2019, to 25%;
- doubling the number of people trained in business ethics to over 9,000.

The Group also accelerated its commitments to carbon neutrality[4], aligning with the Paris Agreement's most ambitious targets, and continues to deploy a governance policy that reflects best practices[5] in its market.

Acquisitions

In 2020, Legrand pursued its growth strategy by acquiring companies that are specialized in architectural lighting, solutions for connectivity and energy efficiency:

- Focal point is a front runner in the United States for specification-grade architectural lighting for non-residential buildings;
- Champion One is one of the main American third-party providers for fiber-optic transceivers and related devices, offering benchmark products in both universal and customized configurations and
- Compose is a Dutch specialist in fiber-optic network solutions – incorporating patch panels, fiber optic cassettes and patch cords – and helps clients configure their digital infrastructures (audits, design, risks, certification and more).

This In addition, after more than three years of collaboration through a joint venture[6], Legrand has also announced the purchase of all of Borri, specialized in UPS systems. Based in Italy, its products include highly energy-efficient UPS solutions for industrial and commercial verticals as well as datacenters.

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[1] Excluding net gains on building disposals recorded over the period.
[2] At 2018 scope of consolidation for CSR reporting.
[3] Management positions defined as Hay Grade 14 and more.
[4] For more information, readers are invited to consult the press release dated July 2, 2020.
[5] For more information, readers are invited to consult the minutes of the General Meeting of Shareholders held May 27, 2020.
[6] Until now, Legrand held 49% of equity, with Borri consolidated on the equity method. Readers are referred to the press release dated May 10, 2017.

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 2019 and 2020 in note 2.1 to the consolidated financial statements shown in chapter 8 of this Universal Registration Document. These three operating segments under the responsibility of three segment managers who are directly accountable to the Group's chief operating decision-maker 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, 2020 and 2019. Sales "by destination" means all sales by the Group to third parties in a given geographic market.

	12 months ended			
	December 31, 2020		December 31, 2019	
(in € million, except %)	€	%	€	%
Net sales by destination				
Europe	2,396.0	39.3	2,639.3	39.9
North and Central America	2,485.4	40.7	2,559.2	38.6
Rest of the World	1,218.1	20.0	1,423.8	21.5
Total	**6,099.5**	**100.0**	**6,622.3**	**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 68% of consolidated cost of sales over the last two financial years. Likewise, on average approximately 72% of this cost relates to components and approximately 28% 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 expense incurred in connection with travel, advertising and communications.

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, and patents, amortized on a declining-balance basis until 2011.
- 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: 2020 AND 2019

(in € millions)	12 months ended December 31, 2020	December 31, 2019
Net sales	**6,099.5**	**6,622.3**
Operating expenses		
Cost of sales	(2,915.7)	(3,184.5)
Administrative and selling expenses	(1,666.5)	(1,764.4)
Research and development costs	(319.4)	(312.0)
Other operating income (expenses)	(132.5)	(124.0)
Operating profit	**1,065.4**	**1,237.4**
Financial expenses	(99.3)	(91.1)
Financial income	6.1	11.9
Exchange gains (losses)	(10.3)	(2.0)
Financial profit (loss)	**(103.5)**	**(81.2)**
Profit before tax	**961.9**	**1,156.2**
Income tax expense	(279.2)	(318.3)
Share of profits (losses) of equity-accounted entities	(0.7)	(1.8)
Profit for the period	**682.0**	**836.1**
Of which:		
- **Net profit attributable to the Group**	**681.2**	**834.8**
- **Minority interests**	**0.8**	**1.3**

The table below shows the calculation of adjusted operating income (defined as operating income adjusted for amortization and depreciation of revaluation of assets at the time of acquisitions and for other P&L impacts relating to acquisitions, and, where applicable, 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, 2020	December 31, 2019
Profit for the period	**682.0**	**836.1**
Share of profits (losses) of equity-accounted entities	0.7	1.8
Income tax expense	279.2	318.3
Exchange (gains) losses	10.3	2.0
Financial income	(6.1)	(11.9)
Financial expenses	99.3	91.1
Operating profit	**1,065.4**	**1,237.4**
Acquisition-related amortization,depreciation, expenses and income	90.6	88.7
Goodwill impairment	0.0	0.0
Adjusted operating profit	**1,156.0**	**1,326.1**
Adjusted restructuring costs(1)	64.0	30.9
Maintainable adjusted operating profit	**1,220.0**	**1,357.0**

(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 came down 7.9% to €6,099.5 million in 2020, compared with €6,622.3 million in 2019, reflecting the combined impact of:

- -8.7% organic decline (at constant scope of consolidation and exchange rates);
- +3.6% due to the broader scope of consolidation that resulted from acquisitions with carry-over effect of 2019 acquisitions consolidated for 12 months in 2020 including Universal Electric (United-States) for 9 months in 2019 and to the first-time consolidation in 2020 for Connectrac (Unites-States) for 12 months, Jobo Smartech (China) for 12 months and Focal Point (United-States) for 10 months; and
- -2.6% due to exchange-rate effects over the period.

5.4.1.1. ANALYSIS OF CHANGES IN NET SALES BY DESTINATION FROM 2019 TO 2020

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: 2019 and 2020

	12 months ended December 31,					
Net sales *(in € million, except %)*	2020	2019	Total change	Change in scope of consolidation	Organic growth(1)	Exchange-rate effect
Europe	2,396.0	2,639.3	(9.2%)	0.2%	(7.9%)	(1.5%)
North and Central America	2,485.4	2,559.2	(2.9%)	8.6%	(8.7%)	(2.1%)
Rest of the World	1,218.1	1,423.8	(14.4%)	1.0%	(10.3%)	(5.6%)
Consolidated total	**6,099.5**	**6,622.3**	**(7.9%)**	**3.6%**	**(8.7%)**	**(2.6%)**

(1) at constant scope of consolidation and exchange rates.

Comments below concern sales by destination:

Europe:

Net sales in the Rest of Europe zone for 2020 came to €2,396.0 million compared with €2,639.3 million in 2019, a decline of -9.2%. This reflects:

- a +0.2% change in scope of consolidation;
- the unfavorable -1.5% impact of exchange-rate fluctuations;
- and -7.9% organic evolution.

Europe's mature countries (33.3% of Group sales) registered a -9.7% decline in sales from 2019. This trend was mainly driven by the worsening health and economic environment, particularly marked in the second quarter (-31.8%) and steady destocking by distributors.

Despite the health crisis, full-year 2020 sales in Europe's new economies showed a solid organic rise of +1.9% that included double-digit growth in Turkey and a very limited retreat in Eastern Europe.

North and Central America:

Net sales in the North and Central America zone in 2020 came to €2,485.4 million compared with €2,559.2 million in 2019, a decline of -2.9%. This reflects:

- a +8.6% change in scope of consolidation;
- the unfavorable -2.1% impact of exchange-rate fluctuations;
- and -8.7% organic evolution.

The United States (37.8% of Group sales) saw a -7.8% organic decline in sales in 2020. Good trends in busways and PDUs for datacenters, as well as in offerings for residential spaces (user interfaces and AV infrastructure solutions), were not enough to offset lower business levels in other segments.

Sales also retreated sharply in Canada and Mexico over the year.

Rest of the World:

Net sales in the Rest of the World zone for 2020 came to €1,218.1 million compared with €1,423.8 million in 2019, a decline of -14.4%. This reflects:

- a +1.0% change in scope of consolidation;
- the unfavorable -5.6% impact of exchange-rate fluctuations;
- and -10.3% organic evolution.

In Asia-Pacific (13.1% of Group sales), sales were down -7.1% from 2019, hit in particular by a marked fall in India as the health crisis took a heavy toll over most of the year. The area's overall sales were steady excluding India, and they were also stable in China and in Australia.

In South America (3.4% of Group sales), sales were down -14.3% organically over the year, with similar trends observed in main countries.

In Africa and the Middle East (3.5% of Group sales), sales fell -16.6% in 2020.

5.4.1.2. BREAKDOWN OF CHANGES IN NET SALES BY ORIGIN FROM 2019 TO 2020

The following table presents the breakdown of changes in net sales to third parties as reported by zone of **origin** between 2019 and 2020:

	12 months ended December 31,					
Net sales *(in € million, except %)*	**2020**	**2019**	**Total change**	**Change in scope of consolidation**	**Organic growth[1]**	**Exchange-rate effect**
Europe	2,499.4	2,758.0	(9.4%)	0.2%	(8.1%)	(1.5%)
North and Central America	2,526.3	2,602.9	(2.9%)	8.5%	(8.7%)	(2.1%)
Rest of the World	1,073.8	1,261.4	(14.9%)	1.0%	(10.1%)	(6.2%)
Consolidated total	**6,099.5**	**6,622.3**	**(7.9%)**	**3.6%**	**(8.7%)**	**(2.6%)**

(1) at constant scope of consolidation and exchange rates.

5.4.2 - Cost of sales

The consolidated cost of sales decreased 8.4% to €2,915.7 million in 2020, compared with €3,184.5 million in 2019. This was primarily due to:

- the decrease in the volume of raw materials and components consumed as production decreased;
- lower raw material and component prices in 2020 than in 2019;
- ongoing efforts to raise productivity and adjust to changing conditions.

These were very partly offset by:

- consolidation of new acquisitions.

As a percentage of net sales, the cost of sales was down from 48.1% in 2019 to 47.8% in 2020.

5.4.3 - Administrative and selling expenses

Administrative and selling expenses declined 5.5% to €1,666.5 million in 2020, compared with €1,764.4 million in 2019. This was essentially attributable to:

- strengthening of adaptation and productivity initiatives.

These were very partly offset by:

- consolidation of new acquisitions.

Expressed as a percentage of sales, administrative and selling expenses stood at 27.3% in 2020 compared with 26.6% in 2019.

5.4.4 - Research and development costs

	12 months ended	
(in € millions)	**December 31, 2020**	**December 31, 2019**
Research and development costs	(319.4)	(312.0)
Acquisition-related amortization and R&D tax credit	11.2	3.3
Amortization of capitalized development costs	27.9	27.2
R&D costs before capitalized development costs	**(280.3)**	**(281.5)**
Capitalized development costs	(28.3)	(35.3)
Research and development expenditure for the period	**(308.6)**	**(316.8)**

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, €28.3 million in development costs were capitalized in 2020 compared with €35.3 million in 2019.

Amortization charges for capitalized development costs amounted to €27.9 million in 2020, compared with €27.2 million in 2019.

Research and development costs totaled €319.4 million in 2020 compared with €312.0 million in 2019. 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 €308.6 million in 2020 (5.1% of net sales), compared with €316.8 million in 2019 (4.8% of net sales).

In 2020, research and development operations had more than 2,600 employees in more than 20 countries.

5.4.5 - Other operating income and expenses

In 2020, other operating income and expenses totaled €132.5 million compared with €124.0 million in the same period of 2019.

5.4.6 - Operating profit

The Group consolidated operating profit edged down 13.9% to €1,065.4 million in 2020 compared with €1,237.4 million in 2019. This decrease resulted from:

- a 7.9% decrease in net sales;
- an 8.4% decrease in cost of sales;
- a 4.4% decrease in administrative, selling and research & development costs; and
- an €8.5 million rise in other income and operating expenses.

As a percentage of net sales, operating profit came to 17.5% in 2020 compared with 18.7% in 2019.

5.4.7 - Adjusted operating profit

Adjusted operating profit is defined as operating profit adjusted for amortization and depreciation of revaluation of assets at the time of acquisitions and for other P&L impacts relating to acquisitions and, where applicable, for impairment of goodwill.

Adjusted operating income decreased 12.8% to stand at €1,156.0 million in 2020 compared with €1,326.1 million in 2019, 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 18.1% decline to €479.4 million in 2020 compared with €585.3 million in 2019, representing 19.2% of net sales in 2020 compared with 21.2% in 2019;
- **North and Central America**: a 7.3% decline to €473.3 million in 2020, compared with €510.6 million in 2019, representing 18.7% of net sales in 2020 compared with 19.6% in 2019; and
- **Rest of the World**: a 11.7% decline to €203.3 million in 2020 compared with €230.2 million in 2019, representing 18.9% of net sales in 2020 compared to 18.2% in 2019.

In 2020, Group adjusted operating margin before acquisitions (at 2019 scope of consolidation) stood at 19.1% of net sales, -0.9 point compared with 2019 figure of 20.0%. Taking acquisitions into account, the Group's adjusted operating margin came to 19.0% of net sales in 2020.

5.4.8 - Net financial expenses

Net financial expenses principally correspond to financial expenses related to Yankee bonds; the 2012, 2015, 2017, 2018, 2019 and 2020 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 €99.3 million in 2020 compared with €91.1 million in 2019. Financial income came to €6.1 million in 2020 compared with €11.9 million in 2019.

Net financial expenses rose €14.0 million in 2020 from the same period of 2019, accounting for 1.5% of net sales compared with 1.2% in 2019.

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 €10.3 million in 2020 compared with €2.0 million losses in the same period of 2019.

5.4.10 - Income tax expense

In 2020 Legrand's pre-tax income amounted to €961.9 million down from €1,156.2 million in 2019.

Consolidated income tax expense amounted to €279.2 million in 2020 compared with €318.3 million in 2019. The effective tax rate stood at 29.0% in 2020 compared with 27.5% in the same period of 2019.

5.4.11 - Net profit attributable to the Group

Net income amounted to €681.2 million in 2020 (€153.6 million decrease or –18.4% compared with 2019) and reflects:

- a €172.0 million decline in operating profit;
- a €14.0 million rise in net financial expenses;
- a €8.3 million rise in exchange losses;
- a €39.1 million decline in income tax expense.
- a €1.1 million rise in share of profits of equity-accounted entities; and
- a €0.6 million decline in profit attributable to minority interests.

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, 2020 and 2019

	12 months ended	
(in € millions)	**December 31, 2020**	**December 31, 2019**
Net cash from operating activities	1,161.9	1,239.4
Net cash from investing activities*	(850.4)	(656.4)
Net cash from financing activities	823.7	98.6
Translation net change in cash and cash equivalents	(54.4)	6.8
Increase (decrease) in cash and cash equivalents	**1,080.8**	**688.4**
** of which capital expenditure and capitalized development costs*	*(155.1)*	*(202.2)*

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 €1,161.9 million at December 31, 2020 compared with €1,239.4 million at December 31, 2019.

This €77.5 million decrease was due primarily to a €113.0 million decrease in cash flow from operations (defined as net cash generated by operating activities, plus or minus changes in current operating assets and liabilities) reaching €1,108.7 million at December 31, 2020 compared with €1,221.7 million on December 31, 2019, partially offset by changes in working capital requirement which set cash generation at €53.2 million in 2020 compared with €17.7 million cash generation in the same period of 2019.

5.5.1.2. NET CASH FROM INVESTING ACTIVITIES

Net cash used in investing activities for the period ended December 31, 2020 amounted to €850.4 million compared with €656.4 for the period ended December 31, 2019. This increase was primarily due to the acquisition of subsidiaries partially offset by a decrease in capital expenditure.

The amount of acquisitions (net of cash acquired) totaled €721.2 million in 2020 (compared with €452.7 million in 2019).

Capital expenditure and capitalized development costs amounted to €155.1 million for the period ended December 31, 2020 (including €28.3 million in capitalized development costs), or a 23.3% decline compared with investments and capitalized development costs of €202.2 million in the period ending December 31, 2019 (of which €35.3 million in capitalized development costs).

5.5.1.3. NET CASH FROM FINANCING ACTIVITIES

Net cash generated by financing activities amounted to €823.7 million in 2020, including primarily the payment of dividends in an amount of €357.4 million and repayment of long-term financing for €84.2 million, more than offset by a €600.4 million increase in long-term financing and €694.1 million increase in short-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 €5,394.5 million at December 31, 2020 compared to €4,191.6 million at December 31, 2019. Cash and cash equivalents and marketable securities amounted to €2,791.7 million at December 31, 2020 compared to €1,710.9 million at December 31, 2019. Net debt (defined as gross debt less cash and cash equivalents and marketable securities) totaled €2,602.8 million at December 31, 2020 compared to €2,480.7 million at December 31, 2019.

The ratio of consolidated net debt to consolidated shareholders' equity was around 53% at December 31, 2020 compared with around 49% at December 31, 2019.

At December 31, 2020, the Group's gross debt consisted of the following:

- €3,500.0 million in bonds issued in April 2012 (€400 million), 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);
- €1,200.0 million in negotiable commercial paper;
- €302.7 million in Yankee bonds;
- €278.3 million in lease financial liabilities; and
- €113.5 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 €155.1 million for the period ended December 31, 2020 representing 2.5% of net sales compared with investments and capitalized development costs of €202.2 million in the period ending December 31, 2019 representing 3.1 % of net sales.

Capital expenditure consists mainly of investment in new products, in productivity and commercial means. 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 5.3 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.- VARIATIONS IN EXCHANGE RATES

A significant number of the Group's foreign subsidiaries operate in countries outside the euro zone. In 2020, approximately 67% 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 2016 through 2020, 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 US dollar)	Period-end rate	Average rate[1]	High	Low
2016	0.95	0.90	0.96	0.87
2017	0.83	0.89	0.96	0.83
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

(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.

5.9.- 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 procedures for preparing and processing accounting and financial information are described in the chapter 3 of this Universal Registration Document.

5.10.- 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.

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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.

5.11.- NEW IFRS PRONOUNCEMENTS

Main standards and interpretations published by the IASB with mandatory application from January 1st, 2020 were as follows:

- Amendments to IFRS 16 - Leases
- Amendments to IAS 1 and IAS 8 – Definition of materiality

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.

5.12.- TRENDS AND PROSPECTS

In 2021, Legrand will pursue its strategy of profitable, sustainable and responsible growth.

Based on current macroeconomic projections, which are still very uncertain, and assuming a gradual improvement in the world health situation, Legrand has set the following targets for 2021:

- organic growth in sales of between +1% et +6%;
- total impact of the broader scope of consolidation on sales of at least +3%;
- adjusted operating margin before acquisitions (at 2020 scope of operations) of between 19.2% and 20.2% of sales;
- achievement rate of 2021 targets in CSR roadmap of at least 100%.

5.13.- TABLE OF CONSOLIDATED FINANCIAL RESULTS OVER THE LAST FIVE YEARS

(in € millions except number of shares, earnings per share and number of employees)	2016	2017	2018	2019	2020
End of period share capital					
Share capital	1,069.3	1,067.2	1,070.0	1,069.1	1,069.8
Number of shares	267,327,374	266,805,751	267,495,149	267,276,128	267,447,746
Earnings					
Net sales	5,018.9	5,520.8	5,997.2	6,622.3	6,099.5
Profit before tax, depreciation and amortization	1,025.1	1,154.8	1,281.3	1,462.8	1,296.2
Income tax expense	(218.6)	(224.2)	(301.3)	(318.3)	(279.2)
Share of profits (losses) of equity-accounted entities	(1.3)	(1.5)	(0.4)	(1.8)	(0.7)
Profit for the period	630.2	713.2	772.4	836.1	682.0
Dividends paid	307.1	317.1	336.8	357.1	357.4
Earnings per share(1)					
Profit before tax, depreciation and amortization	3.848	4.334	4.801	5.482	4.852
Basic earnings per share	2.359	2.669	2.892	3.129	2.550
Dividend per share	1.15	1.19	1.26	1.34	1.34
Personnel					
End of period number of employees	32,722	34,105	34,384	34,955	32,954
Personnel costs	1,299.1	1,411.3	1,512.3	1,641.6	1,597.9

(1) Earnings per share are computed on the basis of the number of circulating ordinary shares during the period, or 266,395,359 shares in 2016, 266,432,980 shares in 2017, 266,878,862 shares in 2018, 266,833,977 shares in 2019 and 267,172,454 shares in 2020.

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5.14.- SELECTED FINANCIAL INFORMATION

The selected financial information for the years ended December 31, 2020, 2019 and 2018 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 %)	2020	2019	2018
Net sales	**6,099.5**	**6,622.3**	**5,997.2**
Total sales growth	(7.9 %)	10.4 %	8.6 %
Sales growth at constant scope of consolidation and exchange rates	(8.7 %)	2.6 %	4.9 %
EBITDA(1)	**1,399.7**	**1,544.0**	**1,346.2**
Maintainable EBITDA(2)	1,457.6	1,574.9	1,374.1
Adjusted operating profit(3)	**1,156.0**	**1,326.1**	**1,212.1**
As % of net sales	19.0 %	20.0 %	20.2 %
Maintainable adjusted operating profit(2)	1,220.0	1,357.0	1,237.8
Adjusted net profit attributable the Group	**681.2**	**834.8**	**771.7**
As % of net sales	11.2 %	12.6 %	12.9 %
Profit for the period(4)	**682.0**	**836.1**	**772.4**
As % of net sales	11.2 %	12.6 %	12.9 %
Free cash flow(5)	**1,029.1**	**1,044.3**	**746.3**
As % of net sales	16.9 %	15.8 %	12.4 %
Normalized free cash flow(6)	**1,034.2**	**1,009.8**	**893.5**
As % of net sales	17.0 %	15.2 %	14.9 %
Net financial debt at December 31(7)	**2,602.8**	**2,480.7**	**2,296.6**

(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) Profit corresponds to published net income (before minority interests).

(5) 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.

(6) 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.

(7) 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)	2020	2019	2018
Profit for the period	**682.0**	**836.1**	**772.4**
Share of profits (losses) of equity-accounted entities	0.7	1.8	0.4
Income tax expense	279.2	318.3	301.3
Exchange (gains) losses	10.3	2.0	(2.2)
Financial income	(6.1)	(11.9)	(12.0)
Financial expenses	99.3	91.1	79.1
Operating profit	**1,065.4**	**1,237.4**	**1,139.0**
Amortization and depreciation of tangible assets	187.4	183.3	100.9
Amortization and depreciation of intangible assets (including capitalized development costs) and Milestone's inventory step-up	146.9	123.3	106.3
Goodwill impairment	0.0	0.0	0.0
EBITDA	**1,399.7**	**1,544.0**	**1,346.2**
Restructuring costs	57.9	30.9	27.9
Maintainable EBITDA	**1,457.6**	**1,574.9**	**1,374.1**

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)	2020	2019	2018
Profit for the period	**682.0**	**836.1**	**772.4**
Share of profits (losses) of equity-accounted entities	0.7	1.8	0.4
Income tax expense	279.2	318.3	301.3
Exchange (gains) losses	10.3	2.0	(2.2)
Financial income	(6.1)	(11.9)	(12.0)
Financial expenses	99.3	91.1	79.1
Operating profit	**1,065.4**	**1,237.4**	**1,139.0**
Amortization and other P&L impacts relating to acquisitions	90.6	88.7	73.1
Goodwill impairment	0.0	0.0	0.0
Adjusted operating profit	**1,156.0**	**1,326.1**	**1,212.1**
Adjusted restructuring costs(1)	64.0	30.9	25.7
Maintainable adjusted operating profit	**1,220.0**	**1,357.0**	**1,237.8**

(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 expense:

(in € millions)	2020	2019	2018
Research and development costs	**(319.4)**	**(312.0)**	**(276.5)**
Acquisition-related amortization and R&D tax credit	11.2	3.3	(3.9)
Amortization of capitalized development costs	27.9	27.2	28.5
R&D costs before capitalized development costs	**(280.3)**	**(281.5)**	**(251.9)**
Capitalized development costs	(28.3)	(35.3)	(33.7)
Research and development expenditure for the period	**(308.6)**	**(316.8)**	**(285.6)**

The table below shows a reconciliation of the Group's free and normalized free cash flow with net cash from operating activities:

(in € millions)	2020	2019	2018
Net cash from operating activities	**1,161.9**	**1,239.4**	**925.3**
Net proceeds from sales of fixed and financial assets	22.3	7.1	5.3
Capital expenditures	(126.8)	(166.9)	(150.6)
Capitalized development costs	(28.3)	(35.3)	(33.7)
Free cash flow	**1,029.1**	**1,044.3**	**746.3**
Increase (decrease) in working capital requirement	(53.2)	(17.7)	175.2
(Increase) decrease in normalized working capital requirement	58.3	(16.8)	(28.0)
Normalized free cash flow	**1,034.2**	**1,009.8**	**893.5**

The table below shows changes in the net financial debt of Legrand:

(in € millions)	2020	2019	2018
Long-term borrowings	4,073.8	3,575.4	2,918.6
Short-term borrowings	1,320.7	616.2	400.5
Cash and cash equivalents and marketable securities	(2,791.7)	(1,710.9)	(1,022.5)
Net financial debt	**2,602.8**	**2,480.7**	**2,296.6**

The table below shows the changes in Legrand's equity:

(in € millions)	2020	2019	2018
Share capital	1,069.8	1,069.1	1,070.0
Retained earnings	4,788.3	4,486.6	4,051.8
Translation reserves	(962.3)	(453.5)	(530.6)
Equity attributable to equity holders of Legrand	**4,895.8**	**5,102.2**	**4,591.2**

CORPORATE GOVERNANCE

6

6.1 - ADMINISTRATION AND MANAGEMENT OF THE COMPANY

The Company refers to the Afep-Medef Corporate Governance Code of Listed Corporations as revised in January 2020 (the "**Code of Corporate Governance**"). The 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 27.1 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

Applicable principles

The Articles of Association of the Company and the internal rules of the Board of Directors[1] 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 (subject to the exception provided by law in the event of a merger);
- **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 financial statements for the previous financial year and held during 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 by law, each director must own at least 500 registered shares for the entire duration of his/her term of office. In addition to this requirement laid down in the Articles of Association, the Board of Directors' internal rules recommend that each director should gradually acquire over the course of his/her term of office a number of shares equivalent to one year of his/her compensation (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 shares is equal to Legrand's average share price over the previous financial year);
- **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. His/her compensation is determined by the Board of Directors and submitted for approval by the Shareholders' Meeting;
- **Vice-Chair of the Board of Directors**: if necessary, the Board of Directors may appoint a Vice-Chair. 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;

(1) The Company's Articles of Association and the internal rules of the Board of Directors can be consulted on the Company's website www.legrandgroup.com/en, in the section "INVESTORS AND SHAREHOLDERS / Corporate governance / Home".
(2) The standard term of office of directors was shortened from four to three years following the end of the Shareholders' Meeting on May 27, 2020 (sixteenth resolution). This change applies only to appointments and reappointments approved with effect from the said Shareholders' Meeting.

- **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 on a given agenda whose importance or urgent nature would justify holding an extraordinary meeting of the Board. Please see section 6.1.2 of this Universal Registration Document for details of all the Lead Director's duties and powers;
- **co-opting**: when the conditions provided for by 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 shall be subject to ratification by the next Ordinary Shareholders' Meeting.

Current composition of the Board of Directors

The following table provides a summary overview of the composition of the Board of Directors as of March 17, 2021:

		Personal information				Experience	Position on the Board				Membership in Board Committees			
	as of March 17, 2021	Age	Gender	Nationality	Number of shares	Nb of appointments in listed companies(1)	Independence	Date of first appointment	Expiry of term of office	Length of service on the Board	Audit	Nominating and Governance	Compensation	Strategy / CSR
Company officers	Angeles Garcia-Poveda *Chairwoman*	50	F	Spanish	4,800	0	X	05/25/2012	GSM 2023	8				●
	Benoît Coquart *CEO*	47	M	French	46,212	0		05/27/2020	GSM 2023	<1				
Directors	Olivier Bazil	74	M	French	2,085,299	0		10/12/2002	GSM 2022	18		●		●
	Isabelle Boccon-Gibod	52	F	French	1,000	2	X	05/21/2016	GSM 2023	4	●			●
	Christel Bories	56	F	French	1,470	1	X	05/25/2012	GSM 2023	8	●			C
	Edward A. Gilhuly	61	M	American	119,712	1	X	05/30/2018	GSM 2022	2				●
	Patrick Koller	62	M	French / German	1,000	1	X	05/30/2018	GSM 2022	2		●	●	
	Michel Landel *Lead Director*	69	M	French	500	0	X	05/29/2019	GSM 2023	1		C	●	
	Annalisa Loustau Elia	55	F	Italian	1,340	2	X	05/25/2013	GSM 2021	7			C	
	Éliane Rouyer-Chevalier	68	F	French	1,350	1	X	05/26/2011	GSM 2023	9	C		●	
	Gilles Schnepp	62	M	French	2,415,082	4		10/12/2002	GSM 2022	18				●
Directors representing employees	Sophie Bourdais	53	F	French	620	0		4/11/2020	GSM 2023	<1			●	
	Philippe Jeulin	63	M	French	0	0		06/26/2018	GSM 2022	2	●			

(1) The office held at the Company is not counted in this calculation.

GSM: General Shareholders' Meeting. ●: member of a Committee. C: chair of a Committee.

At the date of this Universal Registration Document, the Board of Directors has 13 members including the Chairwoman of the Board, the Lead Director and two Directors representing employees. Biographical details of the Company's directors are provided in appendix 3 to the management report on the annual financial statements for the year ended December 31, 2020, in this Universal Registration Document.

Directors representing employees

Pursuant to article L. 225-27-1 of the French Commercial Code, the Board of Directors at its meeting of March 19, 2018, ruled 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.

Accordingly, Philippe Jeulin was appointed by the Central Works Council to hold the role of director representing employees from June 26, 2018. However, following the entry into force of law no. 2019-486 of May 22, 2019, on growth and business transformation (known as the "**Pacte Law**"), the rules governing the participation of the directors representing employees on the Board have been changed. In its former version, article L. 225-27-1 of the French Commercial Code required the Boards with fewer than 12 directors appointed by the Shareholders' Meeting to have at least one director representing employees and those with 12 or more such directors to have at least two directors representing employees. The Pacte Law lowered the threshold from which a second director is required from 12 to eight directors.

Since the Company's Board currently has more than eight directors [1], the Central Workforce and Economic Committee on September 30, 2020, appointed Sophie Bourdais as the second director representing employees.

The directors appointed to represent the employees have the same status, same rights, and same responsibilities as the other directors. As such, they are subject to all the provisions of the internal rules governing directors' rights and obligations.

Representatives of the Central Workforce and Economic Committee

Two representatives of the Central Workforce and Economic Committee also attend meetings of the Board of Directors in an advisory capacity.

Staggered terms of office of directors

Since 2011, directors' terms of office have been staggered. As a result, the term of office of one director expires at the Shareholders' Meeting to be held on May 26, 2021. Thereafter, the terms of office of five directors will expire in 2022, a further seven in 2023 and one in 2024[2].

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 associated with 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.

No arrangement or agreement has been entered into with the main shareholders, customers, suppliers or other parties, pursuant to which the company officers of the Company have been selected as such. No restrictions have been agreed by the latter concerning the sale, within a given period of time, of their shareholding in the Company's share capital, other than the Company's rules governing stock market transactions, the rules in its Articles of Association and the obligations to hold shares applicable to company officers.

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 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

(1) The director representing employees is not counted when these percentages are calculated.
(2) These staggered expiration dates reflect the shorter terms of office as a director decided by the Shareholders' Meeting on May 27, 2020. The new shorter length of the term of office applies to any appointment or reappointment with effect from May 27, 2020.

- 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 Board of Directors' 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 interests. He/she then reports on these to the Board, as he/she does on any actual or potential conflict of interest which he/she may detect independently.

No actual or potential conflicts of interest were reported to the Lead Director or to the Board of Directors in 2020.

Furthermore, the Chair of the Company's Board of Directors has undertaken to inform the Chairman of the Nominating and Governance Committee and the Board of Directors of any plan to take on another directorship.

A Board of Directors with 75% 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 of the Board of Directors 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 material to the Company or its Group; or
  - for which the Company or its Group accounts for a material proportion of its business[1];
- 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 on which this 12-year period is reached;
- be a non-executive officer and receive variable compensation in cash or in the form of shares or any compensation linked to the performance of the Company or Group, with the exception of attendance fees;
- 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 Nominating 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.

Procedure for designating independent directors

In accordance with the internal rules of the Company's Board of Directors, designations as independent directors are discussed by the Nominating 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's review are made available to shareholders.

(1) The assessment of whether the relationship with the Company or the Group is material or non-material must be discussed by the Board of Directors. The qualitative and quantitative criteria leading to this assessment (continuity, economic dependence, exclusivity, etc.) are explicitly stated in this Universal Registration Document.

Findings of the review conducted by the Nominating 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 Nominating and Governance Committee and then the Board of Directors at its meeting on March 17, 2021, 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 its evaluation, the Nominating and Governance Committee asked directors to complete an independence questionnaire. The Committee then analyzed the position of each director based on the responses given to:

- 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 that none of the directors had business relationships with Legrand.

Findings of the review conducted by the Nominating and Governance Committee and Board concerning other independence criteria

At its meeting on March 17, 2021, the Board of Directors reviewed the individual status of each director in relation to the independence criteria stated above. On the recommendation of the Nominating and Governance Committee, it decided that Isabelle Boccon-Gibod, Christel Bories, Angeles Garcia-Poveda, Edward A. Gilhuly, Patrick Koller, Michel Landel, Annalisa Loustau Elia, and Éliane Rouyer-Chevalier, could be designated as independent directors:

	Angeles Garcia-Poveda	Olivier Bazil	Benoît Coquart	Isabelle Boccon-Gibod	Christel Bories	Edward A. Gilhuly	Patrick Koller	Michel Landel	Annalisa Loustau Elia	Éliane Rouyer-Chevalier	Gilles Schnepp
Executive officer during the previous 5 years	●	●	X	●	●	●	●	●	●	●	X
Cross-directorships	●	●	●	●	●	●	●	●	●	●	●
Material business relationships	●	●	●	●	●	●	●	●	●	●	●
Family ties	●	●	●	●	●	●	●	●	●	●	●
Statutory Auditor	●	●	●	●	●	●	●	●	●	●	●
Term of office of over 12 years	●	X	●	●	●	●	●	●	●	●	X
Non-executive officer status	●	●	●	●	●	●	●	●	●	●	X
Major shareholder status	●	●	●	●	●	●	●	●	●	●	●

● *: indicates independence criterion met.*

X : indicates independence criterion not met.

The proportion of independent directors on the Board of Directors thus stands at 75%[1]. This level is higher than the minimum ratio of 50% recommended by the Code of Corporate Governance for non-controlled companies.

(1) The directors representing employees are not counted for the purpose of calculating the proportion of independent directors, in accordance with the recommendations of the Code of Corporate Governance. The proportion is calculated subject to the approval by the Combined Shareholders' Meeting on May 26, 2021, of the reappointment of Annalisa Loustau Elia as a director and the appointment of Jean-Marc Chéry as a director.

With respect to the Board Committees:

- the Audit Committee has four members, three of whom are independent, and so the proportion of independent directors is 100% [1]. This is consistent with the Code of Corporate Governance, which recommends that at least two-thirds of the Committee's members should be independent directors;
- the Nominating and Governance 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 the majority of the Committee's members should be independent directors;
- the Compensation Committee has five members, four of whom are independent, and so the proportion of independent directors is 100%[2]. 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 Strategy and Social Responsibility Committee has six members, four of whom are independent, and so the proportion of independent directors is 66.67%.

As regards the Lead Director, his designation complies with the Code of Corporate Governance, which recommends that the Lead Director be independent. Please also refer to section 6.1.2 of this Universal Registration Document for further information in this regard.

Multiple directorships

The internal rules of the Board of Directors state that each director must devote the necessary time and attention to their tasks. 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. Based on the information provided by the directors, they are all in compliance with the rules on multiple directorships.

Selection process for directors

Selection process for directors appointed by the Shareholders' Meeting

The selection process for directors appointed by the Shareholders' Meeting is as follows:

- the Board of Directors sets the objectives for changes to its composition;
- the Nominating 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;
- the Chair of the Board of Directors and the Chair of the Nominating and Governance Committee draw up a shortlist and make individual contact with those shortlisted;
- the candidates chosen then meet with the other members of the Nominating and Governance Committee and with management;
- the Nominating and Governance Committee considers the results of these interviews and submits its recommendations to the Board of Directors.

Selection process for directors representing employees

Directors representing employees are appointed by the Central Workforce and Economic Committee.

Changes in the composition of the Board of Directors in 2020

During the 2020 financial year, the composition of the Board of Directors changed as follows:

Departures	Appointments	Reappointments
Nil	Benoît Coquart (May 27, 2020) Sophie Bourdais (November 4, 2020)	Angeles Garcia-Poveda (May 27, 2020) Isabelle Boccon-Gibod (May 27, 2020) Christel Bories (May 27, 2020)

(1) The directors representing employees are not counted for the purpose of calculating the proportion of independent directors, in accordance with the recommendations of the Code of Corporate Governance.

Terms of office as directors that expired in 2020

The terms of office as directors of Isabelle Boccon-Gibod, Christel Bories and Angeles Garcia-Poveda expired in 2020. They have expressed a desire to stand for reappointment.

Isabelle Boccon-Gibod, a director of the Company since 2016, is a member of the Audit Committee and of the Strategy and Social Responsibility Committee. The Company benefits from her experience as a senior executive at various industrial groups and from her strategic expertise and her insights in social and environmental issues.

Christel Bories, a director of the Company since 2012, chairs the Strategy and Social Responsibility Committee and is a member of the Audit Committee. The Company has benefited from her experience as a senior executive at various listed industrial companies and from her strategic insights.

Angeles Garcia-Poveda, a director of the Company since 2012, was Lead Director and chaired the Nominating and Governance Committee and the Compensation Committee until July 1, 2020. She is a member of the Strategy and Social Responsibility Committee. She has expertise in compensation, governance and strategic questions.

On February 27, 2020, the Board of Directors approved a reconfiguration of the Company's governance framework. It appointed Angeles Garcia-Poveda as Chairwoman of the Board of Directors with effect from July 1, 2020, subject to the renewal of her term of office as a director at the Shareholders' Meeting on May 27, 2020.

For all these reasons, the Board of Directors decided on March 19, 2020, to submit a resolution for shareholders' approval at the Shareholders' Meeting on May 27, 2020, to reappoint these three directors for a three-year term of office as a director. The shareholders voted in favor of these reappointments.

Appointment of a director in 2020

In addition, to enrich its composition, the Board of Directors, on the recommendation of the Nominating and Governance Committee, decided to propose the appointment of Benoît Coquart as a director at the Shareholders' Meeting of May 27, 2020. The Board took the view that his considerable experience within the Legrand Group would represent an asset for the Board of Directors. The shareholders voted in favor of this appointment.

Appointment of the second director representing employees in 2020

On September 30, 2020, the Central Workforce and Economic Committee appointed Sophie Bourdais as the second director representing employees.

Changes in the composition of the Board of Directors in 2021

Term of office expiring in 2021

Annalisa Loustau Elia's term of office as a director expires in 2021. She has stated the desire to stand for reappointment.

Annalisa Loustau Elia has been a director of the Company since 2013 and chairs the Compensation Committee. The Company benefits from her experience in product marketing and development in luxury goods, retail trade and mass consumer goods. Given the size of the Group's operations in Italy, her Italian nationality and her knowledge of the Italian market also afford her an invaluable perspective.

At its meeting on March 17, 2021, the Board of Directors, on the recommendation of the Nominating and Governance Committee, again found that Annalisa Loustau Elia could be designated as an independent director. According to the results of this review (i) there are no material business relationships between Annalisa Loustau Elia and Legrand, and that (ii) Annalisa Loustau Elia can be designated as an independent director. The Board of Directors, on the recommendation of the Nominating and Governance Committee, also reviewed the number of directorships held by Annalisa Loustau Elia outside the Group. This review revealed that the number of external directorships she holds complies with the provisions of the French Commercial Code and the Corporate Governance Code. Annalisa Loustau Elia therefore has the necessary time to devote to her duties.

The Board of Directors thus decided to propose at the Shareholders' Meeting on May 26, 2020, the reappointment of Annalisa Loustau Elia for a three-year term of office. For further information, readers are referred to the explanatory notes and the draft resolutions available on the Company's website www.legrandgroup.com/en, in the section "INVESTORS AND SHAREHOLDERS / Shareholders' meetings / 2021 General Meeting".

Appointment of an independent director on 2021

To enrich its composition, the Board of Directors, based on a proposal made by the Nominating and Governance Committee, recommended the appointment of Jean-Marc Chéry as an independent director.

This proposed appointment is part of an external hiring process for new directors conducted in 2021, at the end of which the appointment of Jean-Marc Chéry was approved by the Nominating and Governance Committee on March 10, 2021, and by the Board of Directors on March 17, 2021.

Given his experience as a senior manager of a major listed industrial group, the view was that Jean-Marc Chéry could make a valuable contribution to the Board of Directors' work.

At its meeting of March 17, 2021, the Board of Directors, on the recommendation of the Nominating and Governance Committee, reviewed Jean-Marc Chéry's personal situation and concluded that (i) there were no material business relationships between Jean-Marc Chéry and Legrand, and (ii) Jean-Marc Chéry could be designated as an independent director. The Board also found that he would have the necessary time to perform his duties, since the number of directorships he holds outside the Company is consistent with the rules of the French Commercial Code and the Code of Corporate Governance.

The Board of Directors thus decided to propose at the Shareholders' Meeting on May 26, 2021, the appointment of Jean-Marc Chéry as an independent director for a three-year term. For further information, please refer to the explanatory notes and the draft resolutions available on the Company's website www.legrandgroup.com/en, in the section "INVESTORS AND SHAREHOLDERS / Shareholders' meetings / 2021 General Meeting".

Diversity in the composition of the Board of Directors

Each year, the Board of Directors examines its composition and that of its Board Committees to ensure that the balance of members is correct, particularly in terms of diversity. It is constantly seeking to improve the gender balance, international dimension, mix of skills, international experience, expertise, and independence of its members. This assures the shareholders and the market that the Board is performing its duties with the necessary independence and objectivity.

Subject to approval at the Combined Shareholders' Meeting on May 26, 2021, of the renewal of the term of office as a director of Annalisa Loustau Elia and the appointment of Jean-Marc Chéry, the 14 members of the Board of Directors (including two directors representing employees) making up the Board of Directors at the end of the Shareholders' Meeting on May 26, 2021, include:

- five women, representing a proportion of 42%[1], which exceeds the minimum requirements of the French Commercial Code (40% as of 2017);
- nine independent directors, a proportion of 75%[(1)], which exceeds the 50% minimum level recommended by the Code of Corporate Governance;
- five different nationalities (American, Spanish, Italian, Franco-German, French).

As regards 2020, the Board of Directors considered directors' skills to be varied and complementary with expertise in strategy, finance, corporate social responsibility ("**CSR**"), risk management, investor relations, talent management, and marketing. In addition, the former Legrand executives who are members of the Board of Directors ensure that the Board possesses sound knowledge of the Group and how it operates.

Since 2017, Legrand has ranked among the top quartile of CAC 40 companies for governance practices according to the CAC 40 Governance index[2].

Given all these factors, the Board of Directors considered its composition in 2020 to be satisfactory with regard to the diversity criteria examined. It nevertheless continues to pay attention to any potential change that could be relevant and consistent with the Group's development and dynamic approach.

Gender balance of the Board and its Committees

- Of the 12 directors sitting on Board of Directors, five are women, or 42%[3].
- The Board has been chaired by an independent Chairwoman since July 1, 2020.
- Three of the four Board Committees are chaired by an independent Chairwoman.

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 and management bodies determined by the internal rules and the Company's Articles of Association are outlined below.

Role 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 Board 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. Those powers can never be delegated to the Committees.

(1) The directors representing employees are not counted for the purpose of calculating (i) the minimum ratio of directors of a single gender, in accordance with provisions of the law or (ii) the proportion of independent directors on the Board of Directors, in accordance with the recommendations of the Corporate Governance Code.
(2) The CAC 40 governance index was launched by Euronext in conjunction with Vigeo Eiris.
(3) The directors representing employees are not counted for the purpose of calculating the minimum ratio of directors of a single gender, as provided for by law. The proportion is calculated subject to the approval by the Combined Shareholders' Meeting on May 26, 2021 of the reappointment of Annalisa Loustau Elia as a director and the appointment of Jean-Marc Chéry as a director.

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 and is always mindful of the social and environmental implications of its business 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 in the form of bonds or 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 Nominating 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 renewal or appointment of directors to the Ordinary Shareholders' Meeting;
- to discuss the performance of the company officers (without the interested parties being present), to determine, based on a proposal made by the Compensation Committee, the compensation due to company officers and to apportion the compensation awarded to the directors;
- 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 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.

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. He/she 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 the Board 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[1].

The Chair may hold discussions with the Statutory Auditors in order to prepare the work of the Board of Directors and the Committees. The Chair coordinates with the Chief Executive Officer, who is responsible for the general and executive management of the Company. He/she can ask the Chief Executive Officer or any manager, and in particular the head of the risk management function, for any information that may assist the Board of Directors and its Committees with fulfilling their duties.

Relationship between the Board of Directors and shareholders

After the offices of Chair of the Board of Directors and Chief Executive Officer were separated, given the addition in June 2018 of a new recommendation to the Code of Corporate Governance, 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 meets 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, if the Chair is unable to do so, by the Vice-Chair.

The Lead Director may also:

- ask the Chair to convene a Board 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.

The Chief Executive Officer may also ask the Chair to convene a Board meeting to consider a particular agenda. Whenever the Board 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 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 of the Company's Board of Directors state that notices of meetings, which may be sent out by the secretary of the Board of Directors, may be issued by letter, e-mail 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 meetings may be held by videoconference or conference call, provided that these transmit at least the voices of participants and meet the technical requirements for the continuous and simultaneous relay of proceedings. Directors participating in Board 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 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 to ensure the presence of as many members as possible at each meeting.

(1) *Except in exceptional circumstances and excluding where a particular mission or specific mandate is entrusted by the Board of Directors to another director.*

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.

Attendance register

An attendance register is kept at the Company's registered office and contains the names of the Board members who were present physically or by means of telecommunication, represented, excused or absent at each meeting. Proxies, which must be 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 telecommunication, represented, excused or absent;
- the occurrence of any technical videoconferencing or conference-call incident that disrupted proceedings;
- the name of other persons attending all or part of the Board meeting;
- a summary of the discussions and decisions of the Board of Directors; and
- questions raised and the reservations stated by participating directors, if any.

Notices and minutes of Board meetings are translated into English.

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 Board Committees. An account of this is included in the Company's corporate governance report so that shareholders are informed each year of the evaluations carried out and, if applicable, of any steps taken as a result (see section 6.1.1.3 of this Universal Registration Document).

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, the Chair of the Board must make certain to provide them with the documents necessary to consider items on Board meeting agendas prior to the Board meeting. 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. When required by confidentiality, in particular where sensitive financial information is concerned, information may be communicated during the meeting.

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. Board members are kept informed about market developments, the competitive environment, and the main issues, including in the fields of CSR.

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. This induction program includes site visits and meetings with Group managers. It is also open to any other director who requests to join.

The Board's internal rules stipulate that directors representing employees or employee-shareholders should receive appropriate training on the requirements of their role. Various financial and legal training sessions and meetings with the Group's executive and operational staff members will be organized during 2021 following the appointment of Sophie Bourdais, director representing employees.

Lastly, financial and legal training sessions can be arranged upon request for the Central Workforce and Economic Committee representatives who attend the Company's Board 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 Board's internal rules and the Director's Charter, as well as from various other legally binding documents:

- directors must be competent, active and committed;
- directors must act at all times in the corporate interest of the Company. They undertake to promote and defend the Company's values;
- directors devote the necessary time and attention to their tasks. In this respect, directors undertake to:
  - not hold more than four other directorships in listed companies, including foreign companies, not affiliated with the Group, it being specified that executive officers may not hold more than two other

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directorships in listed companies, including foreign companies, not affiliated with the Group. However, the limit of two other directorships does not apply to directorships held by an executive officer in subsidiaries and affiliates, held alone or together with others, of companies whose main activity is to acquire and manage such subsidiaries and affiliates,

- keep the Board of Directors informed of directorships held in other companies, including membership of such companies' board committees, both in France and abroad; it being specified that an executive officer must seek the opinion of the Board of Directors before accepting a new directorship in a listed company,
- maintain a good attendance record and, wherever possible, attend all meetings of the Board of Directors and any Committee they may belong to;

- in the interest of transparency, the corporate governance report includes a report on directors' attendance at meetings of the Board of Directors and its Committees;
- directors shall make every effort to attend Shareholders' Meetings;
- the Company recommends that each director should gradually acquire over the course of his/her term of office a number of registered shares equivalent to one year of his/her compensation,
  - the calculation assumes 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 shares is equal to Legrand's average share price over the previous financial year,
  - the minimum number of shares to be held personally and kept throughout his/her term of office is set at 500,
  - the number of shares held by each shareholder is shown every year in the disclosures concerning the members of the Board of Directors provided to shareholders;
- directors are bound by a duty of loyalty and care. In this respect, directors undertake to:
  - inform the Lead Director and the Board of any actual or potential conflict of interest, and abstain from the related discussions and votes,
  - avoid any personal involvement with businesses competing with the Company, without the approval of the Board of Directors;
- directors are subject to a duty of confidentiality concerning any unpublished information they obtain as a result of their position;
- directors shall make sure they receive in good time all the documents and information they need to perform their duties. It is their responsibility to ask the Chair to supply all documents they consider necessary for them to be properly informed;
- directors who consider the information supplied in advance of a Board meeting to be inadequate may request the Chair or the Board of Directors to postpone the proceedings;
- directors should have the broadest possible knowledge of the specific features of the Company, its businesses and its sector;
- directors should comply with the provisions of the Company's Code of Conduct for Stock Market Transactions.

Code of Conduct for Stock Market Transactions

In 2006, the Group adopted a Code of Conduct for Stock Market Transactions, which can be accessed on the Company's website www.legrandgroup.com/en, in the section "INVESTORS AND SHAREHOLDERS / Corporate governance / Home". This Code complies with Regulation no. 596/2014 on market abuse (the "**Market Abuse Regulation**"), which came into force on July 3, 2016, and AMF Position-recommendation no. 2016-08.

This Code was amended by the Board of Directors on November 9, 2016. One of its purposes is to raise awareness among all Company employees regarding:

- the legislative and statutory provisions in force concerning the possession, disclosure and use of "inside information" concerning the Company which could apply to them since they may have access to such information by virtue of their positions or duties at the Company;
- the rules applicable to the possession of certain sensitive information concerning the Company and in particular to confidentiality obligations and compliance with the closed periods established by the Company;
- the rules for trading in the Company's shares and the safeguards put in place to ensure that each employee may invest in the Company's shares without breaching market integrity rules;
- the penalties incurred if these rules are breached.

The Code of Conduct for Stock Market Transactions also provides for:

- the appointment of the Ethics Officer, who is the Group's Executive VP Legal Affairs;
- the rules for preparing lists of insiders, a task performed by the Ethics Officer and service providers acting in the name and on behalf of the Company who have access to inside information as part of their business relationships with the Company;

- 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, which was 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.

In accordance with this Code, individuals possessing any financial and accounting information about the Company that, while not constituting inside information within the meaning of the Market Abuse Regulation criteria, is nevertheless sensitive and confidential, are required to observe the closed periods determined by the Company. As in the case of individuals with executive responsibilities who are subject to obligations to refrain from dealing during closed periods under the applicable regulations, such persons are required, as a preventive measure, to refrain from carrying out, either directly or indirectly, on their own behalf or on behalf of others, any transactions involving Legrand shares:

- during the 30 calendar days preceding the date on which the annual, half-yearly or quarterly financial statements are made public by means of a press release regarding the results concerned, including the date of the publication of the press release, and during the trading day after the aforementioned financial statements have been published, and
- during any other period defined and announced by the Ethics Officer.

The Code identifies three categories of individuals:

- insiders,
  - meaning individuals in possession of information identified as inside information with respect to the Market Abuse Regulation criteria defined by the MAR Committee as part of the implementation of the internal procedure for designating and publishing inside information and who were notified by the Ethics Officer that their name appears on the Company's list of insiders,
  - these individuals must comply with the rules applicable to the holding, disclosure and use of inside information and in particular with the absolute prohibition on carrying out any transaction on the Company's shares while such information has not yet been made public;
- individuals involved in preparing the Company's financial and accounting information,
  - who are not included on the Company's list of insiders but are on the list of individuals subject to closed periods insofar as they hold financial or accounts-related information which, while not necessarily constituting inside information with regard to the criteria defined by the Market Abuse Regulation, is nevertheless sensitive and confidential,
  - these individuals are required to comply with the obligations to refrain from dealing during closed periods established by the Company as described above and to ensure that the information in their possession remains confidential;
- individuals with executive responsibilities,
  - who are required to comply with obligations to refrain from dealing during closed periods laid down by the Company as described above,
  - these individuals, as well as those closely associated with them, are also obliged to disclose to the French Financial Markets Authority any transaction they have performed in Legrand shares exceeding a threshold of €20,000 per calendar year, within three business days following the completion of the transaction.

Any person may seek the opinion of the MAR Committee before performing a transaction in the Company's shares by submitting a request to the Ethics Officer who will then call a meeting of the MAR Committee for said purpose. This opinion is purely advisory. The decision on whether or not to perform the transaction remains the sole responsibility of the relevant person.

Internal Charter on the Qualification of Agreements

The Company possesses an Internal Group Charter on the Qualification of Agreements. This Charter designates agreements when they are entered into by the Company and distinguishes agreements that need to undergo the procedure for regulated agreements from those relating to regular transactions concluded under normal conditions. It is available on the Company's website www.legrandgroup.com/en, in the section "INVESTORS AND SHAREHOLDERS / Corporate governance / Home". In accordance with the latest relevant legal requirements, the Charter was updated and adopted by the Board of Directors on May 6, 2020. It contains a procedure under which an *ad hoc* committee may assess on a regular basis the conditions under which regular agreements concluded under normal conditions are entered into within the Group. The criteria and arrangements for this evaluation procedure are periodically reviewed by the Board of Directors.

6.1.1.3 WORK PERFORMED BY THE BOARD OF DIRECTORS IN 2020

In 2020, the Board met eight times. Directors' attendance at Board meetings was highly satisfactory since the attendance rate in 2020 was 93%.

Attendance record of the Board of Directors

	Rate of attendance	Form of attendance	
		Physical	Video conference
Angeles Garcia-Poveda	100% (8/8)	25%	75%
Olivier Bazil	100% (8/8)	25%	75%
Isabelle Boccon-Gibod	75% (6/8)	33%	67%
Christel Bories	88% (7/8)	14%	86%
Sophie Bourdais	100% (1/1)	0%	100%
Benoît Coquart	100% (2/2)	50%	50%
Edward A. Gilhuly	63% (5/8)	0%	100%
Philippe Jeulin	100% (8/8)	12%	88%
Patrick Koller	100% (8/8)	25%	75%
Michel Landel	100% (8/8)	25%	75%
Annalisa Loustau Elia	100% (8/8)	25%	75%
Éliane Rouyer-Chevalier	100% (8/8)	25%	75%
Gilles Schnepp	100% (8/8)	25%	75%

According to the Board's internal rules, some of its decisions may be prepared for by Board specialized Committees, enabling the Board of Directors to discharge its duties as effectively as possible. The work of these Committees is reported on in detail at the meeting of the Board of Directors. The average attendance rate at meetings of the various Board Committees was 100% in 2020. Information on these Board Committees can be found in section 6.1.3 of this Universal Registration Document.

Topics covered by the Board of Directors in 2020

The Board worked on the following matters:

- 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, 2019, and the related reports, the consolidated financial statements for the three months ended March 31, 2020, the consolidated financial statements and management report for the six months ended June 30, 2020, and the consolidated financial statements for the nine-month period ended September 30, 2020,
  - review and approval of press releases on the annual, half-yearly and quarterly consolidated financial statements,
  - proposed appropriation of earnings,
  - choice of dividend payment method and consequences in terms of share-related adjustments,
  - preparation of management projections for 2020,
  - approval of the 2020 budget;
- governance:
  - report on the work performed by the Lead Director,
  - report on the work of the Nominating and Governance Committee, as set out in section 6.1.3.3 below,
  - designation of independent directors,
  - review of the composition of the Board of Directors in view of the reappointment of three directors and the appointment of a new director representing the employees,
  - review of the composition of the 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),
  - amendment of the Internal Charter on the Qualification of Agreements and introduction of a procedure for assessing regular agreements, in accordance with the Pacte Law,
  - review of regulated agreements,

- modification to three years of the standard terms of directors' office as per the Articles of Association,
- reconfiguration of the Company's governance arrangements: appointment of Angeles Garcia-Poveda to chair the Board of Directors as a replacement for Gilles Schnepp; appointment of Michel Landel as Lead Director; appointment of Michel Landel as Chairman of the Nominating and Governance Committee and of Annalisa Loustau Elia as Chairwoman of the Compensation Committee;

- 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 2019,
- determination of the principles of compensation for 2020,
- long-term incentive plans/performance share plans and stock-option plans,
- use of the authority granted under the seventeenth resolution of the Combined Shareholders' Meeting on May 30, 2018,
- approval of the rules of the 2020 performance share plan for Group employees and the Chief Executive Officer and long-term incentive bonuses,
- approval of individual performance share awards to Group employees and the Chief Executive Officer,
- 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 2019,
- 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 guarantees, endorsements, and security interests,
- grants of authority to the Board of Directors to be proposed at the Shareholders' Meeting,
- use of the authority granted under the fifteenth resolution of the Combined Shareholders' Meeting on May 27, 2020;

- Company strategy and growth:
- report on the work of the Strategy and Social Responsibility Committee, as set out in section 6.1.3.3 below,
- approval of acquisition projects involving an amount in excess of €100 million,
- regular progress reports on proposed acquisition plans and on the financing of certain acquisitions,
- annual update on the Company's shareholder structure,
- presentations on strategic issues, especially during the Board of Directors' annual Strategy Seminar,
- presentation of the 2019-2021 CSR roadmap achievements,
- participation in defining the Company's purpose;

- risk management:
- management of Covid-19 risk,
- review of the risk management framework;

- preparations for the annual Combined Shareholders' Meeting on May 27, 2020:
- notice of meeting for the Shareholders' Meeting (finalization of the agenda and approval of draft resolutions),
- production of reports for the Shareholders' Meeting;

- other:
- recognition of the capital increase following exercises of options and cancellations of shares,
- annual review of the policy regarding gender balance and equal pay.

Board of Directors' annual Strategy Seminar

Every year Legrand's directors and the representatives of the Central Workforce and Economic Committee who attend meetings of the Board of Directors participate at a Strategy Seminar organized in France or abroad. The Strategy 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, products and markets. It also helps to spark discussions concerning the Company's strategy. In 2020, the Board's Strategy Seminar was held online, and its objective was to present the Group's strategic business units and its operations.

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 Board Committees,
- the quality of preparation and debate regarding significant matters, and
- the effective 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 at its meeting on November 9, 2016, the Board of Directors 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 addition, at its meeting on March 19, 2020, the Board of Directors, on the recommendation of the Nominating and Governance Committee, decided that the external evaluation would in future include an evaluation of directors' individual contributions.

In 2020, the evaluation of the Board of Directors and the Board Committees was carried out internally, under the oversight of the Lead Director. The Directors received a questionnaire and were given the option of arranging individual meetings with the Lead Director. The questionnaire was divided into two sections – the first was intended to evaluate the overall operating procedures of the Board of Directors and its Board Committees and the second to evaluate the individual contribution of each director. The results of the questionnaire were analyzed by the Nominating and Governance Committee and fed back at the Board of Directors' meeting of March 19, 2020.

In brief, the evaluation carried out in 2020 with respect to 2019 showed that the Board of Directors' operating procedures are highly satisfactory, especially with regard to:

- operating procedures for the Board and Committees, notably in terms of how meetings are conducted and the availability of documents in advance of meetings;
- the composition of the Board and Board Committees (diversity and number of members);
- the quality of the information provided by the Company to help directors fulfill their duties;
- informal meetings of the directors (meetings for non-executive directors, annual Strategy Seminar, directors' dinners) helping to strengthen the Board of Directors' common culture;
- the roll-out of the Board's new platform; and
- the clarity of the definition and division of responsibilities between management and the Board.

During 2020, the Directors formulated recommendations to maintain the continuous improvement process for the Board's operating procedures. Those recommendations and management's response were as follows:

- the desire to spend more time on strategic and operational issues (e.g., proactive opportunities for longer-term growth):
  - in response, it was agreed that the 2021 Board of Directors' Strategy Seminar would be devoted to strategic priorities;
- the shortening of Committee reports at Board meetings:
  - reports by Committees to the Board have been shortened and now focus on the discussions and the questions raised at the Committee meetings, and on their recommendations;
- deepen directors' understanding of the Group's businesses and their performance, and arrange for training every time a director is reappointed and give all directors the chance to attend:
  - a decision was made to continue deepening their knowledge in these areas, particularly during the 2021 Board of Directors' Strategy Seminar, and to arrange training sessions upon directors' reappointment, which all directors are given the chance to attend;
- lastly, as regards the operating procedures of the Strategy and Social Responsibility Committee, the desire (i) to add an annual agenda point at Board meetings to review the Group's CSR policy, (ii) to provide better information about the Group's competitive environment, and to (iii) provide greater detail concerning the underlying costs and pricing assumptions per region and per business:
  - in response to the first recommendation: a review of the Group's CSR policy is scheduled for the May Board of Directors' meetings, but more time will be devoted to this area in the future. Regarding the second recommendation, detailed cost and pricing assumptions were presented at the January 2021 Committee meeting concerning the 2021 budget.

6.1.2 - Lead Director

In its 2013 report on corporate governance and executive compensation, French Financial Markets Authority recommended making the appointment of a Lead Director compulsory where the positions of Chair and Chief Executive Officer are held by the same person.

The appointment of a Lead Director is one of the ways in which the Company maintains 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, following an opinion from the Nominating and Governance Committee. The term of office of the Lead Director may not exceed his/her term as director. The Lead Director may be reappointed based on a proposal made by the Nominating and Governance Committee.

After the offices of Chair and Chief Executive Officer were separated in 2018, the decision was made to retain the position of Lead Director.

In 2013, the Board of Directors appointed Angeles Garcia-Poveda as 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 Chairman of the Nominating and Governance Committee.

6.1.2.1 DUTIES OF THE LEAD DIRECTOR

The Lead Director's chief responsibility is to ensure the proper operation of the Company's governance bodies. In this respect, 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 conflicts. The Lead Director is kept informed by each director of any actual or potential conflict of interests. The Lead Director reports on these to the Board of Directors, as on any actual or potential conflict of interest which the Lead Director may detect independently;
- supervising the periodic evaluation of the Board's operating procedures and its specialized Committees;
- chairing and organizing an annual meeting of non-executive directors without executive or internal directors being present, at which matters discussed include the performance of senior executives and the future of management;
- reporting to the Chair of the Board of Directors on the conclusions of the annual meeting of non-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, if necessary, to the Chair of the Board of Directors to include additional items on the agenda of Board 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;
- chair meetings of the Board of Directors if the Chair is unable to attend; and
- if appropriate, attend meetings of Committees of which Lead Director is not a member.

The Lead Director ensures that directors have the possibility of meeting and hearing from senior management and Statutory Auditors, as provided for by the Board's internal rules. More generally, the Lead Director ensures that directors receive the information needed to discharge their duties as effectively as possible, as provided for in the Board's internal rules. The Lead Director reports to the Board of Directors once a year.

6.1.2.3 REPORT ON THE WORK PERFORMED BY THE LEAD DIRECTOR AND HER SUCCESSOR MICHEL LANDEL IN 2020

In 2020, Angeles Garcia-Poveda convened and chaired an annual meeting of the Company's non-executive directors, without any of the Company's executive or internal directors being present. During this meeting, 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 non-executive directors (scheduling, length, etc.) and to evaluate the quality and content of the discussions that took place at the meeting. The directors expressed their full satisfaction regarding the above points.

In 2020, the Lead Director also chaired the Board's discussions regarding the evaluation of the Chief Executive Officer's performance and decisions regarding the company officers' compensation packages. These discussions took place without the relevant individuals being present.

The Lead Director spoke at the Company's Shareholders' Meeting of May 27, 2020, and presented the components making up Gilles Schnepp and Benoît Coquart's compensation, as well as the Group's governance framework. With regard to compensation, the Lead Director explained:

- the components of compensation paid to Gilles Schnepp and Benoît Coquart for the 2019 financial year,
- the compensation policies for the 2020 financial year in respect of Chairman of the Board of Directors, directors and Chief Executive Officer.

With regard to governance, Angeles Garcia-Poveda gave a presentation to shareholders of the composition of the Board of Directors and changes therein, with a focus on its activity and that of its Committees, and the diversity and balance of its composition.

In accordance with the Board of Directors' internal rules, Michel Landel, the new Lead Director who took over from Angeles Garcia-Poveda, presented the Board of Directors' meeting on March 17, 2021, with a report on his activities in 2020. The Board of Directors approved the Lead Director's activity report, expressing its complete satisfaction with the work performed.

6.1.3 - Board Committees

To facilitate the work of the Board of Directors and preparations for decision-making, the Board establishes specialized Committees to examine topics within their respective remit. These specialized Committees submit opinions, proposals and recommendations to the Board of Directors.

There are four permanent Board Committees:

- the Audit Committee;
- the Nominating and Governance Committee;
- the Compensation Committee; and
- the Strategy and Social Responsibility Committee.

6.1.3.1 COMPOSITION OF THE BOARD COMMITTEES

Applicable principles

The Board of Directors appoints members based on a proposal made by the Nominating and Governance Committee, for a term set by the Board of Directors. This term may not exceed their term of office as a director. The Board of Directors may remove Committee members after consultation with the Nominating and Governance Committee.

The Audit Committee may have a maximum of five members. The executive officers may not be appointed to the Committee. Members of the Audit Committee should have 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 Nominating and Governance Committee, from among the Audit Committee's independent members. The appointment of the Audit Committee's Chair must be specifically examined by the Board of Directors. The same procedure shall apply for the extension of the Chair's term of office.

The Nominating and Governance Committee may have a maximum of five members. Executive officers may not join the Compensation Committee. The Chair of the Nominating 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, on a proposal made by the Nominating and Governance Committee.

The Strategy and Social Responsibility Committee may have a maximum of six members. The Chair of the Strategy and Social Responsibility Committee is chosen by the members of said Committee from among its members, on a proposal made by the Nominating and Governance Committee.

Current composition of the Board Committees

	Board of Directors' specialized Committees			
	Audit Committee	Nominating and Governance Committee	Compensation Committee	Strategy and Social Responsibility Committee
Angeles Garcia-Poveda				●
Olivier Bazil		●		●
Isabelle Boccon-Gibod	●			●
Christel Bories	●			C
Sophie Bourdais			●	
Edward A. Gilhuly				●
Philippe Jeulin	●			
Patrick Koller		●	●	
Michel Landel		C	●	
Annalisa Loustau Elia			C	
Éliane Rouyer-Chevalier	C		●	
Gilles Schnepp				●

● *: member of a Committee.*

C: chair of a Committee.

In 2020, and through until the date of this Universal Registration Document, the changes in the composition of the various Committees were as follows:

	Departures	Appointments	Reappointments
Audit Committee			Isabelle Boccon-Gibod (May 27, 2020) Christel Bories (May 27, 2020)
Nominating and Governance Committee	Angeles Garcia-Poveda (July 1, 2020)	Michel Landel as Chairman (July 1, 2020)	
Compensation Committee	Angeles Garcia-Poveda (July 1, 2020)	Annalisa Loustau Elia as Chairwoman (July 1, 2020) Sophie Bourdais (November 4, 2020) Michel Landel (November 4, 2020)	
Strategy and Social Responsibility Committee			Angeles Garcia-Poveda (May 27, 2020) Isabelle Boccon-Gibod (May 27, 2020) Christel Bories (May 27, 2020)

Audit Committee

The Audit Committee is made up of four members appointed by the Board of Directors, three of whom are independent:

- Éliane Rouyer-Chevalier (independent director, Chairwoman),
- Isabelle Boccon-Gibod (independent director),
- Christel Bories (independent director), and
- Philippe Jeulin (director representing employees).

Their biographies and information about their education and professional development can be found in appendix 3 to the management report on the annual financial statements for the year ended December 31, 2020, of this Universal Registration Document.

The Audit Committee is chaired by **Éliane Rouyer-Chevalier**, who has 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 experience as a member of the audit committee of a listed company.

In addition, **Christel Bories** has gained senior management experience in industrial groups, which is useful to the Audit Committee.

Finally, given the profile, interest in cybersecurity issues and experience of **Philippe Jeulin**, a director representing employees who works in the Company's Information Systems department, the Board of Directors, on the recommendation of the Nominating and Governance Committee, decided to appoint him to the Audit Committee at its meeting on March 20, 2019.

Since all the Audit Committee members are independent[1], the composition of the Audit Committee is compliant with the Code of Corporate Governance, which recommends that at least two-thirds of members should be independent directors.

Nominating and Governance Committee

The Nominating 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 and information about their education and professional development can be found in appendix 3 to the management report on the annual financial statements for the year ended December 31, 2020, of this Universal Registration Document.

Michel Landel has chaired the Nominating and Governance Committee since July 1, 2020. 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 has served as lead director and governance committee chairman of 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 issues 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 major listed industrial group.

The Code of Corporate Governance recommends that a majority of the members of the nominating and governance committee should be independent directors. With two of the three members designated as independent directors, the composition of the Nominating and Governance Committee is compliant with this recommendation.

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 and information about their education and professional development can be found in appendix 3 to the management report on the annual financial statements for the year ended December 31, 2020, of this Universal Registration Document.

Since July 1, 2020, the Compensation Committee has been chaired by **Annalisa Loustau Elia**. Her skill set enables her to evaluate extra-financial and longer-term performance (growth initiatives, marketing, etc.).

(1) The directors representing employees are not counted for the purpose of calculating the proportion of independent directors, in accordance with the recommendations of the Code of Corporate Governance.

In accordance with the Code of Corporate Governance, the Board of Directors, on the recommendation of the Nominating and Governance Committee, appointed **Sophie Bourdais**, a director representing employees, as a member of the Compensation Committee.

Patrick Koller gives 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 on November 4, 2020, as a member of the Compensation Committee. The Board took into consideration his experience as a director of listed groups, and given his governance and CSR skills and expertise, Michel Landel is expected to make a valuable contribution to the Committee's work.

Lastly, **Éliane Rouyer-Chevalier** has expertise in CSR, a major factor used to determine the compensation of the Group's executives. The Compensation Committee benefits from her experience and her insights in the field of corporate governance.

As stated in the "Term of office expiring in 2021" section above, Annalisa Loustau Elia has expressed her intention to stand for reappointment as a director. Her term of office is due to expire at the Shareholders' Meeting to be held on May 26, 2021. The Nominating and Governance Committee and the Board of Directors decided to support her reappointment. Should her term of office be renewed, Annalisa Loustau Elia would retain her duties 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.

Strategy and Social Responsibility Committee

The Strategy and Social Responsibility Committee has six 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),
- Edward A. Gilhuly (independent director), and
- Gilles Schnepp.

Their biographies and information about their education and professional development can be found in appendix 3 to the management report on the annual financial statements for the year ended December 31, 2020, of this Universal Registration Document.

The Strategy and Social Responsibility Committee is chaired by **Christel Bories**, whose senior management experience with industrial groups provides useful insights for the Committee.

Isabelle Boccon-Gibod joined the Committee at a time of more rapid development in the Group and a sharper focus on CSR topics. The Committee is enriched by her financial and CSR expertise.

The experience gained by **Angeles Garcia-Poveda** during her career with international strategy consulting and executive recruitment firms is beneficial to the Strategy and Social Responsibility Committee.

Edward A. Gilhuly provides the Committee with the benefit of his skills in finance and acquisitions strategy and his knowledge of doing business in the United States, which is invaluable because of the Group's exposure to that country.

Lastly, **Olivier Bazil** and **Gilles Schnepp** provide the Committee with the benefit of their in-depth knowledge of the Group and its businesses.

6.1.3.2 OPERATING PROCEDURES OF THE BOARD COMMITTEES

Each Committee meets as often as required to consider issues falling within its remit; 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 may also convene a Committee meeting if he/she deems it necessary for the Committee to give an opinion or a recommendation to the Board of Directors on a specific topic.

The chair of each Committee establishes the Committee meeting 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 agenda and all 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.

In performing its powers, 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 remit and arrangements for the operation of the Audit Committee are outlined in the Board of Directors' internal rules, the provisions of which are restated below. The duties and operating rules of the Company's Audit Committee were determined based on the conclusions of the AMF working group 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 efficiency 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. Should the Audit Committee call upon outside experts, it must ensure that they have the requisite skills and independence.

As regards internal control procedures and risk management, the Board of Directors entrusts the Audit Committee with the following tasks:

- to ensure that internal control and risk management systems, as well as internal audit systems, exist and to monitor their effectiveness in relation to the procedures for preparing and processing accounting, financial and extra-financial information, without this affecting the Committee's independence;
- to familiarize itself with information about the procedures for preparing and processing the accounting and financial information included in the reports presented to the Shareholders' Meeting;
- to assess 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 presentation of the Company and its Group, and comply with applicable accounting standards;
- to give its opinion on the organization of the internal audit and risk control departments;
- to monitor the implementation and effectiveness of risk management procedures;
- to ensure that remedial action is taken in the event of significant weaknesses or flaws;
- to examine 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;
- to ensure the relevance and quality of the Company's financial reporting;
- to hear the head of CSR with regard to:
  - the risks, including with a view to mapping CSR risks,
  - the conclusions of the independent third-party organization responsible for reviewing the extra-financial data, and
  - the methodology used to build and analyze the roadmap.

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 Board of Directors' internal rules, additional remuneration 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:

- to monitor the financial reporting process and, where appropriate, to make recommendations to ensure its integrity;
- to carry out a prior examination of the draft statutory and consolidated financial statements, whether annual, half-yearly or quarterly, in order to ascertain the conditions in which they were prepared and to ensure the relevance and consistency of the accounting rules and principles adopted;
- to examine the method and scope of consolidation applied in the financial statements;
- to ensure the proper accounting treatment of material transactions at Group level;
- to regularly ascertain 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 must present the key audit matters to the Committee covering in particular any audit adjustments and material internal control weaknesses identified during the Auditors' assignment, and the accounting options selected. As part of the review, the Audit Committee may examine major transactions potentially giving rise to conflicts of interest.

Management should also give a presentation to support the Audit Committee's review of the financial statements.

During this presentation, management presents the Company's risk exposures, including to 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 fulfill their duty in performing the 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 reappointment 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 them;
- 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 to 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 half-yearly financial statements are approved on:

- how it has conducted its duties,
- 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 the Chair having a casting vote. Meetings of the Audit Committee may take place by conference call or videoconference.

Nominating and Governance Committee

The remit and arrangements for the operation of the Nominating and Governance Committee are outlined in the Board's internal rules, the provisions of which are restated below.

Duties of the Nominating and Governance Committee

The Nominating 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 Board 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 nature of the Board Committees' duties;
- considering proposals submitted by interested parties, including management and shareholders;
- preparing, under the supervision of the Lead Director, the procedures for periodic self-assessments by the Board of Directors and

governance bodies, and any evaluation of the Board of Directors by an external consultant;

- preparing a succession plan for company officers so as to be able to recommend options to the Board of Directors, particularly in the event of an unforeseen vacancy; the succession planning for company officers is reviewed annually by the Chair of the Nominating 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), assisting the Board of Directors in adapting the Company's corporate governance, and submitting proposals in this regard;

The Chief Executive Officer is involved in the Nominating and Governance Committee's work on the selection of new directors and succession planning for company officers.

Meetings of the Nominating and Governance Committee

The Nominating 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 remit. It reports on its activities to the Board of Directors. Meetings of the Nominating and Governance Committee are only valid if at least half of its members are present. Decisions are made by simple majority, with the Chair having a casting vote. Meetings of the Nominating and Governance Committee may be held by conference call or videoconference.

Compensation Committee

The remit and arrangements for the operation of the Compensation Committee are outlined in the Board of Directors' internal rules, the provisions of which are restated below.

Duties of the Compensation Committee

As regards the compensation of company 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 submits proposals to the Board of Directors regarding all components of compensation and benefits of company officers in particular as regards the calculation of the variable portion of compensation. To this end, it defines the rules for calculating this variable portion, taking into account the need for consistency with annual evaluations of the performance of company officers and the Group's medium-term strategy; it also oversees proper application of these rules;
- 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, ensure 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 directors' compensation in accordance with the provisions of the Board's internal rules;
- 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 are valid only if at least half of its members are present. Decisions are made by simple majority, with the Chair having a casting vote. Meetings of the Compensation Committee may take place by conference call or videoconference.

Strategy and Social Responsibility Committee

The remit and arrangements for the operation of the Strategy and Social Responsibility Committee are outlined in the Board's internal rules, the provisions of which are restated below.

Duties of the Strategy and Social Responsibility Committee

The duties of the Strategy and Social Responsibility Committee are to assist the Board of Directors in its decisions regarding the strategic direction of the Company's business, and in particular to:

- examine all significant projects concerning the Group's development and strategic positioning, 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 Strategy and Social Responsibility Committee may meet with Company managers on the assumptions used to draw up or amend these budgets;
- assess consistency between Group strategy and the CSR principles adopted by the Group and ensure that management conducts an analysis of internal or external factors related to CSR issues (risks and opportunities) that have an influence on the Group, such as regulations, third-party expectations and sector comparisons;
- 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, assess them and examine the related management action plans.

Meetings of the Strategy and Social Responsibility Committee

The Strategy and Social Responsibility 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 Strategy and Social Responsibility Committee are valid only if at least half of its members are present. Decisions are made by simple majority, with the Chair having a casting vote. Meetings of the Strategy and Social Responsibility Committee may be held by conference call or videoconference.

Use of services provided by external consultants

The Board Committees may request external technical studies relating to matters within their remit 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 concerned is objective.

6.1.3.3 WORK PERFORMED BY THE BOARD COMMITTEES IN 2020

In 2020, directors' attendance rate at Board Committee meetings was 100%. 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 Committees

	Audit Committee	Nominating and Governance Committee	Compensation Committee	Strategy and Social Responsibility Committee
Angeles Garcia-Poveda	Not applicable	100%	100%	100%
Olivier Bazil	Not applicable	100%	Not applicable	100%
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
Edward A. Gilhuly	Not applicable	Not applicable	Not applicable	100%
Philippe Jeulin	100%	Not applicable	Not applicable	Not applicable
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
Éliane Rouyer-Chevalier	100%	Not applicable	100%	Not applicable
Gilles Schnepp	Not applicable	Not applicable	Not applicable	100%

Work performed by the Audit Committee in 2020

The Audit Committee met six times in 2020. 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 statutory and consolidated financial statements at December 31, 2019,
  - a review of the consolidated management report,
  - a review of the consolidated financial statements for the three months ended March 31, 2020, the consolidated financial statements for the six months ended June 30, 2020, and the half-year financial report, and the consolidated financial statements for the nine months ended September 30, 2020,
  - review of the Statutory Auditors' work at December 31, 2019, and June 30, 2020,
  - review of key figures in press releases on the annual, quarterly and half-yearly consolidated financial statements and assumptions on the outlook for 2020, as well as accounting options,
  - payment arrangements for dividends and their consequences for resolutions to be submitted to the Annual Shareholders' Meeting of May 27, 2020.
- 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 the section of the consolidated management report on procedures for preparing and processing accounting and financial information,
  - review of risk mapping,
  - cybersecurity briefing;
- audit and relations with external auditors:
  - internal audit: 2019 summary and review of the 2020 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:
  - presentation of the risk factors section of the 2020 Universal Registration Document and of the 2020 statement on extra-financial performance,
  - review of the Group's cash flow forecasts.

Pursuant to the internal rules of the Board of Directors, the Audit Committee, as part of its duties, met with the Chief Financial Officer, the heads of internal audit and risk control, and the person responsible for CSR. 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 Nominating and Governance Committee in 2020

The Nominating and Governance Committee met four times in 2020. The attendance rate for the year was 100%. The Committee met to consider matters including the following:

- composition of the Board of Directors and its Committees:
  - procedure for designating independent directors,
  - annual review of the Board of Directors' diversity policy,
  - recommendation to reappoint Isabelle Boccon-Gibod, Christel Bories and Angeles Garcia-Poveda as directors,
  - recommendation to appoint Benoît Coquart,
  - recommendation concerning the composition of the Compensation Committee and the Nominating and Governance Committee as part of the reconfiguration of the Company's governance framework,
  - recommendation concerning the Chair of the Compensation Committee and the appointment of the new Chairman of the Nominating and Governance Committee,
  - recommendation concerning the reduction from four to two of the number of representatives of the Central Workforce and Economic Committee at the Board of Directors,
  - recommendation to shorten to three years the term of directors' office laid down in the Articles of Association;
- Group succession planning:
  - annual review of existing succession plans, whether in the long term or in the case of unforeseen events, concerning all key management posts within the Group, as well as Chief Executive Officer, Chair of the Board of Directors, directors and members of the Board Committees;
- other:
  - review of the corporate governance report,
  - update on the internal evaluation of the operating procedures of the Board of Directors and its Committees, including an evaluation of the individual contribution made by each director.

Work performed by the Compensation Committee in 2020

The Compensation Committee met seven times in 2020. Attendance 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 company officers,
  - determination of the compensation paid to the Chair of the Board of Directors with respect to 2019,
  - determination of the compensation paid to the Chief Executive Officer with respect to 2019,
  - determination of the compensation policy for company officers in respect of 2020;
- long-term incentive plans/performance share plans:
  - rules of the 2020 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 retain in registered form until the termination of his duties as concerns performance share awards,
- compensation granted to the directors:
  - amounts awarded in respect of 2019,
  - determination of the compensation policy for directors in respect of 2020;
- directors' expenses:
  - proposed overall annual reimbursement budget.

Work performed by the Strategy and Social Responsibility Committee in 2020

The Strategy and Social Responsibility Committee met seven times in 2020. Attendance for the year was 100%. 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 2020 draft budget,
  - approval of the 2020 budget;
- CSR:
  - review of CSR indices of which the Company is a constituent, and competitive analysis,
  - presentation of the new 2019-2021 CSR roadmap achievements,
  - review of priority objectives for 2020.

6

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. Please see appendix 3 to the management report on the annual financial statements for the year ended December 31, 2020, of this Universal Registration Document for biographical details concerning Benoît Coquart.

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 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 keep 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, he/she is considered as having resigned from the role after the Ordinary Shareholders' Meeting called 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 the Chief Executive Officer is not a director, he/she 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 his/her 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 him/her. Chief Operating Officers must always be natural persons. They may or may not be directors. In agreement with the Chief Executive Officer, the Board determines 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 a decision to the contrary is taken by the Board. 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 offices of Chair of the Board from those of Chief Executive Officer

According to the Code of Corporate Governance, "corporations with a Board of Directors can choose between separation of the offices of Chairman and Chief Executive Officer and the combination of such offices. The law does not favour either formula and allows the Board of Directors to choose between the two forms of exercise of executive management". At its meeting of March 17, 2006, the Board of Directors decided to combine the offices of Chair and Chief Executive Officer, with Gilles Schnepp performing both roles. This form of governance was chosen ahead of the Company's initial public offering.

At the Board of Directors meeting of February 7, 2018, Gilles Schnepp submitted a proposal to the Board of Directors to reconfigure the Group's governance framework in order to continue the Company's development as effectively as possible. 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.

Consequently, at its February 7, 2018, meeting, the Board of Directors decided to renew Gilles Schnepp's term of office as Chairman of the Board of Directors, to recommend the renewal of his term of office as director at the Shareholders' Meeting on May 30, 2018, and to appoint Benoît Coquart to succeed him as Chief Executive Officer of the Company. With the appointment of Benoît Coquart, Legrand's general management is now headed up by a young but experienced executive, who is fully aware 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, concerning the reconfiguration of the Company's governance, 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 of the offices of Chair and Chief Executive Officer.

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 its 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 of the Board of Directors 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. This Committee brings together representatives of the Group’s country management teams and operational departments.

At the date of this Universal Registration Document, the Executive Committee, which includes three women, has the following members:

Name	Position	Date of joining the Group
Benoît Coquart	Chief Executive Officer	1997
Karine Alquier-Caro	Executive VP, Purchasing	2001
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
Gloria Glang	Executive VP, Strategy and Development	2019
Franck Lemery	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 4.3.4 of this Universal Registration Document, the Group is actively committed to combating discrimination and promoting diversity. The Group actively 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 4.3.4 of this Universal Registration Document for further information.

As regards the Executive Committee, efforts to appoint more women to the Committee started several years ago, and 33% of its members were women at the end of 2020, an improvement on the 25% at year-end 2018. 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. Between 2019 and 2020, the proportion rose from 15.2% to 17.5%.

Lastly, to sustain a gender-balanced pipeline of talent into senior management positions, the Group added a priority in its 2019-2021 CSR roadmap of increasing by 20% the number of managerial positions held by women. 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 2020, the rate rose from 22.6% to 24.8%.

6.1.5 - Service agreements

As of the date of this Universal Registration Document and as far as the Company is aware, no existing services contract 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 - COMPENSATION AND BENEFITS OF COMPANY OFFICERS

6.2.1 - Compensation policy for company officers in respect of 2021

The compensation policy for company officers in respect of 2021 was established by the Board of Directors in accordance with article L. 22-10-8 of the French Commercial Code, on the recommendation of the Compensation Committee.

It forms part of the report on corporate governance in Appendix 2 of this Universal Registration Document.

6.2.1.1 OBJECTIVES, PRINCIPLES AND RULES USED TO DETERMINE AND IMPLEMENT THE 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,
- understandability of the rules, and
- proportionality.

The Board of Directors ensures that the compensation policy is aligned with the Company's corporate interest and complies with the following principles:

- to be in line with market practice for comparable companies,
- to be tailored to the Company's strategy and context, and
- promote the Company's performance and its competitiveness in the medium and long term, while integrating criteria related to the social and environmental responsibilities.

The principles underpinning the compensation policy for company officers in 2021 remain essentially unchanged compared to 2020. 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 shareholders' interests and contribute to the completion 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- and long-term objectives;
- a significant proportion of variable compensation is based on the Company's performance relating to CSR;
- 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 sustainability, 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 proposals to the Board of Directors concerning all components of compensation, including its variable portion. To achieve this, it lays down the rules for setting this variable portion, while ensuring that these rules are consistent with annual assessments of executive officers' performance and with 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 and its Committees, in accordance with the Code of Corporate Governance. It therefore includes a predominantly variable portion.

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). Even so, the Compensation Committee may propose, and the Board of Directors may decide to set distinct or specific long-term compensation performance criteria for the company officers that are not the same as those applicable to the Group's other executives.

Regarding the performance criteria for long-term compensation, the first three performance criteria are the same as for all beneficiaries.

In addition, the Board of Directors, on the recommendation of the Compensation Committee, has integrated compensation criteria related to the employment conditions of the Group's employees into the targets for the qualitative portion of the Chief Executive Officer's variable compensation. Accordingly, in respect of the general criteria for the qualitative portion of the Chief Executive Officer's annual variable compensation, the following are assessed:

- measures to promote diversity and gender balance in the workforce,
- workforce-related initiatives and dialog.

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 Compensation Committee. They feature in section 6.2.2.4 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. During this review, the Compensation Committee takes into consideration changes in the compensation and employment conditions of the Company's employees to make its recommendations to the Board of Directors.

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 at other comparable companies.

The most recent adjustment to the compensation policy for executive officers took place when the offices of Chairman and Chief Executive Officer were separated in 2018. As stated in section 6.2.1.3 of this Universal Registration Document, a reassessment of the Chief Executive Officer's compensation is scheduled for 2021.

Alteration of the compensation policy in respect of 2021

As regards the compensation policy applicable to the Chairman of the Board of Directors in respect of 2021, the Board of Directors on the recommendation of the Compensation Committee, decided to leave unchanged the compensation policy applicable to the Chairman of the Board of Directors.

As regards the compensation policy applicable to the Chief Executive Officer in respect of 2021, the Board of Directors of March 17, 2021, on the recommendation of the Compensation Committee, decided to increase the Chief Executive Officer's annual fixed compensation from €700,000 to €900,000 so that his compensation is consistent and reasonable with respect to the market. That increase corresponds to the increase initially planned in 2020 but not applied based on the proposal by Benoît Coquart to waive it because of the global health emergency and economic crisis caused by Covid-19 and the decision of the Board of Directors not to apply it.

As regards long-term compensation, the Board of Directors, based on a proposal by Mr. Coquart and in light of the global health emergency and economic crisis caused by Covid-19, had decided, in respect of the 2020 policy, to reduce by 50% the target value for long-term compensation (lowering the target value for long-term compensation from 200% of 2019 fixed compensation to 100% of 2020 fixed compensation). The target value for long-term compensation in respect of the 2021 policy was increased to 200% of annual fixed compensation, taking it back to the 2019 level.

As regards the compensation policy for directors, the Board of Directors of March 17, 2021, on the recommendation of the Compensation Committee, decided to adjust the rules for apportioning directors' compensation. That adjustment corresponds to that initially planned in 2020 but not applied because of the global health emergency and economic crisis caused by Covid-19.

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. The Board of Directors, on the recommendation of the Compensation Committee, sets every year 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 of the Board of Directors, 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 growth in sales and adjusted operating margin before acquisitions. They are aligned with the Company's public targets. They 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 relates to the rate of achievement of the Group's CSR roadmap, which is audited by independent third parties.

The criteria for the **qualitative portion** of annual variable compensation are as follows:

- innovation and competitive position:
  - innovation and R&D (new products and industrial processes),
  - trend in sales generated by products under the Eliot program,
  - relative market shares trends;
- quality of external growth:
  - strategic fit of acquisitions completed,
  - quality of acquisitions pipeline,
  - emphasis on multiples paid,
  - quality of integration of acquisitions already completed,
- sustainable development and efforts to combat global warming:
  - initiatives to cut CO_2 emissions,
  - trend in sales generated by energy-saving solutions,
  - Legrand's inclusion in benchmark CSR indices,
  - new initiatives related to sustainable development;
- general criteria:
  - diversity and gender balance,
  - risk management,
  - workforce-related initiatives and dialog.

Achievement of the criteria for the qualitative portion of annual variable compensation is assessed by the Board of Directors based on the recommendation of the Compensation Committee, which 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. They are usually announced to the market in February each year. The criteria are therefore transparent and measurable.

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. This fourth criterion is thus transparent and measurable.

Criteria for apportioning the annual fixed allocation for directors

The criteria for apportioning compensation between directors are presented in section 6.2.1.4 of this Universal Registration Document.

Arrangements for applying the compensation policy in the event of a potential change in governance

In the event of a change in governance, and notably in the event of appointment of a new executive officer during 2021, the principles and components of compensation laid down in the compensation policy applicable for 2021 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 the second paragraph of Article L. 22-10-8(III) of the French Commercial Code, the Board of Directors may depart from application of the components of the compensation policy if certain conditions are complied with. This is provided that such deviation is temporary, in keeping with the corporate interest and necessary to safeguard the continued operation or viability of the Company.

The Board of Directors will decide on any adjustments to the compensation policy in exceptional circumstances, based on a proposal by the Compensation Committee, and they will be subsequently put to the vote in a Shareholders' General Meeting. Adjustments will have to be duly explained by the Board of Directors (after soliciting, where appropriate, the opinion of an independent consulting firm).

In 2020, the Board of Directors did not seek to make use of this power. However, based on a proposal by Benoît Coquart and in light of the global health emergency and economic crisis caused by Covid-19, the Board of Directors had decided, in respect of the 2020 compensation policy, to reduce by 50% the target value for long-term compensation (lowering the target value for long-term compensation from 200% of 2019 fixed compensation to 100% of 2020 fixed compensation) and not to apply the increase in the Chief Executive Officer's fixed salary (from €700,000 to €900,000) initially planned. The criteria for short-term variable compensation and long-term compensation remained unchanged. As a result, performance for the year was assessed with respect to the sales and adjusted operating margin targets adopted and announced to the market in February 2020, i.e. before the global health emergency and economic crisis, and which were subsequently suspended.

6.2.1.2 COMPENSATION POLICY APPLICABLE TO THE CHAIRMAN OF THE BOARD OF DIRECTORS IN RESPECT OF 2021

A – Term of office of the Chairman of the Board of Directors

The Board of Directors elects from among its members a Chairman who must be below the age of 65 upon appointment. The Chairman may be reappointed for consecutive terms without limit. The Chairman of the Board of Directors may resign from his/her duties at any time, without giving any notice.

The Board of Directors may dismiss him/her at any time, without giving any notice. The term of office of the Chairman of the Board of Directors is equivalent to the term of his/her term as director, which is currently three years.

Ms. Angeles Garcia-Poveda was appointed as Chairwoman of the Board of Directors on July 1, 2020, replacing Mr. Gilles Schnepp. 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 Chairman of the Board of Directors in respect of 2021

The annual fixed compensation of the Chairman 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 6.2.1.1 of this chapter, and in line with the responsibilities and duties assumed by the Chairman of the Board of Directors. The elements taken into account in determining that compensation are as follows:

- the role of the Chairman of the Board of Directors in organizing and directing the work of the Board of Directors;
- the analysis, via market studies, of compensation practices with respect to non-executive chairmen of CAC 40 companies; and
- the skills and experience of the Chairman of the Board of Directors.

Accordingly, the Board of Directors decided at its meeting on March 17, 2021, and upon the recommendation of the Compensation Committee, that, as for 2020, the compensation structure of the Chairman of the Board of Directors in respect of 2021 would involve fixed compensation as the one and only compensation component. That decision has been made taking into account market practices and in accordance with the recommendations of the Code of Corporate Governance. The Board of Directors decided at its March 17, 2021 meeting that the annual fixed compensation of the Chairman of the Board of Directors would amount to €625,000 for 2021.

No other component of compensation is provided for in the compensation policy applicable to the Chairman of the Board of Directors. In other words, the compensation policy does not provide for any annual variable compensation, long-term compensation, compensation for serving as a director of the company, exceptional compensation, or obligation covered by Article R. 22-10-14 (6) and (7) of the French Commercial Code. In addition, the compensation policy does not provide for any sign-on bonus upon the appointment of a new Chairman of the Board of Directors.

6.2.1.3 COMPENSATION POLICY APPLICABLE TO THE CHIEF EXECUTIVE OFFICER IN RESPECT OF 2021

A – Term of office of the Chief Executive Officer

The Chief Executive Officer is appointed by the Board of Directors. The Board of Directors determines the compensation and length 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 his/her duties at any time without giving any notice. The Board of Directors may dismiss him/her at any time without giving any notice.

Mr. 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 in the Shareholders' Meeting of May 27, 2020. 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 2021

Upon the recommendation of the Compensation Committee, the Board of Directors, taking into account market practices and in accordance with the recommendations of the Code of Corporate Governance, determines the compensation policy applicable to the Chief Executive Officer. In doing so, it refers to all the criteria and principles stated in section 6.2.1.1 of the present chapter.

To ensure that the Chief Executive Officer's compensation is competitive, the main elements considered in determining the overall structure of that compensation are as follows:

- the Chief Executive Officer's key role in the conduct of the Group's business;
- the analysis, via market studies, of compensation practices with respect to executive officers of CAC 40 companies; and
- the skills and experience of the Chief Executive Officer.

The compensation structure 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.

To this end, the annual fixed compensation of the Chief Executive Officer is determined by the Board of Directors, upon a proposal from the Compensation Committee. It is determined in line with the responsibilities and duties assumed by the Chief Executive Officer.

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. It also ensures that the mechanisms aim also to retain executives and bring their interests into line with the corporate interest of the Group and with shareholders' interests.

The Board of Directors therefore wishes to place the emphasis on annual variable compensation and long-term compensation to help foster retention and to provide an incentive linked to financial and extra-financial performance.

The Board of Directors has therefore established the following compensation package for the Chief Executive Officer in 2021:

Component	Purpose and link with strategy	Operation	Amount/Percentage weighting of fixed compensation
Fixed	**Provide compensation for the breadth 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; ■ experience; ■ market practices of CAC 40 companies; ■ potential changes of role and responsibility.	€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 (75%):*** structured so as provide an incentive for 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). ***Of which qualitative (25%):*** structured so as to take account of the year's initiatives deployed to support growth, efforts to combat climate change, and risks management.	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 extra-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 presence condition and 4 demanding performance criteria (each counting for a 1/4) measured over three years: ■ target for organic sales growth (3-year average of achievement rates); ■ target for adjusted operating margin before acquisitions (three-year average of achievement rates); ■ rate of achievement of the Group's CSR roadmap (3-year average of achievement rates); ■ Legrand share price performance as compared with the performance of the CAC 40 index (difference in performance 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 2021

The Board of Directors, on the recommendation of the Compensation Committee, approved the following principles regarding the compensation policy for the Chief Executive Officer in respect of 2021.

- **Annual fixed compensation amounting to €900,000.**

  This amount was determined by the Board of Directors in its March 17, 2021 meeting, on the recommendation of the Compensation Committee and based on compensation paid to executive officers of CAC 40 companies. The Chief Executive Officer's annual fixed compensation under the 2021 compensation policy was increased relative to the €700,000 awarded under the 2020 policy. The Board of Directors took into account the Chief Executive Officer's 2020 fixed compensation compared with benchmark levels among CAC 40 companies. The increase corresponds to the increase initially planned in 2020 but not applied following the proposal by Benoît Coquart to waive it and the decision by the Board of Directors in its April 10, 2020 meeting not to apply it given the global health emergency and economic crisis caused by Covid-19.

  The amount of annual fixed compensation after the increase is slightly above the first decile of fixed compensation among CAC 40 companies, which the Board of Directors regards as reasonable given Legrand's position in that index.

- **Annual variable compensation, the target value of which was set at 100% of annual fixed compensation (three quarters quantifiable and one quarter qualitative).**

  It may potentially 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" section.

- **Long-term compensation in the form of performance share plans.**

  As regards long-term compensation, the Board of Directors, based on a proposal by Mr. Coquart and in light of the global health emergency and economic crisis caused by Covid-19, decided, in respect of the 2020 policy, to reduce by 50% the target value for long-term compensation (lowering the target value for long-term compensation from 200% of 2019 fixed compensation to 100% of 2020 fixed compensation). The target value for long-term compensation in respect of the 2021 policy was increased to 200% of annual fixed compensation, taking it back to the 2019 level.

  As the case may be, this compensation will entitle the recipient to an award of shares. The number of shares can 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 the present chapter.

The increase in the fixed component of compensation takes total target compensation to an amount situated between the first decile and first quartile among CAC 40 companies, which the Board of Directors regards as reasonable given Legrand's position in that index.

C – Determination of the calculation principles, criteria and weightings applicable to the annual and long-term variable compensation components attributable to the Chairman and Chief Executive Officer in respect of 2021

Annual variable compensation of the Chief Executive Officer in respect of 2021

The principles for calculating the annual variable compensation in respect of 2021 including the criteria applicable and their weighting, are shown in the table below. They were determined by the Board of Directors in its March 17, 2021 meeting, 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 contingent upon its 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 17, 2021, on the recommendation of the Compensation Committee, decided to maintain unchanged the nature and weightings of quantifiable and qualitative criteria relating to annual variable compensation established for the 2020 financial year.

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 targets announced	The range bounds for the performance targets correspond to 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 targets announced	
Acquisitions	Consistency with the Group's growth model	Consistency with the Group's growth model (measured by sales growth during the year resulting from changes in scope).
Achievement rate 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.	Consistency with the Group's social responsibility commitments under its CSR roadmap.

Criteria and targets for annual variable compensation for 2021

				Min	Target	Max
Quantitative: 3/4 of annual variable i.e. 75% of target fixed compensation	Organic sales growth	2021 organic sales growth	As a % of fixed compensation	0%	**15%**	22.5%
			Indicator value	1%	3.5%	6%
	Operating margin	2021 adjusted operating margin (at 2020 scope)	As a % of fixed compensation	0%	**40%**	60%
			Indicator value	19.2%	19.7%	20.2%
	Acquisitions	2021 sales growth resulting from changes in scope	As a % of fixed compensation	0%	**10%**	15%
			Indicator value	0%	5%	10%
	Corporate Social Responsibility (CSR)	Rate of achievement of the Group's CSR roadmap	As a % of fixed compensation	0%	**10%**	15%
			Indicator value	70%	100%	130%
	TOTAL QUANTITATIVE			**0%**	**75%**	**112.5%**
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 under the Eliot program. • Relative market share trends.		0%	**10%**	15%
	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%
	Sustainable development & efforts to combat global warming	• Initiatives to cut CO_2 emissions. • Trend in sales generated by energy-saving solutions. • Legrand's inclusion in benchmark CSR indices. • New initiatives related to sustainable development.		0%	**5%**	7.5%
	General criteria	• Diversity and gender balance. • Risk management. • Workforce-related initiatives and dialog.		0%	**5%**	7.5%
	TOTAL QUALITATIVE			**0%**	**25%**	**37.5%**
TOTAL VARIABLE AS A % OF FIXED COMPENSATION				**0%**	**100%**	**150%**

Long-term compensation of the Chief Executive Officer in respect of 2021

In respect of 2021, the Chief Executive Officer is benefiting from a performance share plan (the "**2021 Performance Share Plan**"). Its implementation was decided upon by the Board of Directors at its meeting on March 17, 2021, on the recommendation of the Compensation Committee.

The initial award will be converted into performance shares in the meeting of the Board of Directors scheduled for May 26, 2021, at the end of the 2021 Shareholders' Meeting. It corresponds to 200% of the target amount of annual fixed compensation, with a possible variation between 0% and 150% of the initial award based on future performance criteria.

The nature of performance criteria has remained unchanged compared to the 2020 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 commitments in terms of corporate social responsibility within the framework of its CSR roadmap, which is central to Legrand's model and aims to ensure sustainable 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. The principle of non-payment if the share price underperforms the CAC 40 index (as described in point 4 below) applies 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 shareholders. They are transparent.

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	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

Payment 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	Lower than (LR(2) - 2 points)	Between (LR(2) - 2 points) and LR(2)	Equal to LR(2)	Between LR(2) and UR(3)	Equal to UR(3)	Between UR(3) and (UR(3) + 2 points)	Higher than (UR(3) + 2 points)

(1) For any point between the limits given in the table above, the payment rate is calculated on a straight-line basis.

(2) LR corresponds to the 3-year average of the lower ranges of the annual target disclosed to the market.

(3) UR corresponds to the 3-year average of the upper ranges of the annual target disclosed to the market.

Determination of the 3-year target based on the 2021 award plan

	Lower range of the annual target	Upper range of the annual target
Year 1: 2021	Equal to 1%	Equal to 6%
Year 2: 2022	Disclosed to the market in February 2022	Disclosed to the market in February 2022
Year 3: 2023	Disclosed to the market in February 2023	Disclosed to the market in February 2023
3-year target: Average of annual targets	LR(2)	UR(3)

(1) For any point between the limits given in the table above, the payment rate is calculated on a straight-line basis.

(2) LR corresponds to the 3-year average of the lower ranges of the annual target disclosed to the market.

(3) UR corresponds to the 3-year average of the upper ranges of the annual target disclosed to the market.

2) Adjusted operating margin before acquisitions criterion

Payment 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	Lower than (LR(2) - 50 bps)	Between (LR(2) - 50 bps) and LR(2)	Equal to LR(2)	Between LR(2) and UR(3)	Equal to UR(3)	Between UR(3) and (UR(3)+ 50 bps)	Higher than (UR(3)+ 50 bps)

(1) For any point between the limits given in the table above, the payment rate is calculated on a straight-line basis.

(2) LR corresponds to the 3-year average of the lower ranges of the annual target disclosed to the market.

(3) UR corresponds to the 3-year average of the upper ranges of the annual target disclosed to the market.

Determination of the 3-year target based on the 2021 award plan

	Lower range of the annual target	Upper range of the annual target
Year 1: 2021	Equal to 19.2%	Equal to 20.2%
Year 2: 2022	Disclosed to the market in February 2022	Disclosed to the market in February 2022
Year 3: 2023	Disclosed to the market in February 2023	Disclosed to the market in February 2023
3-year target: Average of annual targets	LR(2)	UR(3)

(1) For any point between the limits given in the table above, the payment rate is calculated on a straight-line basis.

(2) LR corresponds to the 3-year average of the lower ranges of the annual target disclosed to the market.

(3) UR corresponds to the 3-year average of the upper ranges of the annual target disclosed to the market.

3) Annual Group CSR roadmap achievement rates

Payment rate(1)	0%	Between 70% and 100%	Between 100% and 105%	Between 105% and 150%	150%
Arithmetic average over a 3-year period of the CSR roadmap annual achievement rates	Below 70%	Between 70% and 100%	Between 100% and 125%	Between 125% and 200%	Above 200%

(1) For any point between the limits given in the table above, the payment rate is calculated on a straight-line basis.

4) Legrand's share price performance

Payment rate(1)	0%	30%	Between 30% and 150%	150%
Difference between the performance of Legrand's share price and that of the CAC 40 index(2)	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 payment rate is calculated on a straight-line basis.

(2) For the 2021 plan, the three-year performance will be measured over the 2021-2023 period with the following calculation method:
- *Legrand stock market performance: comparison of the average daily closing prices of the second half of the third year of the plan (second half of 2023) with the average daily closing market prices of the second half of the year preceding the first year of the plan (second half of 2020), i.e. €69.82;*
- *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 2023) with 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 2020), i.e. 5,102.9 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 outcome of performance shares in the event that the Chief Executive Officer departs 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 awarded in 2021, 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 will 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 awarded to the deceased Chief Executive Officer be transferred to them, in accordance with statutory arrangements, 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, he or she may, under French law, request that ownership of all shares that the Board of Directors initially awarded be transferred to him/her without waiting until the end of the vesting period.

Holding obligation

Pursuant to article L. 22-10-59 of the French Commercial Code specified in the Code of Corporate Governance, the Chief Executive Officer must retain in registered form a certain percentage, to be determined by the Board of Directors, of the shares awarded until his/her 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 awarded to him.

C – 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 serving 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)(4) of the French Commercial Code

Pension plans

There is no commitment corresponding to a defined-benefit pension plan.

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 affiliated to 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 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 (AGIRC-ARRCO). 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 2021, the Company’s contribution for the Chief Executive Officer would represent an amount of €2,468. This amount is given for information purposes only.

In accordance with the procedure relating to related-party agreements and undertakings in force at the time, this commitment was authorized by the Board of Directors on February 7, 2018. This amount was approved by the Company’s shareholders at the Combined Shareholders’ Meeting of May 30, 2018 (eighth resolution).

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 as a result of or subsequent to the termination of his term of office or assignment to a different position (“golden parachutes”), even in the event of a change in control of the Company.

Non-compete clause

Given the profile of the Chief Executive Officer and to protect the interests of the Company and its shareholders, the meeting of the Board of Directors held on March 20, 2018, on the recommendation of the Compensation Committee, 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, 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. The latter would 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 annual fixed and variable salary and excludes sums received as long-term variable compensation. Its amount is lower than the cap recommended by the Code of Corporate Governance.

Under 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.

The Company’s shareholders approved that commitment made to the Chief Executive Officer at the Combined Shareholders’ Meeting of May 30, 2018 (seventh resolution), in accordance with the procedure for approving related-party agreements and undertakings in force.

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 no longer enjoyed the benefit of this plan since he was appointed as Chief Executive Officer on February 8, 2018.

Other non-monetary compensation components (executive car, pension plan, supplementary health insurance coverage)

The Chief Executive Officer has the use of an executive car. The benefit in kind that this represents would amount to €6,135 for 2021. This amount is given for information purposes only.

Furthermore, at its meeting held on February 7, 2018, the Board of Directors decided that the Chief Executive Officer would continue to benefit from “medical expenses” supplementary health insurance and “death, disability and inability to work” insurance available to the Group’s French executives, 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.

For 2021, the Company’s contribution for Benoît Coquart is estimated at €6,666. This amount is given for information purposes only.

The Company’s shareholders approved that commitment made to the Chief Executive Officer at the Combined Shareholders’ Meeting of May 30, 2018 (eighth resolution), in accordance with the procedure for approving related-party agreements and undertakings in force.

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.

6.2.1.4 COMPENSATION POLICY APPLICABLE TO THE DIRECTORS IN RESPECT OF 2021

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 requirements laid down in law and the Code of Corporate Governance on multiple directorships. They may be reappointed 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 director representing employees come to an end prematurely as a matter of course should his/her contract of employment be terminated.

B – Compensation applicable to the directors in respect of 2021

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.

It is reminded that the Chairwoman of the Board of Directors does not receive any compensation for serving as a director of the Company. The Chief Executive Officer also receives no compensation for serving 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.

The Board of Directors has analyzed studies of compensation paid to directors of CAC 40 companies. On that basis and on the recommendation of the Compensation Committee, it decided, in its March 17, 2021, meeting, to adjust the rules for apportioning directors' compensation from 2021 as follows:

- €25,000 per year for the fixed portion of directors' compensation, to which is added €5,000 each time the director attends a Board meeting;
- €3,000 for each director who is also a member of a Board committee for each Board committee meeting he/she attends; and
- an additional €20,000 to the Chairman of the Audit Committee and an additional €10,000 to the Chairmen 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.

These changes to the rules or apportioning directors' compensation correspond to those initially planned in 2020 but not applied following the decision by the Board of Directors in its April 10, 2020, meeting, given the global health emergency and economic crisis caused by Covid-19.

Should the Board of Directors decide to entrust any director with specific duties or a specific assignment, he/she may be awarded exceptional compensation. Its amount will be proportionate for such duties or assignment and in line with market practices.

With regard to 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. Its amount corresponds to one time the fixed portion of directors' compensation in respect of one year. 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 of the Board of Directors, all directors must, during their terms of office, gradually acquire a number of shares equivalent to one year of their compensation. Directors must hold those shares in their personal capacity. Annual compensation is calculated as follows:

- a director is assumed to take part, in a given year, in all meetings of the Board and Board committees of which he/she is a member, and
- the unit value per Legrand share is taken to be the average market share price in the last full financial year.

The minimum number of shares that a director must hold in his/her personal capacity and retain throughout his/her term of office is 500 shares.

Lastly, each director is entitled to the reimbursement of travel expenses incurred in performing his/her duties, subject to the upper limits laid down in the policy applicable within the Company and provided the expense claims are supported by receipts.

6.2.2 - Total compensation and benefits paid in 2020 or awarded in respect of the same year to the company officers

It is reminded that given the global health emergency and economic crisis related to Covid-19, the Board of Directors in its April 10, 2020, meeting, based on a proposal by the Chief Executive Officer and a recommendation by the Compensation Committee, took the following decisions concerning the Chief Executive Officer's compensation:

- the increase in the Chief Executive Officer's annual fixed compensation for 2020 compared with 2019 was canceled, the Board of Directors having initially decided, based on a recommendation by the Compensation Committee, to increase it from €700,000 to €900,000;
- to reduce by 50% the target value for long-term compensation (lowering the target value for long-term compensation from 200% of 2019 fixed compensation to 100% of 2020 fixed compensation).

The Board of Directors, in its April 10, 2020, meeting, also decided, based on a proposal by the Compensation Committee, not to change the rules for apportioning directors' compensation for 2020, the Board of Directors having initially decided, on the basis of a recommendation by the Compensation Committee, to adjust directors' compensation.

For more information on this matter, please refer to the press release published on April 11, 2020, and available on the Group's website.

Finally, although the full-year guidance initially published on February 13, 2020, was suspended by the Company on March 26, 2020, because of the global health emergency and economic crisis related to Covid-19, and the Board of Directors, based on a recommendation by the Compensation Committee, decided not to alter the targets for annual variable compensation and variable long-term compensation in respect of 2020, which meant that they remained aligned with the annual organic growth and adjusted operating margin targets published on February 13, 2020.

6.2.2.1 TOTAL COMPENSATION AND BENEFITS PAID IN 2020 OR AWARDED IN RESPECT OF THE SAME YEAR TO MR. GILLES SCHNEPP

The tables summarizing the components of compensation and benefits of any kind paid in respect of the financial year ended December 31, 2020, or awarded in respect of the same financial year to Mr. Gilles Schnepp, Chairman of the Board of Directors until June 30, 2020, are shown below.

Mr. Schnepp ceased to be the Chairman of the Board of Directors on June 30, 2020. The annual fixed compensation of the Chairman of the Board of Directors was therefore split on a pro rata basis between the Chairman serving from January 1 until June 30, 2020 (Mr. Gilles Schnepp) and the Chairwoman serving from July 1 until December 31, 2020 (Ms. Angeles Garcia-Poveda). Please refer to section 6.2.2.2 of this chapter for the presentation of Ms. Angeles Garcia-Poveda's compensation.

Table 1 of the Code of Corporate Governance – Summary of compensation, stock options and shares awarded to Mr. Gilles Schnepp in his capacity as Chairman of the Board of Directors until June 30, 2020

		2019	2020
Gilles Schnepp, Chairman of the Board of Directors from February 8, 2018			
Compensation awarded in respect of the year (see table 2 below for details)			
	(in euros)	625.000	312.500(1)
Value of the options awarded during the year (see table 4 below for details)			
	Number of options		
	(in euros)		
Value of performance shares awarded during the year (see table 6 below for details)			
	Number of shares		
	Value *(in euros)*		
Value of long-term variable compensation awarded during the year			
	Number of shares		
	Value *(in euros)*		
TOTAL *(in euros)*		**625.000**	**312.500**

(1) Pro-rated amount for the term of office from January 1, 2020, to June 30, 2020, corresponding to 50% of the fixed annual compensation provided for the Chairman of the Board of Directors.

Table 2 of the Code of Corporate Governance – Summary of compensation awarded to Mr. Gilles Schnepp in his capacity as Chairman of the Board of Directors until June 30, 2020

	2019		2020	
(in euros)	Amounts awarded	Amounts paid	Amounts awarded	Amounts paid
Gilles Schnepp, Chairman of the Board of Directors from February 8, 2018				
Fixed compensation	625.000	625.000	312.500	312.500
Annual variable compensation				
Long-term variable compensation(1)				
Exceptional compensation				
Compensation awarded for serving as a director				
Benefits in kind(2)				
TOTAL	**625.000**	**625.000**	**312.500**	**312.500**

(1) No award was made in respect of the previous financial year.

(2) The Group did not fund any benefit.

Fixed compensation

In respect of 2020, the fixed compensation paid to Gilles Schnepp was €312,500. It was calculated on a pro rata basis from January 1 to June 30, 2020, based on annual compensation of €625,000.

Annual variable compensation

Gilles Schnepp did not receive annual variable compensation as Chairman of the Board of Directors until June 30, 2020.

Long-term compensation

Future Performance Units

In 2020, no award was made in respect of the previous financial year. Since all multi-year variable compensation plans awarded in previous years had expired, no payment took place in 2020.

Stock options

In 2020, no options to purchase or subscribe shares were awarded.

Performance shares

In 2020, no performance shares were awarded.

Table 4 of the Code of Corporate Governance – Stock options awarded to Mr. Gilles Schnepp by the Company or by any Group company in 2020

In 2020, neither the Company nor any other Group company awarded any stock options to Gilles Schnepp.

Existing stock option plans and performance share plans

General principles

Stock option and performance share plans put in place by the Company in respect of previous financial years are presented in sections 7.2 and 7.3 of this Universal Registration Document.

No discount was applied at the time of their implementation. In addition, the Company has not put in place any hedging instruments for stock options or performance shares.

Gilles Schnepp has formally undertaken to refrain from using any hedging instruments for the options and/or performance shares awarded to him.

Stock option plans

Since March 4, 2010, no stock options have been awarded.

Table 5 of the Code of Corporate Governance – Stock options exercised by Mr. Gilles Schnepp in 2020

Name of executive officer	Date of plan	Number of options exercised during the financial year	Exercise price[(1)]
Gilles Schnepp	2010 Plan (March 4, 2010)	138.813	€21.12

(1) As mentioned in section 7.2 of this Universal Registration Document, given the dividend payment arrangements approved by the Company's Combined Shareholders' Meetings of May 29, 2015, May 27, 2016, May 31, 2017, May 30, 2018, and May 29, 2019, the number and exercise price of stock options was adjusted to take into account the impact of these transactions on the interests of stock-option grantees, as provided for in article L. 228-99 of the French Commercial Code.

Gilles Schnepp exercised all his stock options under the 2010 plan on March 2, 2020.

Table 6 of the Code of Corporate Governance – Shares awarded free of charge by the Shareholders' Meeting to Mr. Gilles Schnepp by the Company and by any Group company in 2020

Name of executive officer	Date of plan	Number of shares awarded during the year	Value of the shares according to the method used for the consolidated financial statements	Vesting date	End of lock-up period	Performance criterion
Gilles Schnepp	N/A	Nil	N/A	N/A	N/A	N/A

Existing performance share plans

On the recommendation of the Compensation Committee, the Board of Directors, in its May 31, 2017, meeting, approved the creation of a performance share plan for Gilles Schnepp, then Chairman and Chief Executive Officer (the "**2017 Performance Share Plan**").

The number of performance shares awarded to Mr. Gilles Schnepp could vary between 0% and 150% of the number of shares initially awarded, subject to a presence condition and various performance criteria. Those criteria are set out in the tables below.

As regards the 2017 Performance Share Plan and as stated on pages 201-202 of the Company's 2019 Universal Registration Document, the Board of Directors decided, on the recommendation of the Compensation Committee, to remove the condition of continuing service given the exceptional contribution made by Gilles Schnepp to Legrand's development.

The Board of Directors applied the pro rata rule. This meant that the number of performance shares awarded to Gilles Schnepp, after taking the performance conditions into account, was scaled down on a pro rata basis to reflect his actual length of service as an executive officer during the vesting period (that is 3 years and 13 days, rather the full vesting period of 4 years).

The maximum number of performance shares awarded to Gilles Schnepp under the 2017 Performance Share Plan was also reduced to 10,374, after taking a performance condition achievement rate of 108.9% into account. All the other conditions of the 2017 Performance Share Plan and, in this case, the vesting period until June 17, 2021, were left unchanged.

The removal of the condition of continuing service under the 2017 Performance Share Plan was approved under the seventh resolution of the Shareholders' Meeting of May 27, 2020.

Type of performance criteria	Description of performance criteria	Weighting of performance criteria by plan 2017
"External" financial performance criterion	Comparison between the arithmetic mean of Legrand's consolidated EBITDA margin[(1)] over a 3-year period as shown in the consolidated financial statements and the arithmetic mean of the EBITDA margins of constituents of the MSCI World Capital Goods index over the same period.	1/3
"Internal" financial performance criterion	Arithmetic mean of normalized free cash flow[(1)] as a percentage of sales over a 3-year period, as shown in the consolidated financial statements.	1/3
Extra-financial performance criterion	Arithmetic mean of the average achievement rate of Group CSR Roadmap priorities over a three-year period.	1/3

(1) As stated on page 201 of the 2017 Registration Document, a change in accounting standard (IFRS 16) affects 2019 EBITDA and free cash flow. For more information, please refer to the section on "IFRS 16, Leases", which can be found in Chapter 8, note 1, section 1.2.1.3 on pages 259-260 of the 2018 registration document.

Given this change, on March 20, 2019, the Board of Directors, on the recommendation of the Compensation Committee, decided to replace the EBITDA and free cash flow criteria for the purpose of measuring the 2019 performance under the 2017 plan with operating margin and adjusted organic growth before acquisitions criteria, in line with the Company's publicly stated 2019 targets, The calculation methods are presented in the "Financial performance criteria (applicable to the measurement of 2019 performance under the 2017 plan)" section of this Universal Registration Document.

The procedure for calculating the number of performance shares definitively awarded to Gilles Schnepp is as follows:

"External" financial performance criterion

Payment rate[(1)]	0%	100%	150%
Average gap in EBITDA margin in Legrand's favor between Legrand and the MSCI average over a 3-year period	**2017 Plan:** 3.1 points or less	**2017 Plan:** Equal to 7.4 points	**2017 Plan:** 9.6 points or more

(1) For any point between the limits given in the table above, the payment rate is calculated on a straight-line basis.

"Internal" financial performance criterion

Payment rate[(1)]	0%	100%	150%
Average normalized free cash flow as a percentage of sales over a 3-year period	**2017 Plan:** 8.6% or less	**2017 Plan:** Equal to 12%	**2017 Plan:** 13.7% or more

(1) For any point between the limits given in the table above, the payment rate is calculated on a straight-line basis.

Extra-financial performance criterion (applicable to the 2017 Performance Share Plan)

Payment rate[(1)]	0%	Between 70% and 90%	Between 90% and 97%	Between 97% and 150%	Capped at 150%
Average achievement rate of Group CSR Roadmap priorities over a 3-year period	Below 70%	Between 70% and 90%	Between 90% and 125%	Between 125% and 213%	Above 213%

(1) For any point between the limits given in the table above, the payment rate is calculated on a straight-line basis.

Financial performance criteria (applicable to the measurement of 2019 performance under the 2017 Performance Share Plan)

1) Adjusted operating margin before acquisitions criterion

Payment rate[1]	0%	Between 50% and 90%	90%	Between 90% and 110%	110%	Between 110% and 150%	150%
Adjusted operating margin before acquisitions	Below 19.4%	Between 19.4% and 19.9%	Equal to 19.9%	Between 19.9% and 20.7%	Equal to 20.7%	Between 20.7% and 21.2%	Above 21.2%

(1) For any point between the limits given in the table above, the payment rate is calculated on a straight-line basis.

2) Organic sales growth criterion

Payment rate[1]	0%	Between 50% and 90%	90%	Between 90% and 110%	110%	Between 110% and 150%	150%
2019 organic growth	Below - 2.0%	Between - 2.0% and 0.0%	Equal to 0.0%	Between 0.0% and 4.0%	Equal to 4.0%	Between 4.0% and 6.0%	Above 6.0%

(1) For any point between the limits given in the table above, the payment rate is calculated on a straight-line basis.

Achievement rate of performance criteria under the 2017 Performance Share Plan

1) Achievement rate under the 2017 Performance Share Plan

Criteria	Target[1]	Actual		Criteria	Target[1]	Actual	Performance
		2017	2018			2019	overall[3]
Legrand EBITDA margin vs. MSCI EBITDA margins	**+ 7.4 pts**	+ 7.2 pts	+ 7.6 pts	Organic growth	**2.0%**	2.6%	
Normalized free cash flow level	**12.0%**	13.3%	14.9%	Adjusted operating margin before acquisitions[2]	**20.3%**	20.4%	**111.6%**
Annual rates of achievement of the Group's CSR roadmap	**100.0%**	122.0%	122.0%	Annual rates of achievement of the Group's CSR roadmap	**100.0%**	113.0%	
Performance by year		**112.6%**	**119.5%**			**102.7%**	

(1) 100% achievement target for the criterion.

(2) The adjusted operating margin before acquisitions corresponds to the adjusted operating income (see key figures).

*(3) Performance of **108.9%** for the Executive officer.*

Table 7 of the Code of Corporate Governance – Shares awarded to Mr. Gilles Schnepp free of charge subject to a lock-up period that ended in 2020

Name of executive officer	Date of plan	Number of shares subject to a lock-up period that ended during the year	Vesting condition
Gilles Schnepp	May 27, 2016	16,356	N/A

Table 11 of the Code of Corporate Governance – Compensation and benefits due as a result of the termination of Mr. Gilles Schnepp's role as Chairman of the Board of Directors

Executive officer	Employment contract		Supplementary pension plan		Payments or benefits due or potentially due as a result of termination or change of office		Non-compete compensation	
	Yes	No	Yes	No	Yes	No	Yes	No
Gilles Schnepp								
Chairman of the Board of Directors		X		X		X		X
Start of term of office: Feb. 8, 2018 End of term of office: June 30, 2020								

Other compensation components

Compensation for serving as a director

Mr. Gilles Schnepp did not receive any compensation for serving as a director of the Company until June 30, 2020.

Exceptional compensation

There are no plans to award exceptional compensation.

Undertakings governed by Article L. 22-10-9(I)(4) of the French Commercial Code

Pension plans

There is no commitment corresponding to a defined-benefit pension plan.

Indemnity payments due on termination of duties: termination benefit/non-compete compensation

Mr. Gilles Schnepp does not benefit from any undertaking covering components of compensation, indemnities or other benefits that are or may be due as a result of or subsequent to the termination of his term of office or assignment to a different position ("golden parachutes"), even in the event of a change in control.

No non-compete agreement has been entered into between Mr. Gilles Schnepp 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 the Chairman of the Board of Directors.

Equity ratio of Mr. Gilles Schnepp'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 6.2.2.4 of this chapter.

Comparison between changes in Mr. Gilles Schnepp'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 6.2.2.4 of this chapter.

Conformity of the total compensation paid in 2020 or awarded in respect of the same year to Mr. Gilles Schnepp, Chairman of the Board of Directors until June 30, 2020, with the compensation policy approved by the Shareholders' Meeting of May 27, 2020 and how this vote was taken into account

The total compensation paid to Mr. Gilles Schnepp in respect of 2020, calculated on a pro rata basis for the period from January 1 to June 30, 2020, amounted to €312,500. It was in line with the compensation policy for the Chairman of the Board of Directors, which was the subject of the seventh resolution of the Shareholders' Meeting of May 27, 2020. That resolution stated that the most suitable compensation structure for the Chairman of the Board of Directors in respect of 2020 was to pay him an annual amount of €625,000 and no other components of compensation. Please refer to section 6.2.1.2 on pages 200 to 202 of the Company's 2019 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 Chairman, including organizing and leading the work done by the Board of Directors and the Board Committees;
- gives the Company the benefit of the Chairman's expertise and experience, and
- enables the Company to maintain governance practices that are consistent with the best in the market.

The Board of Directors took the view that this policy was suitable given the high level of approval of the seventh resolution at the Shareholders' Meeting of May 27, 2020, concerning the 2020 compensation policy applicable to the Chairman of the Board of Directors.

6.2.2.2 TOTAL COMPENSATION AND BENEFITS PAID IN 2020 OR AWARDED IN RESPECT OF THE SAME YEAR TO MS. ANGELES GARCIA-POVEDA

The tables summarizing the components of compensation and benefits of any kind paid in respect of the financial year ended December 31, 2020, or awarded in respect of the same year to Ms. Angeles Garcia-Poveda, Chairwoman of the Board of Directors since July 1, 2020, are shown below.

Ms. Angeles Garcia-Poveda became Chairwoman of the Board of Directors on July 1, 2020. The annual fixed compensation of the Chairman of the Board of Directors was therefore split on a pro rata basis between the Chairman serving from January 1 until June 30, 2020 (Mr. Gilles Schnepp) and the Chairwoman serving from July 1 until December 31, 2020 (Ms. Angeles Garcia-Poveda). Please refer to section 6.2.2.1 of this chapter for the presentation of Gilles Schnepp's compensation.

Table 1 of the Code of Corporate Governance – Summary of compensation, stock options and shares awarded to Ms. Angeles Garcia-Poveda in her capacity as Chairwoman of the Board of Directors from July 1, 2020

	2020
Angeles Garcia-Poveda, Chairman of the Board of Directors from July 1st, 2020	
Compensation awarded in respect of the year (see table 2 below for details)	
(in euros)	312.500(1)
Value of the options awarded during the year (see table 4 below for details)	
Number of options	
(in euros)	
Value of performance shares awarded during the year (see table 6 below for details)	
Number of shares	
Value *(in euros)*	
Value of long-term variable compensation awarded during the year	
Number of shares	
Value *(in euros)*	
TOTAL *(in euros)*	**312.500**

(1) Amount prorated for the term of office from July 1, 2020 to December 31, 2020, corresponding to 50% of the fixed annual compensation provided for the Chairman of the Board of Directors

Table 2 of the Code of Corporate Governance – Summary of compensation awarded to Ms. Angeles Garcia-Poveda in her capacity as Chairwoman of the Board of Directors from July 1, 2020

	2020	
(in euros)	**Amounts awarded**	**Amounts paid**
Angeles Garcia-Poveda, Chairman of the Board of Directors from July 1, 2020	312.500	312.500
Annual variable compensation		
Long-term variable compensation		
Exceptional compensation		
Compensation awarded for serving as a director		
Benefits in kind		
TOTAL	**312.500**	**312.500**

Fixed compensation

For the 2020 financial year, the fixed compensation paid to Angeles Garcia-Poveda was €312,500. It was calculated on a pro rata basis over the period from July 1 to December 31, 2020.

Annual variable compensation

Angeles Garcia-Poveda does not receive annual variable compensation as Chairwoman of the Board of Directors.

Long-term compensation

Angeles Garcia-Poveda does not receive long-term compensation. She does not benefit from 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.

Future Performance Units

In 2020, no award was made in respect of the financial year.

Stock options

In 2020, no options to purchase or subscribe shares were awarded.

Performance shares

In 2020, no performance shares were awarded.

Table 4 of the Code of Corporate Governance – Stock options awarded to Ms. Angeles Garcia-Poveda by the Company or by any Group company in 2020

In 2020, neither the Company nor any other Group company awarded any stock options to Angeles Garcia-Poveda.

Table 6 of the Code of Corporate Governance – Shares awarded free of charge by the Shareholders' Meeting to Ms. Angeles Garcia-Poveda by the Company and by any Group company in 2020

Name of executive officer	Date of plan	Number of shares awarded during the year	Value of the shares according to the method used for the consolidated financial statements	Vesting date	End of lock-up period	Performance criterion
Angeles Garcia-Poveda	N/A	Nil	N/A	N/A	N/A	N/A

Table 11 of the Code of Corporate Governance – Compensation and benefits due as a result of the termination of Ms. Angeles Garcia-Poveda's role as Chairwoman of the Board of Directors

Executive officer	Employment contract		Supplementary pension plan		Payments or benefits due or potentially due as a result of termination or change of office		Non-compete compensation	
	Yes	No	Yes	No	Yes	No	Yes	No
Angeles Garcia-Poveda								
Chairman of the Board of Directors		X		X		X		X
Start of term of office: July 1, 2020								

Other compensation components

Compensation for serving as a director

Since July 1, 2020, Angeles Garcia-Poveda has not received any compensation for serving 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)(4) of the French Commercial Code

Pension plans

There is no commitment corresponding to a defined-benefit pension plan.

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 as a result of or subsequent to the termination of his term of office or assignment to a different position ("golden parachutes"), even in the event of a change in control.

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 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 6.2.2.4 of this chapter.

Comparison between changes in Ms. Angeles Garcia-Poveda'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 6.2.2.4 of this chapter.

Conformity of the total compensation paid in 2020 or awarded in respect of the same year to Ms. Angeles Garcia-Poveda, Chairwoman of the Board of Directors from July 1, 2020, with the compensation policy approved by the Shareholders' Meeting of May 27, 2020 and how this vote was taken into account

The total compensation paid to Ms. Angeles Garcia-Poveda in respect of 2020, calculated on a pro rata basis for the period from July 1 to December 31, 2020, amounted to fixed compensation of €312,500. It was in line with the compensation policy for the Chairwoman of the Board of Directors, which was the subject of the seventh resolution of the Shareholders' Meeting of May 27, 2020. That resolution stated that the most suitable compensation structure for the Chairwoman of the Board of Directors in respect of 2020 was to pay her an annual amount of €625,000 and no other components of compensation. Please refer to section 6.2.1.2 on pages 200 to 202 of the Company's 2019 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 Chairwoman, 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 in the market.

The Board of Directors took the view that this policy was suitable given the high level of approval of the seventh resolution at the Shareholders' Meeting of May 27, 2020, concerning the 2020 compensation policy applicable to the Chairman of the Board of Directors.

6.2.2.3 TOTAL COMPENSATION AND BENEFITS PAID IN 2020 OR AWARDED IN RESPECT OF THE SAME YEAR TO MR. BENOIT COQUART

The tables summarizing the components of compensation and benefits of any kind paid in the financial year ended December 31, 2020, or awarded in respect of the same year to Benoît Coquart, Chief Executive Officer, are shown below.

Table 1 of the Code of Corporate Governance – Summary of compensation, stock options and shares awarded to Mr. Benoît Coquart in 2020

		2019	2020
Benoît Coquart, Chief Executive Officer from February 8, 2018			
Compensation due in respect of the year (see table 2 below for details)			
	(in euros)	1,550,013	1,120,332
Value of the options awarded during the year			
	Number of options		
	(in euros)		
Value of performance shares awarded during the year (see table 6 below for details)			
	Number of shares		
	Value *(in euros)*	1,204,245(1)	620.490(2)
Value of long-term variable compensation awarded during the year			
	Number of shares		
	Value *(in euros)*		
TOTAL ***(in euros)***		**2,754,258**	**1,740,822**

(1) Value of performance shares awarded in 2019, 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 the Company's Universal Registration Document.

(2) Value of performance shares awarded in 2020, 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 the Company's Universal Registration Document.

Table 2 of the Code of Corporate Governance – Summary of compensation awarded to Mr. Benoît Coquart in 2020

	2019		2020	
(in euros)	**Amounts awarded**	**Amounts paid**	**Amounts awarded**	**Amounts paid**
Benoît Coquart, Chief Executive Officer from February 8, 2018				
Fixed compensation	700.000	700.000	700.000	700.000
Annual variable compensation	845.600	654.048(2)	415.800	845.600
Long-term variable compensation				
Exceptional compensation				
Compensation awarded for serving as a director				
Benefits in kind(1)	4.413	4.413	4.532	4.532
TOTAL	**1,550,013**	**1,358,461**	**1,120,332**	**1,550,132**

(1) At the date of this Universal Registration Document, the Chief Executive Officer had the use of an executive car.

(2) Amount pro rated for the period from February 8, 2018, to December 31, 2018.

Fixed compensation

In respect of 2020, the amount of Benoît Coquart's fixed compensation is €700,000.

Annual variable compensation in respect of 2019 and 2020

The variable compensation of Benoît Coquart for the 2019 financial year was determined by the Board of Directors on March 19, 2020, based on the recommendation of the Compensation Committee.

In respect of 2019, the achievement rate of quantifiable and qualitative targets applied to maximum annual variable compensation was 80.5% (equal to 120.8% divided by 150%). The achievement rate of quantifiable and qualitative targets was 120.8% (equal to 120.8% divided by 100%) of the target, giving an amount of €845,600 on an annual basis.

This amount had already been approved by the Company's shareholders at the Combined Shareholders' Meeting of May 27, 2020 (eighth resolution).

The variable compensation of Benoît Coquart for the 2020 financial year was determined by the Board of Directors on March 17, 2021, 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
Quantitative: 3/4 of annual variable i.e. 75% of target fixed compensation	Operating sales growth	2020 organic sales growth	As a % of fixed compensation	0%	**15%**	22.5%	0%
			Indicator value	(1%)	1%	3%	(8.7%)
	Operating margin	2020 adjusted operating margin (at 2019 scope)	As a % of fixed compensation	0%	**40%**	60%	0%
			Indicator value	19.6%	20 %	20.4%	19.1%
	External growth	2020 sales growth resulting from changes in scope	As a % of fixed compensation	0%	**10%**	15%	7.2%
			Indicator value	0%	5%	10%	3.6%
	Corporate Social Responsibility (CSR)	Rate of achievement of the Group's CSR roadmap	As a % of fixed compensation	0%	**10%**	15%	14.7%
			Indicator value	70%	100%	130%	128%
	TOTAL QUANTITATIVE			**0%**	**75%**	**112.5%**	**21.9%**
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 under the Eliot program. • Changes in market share trends.		0%	**10%**	15%	15%
	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%	7.5%
	Sustainable development & efforts to combat global warming	• Initiatives to cut CO_2 emissions. • Trend in sales generated by energy savings solutions. • 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. • Workforce-related initiatives and dialog.		0%	**5%**	7.5%	7.5%
	TOTAL QUALITATIVE			**0%**	**25%**	**37.5%**	**37.5%**
TOTAL VARIABLE AS A % OF FIXED COMPENSATION				**0%**	**100%**	**150%**	**59.4%**

Performance for the year was assessed with respect to the sales and adjusted operating margin targets adopted and announced to the market in February 2020, i.e. before the global health emergency and economic crisis, and which were subsequently suspended. The compensation criteria were not changed.

In respect of 2020, the achievement rate of quantifiable and qualitative targets applied to maximum annual variable compensation was therefore 39.6% (equal to 59.4% divided by 150%). The achievement rate of quantifiable and qualitative targets was 59.4% (equal to 59.4% divided by 100%) of the target, giving an amount of €415,800.

The principles and achievement rates used to calculate the annual variable portion of Benoît Coquart's 2020 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, with a possible variation between 0% and 112.5% of said fixed compensation.

The 2020 achievement rate for this quantifiable portion came to 21.9% 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 +1%. The compensation rate can vary between 0% and 22.5% of fixed compensation for organic sales growth of between -1% and +3% (annual target disclosed to the market at the beginning of 2020). The performance achieved in 2020 was -8.7%, giving an entitlement equal to 0% of fixed compensation,
- 40% of the fixed compensation as a target value based on a reported 2020 adjusted operating margin of 20% (based on the 2019 scope). The compensation rate can vary between 0% and 60% of fixed compensation for an adjusted operating margin (based on the 2019 scope) of between 19.6% and 20.4% (annual target disclosed to the market at the beginning of 2020). The performance achieved in 2020 was 19.1%, giving an entitlement equal to 0% of fixed compensation,10% of the fixed compensation as a target value based on the achievement of 2020 sales growth through acquisitions of +5%. The compensation rate can vary between 0% and 15% of fixed compensation for sales growth through acquisitions of between +0% and +10.0%. The performance achieved in 2020 was +3.6%, giving an entitlement equal to 7.2% 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 varies between 0% and 15% of fixed compensation for a roadmap achievement rate of between 70% and 130%. The performance achieved in 2020 was 128%, giving an entitlement equal to 14.7% of fixed compensation.

- the target value of the quantifiable portion was set at 25% of the fixed compensation, with a possible variation between 0% and 37.5% of said fixed compensation.

The 2020 achievement rate for the qualitative portion came to 37.5% of fixed compensation. The Compensation Committee took the view, given its assessment of the criteria below and taking into account the context arising from the global health emergency and economic crisis caused by Covid-19, that the results achieved were outstanding. The achievement criteria are as follows:

- 15% of fixed compensation (10% target value) relating to innovation and the competitive position: due in particular to innovation and R&D (new products and industrial processes), the Eliot connected objects program and increases in relative market shares. The Committee found that the Company's level of innovation and competitive positions had held up well given the context of the global health emergency and economic crisis caused by Covid-19,
- 7.5% of fixed compensation (5% target value) related to the quality of external growth: due in particular to the strategic fit of acquisitions completed, the quality of the acquisitions pipeline, the attention to multiples paid and the effective integration of acquisitions already completed. The Committee found that the pipeline was extensive and that four acquisitions had been carried out in 2020 despite a general slowdown in acquisitions,
- 7.5% of fixed compensation (5% target value) related to sustainability and efforts to combat 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 found that the Group's performance was highly satisfactory in 2020 in view of its targets and achievements,
- 7.5% of fixed compensation (5% target value) linked to other general criteria including diversity and gender balance, with gender balance maintained in 2020, risk management, and workforce-related initiatives and dialog. The Committee found that the Group's handling of the crisis had been outstanding, showing a high level of responsiveness and adaptability.

Long-term compensation

Future Performance Units

In 2020, no award of Future Performance Units was made in respect of the previous financial year.

Stock options

In 2020, no options to purchase or subscribe shares were awarded.

Performance shares

As regards the award of performance shares in 2020, Benoît Coquart was awarded 11,544 performance shares. They are subject to the future performance criteria presented in the "Existing performance share plans" section of this Universal Registration Document. Their value was determined by an independent expert pursuant to IFRS 2 and amounts to €620,490.

It is reminded that the Board of Directors, based on a proposal by Benoît Coquart and in the light of the global health emergency and economic crisis caused by Covid-19, decided, to reduce by 50% the target value for long-term compensation (lowering the target value for long-term compensation from 200% of 2019 fixed compensation to 100% of 2020 fixed compensation).

The vesting period of the performance shares awarded in 2020 will end on June 16, 2023. On that date, the continuing service requirement 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;
- in the event of dismissal, non-renewal or retirement of the Chief Executive Officer during the vesting period, only part of the shares will vest, subject to the performance criteria on the date the vesting period ends, calculated in proportion to his presence in 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 awarded to the deceased Chief Executive Officer be transferred to them, in accordance with statutory arrangements, 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, he or she may, under French law, request that ownership of all shares that the Board of Directors initially awarded be transferred to him/her without waiting until the end of the vesting period.

Table 6 of the Code of Corporate Governance – Shares awarded free of charge by the Shareholders' Meeting to Mr. Benoît Coquart by the Company and by any Group company in 2020

Name of executive officer	Date of plan	Number of shares awarded during the year	Value of the shares according to the method used for the consolidated financial statements	Vesting date	End of lock-up period	Performance criterion
Benoît Coquart	2020 Plan (May 26, 2020)	11.544	€ 620.490[1]	June 15, 2023	May 27, 2025	For a description of the applicable performance criteria, please refer to the "Existing performance share plans" section of this Universal Registration Document

(1) The value of the 11,544 shares allotted to Benoît Coquart was determined by an independent expert pursuant to IFRS 2.

Existing performance share plans

On the recommendation of the Compensation Committee, the Board of Directors, at its meetings of May 30, 2018, May 29, 2019 and May 26, 2020, approved the creation of performance share plans (the "**2018 Performance Share Plan**", the "**2019 Performance Share Plan**" and the "**2020 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.

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	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

Payment 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	Lower than (LR(2) - 2 points)	Between (LR(2) - 2 points) and LR(2)	Equal to LR(2)	Between LR(2) and UR(3)	Equal to UR(3)	Between UR(3) and (UR(3)+ 2 points)	Higher than (UR(3)+ 2 points)

(1) For any point between the limits given in the table above, the payment rate is calculated on a straight-line basis.

(2) LR corresponds to the 3-year average of the lower ranges of the annual target disclosed to the market.

(3) UR corresponds to the 3-year average of the upper ranges of the annual target disclosed to the market.

Determination of the 3-year target based on the 2020 award plan

	Lower range of the annual target	Upper range of the annual target
Year 1: 2020	Equal to -1.0%(4)	Equal to 3.0%(4)
Year 2: 2021	Equal to 1.0%	Equal to 6.0%
Year 3: 2022	Disclosed to the market in February 2022	Disclosed to the market in February 2022
3-year target: average of annual targets	LR(2)	UR(3)

(1) For any point between the limits given in the table above, the payment rate is calculated on a straight-line basis.

(2) LR corresponds to the 3-year average of the lower ranges of the annual target disclosed to the market.

(3) UR corresponds to the 3-year average of the upper ranges of the annual target disclosed to the market.

(4) These objectives correspond to those published at the beginning of 2020 and which were suspended on March 26, 2020.

As regards 2020, the upper and lower ends of the sales target correspond to those of the target adopted and announced to the market in early 2020, i.e. before the global health emergency and economic crisis arising from Covid-19, and which were subsequently suspended. The compensation criteria were not changed.

2) Adjusted operating margin before acquisitions criterion

Payment 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	Lower than (LR(2) – 50 bps)	Between (LR(2) - 50 bps) and LR(2)	Equal to LR(2)	Between LR(2) and UR(3)	Equal to UR(3)	Between UR(3) and (UR(3)+ 50 bps)	Higher than (UR(3)+ 50 bps)

(1) For any point between the limits given in the table above, the payment rate is calculated on a straight-line basis.

(2) LR corresponds to the 3-year average of the lower ranges of the annual target disclosed to the market.

(3) UR corresponds to the 3-year average of the upper ranges of the annual target disclosed to the market.

Determination of the 3-year target based on the 2020 award plan

	Lower range of the annual target	Upper range of the annual target
Year 1: 2020	Equal to 19.6%(4)	Equal to 20.4%(4)
Year 2: 2021	Equal to 19.2%	Equal to 20.2%
Year 3: 2022	Disclosed to the market in February 2022	Disclosed to the market in February 2022
3-year target: Average of annual targets	LR(2)	UR(3)

(1) For any point between the limits given in the table above, the payment rate is calculated on a straight-line basis.

(2) LR corresponds to the 3-year average of the lower ranges of the annual target disclosed to the market.

(3) UR corresponds to the 3-year average of the upper ranges of the annual target disclosed to the market.

(4) These objectives correspond to those published at the beginning of 2020 and which were suspended on March 26, 2020.

As regards 2020, the upper and lower ends of the adjusted operating margin target correspond to those of the target adopted and announced to the market in early 2020, i.e. before the global health emergency and economic crisis arising from Covid-19, and which were subsequently suspended. The compensation criteria were not changed.

3) Annual Group CSR roadmap achievement rates

Payment rate(1)	0%	Between 70% and 100%	Between 100% and 105%	Between 105% and 150%	150%
Arithmetic average over a 3-year period of the CSR roadmap annual achievement rates	Below 70%	Between 70% and 100%	Between 100% and 125%	Between 125% and 200%	Above 200%

(1) For any point between the limits given in the table above, the payment rate is calculated on a straight-line basis.

4) Legrand's share price performance

Payment rate(1)	0%	30%	Between 30% and 150%	150%
Difference between the performance of Legrand's share price and that of the CAC 40 index(2)	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 payment rate is calculated on a straight-line basis.

(2) For the 2020 plan, the three-year performance will be measured over the 2020-2022 period with the following calculation method:
- *Legrand stock market performance: comparison of the average daily closing prices of the second half of the third year of the plan (second half of 2022) with the average daily closing market prices of the second half of the year preceding the first year of the plan (second half of 2019, i.e. €67.24;*
- *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 2022) with 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 2019), i.e. 5,655.4 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 2018 plan

	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).

Table 7 of the Code of Corporate Governance – Shares awarded to Mr. Benoît Coquart free of charge subject to a lock-up period that ended in 2020

Name of executive officer	Date of plan	Number of shares that vested during the year	Vesting conditions
Benoît Coquart	May 27, 2016	10,483(1)	N/A

(1) Shares awarded in respect of duties prior to Benoît Coquart's appointment as Chief Executive Officer.

Table 11 of the Code of Corporate Governance – Compensation and benefits due as a result of the termination of Mr. Benoît Coquart's role as Chief Executive Officer

	Employment contract		Supplementary pension plan		Payments or benefits due or potentially due as a result 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: Feb. 8, 2018								

Other compensation components

Compensation for serving as a director

Benoît Coquart receives no compensation for serving as a director of 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)(4) of the French Commercial Code

Benoît Coquart does not benefit from any undertaking covering components of compensation, indemnities or other benefits that are or may be due as a result of or subsequent to the termination of his term of office or assignment to a different position ("golden parachutes"), even in the event of a change in control of the Company.

Pension plans

There is no commitment corresponding to a defined-benefit pension plan. 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 was affiliated to 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 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 (AGIRC-ARRCO). 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 2020, the Company's contribution for the Chief Executive Officer would represent an amount of €2,468.

In accordance with the procedure relating to related-party agreements and undertakings in force at the time, this commitment was authorized by the Board of Directors on February 7, 2018. This amount was approved by the Company's shareholders at the Combined Shareholders' Meeting of May 30, 2018 (eighth resolution).

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, no employment contract remains between the Benoît Coquart and the Company.

On the recommendation of the Nominating 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 a company car. The benefit in kind that this represents amounted to €4,532 for 2020.

Furthermore, at its meeting held on February 7, 2018, the Board of Directors decided that the Chief Executive Officer would continue to benefit from "medical expenses" supplementary health insurance and "death, disability and inability to work" insurance available to the Group's French executives, 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.

For 2020, the Company's contribution for Benoît Coquart was €6,666.

The Company's shareholders approved that commitment made to the Chief Executive Officer at the Combined Shareholders' Meeting of May 30, 2018 (eighth resolution), in accordance with the procedure for approving related-party agreements and undertakings in force.

Equity ratio of Mr. 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 6.2.2.4 of this chapter.

Comparison between changes in Mr. 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 6.2.2.4 of this chapter.

Conformity of the total compensation paid in 2020 to Mr. Benoît Coquart, Chief Executive Officer, with the compensation policy approved by the Shareholders' Meeting of May 27, 2020, and how this vote was taken into account

The total compensation paid or awarded to Benoît Coquart in respect of 2020 amounted to €1,740,822. It consisted of fixed compensation of €700,000, annual variable compensation of €415,800, benefits in kind of €4,532 and long-term compensation valued at €620,490. It was in line with the compensation policy for the Chief Executive Officer, which was the subject of the eighth resolution of the Shareholders' Meeting of May 27, 2020.

Please refer to section 6.2.1.3 on pages 202 to 209 of the Company's 2019 Universal Registration Document for more information on this subject.

This compensation contributes to the Company's long-term performance. Variable compensation accounts for most of Mr. Coquart's total compensation, 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 eighth resolution at the Shareholders' Meeting of May 27, 2020, concerning the 2020 compensation policy applicable to the Chief Executive Officer.

6.2.2.4 COMPENSATION EQUITY RATIOS AND COMPARISON OF ANNUAL MOVEMENTS IN COMPENSATION AND THE COMPANY'S PERFORMANCE

Equity ratios concerning the Chairman and Chief Executive Officer

	2016	2017	2018	2019	2020
Table of ratios required by I. 6° and 7° of article L. 22-10-9 of the French Commercial Code[1]					
Change (as a %) in Gilles Schnepp's compensation - Chairman and Chief Executive Officer[2]	1.0%	0.5%			
Information concerning the Legrand SA scope					
Change (as a %) in employees' average pay	10.5%	7.8%	2.0%	(27.6%)	5.6%
Ratio to employees' average pay	9.0	8.4			
Change in ratio (as a %) compared to previous year	(8.5%)	(6.7%)			
Ratio to employees' median pay	22.8	21.8			
Change in ratio (as a %) compared to previous year	(17.8%)	(4.4%)			
Additional information concerning the Legrand France ESU scope[3]					
Change (as a %) in employees' average pay	6.0%	3.2%	(1.1%)	1.1%	0.8%
Ratio to employees' average pay	35.1	34.2			
Change in ratio (as a %) compared to previous year	(4.7%)	(2.6%)			
Ratio to employees' median pay	44.5	43.7			
Change in ratio (as a %) compared to previous year	(2.1%)	(1.8%)			
Company's performance					
Sales (€ m)	5,018.9	5,520.8	5,997.2	6,622.3	6,099.5
change	*4.3%*	*10.0%*	*8.6%*	*10.4%*	*(7.9%)*
Adjusted operating profit (€ m)	978.5	1,104.9	1,212.1	1,326.1	1,156.0
change	*5.2%*	*12.9%*	*9.7%*	*9.4%*	*(12.8%)*
Achievement rate of the CSR roadmap targets	*122%*	*122%*	*122%*	*113%*	*128%*
Share price at Dec. 31 (€)	54.0	64.2	49.3	72.6	73.0
change	*3.4%*	*19.0%*	*(23.2%)*	*47%*	*0.5%*

Methodological notes

(1) Gross total compensation paid or awarded during the year. Presentation in line with AFEP guidelines as updated in February 2021.

(2) Gilles Schnepp served as Legrand's Chairman and Chief Executive Officer until February 8, 2018, when he became Chairman of the Board of Directors.

(3) 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 30 employees during the period under consideration, whereas the Legrand France ESU houses over 90% of the workforce in France.

Equity ratios concerning the Chairman of the Board of Directors

	2016	2017	2018[2]	2019	2020[4]
Table of ratios required by I. 6° and 7° of article L. 22-10-9 of the French Commercial Code[1]					
Change (as a %) of Gilles Schnepp's compensation - Chairman of the Board of Directors[3]			N/A	0%	0%
Information concerning the Legrand SA scope					
Change (as a %) in employees' average pay	10.5%	7.8%	2.0%	(27.6%)	5.6%
Ratio to employees' average pay			2.8	3.9	3.7
Change in ratio (as a %) compared to previous year			N/A	39.3%	(5.1%)
Ratio to employees' median pay			7.4	7.5	7.3
Change in ratio (as a %) compared to previous year			N/A	1.4%	(2.7%)
Additional information concerning the Legrand France ESU scope[5]					
Change (as a %) in employees' average pay	6.0%	3.2%	(1.1%)	1.1%	0.8%
Ratio to employees' average pay			11.8	11.7	11.6
Change in ratio (as a %) compared to previous year			N/A	(0.8%)	(0.9%)
Ratio to employees' median pay			14.7	14.2	14.0
Change in ratio (as a %) compared to previous year			N/A	(3.4%)	(1.4%)
Company's performance					
Sales (€ m)	5,018.9	5,520.8	5,997.2	6,622.3	6,099.5
change	4.3%	10.0%	8.6%	10.4%	(7.9%)
Adjusted operating profit (€ m)	978.5	1,104.9	1,212.1	1,326.1	1,156.0
change	*5.2%*	*12.9%*	*9.7%*	*9.4%*	*(12.8%)*
Achievement rate of the CSR roadmap targets	122%	122%	122%	113%	128%
Share price at Dec. 31 (€)	54.0	64.2	49.3	72.6	73.0
change	*3.4%*	*19.0%*	*(23.2%)*	*47.3%*	*0.5%*

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) Gilles Schnepp served as Legrand's Chairman and Chief Executive Officer until February 8, 2018, when he became Chairman of the Board of Directors.

(4) Gilles Schnepp was Chairman of the Board of Directors until June 30, 2020. The disclosures in this section are shown on an annualized basis. In practice, 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) 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 30 employees during the period under consideration, whereas the Legrand France ESU houses over 90% of the workforce in France.

Equity ratios concerning the Chief Executive Officer

	2016	2017	2018[2]	2019	2020
Table of ratios required by I. 6° and 7° of article L. 22-10-9 of the French Commercial Code[1]					
Change (as a %) in Benoît Coquart's compensation - Chief Executive Officer[3]			N/A	3.9%	(15.3%)
Information concerning the Legrand SA scope					
Change (as a %) in employees' average pay	10.5%	7.8%	2.0%	(27.6%)	5.6%
Ratio to employees' average pay			11.0	15.9	12.7
Change in ratio (as a %) compared to previous year			N/A	44.5%	(20.1%)
Ratio to employees' median pay			29.1	30.8	25.5
Change in ratio (as a %) compared to previous year			N/A	5.8%	(17.2%)
Additional information concerning the Legrand France ESU scope[4]					
Change (as a %) in employees' average pay	6.0%	3.2%	(1.1%)	1.1%	0.8%
Ratio to employees' average pay			46;7	48.0	40.3
Change in ratio (as a %) compared to previous year			N/A	2.8%	(16.0%)
Ratio to employees' median pay			57.9	58.1	48.5
Change in ratio (as a %) compared to previous year			N/A	0.3%	(16.5%)
Company's performance					
Sales (€ m)	5,018.9	5,520.8	5,997.2	6,622.3	6,099.5
change	4.3%	10.0%	8.6%	10.4%	(7.9%)
Adjusted operating profit (€ m)	978.5	1,104.9	1,212.1	1,326.1	1,156.0
change	*5.2%*	*12.9%*	*9.7%*	*9.4%*	*(12.8%)*
Achievement rate of the CSR roadmap targets	122%	122%	122%	113%	128%
Share price at Dec. 31 (€)	54.0	64.2	49.3	72.6	73.0
change	*3.4%*	*19.0%*	*(23.2%)*	*47.3%*	*0.5%*

Methodological notes

(1) Gross total compensation paid or awarded during the year. Presentation in line with AFEP guidelines as updated in February 2021.

(2) Proforma 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) 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 30 employees during the period under consideration, whereas the Legrand France ESU houses over 90% of the workforce in France.

6.2.2.5 COMPENSATION PAID IN 2020 OR AWARDED IN RESPECT OF THE SAME YEAR TO THE NON-EXECUTIVE COMPANY OFFICERS

Rules for apportioning the compensation awarded to the directors for performing their duties

The Board of Directors decided, from the 2018 financial year onwards, to apportion the compensation paid to directors as follows:

- €20,000 a year is paid to each director as the fixed portion of compensation, to which is added €5,000 each time the director attends a Board meeting; Since the Board of Directors met eight times in 2020, the maximum variable portion of compensation for 2020 amounted to €40,000 paid to each director. This is 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.
- €2,000 is also paid to each director who is also a member of a Board committee for each Board committee meeting he/she attends; and
- an additional €20,000 to the Chairman of the Audit Committee and an additional €10,000 to the Chairmen of the other Board committees.

Summary of amounts paid to the directors during the 2019, 2020 and 2021 financial years

The table below presents the amounts of compensation awarded to the directors for performing their duties during the 2021, 2020 and 2019 financial years. 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.

Table 3 of the Code of Corporate Governance – Compensation received by non-executive company officers

Non-executive company officers	Gross amounts paid during 2019 in respect of 2018 *(in euros)*	Gross amounts paid during 2020 in respect of 2019 *(in euros)*	Gross amounts paid during 2021 in respect of 2020 *(in euros)*
Olivier Bazil			
Compensation for serving as a director	70.000	78.000	82.000
Other payments	0	0	0
Isabelle Boccon-Gibod			
Compensation for serving as a director	84.000	79.000	76.000
Other payments	0	0	0
Sophie Bourdais(1)			
Compensation for serving as a director	0	0	12.000
Other payments	0	0	0
Christel Bories			
Compensation for serving as a director	85.000	84.000	91.000
Other payments	0	0	0
Angeles Garcia-Poveda(2)			
Compensation for serving as a director	118.000	110.000	78.000
Other payments	0	0	0
E.A Gilhuly			
Compensation for serving as a director	34.000	53.000	59.000
Other payments	0	0	0
François Grappotte (3)			
Compensation for serving as a director	25.000	0	0
Other payments	0	0	0
Philippe Jeulin (4)			
Compensation for serving as a director	30.000	67.000	72.000
Other payments	0	0	0
Patrick Koller			
Compensation for serving as a director	32.000	65.000	82.000
Other payments	0	0	0
Michel Landel(5)			
Compensation for serving as a director	0	38.083	85.000
Other payments	0	0	0
Thierry de La Tour d'Artaise(3)			
Compensation for serving as a director	7.000	0	0
Other payments	0	0	0
Dongsheng Li(3)			
Compensation for serving as a director	5.000	0	0
Other payments	0	0	0
Annalisa Loustau Elia			
Compensation for serving as a director	66.000	61.000	79.000
Other payments	0	0	0
Éliane Rouyer-Chevalier			
Compensation for serving as a director	97.000	101.000	106.000
Other payments	0	0	0
Gilles Schnepp(6)			
Compensation for serving as a director	0	0	32.000
Other payments	0	0	0
TOTAL	**653.000**	**736.083**	**854.000**

(1) Director whose appointment was in effect at the beginning of November 2020, the above table does not include compensation paid to the director representing employees under his/her employment contract.

(2) Ms. Angeles Garcia-Poveda no longer receives compensation for her duties as director as of July 1, 2020.

(3) Director not reappointed on May 30, 2018.

(4) Director whose appointment was in effect at June 30, 2018, the above table does not include compensation paid to the director representing employees under his/her employment contract.

(5) Director whose appointment was approved by the Shareholders' Meeting of May 29, 2019.

(6) Mr. Gilles Schnepp received compensation for his mandate as director as of July 1, 2020.

The Board of Directors' meeting of March 17, 2021 approved the payment in 2021 of €854,000 in compensation granted to the directors in respect of 2020.

6.2.3 - Company officers' shareholdings in the Company

Please see appendix 3 to the management report on annual accounts of this Universal Registration Document.

6.2.4 - Other benefits granted to company officers

The Company has not granted any loan, advance or guarantee to any of its company officers.

6.2.5 - Components of company officers' compensation subject to shareholders' approval

6.2.5.1 COMPENSATION POLICY IN RESPECT OF 2021 APPLICABLE TO THE COMPANY OFFICERS SUBJECT TO SHAREHOLDERS' APPROVAL

In accordance with Article L. 22-10-8 of the French Commercial Code, the compensation policies applicable to the Chairman of the Board of Directors, the Chief Executive Officer and the directors in respect of 2021 are submitted for shareholders' approval at the next Shareholders' Meeting to be convened in 2021 to approve the financial statements for the 2020 financial year.

The amounts that would result from the implementation of the compensation policy will be submitted for shareholder approval at the Shareholders' Meeting to be convened in 2022 to approve the financial statements for the 2021 financial year. Payment of variable and exceptional compensation components is contingent on approval by the 2022 Shareholders' Meeting.

Compensation policy for the Chairman of the Board of Directors in respect of 2021 requiring shareholders' approval

The components that make up the policy relating to the 2021 compensation attributable to the Chairman of the Board of Directors are presented in the table below:

Compensation components attributable in respect of 2021	Amount/Percentage weighting of fixed compensation	Details
Fixed compensation	€625,000	Gross annual fixed compensation approved by the Board of Directors on March 20, 2018 and renewed by the Board of Directors on March 20, 2019, March 19, 2020 and March 17, 2021, on the recommendation of the Compensation Committee. This amount of annual fixed compensation for the Chairman of the Board of Directors was determined by the Board of Directors, on the recommendation of the Compensation Committee, in accordance with the principles laid down in section 6.2.1.1 of this Universal Registration Document, and in line with the responsibilities and duties of the Chairman of the Board of Directors. The main factors used to determine this compensation were: (i) the key role of the Chairman of the Board of Directors in organizing and directing the work done by the Board of Directors (ii) benchmarking studies analyzing the compensation awarded to non-executive chairmen of CAC 40 companies, and (iii) the skills of the Chairman of the Board of Directors.
Annual variable compensation	Not applicable	There are no plans to award any annual variable compensation. The Chairman 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.
Deferred variable compensation	Not applicable	There are no plans to award any deferred variable compensation.
Long-term cash compensation	Not applicable	There are no plans to award any long-term cash compensation. The Chairman 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.
Stock options, performance shares or any other long-term compensation component	Stock options: not applicable	There are no plans to award any stock options. The Chairman 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	There are no plans to award any performance shares. The Chairman 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	There are no plans to make other awards of securities. The Chairman 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	There are no plans to award any exceptional compensation.
Compensation for serving as a director	Not applicable	The Chairman of the Board of Directors does not receive any compensation for appointments held at the Company or its subsidiaries.
Value of benefits in kind	Not applicable	There is no undertaking in this regard.
Termination benefit	Not applicable	There is no undertaking in this regard.
Non-compete compensation	Not applicable	There is no undertaking in this regard.
Supplementary pension plan	Not applicable	There is no undertaking in this regard.

Sign-on bonus in the event of the appointment of a new Chairman of the Board of Directors during 2021

There is no provision for any sign-on bonus compensating for the loss of benefits should a new Chairman of the Board of Directors be appointed in the course of 2021.

Compensation policy for the Chief Executive Officer in respect of 2021 requiring shareholders' approval

The components that make up the policy relating to the 2021 compensation attributable to the Chief Executive Officer are presented in the table below:

Compensation components attributable in respect of 2021	Amount/Percentage weighting of fixed compensation	Details
Fixed compensation	€900,000	Gross annual fixed compensation set by the Board of Directors on March 17, 2021, on the recommendation of the Compensation Committee, after considering the levels of responsibility, profile and experience of the new Chief Executive Officer as well as market practices. The Chief Executive Officer's annual fixed compensation was increased relative to that applied under the 2020 compensation policy due to the fact that the Chief Executive Officer's 2020 fixed compensation was lower than that of his peer group. It should be noted that the amount of annual fixed compensation after the increase is slightly above the first decile among CAC 40 companies, which the Board of Directors regards as reasonable given Legrand's position in that index. The increase corresponds to the increase initially planned in 2020 but not applied following the proposal by the Chief Executive Officer to waive it and the decision by the Board of Directors in its April 10, 2020 meeting not to apply it given the global health emergency and economic crisis caused by Covid-19.
Annual variable compensation	Minimum value: 0% of fixed compensation Target value: 100% Maximum value: 150% of fixed compensation	At its meeting on March 17, 2021, on the recommendation of the Compensation Committee, the Board of Directors decided to maintain unchanged the types and weightings of all quantifiable and qualitative criteria relating to annual variable compensation that had been established for the 2020 financial year, along with their targets and maximum amounts. The Board of Directors thus decided that the Chief Executive Officer's variable compensation in respect of the 2021 financial year could 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 fixed compensation: it could therefore vary from 0% to 112.5% of the annual fixed compensation (with a target value set at 75%) and will be calculated on the basis of criteria relating to (i) 2021 organic sales growth, (ii) the achievement of a certain level of 2021 adjusted operating margin before acquisitions, (iii) 2021 sales growth resulting from acquisitions (scope effect) and (iv) the Group CSR roadmap achievement rate; and ■ a qualitative portion representing 1/4 of this variable compensation: it may thus vary from 0% to 37.5% of the annual fixed compensation (with a target value set at 25%) and will be calculated based on criteria relating to (i) innovation and market position (Innovation, Research & Development - new products and manufacturing processes, trend in sales generated by products under the Eliot program, relative market share trends), (ii) quality of external growth (strategic fit of acquisitions completed, quality of acquisitions pipeline, emphasis on multiples paid, quality of integration of acquisitions already completed), (iii) sustainable development and efforts to combat global warming (initiatives to cut CO_2 emissions, trend in sales generated by energy-saving solutions, 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. These quantifiable and qualitative criteria, as well as the targets set, are described in detail in section 6.2.1.3 of this Universal Registration Document.
Deferred variable compensation	Not applicable	There are no plans to award any deferred variable compensation.
Long-term cash compensation	Not applicable	There are no plans to award any multi-year cash compensation.

	Stock options: not applicable	There are no plans to award any stock options.
Stock options, performance shares or any other long-term compensation component	Performance shares Minimum value: 0% Awarded value (target value): 200% Maximum value: 150% of the number of shares initially awarded depending on the achievement of future performance criteria	On the recommendation of the Compensation Committee, the Board of Directors decided at its meeting on March 17, 2021 to introduce long-term compensation in 2021 in the form of a 2021 Performance Share Plan. The target value of this plan is set at 200% of fixed compensation and will be converted into shares. The number of shares to be awarded definitively will be between 0% and 150% of the initial award of shares according to the level of achievement of four financial and extra-financial criteria measured on the basis of a 3-year average and presented in the "Performance criteria selected for long-term variable compensation and target-setting method" section of this Universal Registration Document. The nature of performance criteria has remained unchanged compared to the 2020 compensation policy. This plan is described, including the performance criteria applicable to the awarded shares and the calculation method for determining the number of shares awarded definitively, in section 6.2.1.3 of this Universal Registration Document. It should be noted that: ■ the first two performance criteria are aligned with the Company's targets disclosed in February of each year. These are annual targets concerning organic sales growth and adjusted operating margin before acquisitions. These indicators 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 commitments in terms of corporate social responsibility within the framework of its CSR roadmap, which is central to Legrand's model and aims to ensure sustainable growth while taking into account all stakeholders' concerns; ■ the last criterion is based on Legrand's share price performance relative to that of the CAC 40 index, so performance is assessed in relative terms, it being specified that no payment would be made if the share price underperforms the CAC 40 index. The proposed performance criteria thus reflect the Company's model based on profitable, sustainable and responsible growth aligned with the interests of shareholders and are transparent. To recap, the Board of Directors had been granted authorization on March 17, 2021 by the Combined Shareholders' Meeting of May 30, 2018, in its seventeenth resolution (Authorization to award performance shares).
	Other awards of securities: not applicable	There are no plans to make other awards of securities.
Exceptional compensation	Not applicable	There are no plans to award any exceptional compensation.
Compensation for serving as a director	Not applicable	The Chief Executive Officer does not receive any compensation for appointments held at the Company or its subsidiaries.
Value of benefits in kind	€6,135	An executive car is made available to the Chief Executive Officer. This amount is given for information purposes only for 2021.
Termination benefit	Not applicable	There is no undertaking in this regard.
Non-compete compensation	1 year's reference salary (annual fixed + variable) at the Company's sole initiative	Given the profile of the Chief Executive Officer and to protect the interests of the Company and its shareholders, the meeting of the Board of Directors held on March 20, 2018, on the recommendation of the Compensation Committee, 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 as Chief Executive Officer, 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 an amount lower than the cap recommended by the Code of Corporate Governance. In accordance with the procedure relating to related-party agreements and undertakings in force at the time, this agreement was authorized by the Board of Directors on March 20, 2018 and was approved by the Combined Shareholders' Meeting of May 30, 2018 (seventh resolution).

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, to which he was affiliated before his appointment as Chief Executive Officer, under the same terms as the rest of the employees concerned. All of the Group's French executives qualify for 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 (AGIRC-ARRCO). 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%). This amount is given for information purposes only for 2021. In accordance with the procedure relating to related-party agreements and undertakings in force at the time, this commitment was authorized by the Board of Directors on February 7, 2018 having already been approved by the Combined Shareholders' Meeting of May 30, 2018 (eighth resolution).
Personal protection and medical expenses plan	€6,666	The Chief Executive Officer benefits from "medical expenses" supplementary health insurance and "death, disability and inability to work" insurance available to the Group's French executives, 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. This amount is given for information purposes only for 2021. In accordance with the procedure relating to related-party agreements and undertakings in force at the time, this commitment was authorized by the Board of Directors on February 7, 2018 having already been approved by the Combined Shareholders' Meeting of May 30, 2018 (eighth resolution).

Sign-on bonus in the event of appointment of a new Chief Executive Officer in the course of 2021

There is no provision for any signing bonus intended to compensate for loss of benefits in the event that a new Chief Executive Officer is appointed in the course of the 2021 financial year.

Compensation policy for the directors in respect of 2021 requiring shareholders' approval

The components making up the compensation policy for 2021 applicable to the directors are presented in section 6.2.1.4 of this Universal Registration Document.

6.2.5.2 TOTAL COMPENSATION AND BENEFITS PAID DURING 2020 OR AWARDED IN RESPECT OF THE SAME YEAR TO COMPANY OFFICERS REQUIRING SHAREHOLDERS' APPROVAL

In accordance with Articles L. 22-10-9 and L. 22-10-34 of the French Commercial Code, the components of compensation paid for performing their duties during 2020 or awarded for performing their duties in respect of that same year to the company officers will be submitted for approval by shareholders at the Shareholders' Meeting to be convened in 2021 to approve the financial statements of the 2020 financial year. Payment of variable and exceptional compensation components is contingent on approval by that meeting.

Compensation and benefits paid during 2020 or awarded in respect of that same financial year to Mr. Gilles Schnepp for serving as Chairman of the Board of Directors until June 30, 2020

Compensation components paid or awarded in respect of 2020	Amounts paid during the financial year now ended	Amounts awarded in respect of the financial year now ended or accounting value	Details
Fixed compensation	Annual amount: €625,000 Pro rata amount from January 1 to June 30, 2020: €312,500		Gross annual fixed compensation approved by the Board of Directors on March 20, 2018 and unchanged since that date, on the recommendation of the Compensation Committee, corresponding to the amount attributable to Mr. Gilles Schnepp for serving as Chairman of the Board of Directors since the roles of Chairman of the Board of Directors and of Chief Executive Officer were split and unchanged since that date. This amount of annual fixed compensation for the Chairman of the Board of Directors was determined by the Board of Directors, on the recommendation of the Compensation Committee, in accordance with the principles laid down in section 6.2.1.1 of this Universal Registration Document, and in line with the responsibilities and duties of the Chairman of the Board of Directors. The main factors used to determine this compensation were: (i) the key role of the Chairman of the Board of Directors in organizing and directing the work done by the Board of Directors (ii) benchmarking studies analyzing the compensation awarded to non-executive chairmen of CAC 40 companies, and (iii) the skills of the Chairman of the Board of Directors. It is reminded that the fixed compensation of the Chairman of the Board of Directors was split on a pro rata basis between Mr. Gilles Schnepp, served from January 1 until June 30, 2020 and Ms. Angeles Garcia-Poveda, who served from July 1 until December 31, 2020.
Annual variable compensation	Not applicable	Not applicable	There are no plans to award any annual variable compensation. The Chairman 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.
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 Chairman 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.
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 Chairman 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.

Stock options, performance shares or any other long-term compensation component	Performance shares	Performance shares	There are no plans to award any performance shares. The Chairman 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. On the date his term of office as Chairman ended (June 30, 2020), Gilles Schnepp no longer had any entitlement in respect of stock option or performance share plans, except in respect of the 2017 performance share plan. As stated in section 6.2.2.2 of this Universal Registration Document, the Board of Directors decided on February 12, 2020, on the recommendation of the Compensation Committee, given the exceptional contribution made by Mr. Gilles Schnepp to Legrand's development, to lift the condition of continuing service in relation to the 2017 performance share plan, while applying the pro rata rule. The number of performance shares awarded to Mr. Gilles Schnepp under the 2017 plan when it expired on June 17, 2021, was reduced to 10,374, after taking a performance condition achievement rate of 108.9% into account.
	Other awards of securities: not applicable	Other awards of securities: not applicable	There are no plans to make other awards of securities. The Chairman 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 serving as a director	Not applicable	Not applicable	The Chairman of the Board of Directors does not receive any compensation for appointments held at the Company or its subsidiaries.
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.

Compensation and benefits paid during 2020 or awarded in respect of that same financial year to Ms. Angeles Garcia-Poveda for serving as Chairwoman of the Board of Directors from July 1, 2020

Compensation components paid or awarded in respect of 2020	Amounts paid during the financial year now ended	Amounts awarded in respect of the financial year now ended or accounting value	Details
Fixed compensation	Annual amount: €625,000 Pro rata amount from July 1 to December 31, 2020: €312,500		Gross annual fixed compensation approved by the Board of Directors on March 19, 2020 on the recommendation of the Compensation Committee. This amount of annual fixed compensation for the Chairman of the Board of Directors was determined by the Board of Directors, on the recommendation of the Compensation Committee, in accordance with the principles laid down in section 6.2.1.1 of this Universal Registration Document, and in line with the responsibilities and duties of the Chairman of the Board of Directors. The main factors used to determine this compensation were: (i) the key role of the Chairman of the Board of Directors in organizing and directing the work done by the Board of Directors (ii) benchmarking studies analyzing the compensation awarded to non-executive chairmen of CAC 40 companies, and (iii) the skills of the Chairman of the Board of Directors. As part of the change in the Company's governance arrangements effective July 1, 2020, the Board of Directors, acting on the recommendation of the Committee responsible for overseeing the change in the Company's governance and based on the benchmarking studies analyzing the compensation of non-executive chairmen of comparable CAC 40 companies, decided that the compensation for the new Chairwoman of the Board of Directors, Ms. Angeles Garcia-Poveda, would be identical to the compensation received by Mr. Gilles Schnepp, that is, fixed compensation of €625,000. The fixed compensation of the Chairman of the Board of Directors was split on a pro rata basis between Mr. Gilles Schnepp, served from January 1 until June 30, 2020 and Ms. Angeles Garcia-Poveda, who served from July 1 until December 31, 2020.
Annual variable compensation	Not applicable	Not applicable	There are no plans to award any annual variable compensation. The Chairman 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.
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 Chairman 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.

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 Chairman 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	Performance shares	There are no plans to award any performance shares. The Chairman 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 Chairman 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 serving as a director	Not applicable	Not applicable	The Chairman of the Board of Directors does not receive any compensation for appointments held at the Company or its subsidiaries.
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.

Compensation and benefits paid during 2020 or awarded in respect of that same financial year to Mr. Benoît Coquart for serving as Chief Executive Officer

Compensation components paid or awarded in respect of 2020	Amounts paid during the financial year now ended	Amounts awarded in respect of the financial year now ended or accounting value	Details
Fixed compensation	€700,000		Annual gross fixed compensation determined by the Board of Directors in its meeting of April 10, 2020. In its meeting of April 10, 2020, in the light of the global health emergency and economic crisis caused by Covid-19, based on a proposal made by Benoît Coquart, the Board of Directors decided to leave the Chief Executive Officer's annual fixed compensation in respect of 2020 unchanged compared to 2019 even though the Board of Directors had initially decided to raise it from €700,000 to €900,000 on the recommendation of the Compensation Committee and based on benchmarking studies analyzing the compensation awarded to executive officers of CAC 40 companies.
Annual variable compensation[1]	Annual amount awarded in respect of 2019 and paid in 2020: €845,600	Amount awarded in respect of 2020 and payable in 2021: €415,800	In its meeting of March 19, 2020, the Board of Directors decided that Mr. Benoît Coquart's variable compensation in respect of the 2020 financial year could 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 fixed compensation, which could therefore vary from 0% to 112.5% of the annual fixed compensation (with a target value set at 75%) and would be calculated on the basis of criteria relating to (i) 2020 organic sales growth, (ii) the achievement of a certain level of 2020 adjusted operating margin before acquisitions, (iii) 2020 sales growth resulting from acquisitions (scope effect) and (iv) the Group CSR roadmap achievement rate; ■ a qualitative portion representing 1/4 of this variable compensation, which could therefore vary from 0% to 37.5% of the annual fixed compensation (with a target value set at 25%) and would be calculated based on criteria relating to (i) innovation and market position (Innovation, Research & Development - new products and manufacturing processes, trend in sales generated by products under the Eliot program, relative market share trends), (ii) quality of external growth (strategic fit of acquisitions completed, quality of acquisitions pipeline, emphasis on multiples paid, quality of integration of acquisitions already completed), (iii) sustainable development and efforts to combat global warming (initiatives to cut CO_2 emissions, trend in sales generated by energy-saving solutions, 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 work done and proposals made by the Compensation Committee, the Board, at its meeting on March 17, 2021, set: ■ at 21.9% of the annual fixed compensation the variable portion of 2020 compensation resulting from the achievement of quantifiable targets. This is assessed in particular with respect to the sales and adjusted operating margin targets adopted in February 2020, i.e. before the global health emergency and economic crisis caused by Covid-19, and which were subsequently suspended. The compensation criteria were not changed. ■ at 37.5% of the annual fixed compensation the variable portion of 2020 compensation resulting from the achievement of qualitative targets. This therefore corresponds to an achievement rate of 39.6% (equal to 59.4% divided by 150%) of the maximum annual variable compensation and 59.4% (59.4% divided by 100%) of the target, i.e. €415,800 (details of the achievement rate of quantifiable and qualitative targets are provided in section 6.2.2.3 of the Universal Registration Document).

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.
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: €620,490	On the recommendation of the Compensation Committee, the Board of Directors decided on May 27, 2020, to establish the 2020 Performance Share Plan. This plan (including the performance criteria applicable to the awarded shares) is presented in section 6.2.2.3 of the Company's Universal Registration Document and in section 7.3 of the same document. The award under this plan to Mr. Benoît Coquart corresponds to 2.5% of the overall award. A total of 11,544 performance shares were awarded to Mr. Benoît Coquart. It is reminded that the target value of this plan, i.e. 200% of fixed compensation, was reduced to 100% of fixed compensation following Mr. Benoît Coquart's proposal and the decision made by the Board of Directors as described below. In the light of the global health emergency and economic crisis caused by Covid-19, the Board of Directors decided, based on a proposal made by Mr. Benoît Coquart, to reduce by 50% the target value for long-term compensation (lowering the target value for long-term compensation from 200% of 2019 fixed compensation to 100% of 2020 fixed compensation). 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. To recap, the Board of Directors had been granted authorization on May 30, 2018, by the Shareholders' Meeting of May 30, 2018 in its seventeenth resolution (Authorization to award performance shares).
		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 serving as a director	Not applicable	Not applicable	Mr. Benoît Coquart does not receive any compensation for appointments held at the Company or its subsidiaries.
Value of benefits in kind		€4,532	A company car was made available to the Chief Executive Officer in 2020.
Termination benefit	Not applicable	Not applicable	There is no undertaking in this regard.

Non-compete compensation	1 year's reference salary (annual fixed + variable) at the Company's sole initiative	1 year's reference salary (annual fixed + variable) at the Company's sole initiative	Given the profile of the new Chief Executive Officer and to protect the interests of the Company and its shareholders, the meeting of the Board of Directors held on March 20, 2018, on the recommendation of the Compensation Committee, 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 as Chief Executive Officer, 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 an amount lower than the cap recommended by the Code of Corporate Governance. In accordance with the procedure relating to related-party agreements and undertakings in force at the time, this agreement was authorized by the Board of Directors on March 20, 2018, and was approved by the Combined Shareholders' Meeting of May 30, 2018 (seventh resolution)
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, to which he was affiliated before his appointment as Chief Executive Officer, under the same terms as the rest of the employees concerned. All of the Group's French executives qualify for 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 (AGIRC-ARRCO). 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%). In accordance with the procedure relating to related-party agreements and undertakings in force at the time, this commitment was authorized by the Board of Directors on February 7, 2018, having already been approved by the Combined Shareholders' Meeting of May 30, 2018 (eighth resolution).
Personal protection and medical expenses plan	€6,666		The Chief Executive Officer benefits from "medical expenses" supplementary health insurance and "death, disability and inability to work" insurance available to the Group's French executives, 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. In accordance with the procedure relating to related-party agreements and undertakings in force at the time, this commitment was authorized by the Board of Directors on February 7, 2018, having already been approved by the Combined Shareholders' Meeting of May 30, 2018 (eighth resolution).

(1) Compensation component whose payment is subject to the approval of the Annual Combined General Meeting of May 26, 2021, pursuant to paragraph 2 of section II of article L. 225-100 of the French Commercial Code.

Compensation and benefits paid in 2020 or awarded in respect of the same year to the directors

The compensation paid for performing their duties during 2020 or awarded for performing their duties in respect of the same year to the directors is presented in section 6.2.2.5 of this universal registration document.

7 SHARE OWNERSHIP

7.1 - SHARE CAPITAL OWNERSHIP STRUCTURE

Unless otherwise stated, the information presented in this chapter is accurate as of December 31, 2020.

7.1.1 - Shareholder structure as of December 31, 2020, and changes to the shareholder structure in 2020

7.1.1.1 SHAREHOLDER STRUCTURE AS OF DECEMBER 31, 2020

	Shares comprising the share capital		Theoretical voting rights		Voting rights exercisable in Shareholders' General Meetings	
Shareholders	Number	%	Number	%	Number	%
Employees and similar[(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' General Meetings.

7.1.1.2 CHANGES IN THE SHAREHOLDER STRUCTURE DURING THE 2020 FINANCIAL YEAR AND INFORMATION ON CROSSINGS OF STATUTORY OWNERSHIP THRESHOLDS

The Company was notified of the following crossings of statutory ownership thresholds during the 2020 financial year:

Company	Declaration date	Date threshold crossed	Statutory threshold	Increase/ decrease	% of capital	% of voting rights
BlackRock	10/26/2020	10/23/2020	5% of the capital	Increase	5.08%	5.08%
BlackRock	1/12/2020	11/30/2020	5% of the capital	Decrease	4.99%	4.99%
BlackRock	2/12/2020	1/12/2020	5% of the capital	Increase	5.07%	5.07%
BlackRock	4/12/2020	2/12/2020	5% of the capital	Decrease	4.99%	4.99%
BlackRock	7/12/2020	4/12/2020	5% of the capital	Increase	5.04%	5.04%
BlackRock	12/17/2020	12/16/2020	5% of the capital	Decrease	4.97%	4.97%

Between the end of the 2020 financial year and February 28, 2021, the Company was not notified of any crossing of statutory ownership thresholds.

To the Company's knowledge, there are no shareholders holding, directly or indirectly, more than 5% of the Company's share capital or voting rights as of February 28, 2021, other than:

- Massachusetts Financial Services (MFS) Company; and
- BlackRock.

7.1.2 - Shareholder structure as of December 31, 2019, and changes to the shareholder structure in 2019

The Company's shareholder structure as of December 31, 2019, was as follows:

	Shares comprising the share capital		Theoretical voting rights		Voting rights exercisable in Shareholders' General Meetings	
Shareholders	**Number**	**%**	**Number**	**%**	**Number**	**%**
Employees and similar[1]	9,783,398	3.66	9,783,398	3.66	9,783,398	3.66
Treasury stock[2]	313,406	0.12	313,406	0.12	0	0
Free float	257,179,324	96.22	257,179,324	96.22	257,179,324	96.34
TOTAL	**267,276,128**	**100**	**267,276,128**	**100**	**266,962,722**	**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' General Meetings.

Information on crossings of statutory ownership thresholds and changes to the shareholder structure during the 2019 financial year can be found in section 7.1.1 of the 2019 Universal Registration Document filed with the AMF under no. D.20-0320.

7.1.3 - Shareholder structure as of December 31, 2018, and changes to the shareholder structure in 2018

The Company's shareholder structure as of December 31, 2018, was as follows:

	Shares comprising the share capital		Theoretical voting rights		Voting rights exercisable in Shareholders' General Meetings	
Shareholders	**Number**	**%**	**Number**	**%**	**Number**	**%**
Employees and similar[1]	10,371,821	3.89	10,371,821	3.88	10,371,821	3.89
Treasury stock[2]	905,347	0.34	905,347	0.34	0	0
Free float	256,217,981	95.78	256,217,981	95.78	256,217,981	96.11
TOTAL	**267,495,149**	**100**	**267,495,149**	**100**	**266,589,802**	**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' General Meetings.

Information on crossings of statutory ownership thresholds and changes to the shareholder structure during the 2018 financial year can be found in section 7.1.1 of the 2018 Registration Document filed with the AMF under no. D.19-0306.

7.1.4 - Shareholders' agreement and specific agreements

To the best of the Company's knowledge, there is no shareholders' agreement in effect as at the date of this Universal Registration Document that governs relations between its shareholders, nor are any shareholders acting in concert.

7.2 - STOCK OPTION PLANS

Table 8 of the Code of Corporate Governance – Historical stock option awards

No stock options have been granted since the 2010 Plan.

The implementation of the following stock option plans was approved by the Board of Directors in previous years:

	2010 Plan
Date approved by shareholders	May 15, 2007
Grant date	March 4, 2010
Total number of options granted	3,288,702(1)
o/w to corporate officers	*224,083*(1)
- Gilles Schnepp	*138,813*(1)
- Olivier Bazil	*85,270*(1)
Start of exercise period	March 5, 2014
Expiry of exercise period	March 4, 2020
Exercise price	€21.12(1) Average closing price over the 20 trading days preceding the grant date
Exercise terms (plans comprising several tranches)	(2)(3)
Number of options exercised as of December 31, 2020	(3,026,672)
Number of options cancelled or forfeited	(262,030)
STOCK OPTIONS OUTSTANDING AS OF DECEMBER 31, 2020	**0**(4)

(1) Given the dividend distribution features approved at the General Meetings of Shareholders on May 29, 2015, on May 27, 2016, on May 31, 2017, on May 30, 2018, and on May 29, 2019, the number and exercise price of stock options were adjusted to take into account the impact of these transactions on the interests of stock option beneficiaries, in accordance with article L.228-99 of the French Commercial Code.

(2) Options vest after a maximum of four years, except in the event of resignation or termination for willful misconduct.

(3) This plan was subject to performance conditions (see Note 12 to the consolidated financial statements for the twelve months ended December 31, 2014).

(4) The weighted average market price of the Company stock upon exercises of stock options in 2020 was €72.49.

The cost of stock options is measured at the fair value of the award on the grant date, using the Black & Scholes option pricing model or the binomial model.

Stock options granted under all of these plans are considered to have a five-year life.

Table 9 of the Code of Corporate Governance – Options granted to and exercised by the top 10 employees who are not company officers

The table below shows the options granted to and exercised by the top 10 employees who were not company officers during the financial year ended December 31, 2020:

			2010 Plan	
Stock options granted to and exercised by the top ten employees who are not corporate officers	**Total number of options granted/ shares subscribed or purchased**	**Weighted average price**	**before adjustment**	**after adjustment[(1)]**
		21.12		**21.12**
Options granted, during the year, by the issuer and by all companies within the scope of the option plan, to the ten employees of the issuer and of those companies included in this scope, to whom the highest number of options was granted (total)	Nil	-	-	-
Options previously granted, by the issuer and the aforesaid companies, and exercised during the course of the year by the ten employees of the issuer and of these companies who purchased or subscribed the highest number of options (total)	79,722			79,722

(1) In view of the dividend payment terms approved by the Combined Ordinary and Extraordinary Shareholders' General Meeting of May 31, 2017, the number and exercise price of the stock options were adjusted, in accordance with article L. 228-99 of the French Commercial Code, to take into account the impact of this transaction on the beneficiaries' interests.

Information on the options granted to and exercised by Gilles Schnepp during the year ended December 31, 2020, is included in section 6.2.2.1 of this Universal Registration Document.

The company officer is subject to the requirement to hold at least 30% of all shares acquired (including options and performance shares) until the termination of his duties.

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7.3 - PERFORMANCE SHARES

Table 10 of the Code of Corporate Governance – Historical bonus share grants

2016, 2017, 2018, 2019 and 2020 performance share plans

The implementation of the following performance share plans were also approved by the Board of Directors:

	2016 Plan	2017 Plan	2018 Plans	2019 Plans	2020 Plans
Date approved by shareholders	May 24, 2013	May 27, 2016	May 30, 2018	May 30, 2018	May 30, 2018
Grant date	May 27, 2016	May 31, 2017	May 30, 2018	May 29, 2019	May 26, 2020
Total number of performance share rights initially granted	502,924 [1]	492,254 [1]	524,123 [1]	617,818	461,861
o/w to corporate officers	*15,504* [1]	*12,503* [1]	*19,546* [1]	*22,954*	*11,544*
- Gilles Schnepp	*15,504*	*12,503*	*0*	*0*	*0*
- Benoît Coquart	*N/A*	*N/A*	*19,546*	*22,954*	*11,544*
Total IFRS 2 expense *(in € millions)*	20.3 [2]	24.8 [2]	28.5 [2]	31.0 [2]	22.8 [2]
End of vesting period	June 17, 2020	June 17, 2021	June 16, 2021 [3] June 16, 2022 [4]	June 16, 2022 [3] June 16, 2023 [4]	June 16, 2023 [3] June 14, 2024 [4]
End of lock-up period	June 17, 2020	June 17, 2021	May 31, 2023 [3] June 16, 2022 [4]	May 31, 2024 [3] June 16, 2023 [4]	May 28, 2025 [3] June 14, 2024 [4]
Number of performance shares adjusted for the performance criteria fulfillment	33,531 [5]	52,300 [6]	(40,100) [6]		
Number of performance share rights cancelled or forfeited	(40,824)	(40,975)	(40,846)	(40,497)	(1,148)
Number of performance shares acquired as of December 31, 2020	(495,631)	(169)	(313)	0	0
PERFORMANCE SHARE RIGHTS OUTSTANDING AS OF DECEMBER 31, 2020	**0**	**503,410**	**442,864**	**577,321**	**460,713**

(1) Given the dividend distribution features approved at the General Meetings of Shareholders on May 27, 2016, on May 31, 2017, on May 30, 2018 and 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. Moreover, the number of performance shares has been reduced following Gilles Schnepp's decision to waive part of his entitlement to performance shares initially granted under the 2016 plan.

(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 4.2.1.3.

(6) Adjustments estimated as at the date when the consolidated financial statements were prepared.

If all the performance shares from the 2017 to 2020 plans were to vest according to the target allocation before application of the performance criteria (i.e., 1,984,308 shares) and if those shares were transferred following capital increases, the Company's capital would be diluted by 0.7 % as of December 31, 2020.

Under the 2020 Plan, in respect of the 2020 financial year, 75,275 performance shares were awarded free of charge to the 10 non-company officer employees of the Company with the highest share awards. That number is calculated before applying the performance and employment conditions attached to said shares.

Information on the shares awarded to the corporate officer or vested during the financial year ended December 31, 2020 is included in section 6.2.2.1 of this Universal Registration Document.

The company officer is subject to the requirement to hold at least 30% of all shares acquired (including options and performance shares) until the termination of his duties.

7.4 - REGULATED AGREEMENTS

7.4.1 - Description and qualification

The Company has adopted an Internal Charter on the Qualification of Agreements, which can be consulted on the Company's website www.legrandgroup.com/en, in 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, 2020

This is a translation into English of the statutory auditors' special report on regulated agreements report of LEGRAND issued in French and it is provided solely for the convenience of English speaking users. This report on regulated agreements should be read in conjunction and construed in accordance with, French law and professional auditing standards applicable in France. It should be understood that the agreements reported on are only those provided by the French Commercial Code (code de commerce) and that the report does not apply to those related party transactions described in IAS 24 or other equivalent accounting standards.

To Annual General Meeting of Legrand

In our capacity as statutory auditors of your Company, we hereby report on regulated agreements and commitments.

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 and commitments, 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. These procedures consisted in agreeing the information provided to us with the relevant source documents.

AGREEMENTS SUBMITTED TO THE APPROVAL OF THE ANNUAL GENERAL MEETING

Agreements authorized since the year-end

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

Agreements approved during previous years

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, April 9, 2021

The Statutory Auditors

French original signed by

PricewaterhouseCoopers Audit	**Deloitte & Associés**
Camille Phelizon	Jean-François Viat

CONSOLIDATED FINANCIAL INFORMATION CONCERNING THE GROUP'S ASSETS, LIABILITIES, FINANCIAL POSITION AND RESULTS

8

8.1 - CONSOLIDATED FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS FOR THE YEARS ENDED DECEMBER 31, 2020 AND DECEMBER 31, 2019

8.1.1 - Consolidated statement of income

(in € millions)	12 months ended December 31, 2020	12 months ended December 31, 2019
Net sales (Notes 2.1 and 2.2)	**6,099.5**	**6,622.3**
Operating expenses (Note 2.3)		
Cost of sales	(2,915.7)	(3,184.5)
Administrative and selling expenses	(1,666.5)	(1,764.4)
Research and development costs	(319.4)	(312.0)
Other operating income (expenses)	(132.5)	(124.0)
Operating profit	**1,065.4**	**1,237.4**
Financial expenses	(99.3)	(91.1)
Financial income	6.1	11.9
Exchange gains (losses)	(10.3)	(2.0)
Financial profit (loss)	**(103.5)**	**(81.2)**
Profit before tax	**961.9**	**1,156.2**
Income tax expense (Note 2.4)	(279.2)	(318.3)
Share of profits (losses) of equity-accounted entities	**(0.7)**	**(1.8)**
Profit for the period	**682.0**	**836.1**
Of which:		
- **Net profit attributable to the Group**	**681.2**	**834.8**
- **Minority interests**	**0.8**	**1.3**
Basic earnings per share *(euros)* (Note 4.1.3)	2.550	3.129
Diluted earnings per share *(euros)* (Note 4.1.3)	2.531	3.103

The accompanying Notes are an integral part of these consolidated financial statements.

8.1.2 - Consolidated statement of comprehensive income

(in € millions)	12 months ended December 31, 2020	12 months ended December 31, 2019
Profit for the period	682.0	836.1
Items that may be reclassified subsequently to profit or loss		
Translation reserves	(508.9)	77.2
Cash flow hedges	0.0	0.4
Income tax relating to components of other comprehensive income	(11.9)	4.4
Items that will not be reclassified to profit or loss		
Actuarial gains and losses (Note 4.5.1.1)	(4.5)	(33.2)
Deferred taxes on actuarial gains and losses	0.8	7.7
Other (Note 5.1.1.1)	0.0	(0.9)
Comprehensive income for the period	**157.5**	**891.7**
Of which:		
- Comprehensive income attributable to the Group	**156.8**	**890.3**
- Minority interests	**0.7**	**1.4**

The accompanying Notes are an integral part of these consolidated financial statements.

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8.1.3 - Consolidated balance sheet

ASSETS

(in € millions)	December 31, 2020	December 31, 2019
Non-current assets		
Intangible assets (Note 3.1)	2,441.6	2,474.4
Goodwill (Note 3.2)	4,803.7	4,566.2
Property, plant and equipment (Note 3.3)	680.9	707.7
Right-of-use assets (Note 3.4)	268.3	312.1
Investments in equity-accounted entities	0.0	18.8
Other investments	1.5	1.9
Other non-current assets	49.4	34.9
Deferred tax assets (Note 4.7)	112.4	107.6
TOTAL NON CURRENT ASSETS	**8,357.8**	**8,223.6**
Current assets		
Inventories (Note 3.5)	837.3	852.6
Trade receivables (Note 3.6)	644.5	756.8
Income tax receivables	70.1	60.2
Other current assets (Note 3.7)	204.8	217.5
Other current financial assets	1.5	1.2
Cash and cash equivalents (Note 3.8)	2,791.7	1,710.9
TOTAL CURRENT ASSETS	**4,549.9**	**3,599.2**
TOTAL ASSETS	**12,907.7**	**11,822.8**

The accompanying Notes are an integral part of these consolidated financial statements.

EQUITY AND LIABILITIES

(in € millions)	December 31, 2020	December 31, 2019
Equity		
Share capital (Note 4.1)	1,069.8	1,069.1
Retained earnings (Notes 4.2 and 4.3.1)	4,788.3	4,486.6
Translation reserves (Note 4.3.2)	(962.3)	(453.5)
Equity attributable to equity holders of Legrand	4,895.8	5,102.2
Minority interests	10.2	9.9
TOTAL EQUITY	**4,906.0**	**5,112.1**
Non-current liabilities		
Long-term provisions (Notes 4.4 and 4.5.2)	200.2	146.7
Provisions for post-employment benefits (Note 4.5.1)	181.8	181.0
Long-term borrowings (Note 4.6.1)	4,073.8	3,575.4
Deferred tax liabilities (Note 4.7)	791.2	750.8
TOTAL NON-CURRENT LIABILITES	**5,247.0**	**4,653.9**
Current liabilities		
Trade payables	612.9	654.2
Income tax payables	30.3	28.3
Short-term provisions (Note 4.4)	127.9	104.1
Other current liabilities (Note 4.8)	661.8	653.0
Short-term borrowings (Note 4.6.2)	1,320.7	616.2
Other current financial liabilities	1.1	1.0
TOTAL CURRENT LIABILITIES	**2,754.7**	**2,056.8**
TOTAL EQUITY AND LIABILITIES	**12,907.7**	**11,822.8**

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, 2020	December 31, 2019
Profit for the period	**682.0**	**836.1**
Adjustments for non-cash movements in assets and liabilities:		
– Depreciation and impairment of tangible assets (Note 2.3)	115.3	113.6
– Amortization and impairment of intangible assets (Note 2.3)	117.3	95.9
– Amortization and impairment of capitalized development costs (Note 2.3)	29.6	27.4
– Amortization and impairment of right-of-use assets (Note 3.4)	72.1	69.7
– Amortization of financial expenses	3.4	2.8
– Impairment of goodwill (Note 3.2)	0.0	0.0
– Changes in long-term deferred taxes	61.2	24.4
– Changes in other non-current assets and liabilities (Notes 4.4 and 4.5)	58.0	40.2
– Unrealized exchange (gains)/losses	(1.5)	5.1
– Share of (profits) losses of equity-accounted entities	0.7	1.8
– Other adjustments	(17.8)	(0.3)
– Net (gains)/losses on sales of assets	(11.6)	5.0
Changes in working capital requirement:		
– Inventories (Note 3.5)	(22.5)	66.2
– Trade receivables (Note 3.6)	77.4	(51.1)
– Trade payables	(14.7)	(22.1)
– Other operating assets and liabilities (Notes 3.7 and 4.8)	13.0	24.7
Net cash from operating activities	**1,161.9**	**1,239.4**
– Net proceeds from sales of fixed and financial assets	22.3	7.1
– Capital expenditure (Notes 3.1 and 3.3)	(126.8)	(166.9)
– Capitalized development costs	(28.3)	(35.3)
– Changes in non-current financial assets and liabilities	3.6	(8.6)
– Acquisitions of subsidiaries, net of cash acquired (Note 1.3.2)	(721.2)	(452.7)
Net cash from investing activities	**(850.4)**	**(656.4)**
– Proceeds from issues of share capital and premium (Note 4.1.1)	9.2	6.3
– Net sales / (buybacks) of treasury shares and transactions under the liquidity contract (Note 4.1.2)	(32.4)	(18.0)
– Dividends paid to equity holders of Legrand (Note 4.1.3)	(357.4)	(357.1)
– Dividends paid by Legrand subsidiaries	(1.2)	0.0
– Proceeds from long-term financing (Note 4.6)	600.4	402.4
– Repayment of long-term financing* (Note 4.6)	(84.2)	(72.2)
– Debt issuance costs	(4.2)	(6.3)
– Increase / (reduction) in short-term financing (Note 4.6)	694.1	148.5
– Acquisitions of ownership interests with no gain of control (Note 1.3.2)	(0.6)	(5.0)
Net cash from financing activities	**823.7**	**98.6**
Translation net change in cash and cash equivalents	(54.4)	6.8
Increase / (decrease) in cash and cash equivalents	**1,080.8**	**688.4**
Cash and cash equivalents at the beginning of the period	1,710.9	1,022.5
Cash and cash equivalents at the end of the period (Note 3.8)	**2,791.7**	**1,710.9**
Items included in cash flows:		
– Interest paid during the period**	78.9	76.0
– Income taxes paid during the period	240.0	261.5

** Of which €66.8 million corresponding to lease financial liabilities repayment for the 12 months ended December 31, 2020 (€67.0 million for the 12 months ended December 31, 2019).*

*** Interest paid is included in the net cash from operating activities; of which €8.0 million interests on lease financial liabilities for the 12 months ended December 31, 2020 (€9.7 million for the 12 months ended December 31, 2019).*

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, 2018	**1,070.0**	**4,115.5**	**(530.6)**	**(63.7)**	**4,591.2**	**5.9**	**4,597.1**
Profit for the period		834.8			834.8	1.3	836.1
Other comprehensive income		3.9	77.1	(25.5)	55.5	0.1	55.6
Total comprehensive income		838.7	77.1	(25.5)	890.3	1.4	891.7
Dividends paid		(357.1)			(357.1)	0.0	(357.1)
Issues of share capital and premium	1.3	5.0			6.3		6.3
Cancellation of shares held in treasury	(2.2)	(32.7)			(34.9)		(34.9)
Net sales / (buybacks) of treasury shares and transactions under the liquidity contract		16.9			16.9		16.9
Change in scope of consolidation**		(22.2)			(22.2)	2.6	(19.6)
IFRS 16 transition impact		(12.7)			(12.7)		(12.7)
Current taxes on share buybacks		(1.3)			(1.3)		(1.3)
Share-based payments		25.7			25.7		25.7
As of December 31, 2019	**1,069.1**	**4,575.8**	**(453.5)**	**(89.2)**	**5,102.2**	**9.9**	**5,112.1**
Profit for the period		681.2			681.2	0.8	682.0
Other comprehensive income		(11.9)	(508.8)	(3.7)	(524.4)	(0.1)	(524.5)
Total comprehensive income		669.3	(508.8)	(3.7)	156.8	0.7	157.5
Dividends paid		(357.4)			(357.4)	(1.2)	(358.6)
Issues of share capital and premium (Note 4.1.1)	1.7	7.5			9.2		9.2
Cancellation of shares held in treasury (Note 4.1.1)	(1.0)	(15.2)			(16.2)		(16.2)
Net sales / (buybacks) of treasury shares and transactions under the liquidity contract (Note 4.1.2)		(16.2)			(16.2)		(16.2)
Change in scope of consolidation**		(4.5)			(4.5)	0.8	(3.7)
Current taxes on share buybacks		(0.4)			(0.4)		(0.4)
Share-based payments (Note 4.2)		22.3			22.3		22.3
As of December 31, 2020	**1,069.8**	**4,881.2**	**(962.3)**	**(92.9)**	**4,895.8**	**10.2**	**4,906.0**

** 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 AND SIGNIFICANT EVENTS FOR THE PERIOD

Key figures

(in € millions)	2020	2019
Net sales	**6,099.5**	**6,622.3**
Adjusted operating profit	1,156.0	1,326.1
As % of net sales	19.0%	20.0%
	19.1 % before acquisitions (1)	
Operating profit	**1,065.4**	1,237.4
As % of net sales	17.5%	18.7%
Net profit attributable to the Group	**681.2**	834.8
As % of net sales	11.2%	12.6%
Normalized free cash flow	**1,034.2**	1,009.8
As % of net sales	17.0%	15.2%
Free cash flow	**1,029.1**	1,044.3
As % of net sales	16.9%	15.8%
Net financial debt at December 31	**2,602.8**	**2,480.7**

(1) At 2019 scope of consolidation.

Adjusted operating profit is defined as operating profit adjusted for amortization and depreciation of revaluation of assets at the time of acquisitions and for other P&L impacts relating to acquisitions and, where applicable, for impairment of goodwill.

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.

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.

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 5.6.

Significant events for the period

Following the deterioration of the global health and economic situation caused by the spread of Covid-19, Legrand announced on March 26, 2020 that it was suspending the targets it published in February of the same year.

Within this context of unprecedented crisis, Legrand recorded a drop in sales and profitability versus the financial year 2019. The Group accelerated its short-term and structural initiatives to adapt accordingly.

The impairment tests for trademarks with an indefinite useful life and goodwill were updated as at December 31, 2020; please refer to Notes 3.1 and 3.2 to the consolidated financial statements. No impairment loss was recorded as at December 31, 2020.

There are no significant accounting impacts to be noted otherwise.

Regarding financial risks, in particular liquidity risk and credit risk, there was no significant increase to be noted in 2020. Please refer to Note 5.1.2 to the consolidated financial statements.

NOTE 1 - BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

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 close to 180 countries.

The Company is a French société anonyme incorporated and domiciled in France. Its registered office is located at 128, avenue du Maréchal de Lattre de Tassigny – 87000 Limoges (France).

The 2019 Universal Registration Document was filed with the AMF (French Financial Markets Authority) on April 20, 2020 under no. D. 20-0320.

The consolidated financial statements were approved by the Board of Directors on February 9, 2021.

All amounts are presented in millions of euros unless otherwise specified. Some totals may include rounding differences.

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, 2020. 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, 2020.

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.

1.2.1 New standards, amendments and interpretations that may impact the Group's financial statements

1.2.1.1 New standards, amendments and interpretations with mandatory application from January 1, 2020 that have an impact on the Group's 2020 financial statements

Amendment to IFRS 16 – Leases

In May 2020, the IASB issued an amendment to IFRS 16 which states that reductions in lease payments are not necessarily to be considered as contract modifications, provided that these reductions are not accompanied with a change in the lease duration or in the lease scope. Therefore, such lease payment reductions can be treated as variable payments.

The Group applied this amendment retrospectively from January 1, 2020, which resulted in the recognition of a gain of less than €1 million in the consolidated statement of income 2020 (had this amendment not been applied, the gain would have been recognized on a linear straight-line basis over the residual duration of the concerned lease contracts).

1.2.1.2 New standards, amendments and interpretations with mandatory application from January 1, 2020 that have no impact on the Group's 2020 financial statements

Amendments to IAS 1 and IAS 8 – Definition of Material

In October 2018, the IASB issued amendments to IAS 1 – Presentation of Financial Statements and IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.

These amendments clarify that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of the financial statements make.

1.2.1.3 New standards, amendments and interpretations adopted by the European Union and not applicable to the Group until future periods

Not applicable.

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. It should have no material impact on the Group.

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.

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.

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, long-term growth and profitability rates and royalty rates for trademarks with indefinite useful lives.

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.

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.

1.3 SCOPE OF CONSOLIDATION

1.3.1 List of main consolidated companies

The consolidated financial statements comprise the financial statements of Legrand and its 212 subsidiaries.

The main operating subsidiaries as of December 31, 2020, all of which being 100% owned and fully consolidated, are as follows:

Europe		
Legrand Group Belgium	Belgium	Diegem
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
North and Central America		
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

1.3.2 Changes in the scope of consolidation

The contributions to the Group's consolidated financial statements of companies acquired since the end of 2018 were as follows:

2019	March 31	June 30	September 30	December 31
Full consolidation method				
Debflex	Balance sheet only	6 months' profit	9 months' profit	12 months' profit
Netatmo	Balance sheet only	6 months' profit	9 months' profit	12 months' profit
Trical	Balance sheet only	6 months' profit	9 months' profit	12 months' profit
Universal Electric		Balance sheet only	6 months' profit	9 months' profit
Connectrac				Balance sheet only
Jobo Smartech				Balance sheet only

2020	March 31	June 30	September 30	December 31
Full consolidation method				
Debflex	3 months' profit	6 months' profit	9 months' profit	12 months' profit
Netatmo	3 months' profit	6 months' profit	9 months' profit	12 months' profit
Trical	3 months' profit	6 months' profit	9 months' profit	12 months' profit
Universal Electric	3 months' profit	6 months' profit	9 months' profit	12 months' profit
Connectrac	3 months' profit	6 months' profit	9 months' profit	12 months' profit
Jobo Smartech	Balance sheet only	6 months' profit	9 months' profit	12 months' profit
Focal Point	Balance sheet only	Balance sheet only	7 months' profit	10 months' profit
Champion One				Balance sheet only
Compose				Balance sheet only
Borri				Balance sheet only

The main acquisitions carried out in 2020 were as follows:

- 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 solutions. 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.

Acquisitions of subsidiaries (net of cash acquired) came to a total of €721.2 million in 2020.

As of December 31, 2020, these acquisitions led to the recognition of €130.0 million in intangible assets excluding goodwill, €51.0 million in other acquired assets net of liabilities, and consequently €540.2 million in provisional goodwill.

NOTE 2 - RESULTS FOR THE YEAR

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.

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12 months ended December 31, 2020

(in € millions)	Europe	North and Central America	Rest of the world	Total
Net sales to third parties	**2,499.4** (1)	**2,526.3** (2)	**1,073.8**	**6,099.5**
Cost of sales	(1,111.0)	(1,216.7)	(588.0)	(2,915.7)
Administrative and selling expenses, R&D costs	(837.5)	(854.7)	(293.7)	(1,985.9)
Other operating income (expenses)	(71.3)	(52.5)	(8.7)	(132.5)
Operating profit	**479.6**	**402.4**	**183.4**	**1,065.4**
- of which acquisition-related amortization, expenses and income				
· accounted for in administrative and selling expenses, R&D costs	(16.0)	(73.5)	(19.9)	(109.4)
· accounted for in other operating income (expenses)	16.2	2.6	0.0	18.8
- of which goodwill impairment				0.0
Adjusted operating profit	**479.4**	**473.3**	**203.3**	**1,156.0**
- of which depreciation and impairment expense	(66.3)	(25.3)	(23.3)	(114.9)
- of which amortization and impairment expense	(9.3)	(2.4)	(0.9)	(12.6)
- of which amortization and impairment of development costs	(28.6)	0.0	(1.0)	(29.6)
- of which amortization and impairment of right-of-use assets	(29.8)	(23.0)	(19.3)	(72.1)
- of which restructuring costs	(53.8)	(12.5)	2.3	(64.0) (3)
Capital expenditure	(79.4)	(21.0)	(26.4)	(126.8)
Capitalized development costs	(27.0)	0.0	(1.3)	(28.3)
Net tangible assets	423.2	140.6	117.1	680.9
Total current assets	3,172.4	690.9	686.6	4,549.9
Total current liabilities	1,971.3	381.8	401.6	2,754.7

(1) Of which France: €1,021.2 million.

(2) Of which United States: €2,370.8 million.

(3) €(75.6) million excluding net gains on sales of assets.

12 months ended December 31, 2019

(in € millions)	Europe	North and Central America	Rest of the world	Total
Net sales to third parties	**2,758.0** [1]	**2,602.9** [2]	**1,261.4**	**6,622.3**
Cost of sales	(1,230.4)	(1,254.9)	(699.2)	(3,184.5)
Administrative and selling expenses, R&D costs	(883.5)	(860.5)	(332.4)	(2,076.4)
Other operating income (expenses)	(71.3)	(40.3)	(12.4)	(124.0)
Operating profit	**572.8**	**447.2**	**217.4**	**1,237.4**
- of which acquisition-related amortization, expenses and income				
· accounted for in administrative and selling expenses, R&D costs	(12.5)	(63.4)	(12.8)	(88.7)
· accounted for in other operating income (expenses)				0.0
- of which goodwill impairment				0.0
Adjusted operating profit	**585.3**	**510.6**	**230.2**	**1,326.1**
- of which depreciation and impairment expense	(65.5)	(22.7)	(25.0)	(113.2)
- of which amortization and impairment expense	(9.6)	(2.3)	(0.9)	(12.8)
- of which amortization and impairment of development costs	(26.1)	0.0	(1.3)	(27.4)
- of which amortization and impairment of right-of-use assets	(26.5)	(23.9)	(19.3)	(69.7)
- of which restructuring costs	(21.1)	(3.2)	(6.6)	(30.9)
Capital expenditure	(112.4)	(24.3)	(30.2)	(166.9)
Capitalized development costs	(33.5)	0.0	(1.8)	(35.3)
Net tangible assets	435.8	138.4	133.5	707.7
Total current assets	2,157.9	729.9	711.4	3,599.2
Total current liabilities	1,268.3	368.0	420.5	2,056.8

(1) Of which France: €1,124.3 million.

(2) Of which United States: €2,410.1 million.

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 close to 17% of consolidated net sales in 2020. 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, so that they will not subsequently generate any significant adverse adjustments. 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 2020, the Group's consolidated net sales came to €6,099.5 million, down -7.9% in total compared with 2019 due to an organic decline (-8.7%), an increase in scope of consolidation (+3.6%) and the unfavorable impact of exchange rates (-2.6%).

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Changes in net sales by destination are as follows:

	12 months ended December 31,					
***Net sales** (in € million, except %)*	**2020**	**2019**	**Total change**	**Change in scope of consolidation**	**Organic growth[1]**	**Exchange-rate effect**
Europe	2,396.0	2,639.3	(9.2%)	0.2%	(7.9%)	(1.5%)
North and Central America	2,485.4	2,559.2	(2.9%)	8.6%	(8.7%)	(2.1%)
Rest of the World	1,218.1	1,423.8	(14.4%)	1.0%	(10.3%)	(5.6%)
Consolidated total	**6,099.5**	**6,622.3**	**(7.9%)**	**3.6%**	**(8.7%)**	**(2.6%)**

(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).

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Net sales by destination in these two geographical areas are as follows:

	12 months ended	
(in € millions)	**December 31, 2020**	**December 31, 2019**
Mature countries	4,560.5	4,813.1
New economies	1,539.0	1,809.2
TOTAL	**6,099.5**	**6,622.3**

2.3 OPERATING EXPENSES

Operating expenses include the following main categories of costs:

	12 months ended	
(in € millions)	**December 31, 2020**	**December 31, 2019**
Raw materials and component costs	(1,959.0)	(2,152.9)
Personnel costs	(1,597.9)	(1,641.6)
Other external costs	(1,016.5)	(1,163.1)
Amortization of right-of-use assets	(69.4)	(69.7)
Depreciation of tangible assets	(113.6)	(113.6)
Amortization of intangible assets	(145.2)	(123.3)
Restructuring costs	(64.0) [1]	(30.9)
Goodwill impairment	(0.0)	0.0
Other	(68.5)	(89.8)
OPERATING EXPENSES	**(5,034.1)**	**(5,384.9)**

(1) €(75.6) million excluding net gains on sales of assets.

"Other" primarily includes impairment losses and reversals on inventories (Note 3.5), trade receivables (Note 3.6), and provisions for contingencies (Note 4.4).

The Group had an average of 36,726 employees in 2020 (versus 39,007 in 2019), of which 29,556 back-office employees and 7,170 front-office employees (versus 31,389 and 7,618, respectively, in 2019).

2.4 INCOME TAX EXPENSE

Income tax expense consists of the following:

(in € millions)	12 months ended December 31, 2020	12 months ended December 31, 2019
Current taxes	(228.7)	(294.5)
Deferred taxes	(50.5)	(23.8)
TOTAL INCOME TAX EXPENSE	**(279.2)**	**(318.3)**

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 €961.9 million in 2020 (versus €1,156.2 million in 2019):

(Tax rate)	12 months ended December 31, 2020	12 months ended December 31, 2019
Standard French income tax rate	**32.02%**	**34.43%**
Increases (reductions):		
- Effect of foreign income tax rates	(8.49%)	(9.87%)
- Non-taxable items	0.23%	0.01%
- Income taxable at specific rates	(0.36%)	(0.21%)
- Other	4.64%	2.89%
	28.04%	**27.25%**
Impact on deferred taxes of:		
- Changes in tax rates	0.23%	(0.37%)
- Recognition or non-recognition of deferred tax assets	0.80%	0.66%
EFFECTIVE TAX RATE	**29.07%**	**27.53%**

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NOTE 3 - DETAILS ON NON-CURRENT AND CURRENT ASSETS

3.1 INTANGIBLE ASSETS

(in € millions)	December 31, 2020	December 31, 2019
Trademarks	1,834.9	1,868.2
Patents	129.3	149.8
Customer relationships	327.3	305.0
Other intangible assets	150.1	151.4
NET VALUE AT THE END OF THE PERIOD	**2,441.6**	**2,474.4**

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, 2020	December 31, 2019
Gross value at the beginning of the period	2,186.8	2,092.7
- Acquisitions	69.5	82.9
- Disposals	0.0	0.0
- Translation adjustments	(70.9)	11.2
Gross value at the end of the period	**2,185.4**	**2,186.8**
Accumulated amortization and impairment at the beginning of the period	(318.6)	(272.6)
- Amortization expense	(59.7)	(42.4)
- Reversals	0.0	0.0
- Translation adjustments	27.8	(3.6)
Accumulated amortization and impairment at the end of the period	**(350.5)**	**(318.6)**
NET VALUE AT THE END OF THE PERIOD	**1,834.9**	**1,868.2**

To date, no significant impairment has been recognized for these trademarks.

Each trademark with an indefinite useful life is tested for impairment separately, in the fourth quarter of each year and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Impairment tests are performed using the relief from royalty method. This method consists of measuring the royalties that the company would have to pay to license the trademark from a third party. The theoretical value of these royalties is then measured by estimating future revenue generated by the trademark over its useful life, as if the trademark were owned by a third party.

The following impairment testing parameters were used in the period ended December 31, 2020:

(in € millions)	Recoverable amount	Carrying amount of trademarks with indefinite useful lives	Value in use: Discount rate (before tax)	Value in use: Growth rate to perpetuity
	Value in use	1,408.0	9.4 to 10.9%	2.8 to 3.1%

No impairment was recognized in the period ended December 31, 2020.

Sensitivity tests were performed on the discount rates and long-term growth rates used for impairment testing purposes. Based on the results of these tests, a 100-basis point unfavorable change in each of these rates taken separately would not lead to any impairment losses being recognized on any trademarks with an indefinite useful life.

The following impairment testing parameters were used in the period ended December 31, 2019:

(in € millions)	Recoverable amount	Carrying amount of trademarks with indefinite useful lives	Value in use: Discount rate (before tax)	Value in use: Growth rate to perpetuity
	Value in use	1,408.0	9.6 to 11.4%	2.9 to 3.2%

No impairment was recognized in the period ended December 31, 2019.

3.1.2 Patents

Patents can be analyzed as follows:

(in € millions)	December 31, 2020	December 31, 2019
Gross value at the beginning of the period	772.4	697.3
- Acquisitions	5.1	71.7
- Disposals	0.0	0.0
- Translation adjustments	(18.8)	3.4
Gross value at the end of the period	**758.7**	**772.4**
Accumulated amortization and impairment at the beginning of the period	(622.6)	(604.6)
- Amortization expense	(16.6)	(16.6)
- Reversals	0.0	0.0
- Translation adjustments	9.8	(1.4)
Accumulated amortization and impairment at the end of the period	**(629.4)**	**(622.6)**
NET VALUE AT THE END OF THE PERIOD	**129.3**	**149.8**

To date, no impairment has been recognized for these patents.

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, 2020	December 31, 2019
Gross value at the beginning of the period	419.1	342.7
- Acquisitions	80.5	69.5
- Adjustments	0.0	0.0
- Disposals	0.0	0.0
- Translation adjustments	(41.1)	6.9
Gross value at the end of the period	**458.5**	**419.1**
Accumulated amortization and impairment at the beginning of the period	(114.1)	(89.5)
- Amortization expense	(27.8)	(23.6)
- Reversals	0.0	0.0
- Translation adjustments	10.7	(1.0)
Accumulated amortization and impairment at the end of the period	**(131.2)**	**(114.1)**
NET VALUE AT THE END OF THE PERIOD	**327.3**	**305.0**

To date, no significant impairment has been recognized for these customer relationships.

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.

Other intangible assets can be analyzed as follows:

(in € millions)	December 31, 2020	December 31, 2019
Capitalized development costs	431.7	410.5
Software	149.2	145.2
Other	27.8	29.6
Gross value at the end of the period	**608.7**	**585.3**
Accumulated amortization and impairment at the end of the period	(458.6)	(433.9)
NET VALUE AT THE END OF THE PERIOD	**150.1**	**151.4**

To date, no material impairment has been recognized for these items.

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.

Within the Legrand Group, the level at which goodwill is measured (cash-generating units) corresponds to individual countries or to groups of countries, when they either have similar market characteristics or are managed as a single unit.

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, 2020	December 31, 2019
Europe	1,599.3	1,531.9
Of which France	*819.9*	*819.9*
North and Central America	2,591.4	2,349.4
Rest of the world	613.0	684.9
NET VALUE AT THE END OF THE PERIOD	**4,803.7**	**4,566.2**

The North and Central America operating segment is considered to be a single cash-generating unit (CGU), whereas both the Europe and Rest of the world operating segments include several CGUs. Within these two operating segments, France and Italy, China, India and South America, are respectively the largest CGUs.

Only the goodwill allocated to the North and Central America CGU and the goodwill allocated to the France CGU represent more than 10% of total goodwill.

Changes in goodwill can be analyzed as follows:

(in € millions)	December 31, 2020	December 31, 2019
Gross value at the beginning of the period	4,603.1	4,359.0
- Acquisitions	716.5	398.0
- Adjustments*	(166.9)	(203.2)
- Translation adjustments	(312.3)	49.3
Gross value at the end of the period	**4,840.4**	**4,603.1**
Impairment value at the beginning of the period	(36.9)	(37.0)
- Impairment losses	0.0	0.0
- Translation adjustments	0.2	0.1
Impairment value at the end of the period	**(36.7)**	**(36.9)**
NET VALUE AT THE END OF THE PERIOD	**4,803.7**	**4,566.2**

**Adjustments correspond to the difference between provisional and final goodwill.*

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, 2020	December 31, 2019
- Trademarks	69.5	82.9
- Deferred taxes on trademarks	(0.4)	(5.3)
- Patents	5.1	71.7
- Deferred taxes on patents	(0.2)	(10.4)
- Other intangible assets	82.3	74.3
- Deferred taxes on other intangible assets	0.0	(1.0)

The following impairment testing parameters were used in the period ended December 31, 2020:

			Value in use	
	Recoverable amount	Carrying amount of goodwill	Discount rate (before tax)	Growth rate to perpetuity
Europe		1,599.3	8.2 to 20.4%	2.0 to 5.0%
Of which France	Value in use	*819.9*	*8.5%*	*2.0%*
North and Central America		2,591.4	9.3%	3.1%
Rest of the world		613.0	9.5 to 14.1%	2.0 to 5.0%
NET VALUE AT THE END OF THE PERIOD		**4,803.7**		

No goodwill impairment losses were identified in the period ended December 31, 2020.

To perform the impairment tests as of December 31, 2020, a theoretical simulation was conducted based on deteriorated assumptions, with a theoretical return to 2019 cash flows levels not before 2026 (the terminal year of those tests).

Sensitivity tests performed on the discount rates, long-term growth rates and operating margin rates showed that a 100-basis points unfavorable change in each of these three parameters taken separately would not lead to any material impairment of goodwill of any of the CGUs.

The following impairment testing parameters were used in the period ended December 31, 2019:

			Value in use	
	Recoverable amount	Carrying amount of goodwill	Discount rate (before tax)	Growth rate to perpetuity
Europe		1,531.9	8.2 to 18.5%	2.0 to 5.0%
Of which France	Value in use	*819.9*	*8.6 %*	*2.0 %*
North and Central America		2,349.4	9.4%	3.1%
Rest of the World		684.9	9.5 to 14.3%	2.0 to 5.0%
NET VALUE AT THE END OF THE PERIOD		**4,566.2**		

No goodwill impairment losses were identified in the period ended December 31, 2019.

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 2020 are analyzed as follows:

	December 31, 2020				
(in € millions)	Land	Buildings	Machinery and equipment	Assets under construction and other	Total
Gross value					
At the beginning of the period	47.2	627.4	1,832.5	354.0	2,861.1
- Acquisitions	0.0	3.0	26.6	86.5	116.1
- Disposals	(2.4)	(22.1)	(48.1)	(10.8)	(83.4)
- Transfers and changes in scope of consolidation	5.1	30.3	72.7	(59.8)	48.3
- Translation adjustments	(2.9)	(19.8)	(64.1)	(26.7)	(113.5)
At the end of the period	**47.0**	**618.8**	**1,819.6**	**343.2**	**2,828.6**
Depreciation and impairment					
At the beginning of the period	(0.1)	(427.1)	(1,534.6)	(191.6)	(2,153.4)
- Depreciation expense	0.0	(21.0)	(76.2)	(18.0)	(115.2)
- Reversals	0.0	18.3	46.8	9.0	74.1
- Transfers and changes in scope of consolidation	(0.1)	(5.2)	(16.5)	(3.1)	(24.9)
- Translation adjustments	0.0	10.3	47.8	13.6	71.7
At the end of the period	**(0.2)**	**(424.7)**	**(1,532.7)**	**(190.1)**	**(2,147.7)**
Net value					
At the beginning of the period	47.1	200.3	297.9	162.4	707.7
- Acquisitions/Depreciation	0.0	(18.0)	(49.6)	68.5	0.9
- Disposals/Reversals	(2.4)	(3.8)	(1.3)	(1.8)	(9.3)
- Transfers and changes in scope of consolidation	5.0	25.1	56.2	(62.9)	23.4
- Translation adjustments	(2.9)	(9.5)	(16.3)	(13.1)	(41.8)
At the end of the period	**46.8**	**194.1**	**286.9**	**153.1**	**680.9**

Changes in property, plant and equipment in 2019 were analyzed as follows:

	December 31, 2019				
(in € millions)	**Land**	**Buildings**	**Machinery and equipment**	**Assets under construction and other**	**Total**
Gross value					
At the beginning of the period	47.7	632.2	1,800.3	328.3	2,808.5
- Acquisitions	0.0	5.9	44.1	104.7	154.7
- Disposals	(0.9)	(12.1)	(78.6)	(26.9)	(118.5)
- Transfers and changes in scope of consolidation	(0.2)	(2.2)	58.1	(56.8)	(1.1)
- Translation adjustments	0.6	3.6	8.6	4.7	17.5
At the end of the period	**47.2**	**627.4**	**1,832.5**	**354.0**	**2,861.1**
Depreciation and impairment					
At the beginning of the period	(0.7)	(426.9)	(1,524.6)	(194.9)	(2,147.1)
- Depreciation expense	0.0	(20.3)	(76.7)	(17.1)	(114.1)
- Reversals	0.7	10.8	77.3	26.3	115.1
- Transfers and changes in scope of consolidation	(0.1)	11.2	(4.5)	(3.6)	3.0
- Translation adjustments	0.0	(1.9)	(6.1)	(2.3)	(10.3)
At the end of the period	**(0.1)**	**(427.1)**	**(1,534.6)**	**(191.6)**	**(2,153.4)**
Net value					
At the beginning of the period	47.0	205.3	275.7	133.4	661.4
- Acquisitions/Depreciation	0.0	(14.4)	(32.6)	87.6	40.6
- Disposals/Reversals	(0.2)	(1.3)	(1.3)	(0.6)	(3.4)
- Transfers and changes in scope of consolidation	(0.3)	9.0	53.6	(60.4)	1.9
- Translation adjustments	0.6	1.7	2.5	2.4	7.2
At the end of the period	**47.1**	**200.3**	**297.9**	**162.4**	**707.7**

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 2020 are analyzed as follows:

	December 31, 2020			
(in € millions)	Buildings	Machinery and equipment	Other	Total
Gross value				
At the beginning of the period	476.1	7.1	69.9	553.1
- Increases	49.3	0.8	7.0	57.1
- Decreases	(40.5)	(0.7)	(5.7)	(46.9)
- Transfers and changes in scope of consolidation	3.8	0.0	(2.8)	1.0
- Translation adjustments	(28.0)	(0.5)	(3.9)	(32.4)
At the end of the period	**460.7**	**6.7**	**64.5**	**531.9**
Depreciation and impairment				
At the beginning of the period	(203.2)	(3.5)	(34.3)	(241.0)
- Depreciation expense	(63.0)	(1.0)	(8.1)	(72.1)
- Reversals	29.6	0.5	4.2	34.3
- Transfers and changes in scope of consolidation	1.3	0.0	(1.6)	(0.3)
- Translation adjustments	13.2	0.1	2.2	15.5
At the end of the period	**(222.1)**	**(3.9)**	**(37.6)**	**(263.6)**
Net value				
At the beginning of the period	272.9	3.6	35.6	312.1
- Increases/Depreciation	(13.7)	(0.2)	(1.1)	(15.0)
- Decreases/Reversals	(10.9)	(0.2)	(1.5)	(12.6)
- Transfers and changes in scope of consolidation	5.1	0.0	(4.4)	0.7
- Translation adjustments	(14.8)	(0.4)	(1.7)	(16.9)
At the end of the period	**238.6**	**2.8**	**26.9**	**268.3**

"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, 2020 represent a discounted value of roughly €71 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 2019 were analyzed as follows:

	December 31, 2019			
(in € millions)	Buildings	Machinery and equipment	Other	Total
Gross value				
At the beginning of the period	0.0	0.0	0.0	0.0
- Transition impact	382.0	6.3	61.4	449.7
- Reclassification of finance leases	35.9	0.0	0.3	36.2
- Increases	75.6	1.4	12.7	89.7
- Decreases	(51.0)	(1.1)	(9.2)	(61.3)
- Changes in scope of consolidation	27.8	0.4	3.9	32.1
- Translation adjustments	5.8	0.1	0.8	6.7
At the end of the period	**476.1**	**7.1**	**69.9**	**553.1**
Depreciation and impairment				
At the beginning of the period	0.0	0.0	0.0	0.0
- Transition impact	(166.9)	(3.1)	(30.6)	(200.6)
- Reclassification of finance leases	(12.7)	0.0	(0.3)	(13.0)
- Depreciation expense	(60.2)	(1.0)	(8.5)	(69.7)
- Reversals	44.3	0.7	6.2	51.2
- Changes in scope of consolidation	(5.2)	(0.1)	(0.7)	(6.0)
- Translation adjustments	(2.5)	0.0	(0.4)	(2.9)
At the end of the period	**(203.2)**	**(3.5)**	**(34.3)**	**(241.0)**
Net value				
At the beginning of the period	0.0	0.0	0.0	0.0
- Transition impact	215.1	3.2	30.8	249.1
- Reclassification of finance leases	23.2	0.0	0.0	23.2
- Increases/Depreciation	15.4	0.4	4.2	20.0
- Decreases/Reversals	(6.7)	(0.4)	(3.0)	(10.1)
- Changes in scope of consolidation	22.6	0.3	3.2	26.1
- Translation adjustments	3.3	0.1	0.4	3.8
At the end of the period	**272.9**	**3.6**	**35.6**	**312.1**

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, 2020	December 31, 2019
Purchased raw materials and components	340.4	342.5
Sub-assemblies, work in progress	101.0	103.3
Finished products	530.3	550.0
Gross value at the end of the period	**971.7**	**995.8**
Impairment	**(134.4)**	**(143.2)**
NET VALUE AT THE END OF THE PERIOD	**837.3**	**852.6**

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, 2020	December 31, 2019
Trade receivables	722.5	842.0
Impairment	(78.0)	(85.2)
NET VALUE AT THE END OF THE PERIOD	**644.5**	**756.8**

The Group uses factoring contracts to reduce the risk of late payments.

During 2020, a total of €1,048.5 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 about €1 million.

As of December 31, 2020, these factoring contracts allowed the Group to derecognize trade receivables for an amount of €98.8 million (€108.0 million as of December 31, 2019), 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, 2020	December 31, 2019
Less than 3 months past due receivables	131.0	143.5
From 3 to 12 months past due receivables	31.5	33.3
More than 12 months past due receivables	36.2	38.7
TOTAL	**198.7**	**215.5**

Provisions for impairment of past-due trade receivables amounted to €69.2 million as of December 31, 2020 (€78.0 million as of December 31, 2019). These provisions break down as follows:

(in € millions)	December 31, 2020	December 31, 2019
Provisions for less than 3 months past due receivables	12.0	12.7
Provisions for 3 to 12 months past due receivables	21.0	26.6
Provisions for more than 12 months past due receivables	36.2	38.7
TOTAL	**69.2**	**78.0**

3.7 OTHER CURRENT ASSETS

Other current assets can be analyzed as follows:

(in € millions)	December 31, 2020	December 31, 2019
Employee advances	2.9	3.8
Prepayments	54.8	55.1
Taxes other than income tax	104.9	123.2
Other receivables	42.2	35.4
NET VALUE AT THE END OF THE PERIOD	**204.8**	**217.5**

These assets are valued at amortized cost.

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. These other financial assets usually have an original maturity of less than or equal to one year.

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 €2,791.7 million as of December 31, 2020 (versus €1,710.9 million as of December 31, 2019). Of this amount, €0.4 million was not available to the Group in the short term as of December 31, 2020 (versus €1.4 million as of December 31, 2019).

NOTE 4 - DETAILS ON NON-CURRENT AND CURRENT LIABILITIES

4.1 SHARE CAPITAL AND EARNINGS PER SHARE

Share capital as of December 31, 2020 amounted to €1,069,790,984 represented by 267,447,746 ordinary shares with a par value of €4 each, for 267,447,746 theoretical voting rights and 267,322,339 exercisable voting rights (after subtracting shares held in treasury by the Group as of this date).

As of December 31, 2020, the Group held 125,407 shares in treasury, versus 313,406 shares as of December 31, 2019, i.e. 187,999 fewer shares corresponding to:

- the acquisition of 515,000 shares outside of the liquidity contract;
- the transfer of 496,113 shares to employees under performance share plans;
- the cancellation of 265,000 shares;
- the net purchase of 58,114 shares under the liquidity contract (Note 4.1.2.2).

As of December 31, 2020, among the 125,407 shares held in treasury by the Group, 27,680 shares have been allocated according to the allocation objectives described in Note 4.1.2.1, and 97,727 shares are held under the liquidity contract.

4.1.1 Changes in share capital

Changes in share capital in 2020 were as follows:

	Number of shares	Par value	Share capital (*euros*)	Premiums (*euros*)
As of December 31, 2019	267,276,128	4	1,069,104,512	546,716,790
Exercise of options under the 2010 plan	436,618	4	1,746,472	7,474,900
Cancellation of shares	(265,000)	4	(1,060,000)	(15,126,920)
As of December 31, 2020	**267,447,746**	**4**	**1,069,790,984**	**539,064,770**

In 2020, 436,618 shares were issued under the 2010 stock option plan, resulting in a capital increase representing a total amount of € 9.2 million (premiums included).

4.1.2 Share buybacks and transactions under the liquidity contract

As of December 31, 2020, the Group held 125,407 shares in treasury (313,406 as of December 31, 2019, of which 273,793 under the share buyback program and 39,613 under the liquidity contract) which can be analyzed as follows:

4.1.2.1 Share buybacks

During 2020, the Group acquired 515,000 shares, at a cost of €29.7 million.

As of december 31, 2020, the Group held 27,680 shares, acquired at a total cost of €1.6 million. These shares are being held for allocation upon exercise of performance share plans.

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, 2020, the Group held 97,727 shares under this contract, purchased at a total cost of €7.0 million.

During 2020, transactions under the liquidity contract led to a cash outflow of €2.7 million corresponding to the net purchase of 58,114 shares.

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 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 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 and does not take into account shares held in treasury.

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, 2020	December 31, 2019
Net profit attributable to the Group (*in € millions*)	A	681.2	834.8
Average number of shares (excluding shares held in treasury)	B	267,172,454	266,833,977
Average dilution from:			
- Performance shares		*1,859,370*	*1,802,477*
- Stock options		*78,031*	*425,481*
Average number of shares after dilution (excluding shares held in treasury)	C	269,109,855	269,061,935
Number of stock options and performance share grants outstanding at the period end		1,984,308	2,505,700
Sales (buybacks) of shares and transactions under the liquidity contract (net during the period)		(573,114)	(289,394)
Shares transferred during the period under performance share plans		496,113	331,335
Basic earnings per share *(in euros)*	A/B	2.550	3.129
Diluted earnings per share (*in euros*)	A/C	2.531	3.103
Dividend per share (*in euros*)		1.340	1.340

As mentioned above, during 2020, the Group:

- issued 436,618 shares under stock option plans;
- transferred 496,113 shares under performance share plans, out of the 487,320 shares bought back in first-half 2020 and 8,793 shares bought back from previous years for this purpose; and
- purchased a net 58,114 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, 2020, earnings per share and diluted earnings per share would have amounted to €2.548 and €2.525 respectively for the 12 months ended December 31, 2020.

During 2019, the Group:

- acquired 265,000 shares for cancellation;
- issued 330,979 shares under stock option plans;
- transferred 331,335 shares under performance share plans, out of the 326,207 shares bought back in 2019 and the 5,128 shares bought back in previous years for this purpose; and
- sold a net 310,606 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, 2019, basic earnings per share and diluted earnings per share would have amounted to €3.127 and €3.098 respectively for the 12 months ended December 31, 2019.

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.

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.

4.2.1 Performance share plans

The following performance share plans were approved by the Company's Board of Directors:

	2016 Plan	2017 Plan	2018 Plans	2019 Plans	2020 Plans
Date approved by shareholders	May 24, 2013	May 27, 2016	May 30, 2018	May 30, 2018	May 30, 2018
Grant date	May 27, 2016	May 31, 2017	May 30, 2018	May 29, 2019	May 26, 2020
Total number of performance share rights initially granted	502,924 (1)	492,254 (1)	524,123 (1)	617,818	461,861
o/w to Executive Officer	*15,504* (1)	*12,503* (1)	*19,546* (1)	*22,954*	*11,544*
- Gilles Schnepp	*15,504*	*12,503*	*0*	*0*	*0*
- Benoît Coquart	*N/A*	*N/A*	*19,546*	*22,954*	*11,544*
Total IFRS 2 expense *(in € millions)*	20.3 (2)	24.8 (2)	28.5 (2)	31.0 (2)	22.8 (2)
End of vesting period	June 17, 2020	June 17, 2021	June 16, 2021 (3) June 16, 2022 (4)	June 16, 2022 (3) June 16, 2023 (4)	June 16, 2023 (3) June 14, 2024 (4)
End of lock-up period	June 17, 2020	June 17, 2021	May 31, 2023 (3) June 16, 2022 (4)	May 31, 2024 (3) June 16, 2023 (4)	May 28, 2025 (3) June 14, 2024 (4)
Number of performance shares adjusted for the performance criteria fulfillment	33,531 (5)	52,300 (6)	(40,100) (6)		
Number of performance share rights cancelled or forfeited	(40,824)	(40,975)	(40,846)	(40,497)	(1,148)
Number of performance shares acquired as of December 31, 2020	(495,631)	(169)	(313)	0	0
PERFORMANCE SHARE RIGHTS OUTSTANDING AS OF DECEMBER 31, 2020	**0**	**503,410**	**442,864**	**577,321**	**460,713**

(1) Given the dividend distribution features approved at the General Meetings of Shareholders on May 27, 2016, on May 31, 2017, on May 30, 2018 and 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. Moreover, the number of performance shares has been reduced following Gilles Schnepp's decision to waive part of his entitlement to performance shares initially granted under the 2016 plan.

(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 4.2.1.3.

(6) Adjustments estimated as at the date when the consolidated financial statements were prepared.

4.2.1.1 2016 and 2017 performance share plans

The final number of shares ultimately granted to beneficiaries is determined based on a service condition and several performance criteria. The vesting period is four years.

Type of performance criteria	Description of performance criteria	Weight of performance criteria by plan 2017
"External" financial performance criterion	Comparison between the arithmetic mean of Legrand's consolidated EBITDA margin over a three-year period as published in the consolidated financial statements and the arithmetic mean of EBITDA margins achieved by companies forming part of the MSCI World Capital Goods index over the same period.	1/3
"Internal" financial performance criterion	Arithmetic mean of normalized free cash flow as a percentage of sales over a three-year period, as published in the consolidated financial statements.	1/3
Non-financial performance criterion	Arithmetic mean of the average achievement rate of Group CSR Roadmap priorities over a three-year period.	1/3

Following the application of IFRS 16, on March 20, 2018 the Board of Directors decided to replace the EBITDA and free cash flow criteria for the 2019 performance assessment under the 2017 plan with the adjusted operating margin before acquisitions and organic sales growth criteria, in line with the Company's 2019 targets.

4.2.1.2 2018, 2019, 2020 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.

If all the performance shares from the 2017 to 2020 plans were to vest according to the target allocation before application of the performance criteria (i.e., 1,984,308 shares) and if those shares were transferred following capital increases, the Company's capital would be diluted by 0.7% as of December 31, 2020.

4.2.1.3 Monitoring of performance criteria performance share plans

The monitoring of the performance criteria under the 2016 plan can be detailed as follows:

Criteria	Target(1)	Actual 2016	Actual 2017	Actual 2018	Actual Average	Performance by criterion	Performance overall(2)
Legrand EBITDA margin vs. MSCI EBITDA margins	**+ 7.8 pts**	+ 7.4 pts	+ 7.2 pts	+ 7.6 pts	+ 7.4 pts	90.7%	
Normalized free cash flow level	**12.2%**	12.4%	13.3%	14.9%	13.5%	129.4%	**108.2%**
Annual rates of achievement of the Group's CSR roadmap	**100.0%**	122.0%	122.0%	122.0%	122.0%	104.4%	
Performance by year		**100.3%**	**107.6%**	**116.6%**			

(1) 100% achievement target for the criterion.

*(2) Performance of **105.5%** for the Executive officer.*

The monitoring of the performance criteria under the 2017 plan can be detailed as follows:

Criteria	Target(1)	Actual 2017	Actual 2018	Criteria	Target(1)	Actual 2019	Performance overall(3)
Legrand EBITDA margin vs. MSCI EBITDA margins	**+ 7.4 pts**	+ 7.2 pts	+ 7.6 pts	Organic growth	**2.0%**	2.6%	
Normalized free cash flow level	**12.0%**	13.3%	14.9%	Adjusted operating margin before acquisitions(2)	**20.3%**	20.4%	**111.6%**
Annual rates of achievement of the Group's CSR roadmap	**100.0%**	122.0%	122.0%	Annual rates of achievement of the Group's CSR roadmap	**100.0%**	113.0%	
Performance by year		**112.6%**	**119.5%**			**102.7%**	

(1) 100% achievement target for the criterion.

(2) The adjusted operating margin before acquisitions corresponds to the adjusted operating income (see key figures).

*(3) Performance of **108.9%** for the Executive officer.*

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			Performance
Criteria	**Target(1)**	**Actual**	**Performance**	**Target(1)**	**Actual**	**Performance**	**Target(1)**	**Actual**	**Performance**	**by criterion**
Organic sales growth	2.5%	4.9%	**128.0%**	2.0%	2.6%	**103.0%**	1.0%	(8.7%)	**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).

4.2.2 Stock option plans

No stock option plans have been implemented since the 2010 Plan.

The following stock option plans were approved by the Company's Board of Directors in previous years:

	2010 Plan	
Date approved by shareholders	May 15, 2007	
Grant date	March 4, 2010	
Total number of options granted	3,288,702	(1)
o/w to Executive Officer	*224,083*	(1)
- Gilles Schnepp	*138,813*	(1)
- Olivier Bazil	*85,270*	(1)
Start of exercise period	March 5, 2014	
Expiry of exercise period	March 4, 2020	
Exercise price	€21.12 Average closing price over the 20 trading days preceding the grant date	(1)
Exercise terms (plans comprising several tranches)	(2)	(3)
Number of options exercised as of December 31, 2020	(3,026,672)	
Number of options cancelled or forfeited	(262,030)	
STOCK OPTIONS OUTSTANDING AS OF DECEMBER 31, 2020	**0**	(4)

(1) Given the dividend distribution features approved at the General Meetings of Shareholders on May 29, 2015, on May 27, 2016, on May 31, 2017, on May 30, 2018 and on May 29, 2019, the number and exercise price of stock options was adjusted to take into account the impact of these transactions on the interests of stock option beneficiaries, in accordance with article L.228-99 of the French Commercial Code.

(2) Options vest after a maximum of four years, except in the event of resignation or termination for willful misconduct.

(3) This plan was subject to performance conditions (see Note 12 to the consolidated financial statements for the twelve months ended December 31, 2014).

(4) The weighted average market price of the Company stock upon exercises of stock options in 2020 was €72.49.

4.2.3 Share-based payments (IFRS 2 expense)

In accordance with IFRS 2, an expense of €22.3 million was recorded in 2020 (€25.7 million in 2019) for all of these plans combined.

4.3 RETAINED EARNINGS AND TRANSLATION RESERVES

4.3.1 Retained earnings

The Group's consolidated retained earnings as of December 31, 2020 amounted to €4,788.3 million.

As of the same date, the Company had retained earnings including profit for the period of €1,009.4 million available for distribution.

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, 2020	December 31, 2019
US dollar	(320.2)	16.2
Other currencies	(642.1)	(469.7)
TOTAL	**(962.3)**	**(453.5)**

The Group operates in close to 90 countries. It is mainly exposed to a dozen currencies other than the euro and the US 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.

Consequently, unrealized foreign exchange gains and losses on US dollar-denominated 8.5% Debentures (Yankee bonds) are recognized in translation reserves. Gains on these bonds recognized in translation reserves in 2020 amounted to €28.5 million, resulting in a net negative balance of €39.2 million as of December 31, 2020.

In addition, to hedge a portion of the net investment in British pounds, the Group has entered into a derivative contract. Foreign exchange gains and losses on this derivative financial instrument are recognized in translation reserves. Gains on this derivative financial instrument recognized in translation reserves in 2020 amounted to €6.0 million, resulting in a net positive balance of €19.0 million as of December 31, 2020.

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 2020 amounted to €2.8 million, resulting in a net positive balance of €6.6 million as of December 31, 2020.

4.4 PROVISIONS

Changes in provisions in 2020 are as follows:

	December 31, 2020					
(in € millions)	Product warranties	Claims and litigation	Tax and employee risks	Restructuring	Other	Total
At the beginning of the period	53.5	77.3	38.3	23.7	58.0	250.8
Changes in scope of consolidation	1.5	0.3	1.5	0.2	0.7	4.2
Increases	12.6	55.4	12.7	40.8	30.8	152.3
Utilizations	(8.0)	(7.3)	(4.8)	(25.4)	(12.4)	(57.9)
Reversals of surplus provisions	(5.9)	(12.5)	(2.0)	(1.7)	(3.6)	(25.7)
Reclassifications	(0.1)	17.0	0.0	0.3	2.2	19.4
Translation adjustments	(1.6)	(2.8)	(4.9)	(1.3)	(4.4)	(15.0)
AT THE END OF THE PERIOD	**52.0**	**127.4**	**40.8**	**36.6**	**71.3**	**328.1**
Of which non-current portion	*33.3*	*85.1*	*16.6*	*1.5*	*63.7*	*200.2*

Changes in provisions in 2019 were as follows:

	December 31, 2019					
(in € millions)	Product warranties	Claims and litigation	Tax and employee risks	Restructuring	Other	Total
At the beginning of the period	44.6	69.4	30.2	24.1	64.8	233.1
Changes in scope of consolidation	1.9	2.4	(0.2)	0.0	(3.1)	1.0
Increases	20.8	32.9	8.6	12.4	21.5	96.2
Utilizations	(9.4)	(9.1)	(1.7)	(11.8)	(25.1)	(57.1)
Reversals of surplus provisions	(4.9)	(19.5)	(2.9)	(0.1)	(4.5)	(31.9)
Reclassifications	0.5	1.0	4.4	(1.1)	3.6	8.4
Translation adjustments	0.0	0.2	(0.1)	0.2	0.8	1.1
AT THE END OF THE PERIOD	**53.5**	**77.3**	**38.3**	**23.7**	**58.0**	**250.8**
Of which non-current portion	*35.0*	*40.4*	*19.8*	*1.7*	*49.8*	*146.7*

4.5 PROVISION FOR POST-EMPLOYMENT BENEFITS AND OTHER LONG-TERM EMPLOYEE BENEFITS

4.5.1 Pension and other post-employment benefit obligations

Group companies operate various pension plans. The 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 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 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, 2020	December 31, 2019
France (Note 4.5.1.2)	100.4	100.2
Italy (Note 4.5.1.3)	34.5	37.0
United Kingdom (Note 4.5.1.4)	125.9	122.1
United States (Note 4.5.1.5)	76.4	84.1
Other countries	49.6	48.2
TOTAL PENSION AND OTHER POST-EMPLOYMENT DEFINED BENEFIT OBLIGATIONS	**386.8**	**391.6**

The total amount of those defined benefit obligations is €386.8 million as of December 31, 2020 (€391.6 million as of December 31, 2019), and is analyzed in Note 4.5.1.1.

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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, 2020	December 31, 2019
Defined benefit obligation		
Projected benefit obligation at the beginning of the period	391.6	332.8
Service cost	8.8	8.6
Interest cost	7.1	9.8
Benefits paid or unused	(24.9)	(24.4)
Employee contributions	0.6	0.4
Actuarial losses/(gains)	16.5	53.2
Curtailments, settlements, special termination benefits	(0.3)	(1.3)
Translation adjustments	(16.9)	7.6
Other	4.3	4.9
PROJECTED BENEFIT OBLIGATION AT THE END OF THE PERIOD	**386.8**	**391.6**
Fair value of plan assets		
Fair value of plan assets at the beginning of the period	206.8	176.3
Expected return on plan assets	4.8	6.2
Employer contributions	8.8	7.2
Employee contributions	1.3	1.6
Benefits paid	(14.8)	(14.3)
Actuarial (losses)/gains	12.0	20.0
Translation adjustments	(13.9)	6.2
Other	2.8	3.6
FAIR VALUE OF PLAN ASSETS AT END OF PERIOD	**207.8**	**206.8**
PROVISION RECOGNIZED IN THE BALANCE SHEET	**187.6**	**188.0**
Current liability	5.8	7.0
Non-current liability	181.8	181.0
Non-current asset	**8.6**	**3.2**

Actuarial losses recognized in equity in 2020 amounted to €4.5 million.

These €4.5 million actuarial losses resulted from:

- €9.6 million in losses from changes in financial assumptions;
- €3.6 million in gains from changes in demographic assumptions; and
- €1.5 million in experience gains.

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 €39.2 million and would increase the provision as of December 31, 2020 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 €10.4 million and would increase the provision as of December 31, 2020 by the same amount.

Discounted future payments for the Group's pension and other post-employment benefit plans are as follows:

(in € millions)	
2021	17.1
2022	13.3
2023	15.3
2024	16.0
2025 and beyond	325.1
TOTAL	**386.8**

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, 2020	December 31, 2019
Service cost	(8.8)	(8.6)
Net interest cost*	(2.3)	(3.6)
TOTAL	**(11.1)**	**(12.2)**

* *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, 2020:

(as a percentage)	United Kingdom	United States
Equity instruments	47.6	37.4
Debt instruments	41.0	62.0
Insurance funds	11.4	0.6
TOTAL	**100.0**	**100.0**

These assets are marked to market.

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 €100.4 million as of December 31, 2020 (€100.2 million as of December 31, 2019) corresponding to the difference between the projected benefit obligation of €100.4 million as of December 31, 2020 (€100.2 million as of December 31, 2019), and the fair value of the related plan assets of €0.0 million as of December 31, 2020 (€0.0 million as of December 31, 2019).

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 2020 was based on a salary increase rate of 2.8% and a discount rate of 0.6% (respectively 2.8% and 0.9% in 2019).

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 1, 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 1, 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 €34.5 million as of December 31, 2020 (€37.0 million as of December 31, 2019).

The calculation in 2020 was based on a discount rate of 0.0% (0.4% in 2019).

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 40.2% and retired participants for 58.3%.

The provisions recorded in the consolidated balance sheet amounted to €29.4 million as of December 31, 2020 (€25.2 million as of December 31, 2019) corresponding to the difference between the projected benefit obligation of €125.9 million as of December 31, 2020 (€122.1 million as of December 31, 2019) and the fair value of the related plan assets of €96.5 million as of December 31, 2020 (€96.9 million as of December 31, 2019).

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 2020 was based on a salary increase rate of 4.2% and a discount rate and an expected return on plan assets of 1.4% (respectively 4.2% and 1.9% in 2019).

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 10.1% of the projected benefit obligation, other participants who are no longer accumulating benefit entitlements for 19.8% and retired participants for 70.1%.

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, 2020 (€0.0 million as of December 31, 2019) reflecting the fact that the fair value of the plan assets is higher than the value of the projected benefit obligation.

The calculation in 2020 was based on a discount rate and an expected return on plan assets of 2.2% (2.9% in 2019).

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.

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.

Bonds

In April 2012, the Group carried out a €400.0 million 3.375% ten-year bond issue. The bonds will be redeemable 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.

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.

In December 2013, a number of Yankee bondholders offered to sell their securities to the Group. Acting on this offer, the Group decided to acquire Yankee bonds with an aggregate face value of $6.5 million.

In December 2020, the Group was solicited and acquired Yankee bonds with an aggregate face value of $18.6 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 maximum maturity of the €900.0 million revolving credit line is extended by five and half years, i.e., up to December 2026, including two successive one-year period renewal options, and at improved financing terms compared with July 2014, and
- the margin applied to market rates is still determined on the basis of the Group's credit rating, but it will be 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 the banks have agreed to the first one-year extension, the Credit Facility will expire not before December 2025.

In first quarter 2020, the Credit Facility was drawn down for €296.7 million. This amount was reimbursed in third quarter 2020.

As of December 31, 2020, the Credit Facility had not been drawn down.

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, 2020	December 31, 2019
Bonds	3,500.0	2,900.0
Yankee bonds	302.7	347.2
Lease financial liabilities	219.3	258.1
Other borrowings	71.7	89.2
Long-term borrowings excluding debt issuance costs	**4,093.7**	**3,594.5**
Debt issuance costs	(19.9)	(19.1)
TOTAL	**4,073.8**	**3,575.4**

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, 2020	December 31, 2019
Euro	3,428.9	2,908.0
US dollar	506.4	505.0
Other currencies	158.4	181.5
LONG-TERM BORROWINGS EXCLUDING DEBT ISSUANCE COSTS	**4,093.7**	**3,594.5**

Long-term borrowings (excluding debt issuance costs) as of December 31, 2020 can be analyzed by maturity as follows:

(in € millions)	Bonds	Yankee bonds	Lease financial liabilities	Other borrowings
Due in one to two years	400.0	0.0	45.6	42.6
Due in two to three years	400.0	0.0	38.3	10.1
Due in three to four years	500.0	0.0	29.8	10.5
Due in four to five years	0.0	302.7	24.8	8.5
Due beyond five years	2,200.0	0.0	80.8	0.0
LONG-TERM BORROWINGS EXCLUDING DEBT ISSUANCE COSTS	**3,500.0**	**302.7**	**219.3**	**71.7**

Long-term borrowings (excluding debt issuance costs) as of December 31, 2019 can be analyzed by maturity as follows:

(in € millions)	Bonds	Yankee bonds	Lease financial liabilities	Other borrowings
Due in one to two years	0.0	0.0	38.3	26.5
Due in two to three years	400.0	0.0	42.8	43.3
Due in three to four years	400.0	0.0	36.2	9.5
Due in four to five years	500.0	0.0	29.2	9.9
Due beyond five years	1,600.0	347.2	111.6	0.0
LONG-TERM BORROWINGS EXCLUDING DEBT ISSUANCE COSTS	**2,900.0**	**347.2**	**258.1**	**89.2**

Average interest rates on borrowings are as follows:

	12 months ended	
	December 31, 2020	December 31, 2019
Bonds	1.43%	1.46%
Yankee bonds	8.50%	8.50%
Lease financial liabilities	2.59%	3.11%
Other borrowings	2.74%	2.70%

4.6.2 Short-term borrowings

Short-term borrowings can be analyzed as follows:

(in € millions)	December 31, 2020	December 31, 2019
Negotiable commercial paper	1,200.0	500.0
Lease financial liabilities	59.0	61.7
Other borrowings	61.7	54.5
TOTAL	**1,320.7**	**616.2**

4.6.3 Changes in long-term and short-term borrowings

Changes in long-term and short-term borrowings can be analyzed as follows:

(in € millions)	December 31, 2020	Cash flows	Variations not impacting cash flows				December 31, 2019
			Acquisitions	Reclassifications	Translation adjustments	Other	
Long-term borrowings	4,073.8	583.2	0.3	(87.5)	(44.0)	46.4	3,575.4
Short-term borrowings	1,320.7	622.8	0.4	87.5	(7.7)	1.5	616.2
Gross financial debt	**5,394.5**	**1,206.0**	**0.7**	**0.0**	**(51.7)**	**47.9**	**4,191.6**

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, 2020	December 31, 2019
Deferred taxes recorded by French companies	(261.2)	(242.5)
Deferred taxes recorded by foreign companies	(417.6)	(400.7)
TOTAL	**(678.8)**	**(643.2)**
Origin of deferred taxes:		
- Impairment losses on inventories and receivables	50.8	54.7
- Margin on inventories	21.5	21.1
- Recognized operating losses carried forward	6.6	6.3
- Leases	3.0	2.7
- Fixed assets	(222.0)	(224.5)
- Trademarks	(431.9)	(445.0)
- Patents	(15.7)	(18.2)
- Other provisions	(70.2)	(54.8)
- Pensions and other post-employment benefits	36.5	38.6
- Fair value adjustments to derivative instruments	(0.6)	(0.7)
- Other	(56.8)	(23.4)
TOTAL	**(678.8)**	**(643.2)**
- Of which deferred tax assets	112.4	107.6
- Of which deferred tax liabilities	(791.2)	(750.8)

The timing of expected reversal of deferred taxes can be analyzed as follows:

(in € millions)	December 31, 2020	December 31, 2019
Deferred tax assets (liabilities) reversing in the short term	92.8	88.2
Deferred tax assets (liabilities) reversing in the long term	(771.6)	(731.4)
TOTAL	**(678.8)**	**(643.2)**

Tax losses carried forward break down as follows:

(in € millions)	December 31, 2020	December 31, 2019
Recognized operating losses carried forward	**25.1**	**27.4**
Recognized deferred tax assets	6.6	6.3
Unrecognized operating losses carried forward	**107.7**	**111.8**
Unrecognized deferred tax assets	23.7	23.8
Total net operating losses carried forward	**132.8**	**139.2**

4.8 OTHER CURRENT LIABILITIES

Other current liabilities can be analyzed as follows:

(in € millions)	December 31, 2020	December 31, 2019
Taxes other than income tax	71.0	87.3
Accrued employee benefits expense	311.0	288.4
Statutory and discretionary profit-sharing reserve	27.0	25.8
Payables related to fixed asset purchases	27.7	31.3
Accrued expenses	128.3	123.3
Accrued interest	35.9	34.6
Deferred revenue	28.9	26.2
Other current liabilities	32.0	36.1
TOTAL	**661.8**	**653.0**

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NOTE 5 - OTHER INFORMATION

5.1 FINANCIAL INSTRUMENTS AND MANAGEMENT OF FINANCIAL RISKS

5.1.1 Financial instruments

5.1.1.1 Impact of financial instruments

	12 months ended				
	December 31, 2020			December 31, 2019	
		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	(0.9)
Trade receivables	(1.4)			(1.3)	0.0
Cash and cash equivalents	5.3		(54.4)	10.6	6.8
Trade payables	0.0			0.0	0.0
Borrowings	(78.9)		28.5	(84.3)	(6.4)
Derivatives	(2.3)	0.0	6.0	13.3	(5.0)
TOTAL	**(77.3)**	**0.0**	**(19.9)**	**(61.8)**	**(5.5)**

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 US dollars and the derivative financial instrument denominated in British pounds are treated as net investment hedges (see Note 4.3.2).

5.1.1.2 Breakdown of balance sheet items by type of financial instrument

	December 31, 2020						December 31, 2019
	Carrying	Amortized	Fair	Levels of valuation			
(in € millions)	amount	cost	value	Level 1 (1)	Level 2 (2)	Level 3 (3)	Carrying amount
ASSETS							
Non-current assets							
Other investments	1.5		1.5			1.5	1.9
Other non-current assets	49.4	40.8	8.6		49.4		34.9
TOTAL NON-CURRENT ASSETS	**50.9**	**40.8**	**10.1**	**0.0**	**49.4**	**1.5**	**36.8**
Current assets							
Trade receivables	644.5	644.5			644.5		756.8
Other current financial assets	1.5		1.5		1.5		1.2
Cash and cash equivalents	2,791.7		2,791.7		2,791.7		1,710.9
TOTAL CURRENT ASSETS	**3,437.7**	**644.5**	**2,793.2**	**0.0**	**3,437.7**	**0.0**	**2,468.9**
EQUITY AND LIABILITIES							
Non-current liabilities							
Long-term borrowings	4,073.8	254.1	4,163.5	4,163.5	254.1	0.0	3,575.4
TOTAL NON-CURRENT LIABILITIES	**4,073.8**	**254.1**	**4,163.5**	**4,163.5**	**254.1**	**0.0**	**3,575.4**
Current liabilities							
Short-term borrowings	1,320.7	1,306.8	13.9	0.0	1,306.8	13.9	616.2
Trade payables	612.9	612.9			612.9		654.2
Other current financial liabilities	1.1		1.1		1.1		1.0
TOTAL CURRENT LIABILITIES	**1,934.7**	**1,919.7**	**15.0**	**0.0**	**1,920.8**	**13.9**	**1,271.4**

(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.

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.

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.

Net debt (excluding debt issuance costs) breaks down as follows between fixed and variable interest rates before the effect of hedging instruments:

	December 31, 2020							December 31, 2019
(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	2,791.7	0.0	0.0	0.0	0.0	0.0	2,791.7	1,710.9
Financial liabilities**								
Fixed rate	(78.9)	(474.2)	(448.3)	(540.3)	(336.0)	(2,280.8)	(4,158.5)	(3,641.7)
Variable rate	(1,241.8)	(14.0)	(0.1)	0.0	0.0	0.0	(1,255.9)	(569.0)
Net exposure								
Fixed rate	(78.9)	(474.2)	(448.3)	(540.3)	(336.0)	(2,280.8)	(4,158.5)	(3,641.7)
Variable rate	1,549.9	(14.0)	(0.1)	0.0	0.0	0.0	1,535.8	1,141.9

**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, 2020		December 31, 2019	
(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	10.5	10.5	4.0	4.0
Impact of a 100-bps decrease in interest rates	(20.9)	(20.9)	(9.0)	(9.0)

The impact of a 100-basis point increase in interest rates would result in a gain of €10.5 million due to a net positive variable-rate exposure. Conversely, the impact of a 100-basis point decrease in interest rates would result in a loss of €20.9 million.

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, 2020, the Group has set up forward contracts in Australian dollars, Canadian dollars, US dollars, Singaporean dollars, Hungarian florint, Turkish lira, Mexican pesos, British pounds 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, 2020					December 31, 2019
(in € millions)	Financial assets*	Financial liabilities**	Net exposure before hedging	Hedging	Net exposure after hedging	Net exposure after hedging
Euro	2,361.8	(4,885.4)	(2,523.6)	(2.5)	(2,526.1)	(2,577.4)
US dollar	195.3	(438.0)	(242.7)	(96.0)	(338.7)	(85.1)
Other currencies	234.6	(91.0)	143.6	98.5	242.1	162.7
TOTAL	**2,791.7**	**(5,414.4)**	**(2,622.7)**	**0.0**	**(2,622.7)**	**(2,499.8)**

** 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, 2020		December 31, 2019	
	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	
US dollar	0.5	42.7	0.1	49.4
Other currencies	(0.3)	9.7	(0.9)	12.4

	December 31, 2020		December 31, 2019	
	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	
US dollar	(0.4)	(38.8)	(0.1)	(44.9)
Other currencies	0.2	(8.8)	0.8	(11.3)

Operating assets and liabilities break down as follows by reporting currency:

	December 31, 2020			December 31, 2019
(in € millions)	Current operating assets excluding taxes	Current operating liabilities excluding taxes	Net exposure	Net exposure
Euro	492.5	634.8	(142.3)	(156.3)
US dollar	556.8	353.6	203.2	255.8
Other currencies	637.3	414.2	223.1	316.1
TOTAL	**1,686.6**	**1,402.6**	**284.0**	**415.6**

The table below presents the breakdown of net sales and operating expenses by reporting currency as of December 31, 2020:

(in € millions)	Net sales		Operating expenses	
Euro	1,996.0	32.7%	1,636.8	32.5%
US dollar	2,459.2	40.3%	2,056.8	40.9%
Other currencies	1,644.3	27.0%	1,340.5	26.6%
Total	**6,099.5**	**100.0%**	**5,034.1**	**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 2020 in a decrease in net sales of approximately €373 million (€400 million in 2019) and a decrease in operating profit of approximately €64 million (€71 million in 2019), while a 10% decrease would have resulted in 2020 in an increase in net sales of approximately €410 million (€440 million in 2019) and an increase in operating profit of approximately €71 million (€78 million in 2019).

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). Raw materials consumption (except components) amounted to around €485 million in 2020.

A 10% increase in the price of the above-mentioned consumption would theoretically feed through to around a €49 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 2020.

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.

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.

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 (€2,602.8 million as of December 31, 2020) is fully financed by financing facilities expiring at the earliest in 2021 and at the latest in 2032. The average maturity of gross debt is 4.5 years.

Legrand is rated "A-" with a stable outlook by Standard & Poor's.

Rating agency	Long-term debt	Outlook
S&P	A-	Stable

5.2 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:

(in € millions)	12 months ended December 31, 2020	12 months ended December 31, 2019
Compensation (amounts paid during the period)	**7.7**	**7.4**
out of which fixed compensation	4.6	4.3
out of which variable compensation	3.0	3.0
out of which other short-term benefits (1)	0.1	0.1
Long-term compensation (charge for the period) (2)	**4.5**	**4.0**
Termination benefits (charge for the period)	**0.0**	**0.0**
Pension and other post-employment benefits (charge for the period) (3)	**0.1**	**0.4**

(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).

5.3 OFF-BALANCE SHEET COMMITMENTS AND CONTINGENT LIABILITIES

5.3.1 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.

5.3.2 Routine transactions

5.3.2.1 Financial guarantees

(in € millions)	December 31, 2020	December 31, 2019
Guarantees given to banks	119.0	151.6
Guarantees given to other organizations	42.5	48.7
TOTAL	**161.5**	**200.3**

Most of these guarantees are given by the Company to banks for Group subsidiaries located outside of France.

5.3.2.2 Lease contracts outside the scope of IFRS 16

As of December 31, 2020, 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, 2020.

5.3.2.3 Commitments to purchase property, plant and equipment

Commitments to purchase property, plant and equipment amounted to €15.8 million as of December 31, 2020.

5.3.3 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, knowing 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 September 6, 2018, Legrand was raided, while fully cooperating with the relevant authorities.

5.4 STATUTORY AUDITORS' FEES

The total amount of statutory auditors' fees invoiced to the group in 2020 can be detailed as follows:

(in euros excluding taxes)	PricewaterhouseCoopers Audit SAS		Deloitte & Associés	
Statutory audit and related services	622,344	93%	576,715	87%
Non-audit services	50,000	7%	89,800	13%
TOTAL	**672,344**	**100%**	**666,515**	**100%**

5.5 SUBSEQUENT EVENTS

No significant events occurred between December 31, 2020 and the date when the consolidated financial statements were prepared.

5.6 KEY FIGURES RECONCILIATION

Reconciliation of adjusted operating profit with profit for the period:

	12 months ended	
(in € millions)	December 31, 2020	December 31, 2019
Profit for the period	**682.0**	**836.1**
Share of profits (losses) of equity-accounted entities	0.7	1.8
Income tax expense	279.2	318.3
Exchange (gains) / losses	10.3	2.0
Financial income	(6.1)	(11.9)
Financial expense	99.3	91.1
Operating profit	**1,065.4**	**1,237.4**
Amortization & depreciation of revaluation of assets at the time of acquisitions and other P&L impacts relating to acquisitions	90.6	88.7
Impairment of goodwill	0.0	0.0
Adjusted operating profit	**1,156.0**	**1,326.1**

Reconciliation of cash flow from operations, free cash flow and normalized free cash flow with profit for the period:

	12 months ended	
(in € millions)	December 31, 2020	December 31, 2019
Profit for the period	**682.0**	**836.1**
Adjustments for non-cash movements in assets and liabilities:		
Depreciation, amortization and impairment	337.7	309.4
Changes in other non-current assets and liabilities and long-term deferred taxes	119.2	64.6
Unrealized exchange (gains)/losses	(1.5)	5.1
(Gains)/losses on sales of assets, net	(11.6)	5.0
Other adjustments	(17.1)	1.5
Cash flow from operations	**1,108.7**	**1,221.7**
Decrease (Increase) in working capital requirement	53.2	17.7
Net cash provided from operating activities	**1,161.9**	**1,239.4**
Capital expenditure (including capitalized development costs)	(155.1)	(202.2)
Net proceeds from sales of fixed and financial assets	22.3	7.1
Free cash flow	**1,029.1**	**1,044.3**
Increase (Decrease) in working capital requirement	(53.2)	(17.7)
(Increase) Decrease in normalized working capital requirement	58.3	(16.8)
Normalized free cash flow	**1,034.2**	**1,009.8**

Calculation of net financial debt:

	12 months ended	
(in € millions)	**December 31, 2020**	**December 31, 2019**
Short-term borrowings	1,320.7	616.2
Long-term borrowings	4,073.8	3,575.4
Cash and cash equivalents	(2,791.7)	(1,710.9)
Net financial debt	**2,602.8**	**2,480.7**

Calculation of working capital requirement:

(in € millions)	**December 31, 2020**	**December 31, 2019**
Trade receivables	644.5	756.8
Inventories	837.3	852.6
Other current assets	204.8	217.5
Income tax receivables	70.1	60.2
Deferred tax assets / (liabilities) reversing in the short term	92.8	88.2
Trade payables	(612.9)	(654.2)
Other current liabilities	(661.8)	(653.0)
Income tax payables	(30.3)	(28.3)
Short-term provisions	(127.9)	(104.1)
Working capital required	**416.6**	**535.7**

8.2 - STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS FOR THE YEAR ENDED DECEMBER 31, 2020

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users. This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report and other documents provided to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France

OPINION

In compliance with the engagement entrusted to us by your General Meeting of Shareholders, we have audited the accompanying consolidated financial statements of Legrand SA for the year ended December 31, 2020.

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 at December 31, 2020 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 these standards are further described in the "Responsibilities of the Statutory Auditors relating to 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, 2020 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, the non-audit services that we provided to the Company and its controlled undertakings during the reporting period that are not disclosed in the management report or in the notes to the consolidated financial statements are as follows:

- for both firms: comfort letters for a bond issue by private placement;
- for PricewaterhouseCoopers Audit: an assessment of the compliance of the transfer pricing policy documentation and an assessment of the fiscal consequences of specific operations;
- for Deloitte et Associés: verification of the consolidated non-financial information statement required under article L.225-102-1 of the French Commercial Code.

JUSTIFICATION OF ASSESSMENTS – KEY AUDIT MATTERS

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, 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 the risks of material misstatement that, in our professional judgment, were the most significant in our audit of the consolidated financial statements, as well as how we addressed those risks.

These matters were addressed as part of our audit of the consolidated financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the consolidated financial statements.

Recoverable value of goodwill and trademarks with indefinite useful lives

Description of risk

At December 31, 2020, the net carrying amount of Group's intangible assets was chiefly composed of trademarks with indefinite useful lives (€1.408 million) and goodwill broken down by geographical area (€4.804 million).

There is a risk of impairment due to changes in the internal or external factors affecting some of these assets and that are likely to have an impact on the projected future cash flows of the cash-generating units (CGUs) to which the assets have been allocated and thus on the calculation of their recoverable amount.

The impairment tests performed each year and whenever there is any indication that the carrying amount of the assets might not be recoverable, and the main assumptions used, are described in Notes 3.1.1 and 3.2.

These tests are sensitive to the assumptions used, especially those relating to:

- the estimation of future revenue, both in terms of volume and of value, 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.

The method for grouping the CGUs in order to perform impairment tests also requires judgment from management.

In light of the Group's external growth strategy, we deemed the measurement of the recoverable amount of these assets to be a key audit matter due to their materiality to the consolidated balance sheet and the high degree of estimation and judgment required from management to determine the assumptions used to perform the impairment tests.

How our audit addressed this risk

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 in place. 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, pertaining in particular to the discount rate, the royalty rate and the perpetual growth rate of 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, budgets drawn up by the Group's management and our knowledge of the Group's business, supported by interviews with Group management control.

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

SPECIFIC VERIFICATIONS

As required by legal and regulatory provisions and in accordance with professional standards applicable in France, we have also verified 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 information 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 VERIFICATIONS AND INFORMATION PURSUANT TO LEGAL AND REGULATORY REQUIREMENTS

Presentation of the consolidated financial statements to be included in the annual financial report

Pursuant to paragraph III of article 222-3 of the AMF's General Regulations, the Company's management informed us of its decision to postpone the application of the single electronic reporting format, as defined by European Delegated Regulation No. 2019/815 of December 17, 2018, to reporting periods beginning on or after January 1, 2021. Accordingly, this report does not contain a conclusion on the compliance of the presentation of the consolidated financial statements to be included in the annual financial report referred to in paragraph I of article L.451-1-2 of the French Monetary and Financial Code (*Code monétaire et financier)* with this format.

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of Legrand SA by the Ordinary General Meetings of Shareholders held on December 21, 2005 for Deloitte & Associés and June 6, 2003 for PricewaterhouseCoopers Audit.

At December 31, 2020, Deloitte & Associés and PricewaterhouseCoopers Audit were in the sixteenth and eighteenth consecutive year of their engagement, respectively. For both firms, this is the fifteenth year since the Company's securities 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 preparing consolidated financial statements giving a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and for implementing the internal control procedures it deems necessary for the preparation of consolidated financial statements that are free of 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 expects 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, as well as, where applicable, any internal audit systems, relating to accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

RESPONSIBILITIES OF THE STATUTORY AUDITORS RELATING TO THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Objective 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 of 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 taken by users on the basis of these consolidated financial statements.

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

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgment throughout the audit.

They also:

- identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their 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;
- obtain an understanding of the internal control procedures 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;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the consolidated financial statements;
- assess 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 the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- evaluate the overall presentation of the consolidated financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain 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 Auditors are responsible for the management, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed thereon.

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 any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

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

We also provide the Audit Committee with the declaration provided for in article 6 of Regulation (EU) No 537/2014, confirming our independence within the meaning of the rules applicable in France, as defined in particular in 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 any risks to our independence and the related safeguard measures with the Audit Committee.

Neuilly-sur-Seine and Paris-la Défense, February 23, 2021

The Statutory Auditors

PricewaterhouseCoopers Audit	**Deloitte et Associés**
Camille Phelizon	Jean-François Viat

8.3 - STATUTORY AUDITORS' FEES

	PricewaterhouseCoopers Audit				Deloitte & Associés			
	Amount in euros excluding taxes		*%*		*Amount in euros excluding taxes*		*%*	
	2020	2019	2020	2019	2020	2019	2020	2019
Audit services								
Statutory audit, certification and review of the parent company and consolidated financial statements	1,970,771	1,999,926	93.9%	88%	2,433,277	2,769,774	95.5%	88%
Of which								
■ Issuer	332,151	335,951	15.8%	15%	332,951	398,981	13.1%	13%
■ Fully consolidated subsidiaries	1,638,620	1,663,975	78.1%	74%	2,100,326	2,370,793	82.4%	75%
Other work and services directly related to the statutory audit assignment*	28,105	28,534	1.3%	1%	89,800	119,911	3.5%	4%
Of which								
■ Issuer	24,000	23,000	1.1%	1%	89,800	88,800	3.5%	3%
■ Fully consolidated subsidiaries	4,105	5,534	0.2%	0%	0	31,111	0%	1%
SUB-TOTAL, AUDIT	**1,998,876**	**2,028,460**	**95%**	**90%**	**2,523,077**	**2,889,685**	**99%**	**91%**
Other services provided by networks to fully consolidated subsidiaries								
Legal, tax, social security	99,187	233,481	4.7%	10%	25,634	269,265	1.0%	9%
Other	0	0	0%	0%	0	0	0%	0%
SUB-TOTAL, OTHER	**99,187**	**233,481**	**5%**	**10%**	**25,634**	**269,265**	**1%**	**9%**
TOTAL	**2,098,063**	**2,261,941**	**100%**	**100%**	**2,548,711**	**3,158,950**	**100%**	**100%**

** These services mainly concern work conducted in connection with certain acquisitions.*

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8.4 - DIVIDEND DISTRIBUTION POLICY

The Company may decide to distribute dividends at the recommendation of the Board of Directors and following a decision of its shareholders in a Shareholders' General Meeting. However, the Company is under 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 position;
- 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 in certain circumstances.

Dividends distributed in respect of 2017, 2018 and 2019 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**
2017	267,316,360 shares with a par value of €4 each	€1.26*	€0.93	€0.00
2018	266,464,962 shares with a par value of €4 each	€1.34**	€0.79	€0.00
2019	266,730,249 shares with a par value of €4 each	€1.34	€1.34	€0.00

** Since €0.33 of the dividend distributed for the 2017 financial year constitutes, for tax purposes, a repayment of paid-in capital as defined by Article 112(1)(1) of the French General Tax Code, this sum is not considered as distributed income for tax purposes.*

*** Since €0.55 of the dividend distributed for the 2018 financial year constitutes, for tax purposes, a repayment of paid-in capital as defined by Article 112(1)(1) of the French General Tax Code, this sum is not considered as distributed income for tax purposes.*

Subject to approval by shareholders in the Shareholders' General Meeting to be held on May 26, 2021, the Company will distribute a dividend of €1.42 per share[1] for the 2020 financial year, on June 1st, 2021.

[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 2021 Combined Ordinary and Extraordinary General Meeting*

8.5 - LEGAL AND ARBITRATION PROCEEDINGS

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.

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.

8.6 - MATERIAL CHANGES IN THE COMPANY' S FINANCIAL OR TRADING POSITION

At the date of publication of this universal registration document, there have been no material changes in Legrand's financial or trading position since the publication of the 2020 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 5.3 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 €155.1 million in 2020 (€202.2 million in 2019 and €184.3 million in 2018), representing 2.5% of the Group's consolidated sales (3.1% in 2019 and in 2018). 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 2020

Legrand continued its acquisitions strategy at a steady pace in 2020, announcing the following acquisitions:

- the Group acquired 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;
- the Group acquired 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;
- the Group acquired 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.

8.8.2.2 THE GROUP'S PRIMARY ACQUISITIONS IN 2019 AND 2018

During the 2019 financial year, Legrand made the following three acquisitions:

- the Group acquired Universal Electric Corporation, the US leader in busways. Universal Electric Corporation reports annual sales of over $175 million;
- the Group acquired Connectrac, an innovative US company specializing in over-floor power and data distribution for new construction and renovation of commercial buildings. Connectrac reports annual sales of around $20 million;
- the Group acquired Jobo Smartech, a leading Chinese provider of connected management solutions for China's hotel segment. Jobo Smartech generates annual sales of over €10 million.

During the 2018 financial year, Legrand announced the following seven acquisitions:

- the Group acquired a majority stake in Modulan in Germany, which specializes in custom cabinets for datacenters. Modulan has annual sales of approximately €8 million;
- the Group acquired GemNet in the United Arab Emirates, which specializes in UPSs. GemNet has annual sales of approximately €4 million;
- the Group acquired Shenzhen Clever Electronic, a leading Chinese producer of smart PDUs for datacenters. Shenzhen Clever Electronic has annual sales of approximately €24 million;
- the Group acquired a majority stake in Debflex, a leading French producer of electrical equipment for the DIY segment. Debflex has annual sales of approximately €35 million;
- the Group acquired Netatmo, a leading French producer of connected objects for the home, and in which the Group had already owned a minority stake since 2015. Netatmo has annual sales of approximately €51 million;
- the Group acquired Kenall, a leading US producer of lighting solutions for specialist applications and critical non-residential environments (public buildings and infrastructure). Kenall has annual sales of approximately $100 million; and
- the Group acquired Trical, a leading New Zealand-based producer of electrical and digital distribution boards and cabinets for residential and commercial buildings. Trical has annual sales of close to €6 million.

8.8.3 - The Group's primary acquisitions in 2021 and principal investments in process

- In 2021, 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 at least +3%;

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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 is 969500XXRPGD7HCAFA90.

9.1.3 - Date and duration of incorporation

The Company was initially incorporated on December 22, 1998, in the form of a *société anonyme* (public limited company). It was converted into a *société par actions simplifiée* (simplified joint-stock corporation) by an Extraordinary Shareholders' General Meeting 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 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.

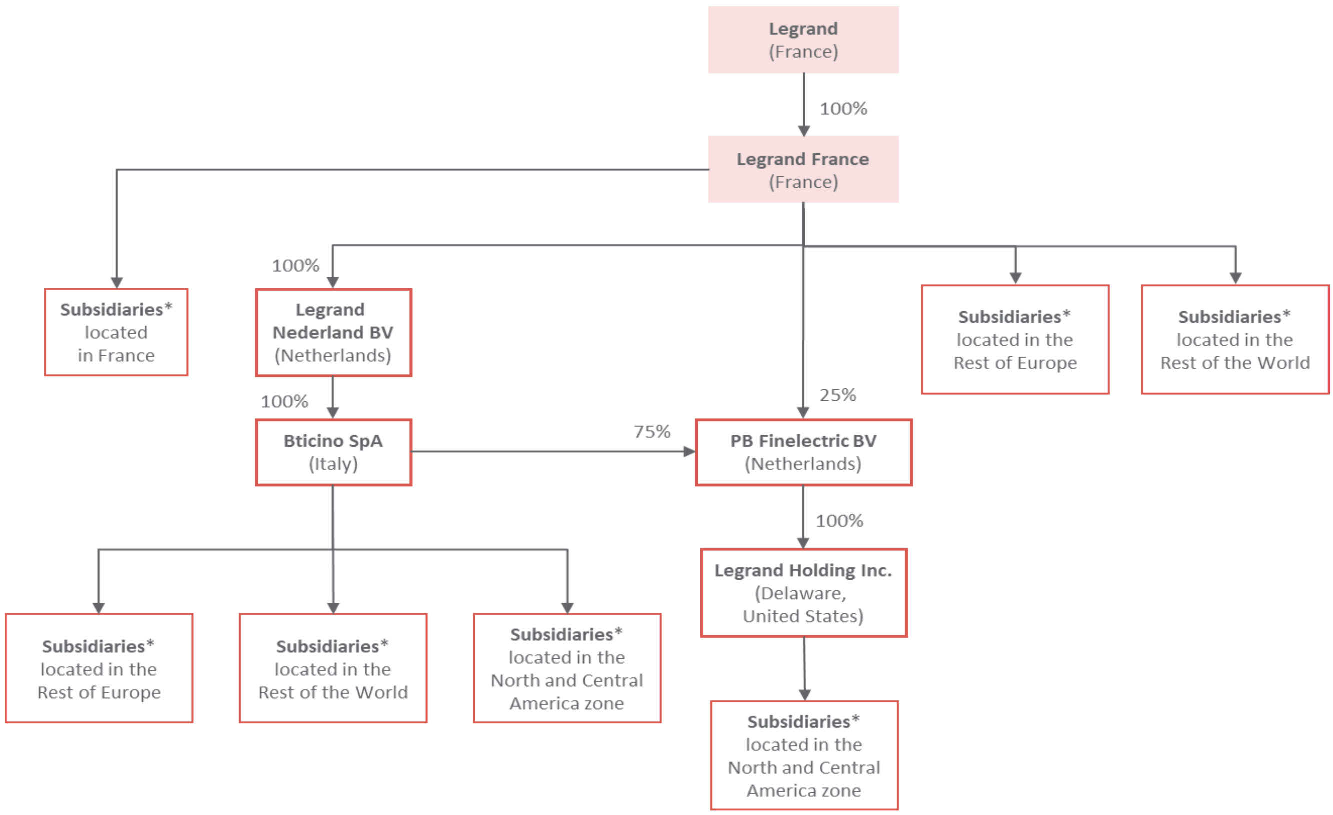
9.1.6 - Website and regulated information

The Company's website address is https://legrandgroup.com/en.

The information available on this website is not an integral 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/en, in the section "INVESTORS AND SHAREHOLDERS / Regulated information".

9.1.7 - Simplified organizational chart



** Subsidiaries are directly or indirectly owned*

9

9.1.8 - Subsidiaries

The Group comprises the Company and the 212 subsidiaries that it controls. The Group's main subsidiaries are mentioned in the consolidated financial statements presented in Chapter 8 (Note 1.3.1) of this Universal Registration Document. All of the Legrand Group's main subsidiaries are fully consolidated.

Legrand (the "**Company**") along with its subsidiaries (together "**Legrand**" or the "**Group**") is the global specialist in electrical and digital building infrastructures.

The Company is the parent company of the Group. Its main business consists of providing general management and financial services to manage the Group's operations. Readers are invited to consult:

- 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, 2020, 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 in Italy, with its registered office 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 in France, registered in 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 formed 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 in 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 taking equity stakes in other companies. Legrand Holding Inc. was formed 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 in the Netherlands, with its registered office at Van Salmstraat 76, 5281 RS Boxtel. Legrand Nederland BV's main activity is manufacturing and marketing metal cable trays. It was formed 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, with its registered office at Van Salmstraat 76, 5281 RS Boxtel. PB Finelectric BV's main activity is taking equity stakes in other companies. It was formed and joined the Group on December 19, 1991. PB Finelectric BV is 75% owned by Bticino SpA with the remaining 25% held by Legrand France.

9.2 - SHARE CAPITAL

Unless otherwise indicated, the information presented in this section is accurate as of December 31, 2020.

9.2.1 - Subscribed share capital and share capital authorized but not issued

Taking into account the number of shares as of December 31, 2020, the Company's share capital amounts to € 1,069,790,984, divided into 267,447,746 shares with a par 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 FINANCIAL GRANTS OF AUTHORITY AND AUTHORIZATIONS CURRENTLY IN FORCE

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 grants of authority by shareholders in General Meeting	Duration of the authority/ Expiry date	Terms and conditions of the authority	Use of the authority during the 2020 financial year
	Shareholders' General Meeting of May 30, 2018		
Authorization to allot existing or new shares free of charge to employees and/or corporate officers (resolution 17)	38 months July 30, 2021	Limit: 1.5% of the share capital at the date of the allotment decision.	464,606 shares
	Shareholders' General Meeting of May 27, 2020		
Authorization for the purpose of allowing the Company to trade its own shares (resolution 15)	18 months November 27, 2021	Limit: 10% of the share capital at May 27, 2020. Maximum amount allocated: €1,000 million. Maximum purchase price per share: €90.	€112,916,191
Authorization to reduce the share capital by cancellation of shares (resolution 21)	18 months November 27, 2021	Limit: 10% of the share capital at May 27, 2020.	265,000 shares
Issues of shares or complex securities, with preferred subscription rights maintained (resolution 22)	26 months July 27, 2022	Total nominal amount of capital increases pursuant to this grant of authority: may not exceed €200 million (this amount is included in the overall nominal limit for capital increases through the issuance of shares or securities convertible to equity of €200 million (the **"Overall Capital Increase Limit"**)). Overall nominal amount of bonds and other debt securities that may be issued pursuant to this grant of authority: may not exceed €2 billion (this amount is included in the overall nominal limit for debt securities of €2 billion (the **"Overall Debt Securities Limit"**)).	Nil

Issues, by public offering, of shares or complex securities, without preferred subscription rights (resolution 23)	26 months July 27, 2022	Total nominal amount of capital increases pursuant to this grant of authority: may not exceed €100 million (this nominal amount is included in the nominal limit of €100 million set by resolution 24 and in the Overall Capital Increase Limit). Total nominal amount of debt securities (including bonds) issued pursuant to this grant of authority: may not exceed €1 billion (this amount is included in the limit of €1 billion set by resolution 24 and in the Overall Debt Securities Limit).	Nil
Issues, by means of an offer within the scope of article L. 411-2 II of the French Monetary and Financial Code (private placement), of shares or complex securities, without preferred subscription rights (resolution 24)	26 months July 27, 2022	Total nominal amount of capital increases pursuant to this grant of authority: may not exceed €100 million or the legal limit, i.e. 20% of the Company's share capital (this nominal amount is included in the nominal limit of €100 million set by resolution 23 and in the Overall Capital Increase Limit). Total nominal amount of debt securities (including bonds) issued pursuant to this grant of authority: may not exceed €1 billion (this total nominal amount is included in the limit of €1 billion set by resolution 23 and in the Overall Debt Securities Limit).	Nil
Increase in the amount of issues made with or without preferred subscription rights in the event of excess demand (resolution 25)	26 months July 29, 2022	Deadline: within thirty days from 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 22, 23 or 24.	Nil
Capital increase through incorporation of reserves, profits, premiums or other items (resolution 26)	26 months July 27, 2022	Total nominal amount of capital increases pursuant to this grant of authority: may not exceed €100 million, it being noted that this limit is independent of any of the other limits on issuance of shares and other securities pursuant to authorities or authorizations granted by the Shareholders' General Meeting of May 27, 2020.	Nil
Issues of shares or complex securities for members of the Company or Group employee share-ownership program, without preferred subscription rights (resolution 27)	26 months July 27, 2022	Total nominal amount of capital increases pursuant to this grant of authority: may not exceed €25 million (this amount is included in the nominal limit of €100 million set by resolutions 23 and 24 and in the Overall Capital Increase Limit).	Nil
Issues of shares or complex securities as consideration for contributions in-kind to the Company without preferred subscription rights (resolution 28)	26 months July 27, 2022	5% of the share capital at the issue date. Total nominal amount of capital increases pursuant to this grant 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 debt securities issued pursuant to this grant of authority: may not exceed €1 billion (this total nominal amount is included in the limit of €1 billion set by resolutions 23 and 24 and in the Overall Debt Securities Limit).	Nil

9.2.1.2 FINANCIAL GRANTS OF AUTHORITY AND AUTHORIZATIONS SUBMITTED TO THE COMBINED GENERAL MEETING OF MAY 26, 2021

At the Shareholders' General Meeting to be held on May 26, 2021, shareholders will be asked to renew the following financial authorizations and grants of authority (see the draft resolutions on the Company's website https://legrandgroup.com/en, in the section "INVESTORS AND SHAREHOLDERS / Shareholders' meetings / 2021 General Meeting"):

Authorization/grant of authority	Duration and expiry date	Terms and conditions of the authority/Maximum nominal amount
Authorization for the purpose of allowing the Company to trade its own shares (resolution 13)	18 months November 26, 2022	Limit: 10% of the share capital at May 26, 2021 Maximum amount allocated: €1,000 million Maximum purchase price per share: €120
Authorization to reduce the share capital by cancellation of shares (resolution 14)	18 months November 26, 2022	Limit: 10% of the share capital at May 26, 2021
Authorization to allot existing or new shares free of charge to employees and/or corporate officers (resolution 15)	38 months July 26, 2024	Limit: 1.5% of the share capital at the date of the allotment decision

9.2.2 - Acquisition by the Company of its own shares

9.2.2.1 CURRENT SHARE BUYBACK PROGRAM

Use of the authorization granted at the Combined General Meeting of May 27, 2020

In the General Meeting of May 27, 2020, shareholders authorized the Board of Directors to buy back the Company's shares. Pursuant to that authorization, described below, the Company implemented a share buyback program.

Transaction	Term of authorization and expiry date	Maximum amount *(in millions of euros)*	Maximum number of shares
Share buyback program (resolution 15)	18 months November 27, 2021	1,000	10% of the Company's share capital at May 27, 2020

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 regarding its shares listed on the Euronext™ Paris market. That agreement complies with the AMF decision of July 2, 2018, establishing liquidity agreements relating to equity securities as an accepted market practice.

During 2020, the Company purchased a total of 3,547,937 shares at a total cost of €€234,826,693 (€121,910,502 under the share buyback program implemented pursuant to the authorization granted to the Board of Directors at the Shareholders' General Meeting on 29 May 2019, and €112,916,191 under the share buyback program implemented pursuant to the authorization granted to the Board of Directors at the Shareholders' General Meeting on May 27, 2020). The Company sold 3,489,823 shares for a total value of €230,722,068.

At December 31, 2020, the balance of the liquidity agreement stood at 97,727 shares. An impairment loss of €16,605 was recognized in relation to the liquidity agreement.

Aside from the liquidity agreement, the company bought back 515,000 shares for a total of €29,643,130 and an average price of €57.56 per share, with transaction fees amounting to €88,929.

The Company transferred 496,113 shares to employees under performance share plans. It also canceled 265,000 shares.

At December 31, 2020, the Company held 125,407 shares with par value of €4 each, or a total of €501,628, equal to 0.05% of its share capital. Valued at cost at the time of purchase, the total value of these shares is €8,615,007.

Description of the current share buyback program

The full 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 / 2020 / Share buy-back program".

9.2.2.2 NEW SHARE BUYBACK PROGRAM TO BE SUBMITTED FOR APPROVAL AT THE SHAREHOLDERS' GENERAL MEETING

The draft resolutions adopted by the Company's Board of Directors 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 €1,000 million, with a maximum purchase price of €120 per share. They will be submitted to shareholders for approval in the General Meeting of May 26, 2021.

The draft resolutions can be consulted on the Company's website https://legrandgroup.com/en, in the section "INVESTORS AND SHAREHOLDERS / Shareholders' meetings / 2021 General Meeting".

9.2.3 - Other securities giving access to equity

At the date of registration of this Universal Registration Document there are no securities, other than shares, giving access to the Company's equity.

9.2.4 - Changes in share capital

In 2020, the Company's share capital was increased by a total nominal amount of €1,746,472 by the issue of 436,618 shares following the exercise of stock warrants.

Changes in the share capital in the last three financial years as of the date of this Universal Registration Document are summarized in the table below:

Transaction	Date of board/ Shareholders' General Meeting	Number of shares issued/ cancelled	Nominal value *(in euros)*	Issue premium *(in euros)*	Share capital *(in euros)*	Number of shares	Nominal value *(in euros)*
Recognition of capital increase through the issuance of shares resulting from the exercise of stock options	2/7/2018	778,377(1)	3,113,508	13,799,162	1,067,223,004	266,805,751	4
Recognition of capital increase through the issuance of shares resulting from the exercise of stock options	2/13/2019	689,398(2)	2,757,592	10,411,795	1,069,980,596	267,495,149	4
Cancellation of shares	2/13/2019	(550,000)	(2,200,000)	(32,734,305)	1,067,780,596	266,945,149	4
Recognition of capital increase through the issuance of shares resulting from the exercise of stock options	2/12/2020	330,979(3)	1,323,916	5,005,270	1,069,104,512	267,276,128	4
Cancellation of shares	2/12/2020	(265,000)	(1,060,000)	(15,126,920)	1,068,044,512	267,011,128	4
Recognition of capital increase through the issuance of shares resulting from the exercise of stock options	2/9/2021	436,618(4)	1,746,472	7,474,900	1,069,790,984	267,447,746	4

(1) These 778,377 new shares were actually issued in 2017 following the exercise of stock options. An issue premium of €106,459,672.80 was also distributed in 2017.
(2) These 689,398 new shares were actually issued in 2018 following the exercise of stock options. An issue premium of €146,935,887.64 was also distributed in 2018.
(3) 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.
(4) These 436,618 new shares were actually issued in 2020 following the exercise of stock options.

9.2.5 - Pledges, guarantees and security interests

At the date this Universal Registration Document was filed, 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

At December 31, 2020, the Company's share capital consisted of 267,447,746 shares corresponding to 267,447,746 theoretical voting rights and 267,322,339 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

As defined in article 2 of the Articles of Association, the object 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 "Corporate governance" 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, every 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.

Every 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 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

Where the Company's Articles of Association do not specifically provide otherwise, any amendment of 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 shall be convened in the manner provided by law. Meetings shall take place 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

General Meetings shall be 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 provisions 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 or legal person that directly or indirectly (including through a company controlled within the meaning of Article L. 233-3 of the 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 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 - Person responsible for the Universal Registration Document

9.4.1.1 NAME AND POSITION OF THE PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

Mr. 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 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."

This Universal Registration Document incorporates by reference the Company's consolidated financial statements for the year ended December 31, 2019, and the related Statutory Auditors' report, as presented on pages 252 to 301 and pages 302 to 305 of the 2018 registration document filed with the AMF on April 10, 2019, under number D.19-0306 (available online at https://www.legrandgroup.com/en, in the section "INVESTORS AND SHAREHOLDERS / Annual report and registration document / 2018"). This Universal Registration Document also 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 230 to 280 and pages 281 to 284 of the 2019 Universal Registration Document filed with the AMF on April 20, 2020, under number D.20-0320 (available online at https://legrandgroup.com/en/, in the section "INVESTORS AND SHAREHOLDERS / Annual report and registration document / 2019").

Benoît Coquart
Chief Executive Officer

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 Auditors by the Shareholders' General Meeting of June 6, 2003, they became Principal Statutory Auditors following the merger between Pricewaterhouse and Coopers & Lybrand Audit, and were re-appointed as Principal Statutory Auditors by the Shareholders' General Meeting of May 27, 2010 for a term of six years and by the Shareholders' General Meeting of May 27, 2016. This appointment expires at the end of the Shareholders' General Meeting convened to vote on the financial statements for the year ended December 31, 2021.

Deloitte & Associes

Member of the Compagnie régionale
des Commissaires aux comptes de Versailles
(Versailles Regional Body of Statutory Auditors)

Représenté par Jean François Viat
6, place de la Pyramide
92908 Paris-la-Défense-Cedex

Appointed Principal Statutory Auditor at the Shareholders' General Meeting of December 21, 2005, and re-appointed Principal Statutory Auditor by the Shareholders' General Meeting of May 26, 2011 for a term of six financial years and by the Shareholders' General Meeting of May 31, 2017. 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.

9.4.2.2 DEPUTY STATUTORY AUDITORS

Mr Jean-Christophe Georghiou

Member of the Compagnie régionale
des Commissaires aux comptes de Versailles
(Versailles Regional Body of Statutory Auditors)

Crystal Park, 63, rue de Villiers
92208 Neuilly-sur-Seine

Appointed Deputy Statutory Auditor at the Shareholders' General Meeting of May 27, 2016, for a term of six 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, 2021.

9.4.3 - Financial disclosure policy

9.4.3.1 PERSON RESPONSIBLE FOR FINANCIAL DISCLOSURES

Mr. 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 2021 financial information to be disclosed to the public by the Company will be available on the Company's website www.legrandgroup.com/en, in the section "INVESTORS AND SHAREHOLDERS".

As an indication only, the Company's timetable for the publication of financial information up to December 31, 2021, is expected to be as follows:

- 2021 first-quarter results: May 6, 2021,
  start of the quiet period[1]: April 6, 2021,
- Shareholders' General Meeting: May 26, 2021,
- ex-dividend date: May 28, 2021,
- dividend payment date: June 1, 2021,
- first-half 2021 results: July 30, 2021,
  start of the quiet period[1]: June 30, 2021,
- 2021 nine-month results: November 4, 2021,

  2021, start of the quiet period[1]: October 5, 2021.

(1) Period of time when all communication is suspended in the run-up to the publication of results.

CROSS-REFERENCE TABLES

CROSS-REFERENCE TABLE– ANNUAL FINANCIAL REPORT (ARTICLE 222-3 OF THE AMF'S GENERAL REGULATION)

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1.4	Statement that this information has been accurately reproduced and that no facts have been omitted which would render the reproduced information inaccurate or misleading	N/A	-
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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	-
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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	258
16.2	Different voting rights, or an appropriate negative statement	9.3.3	339-340
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CROSS-REFERENCE TABLE – MANAGEMENT REPORT (INCLUDING CORPORATE GOVERNANCE REPORT)

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	Situation of the Company during the year	L. 232-1 (II) of the French Commercial Code	Management Report, 1.1	375
	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	375
	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	375
	Appropriation of earnings	-	Management Report 1.3	375-376
	Internal control and risk management procedures relating to the preparation and processing of financial and accounting information	L. 225-100-1(I)(5) of the French Commercial Code	Management Report, 1.4	376
	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	376
	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)(6) of the French Commercial Code	Management Report, 1.6	376
	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	376
	Material events between the reporting date and the date of preparation of the management report	L. 232-1 (II) of the French Commercial Code	Management Report, 1.8	376
	Forecast changes in the Company's position	L. 232-1 (II) of the French Commercial Code	Management Report, 1.9	376
	Description of existing branches	L. 232-1 (II) of the French Commercial Code	Management Report, 1.10	376
	Research and development activities	L. 232-1 (II) of the French Commercial Code	Management Report, 1.11	376
	Supplier and customer payment timeframes	L. 441-6-1 of the French Commercial Code	Management Report, 1.12	377
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	List of appointments and positions held in any company by each of the company officers during the financial year, their nationality, their age and their main role	L. 225-37-4(1) of the French Commercial Code Art. 13.3 of the Afep-Medef Code	Management Report, 3.1	377
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	Agreements between a corporate officer or shareholder holding more than 10% of the voting rights and a subsidiary (excluding standard agreements)	L. 225-37-4(2) of the French Commercial Code	Management Report, 3.3	377
	Report on the activities of the Board of Directors and its committees	Art. 1.8 and 14.2 of the Afep-Medef Code	Management Report, 3.4	377

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Membership of the Board of Directors and its committees	L. 225-37-4(5) of the French Commercial Code	Management Report, 3.5	377
Preparation and organization of the work of the Board of Directors	L. 225-37-4(5) of the French Commercial Code	Management Report, 3.6	378
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Independence of directors	Art. 8.5 of the Afep-Medef Code	Management Report, 3.9	378
Description of the diversity policy applied to members of the Board of Directors and the Company's Executive Committee	L. 225-37-4(6) of the French Commercial Code	Management Report, 3.10	378
Limits that the Board of Directors imposes on the powers of the Chief Executive Officer	L. 225-37-4(7) of the French Commercial Code	Management Report, 3.11	378
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Summary of valid grants of authority to increase the share capital and use made of such authority during the year	L. 225-37-4(3) of the French Commercial Code	Management Report, 3.15	378
Information capable of affecting the outcome of a public offering	L. 225-37-5 of the French Commercial Code	Management Report, 3.16	379-380
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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. 225-37-3 of the French Commercial Code	Management Report, 3.20	381
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Lock-in requirements for stock options and bonus shares awarded to executives	L. 225-197-1(II) and L. 225-185 of the French Commercial Code	Management Report, 3.22	381
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Ownership structure and changes during the year	L. 233-13 of the French Commercial Code	Management Report, 4.1	381
Amount of dividends distributed with respect to the past three years, both eligible and non-eligible for the 40% allowance	243 bis of the French General Tax Code	Management Report, 4.2	381
Information on acquisitions and disposals by the Company of its own shares	L. 225-211 of the French Commercial Code	Management Report, 4.3	382
Transactions in securities by company officers and similar persons	L. 621-18-2 of the French Monetary and Financial Code	Management Report, 4.4	382

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	382
Information on adjustments to the number and/or price of shares corresponding to stock options and performance shares	L. 225-181 of the French Commercial Code	Management Report, 4.6	382
Statement of employee share ownership at year-end and proportion 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	L. 225-102 of the French Commercial Code	Management Report, 4.7	383
Names, business activities and results of controlled companies and percentage of the share capital held	L. 233-13 of the French Commercial Code	Management Report, 4.8	383
Share disposals to regularize cross-shareholdings	R. 233-19 of the French Commercial Code	Management Report, 4.9	
Other legal, financial and tax information concerning the Company			
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Add-backs of excessive general expenditure or general expenditure that does not feature in the special statement	223 quinquies of the French General Tax Code	Management Report, 5.2	383
Table of the Company's results over the past five years	R. 225-102 of the French Commercial Code	Management Report, 5.3	383
Loans with a maturity of less than two years granted by the Company	L. 511-6 of the French Monetary and Financial Code	Management Report, 5.4	383
Bonds, sureties and guarantees given and other security provided	L. 232-1(1) of the French Commercial Code	Management Report, 5.5	383
Injunctions or fines for anti-competitive practices	L. 464-2 of the French Commercial Code	Management Report, 5.6	383
Information on facilities categorized as upper-tier under the Seveso Directive	L. 225-102-2 of the French Commercial Code	Management Report, 5.7	382

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APPENDIX

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APPENDIX 1 - FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

Statement of income

(in € thousands)	12 months ended December 31, 2020	12 months ended December 31, 2019
Operating income		
Revenue	21,970	24,725
Other operating income	2,074	1,790
Total operating income	**24,044**	**26,515**
Operating expenses		
Purchases and external charges	(7,011)	(7,996)
Taxes other than on income	(828)	(1,098)
Employee benefits expense	(9,516)	(9,812)
Amortization and provision expense	(1,710)	(2,538)
Other operating expenses	(885)	(711)
Total operating expenses	**(19,950)**	**(22,155)**
Operating profit	**4,094**	**4,360**
Financial income		
Dividend income	450,007	450,007
Interest income from marketable securities and receivables, net	8,479	5,977
Provision reversals and expense transfers	40	1,933
Exchange gains	0	0
Other financial income	0	0
Total financial income	**458,526**	**457,917**
Financial expense		
Amortization and provision expense	(2,173)	(1,956)
Exchange losses	0	0
Other financial expense	(43,537)	(39,652)
Total financial expense	**(45,710)**	**(41,608)**
Financial income and expense, net	**412,816**	**416,309**
Recurring profit before tax	**416,910**	**420,669**
Non-recurring income and expense, net	**(5,031)**	**(3,141)**
Profit before tax and employee profit-sharing	**411,879**	**417,528**
Employee profit-sharing	(99)	(109)
Income tax benefit	15,707	13,944
Profit for the period	**427,487**	**431,363**

Balance sheet

Assets

(in € thousands)	December 31, 2020	December 31, 2019
Non-current assets		
Intangible assets	0	0
Property, plant and equipment	0	0
Investments	5,578,907	5,004,544
Total non-current assets	**5,578,907**	5,004,544
Current assets		**0**
Receivables	136,914	51,632
Marketable securities	1,606	523
Cash	0	502
Total current assets	**138,520**	**52,657**
Other assets	**15,905**	**15,567**
Total assets	**5,733,332**	**5,072,768**

Equity and liabilities

(in € thousands)	December 31, 2020	December 31, 2019
Equity		
Share capital	1,069,791	1,069,105
Additional paid-in capital, reserves and retained earnings	697,477	631,183
Profit for the period	427,487	431,363
Untaxed provisions and government grants	0	0
Total equity	**2,194,755**	**2,131,651**
Provisions	**2,542**	**2,737**
Debt		**0**
Other debt	3,524,042	2,921,271
Total debt	**3,524,042**	**2,921,271**
Other liabilities	**11,993**	**17,109**
Accruals	**0**	**0**
Total equity and liabilities	**5,733,332**	**5,072,768**

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Statement of cash flows

(in € thousands)	12 months ended December 31, 2020	12 months ended December 31, 2019
Profit for the period	**427,487**	**431,363**
Adjustments for non-cash movements in assets and liabilities:		
– Changes in depreciation, amortization and impairment of fixed assets	(24)	(1,893)
– Amortization of deferred expense	3,235	2,874
– Changes in provisions for contingencies and charges	(196)	(1,173)
– Changes in untaxed provisions	0	0
– Net (gains)/losses on sales of assets	0	0
– Other non-cash items	(3,617)	(5,941)
Cash Flow	**426,885**	**425,230**
Changes in working capital requirement:		
– Trade and other receivables	1,819	10,749
– Trade and other payables	(5,112)	(30,209)
– Other operating assets and liabilities	44	(45)
Net cash from operating activities	**423,636**	**405,725**
– 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	(43)
Net cash from investing activities	**0**	**(43)**
– Proceeds from issues of share capital and premium	9,221	6,329
– Net sales (buybacks) of treasury shares and transactions under the liquidity contract	(32,411)	(18,636)
– Dividends paid to equity holders of Legrand	(357,419)	(357,063)
– Increase (reduction) in borrowings, including intragroup loans and borrowings	(43,514)	(35,754)
Net cash from financing activities	**(424,123)**	**(405,124)**
Increase (decrease) in cash and cash equivalents	**(487)**	**558**
Cash and cash equivalents at the beginning of the period	487	(71)
Cash and cash equivalents at the end of the period	**0**	**487**

Notes to the financial statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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”.

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.

1.4 SHARE BUYBACKS AND LIQUIDITY AGREEMENT

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».

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.

1.5 MARKETABLE SECURITIES

This item includes Legrand shares purchased to be granted to employees as described in note 1.4 above.

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.

1.7 FOREIGN CURRENCY RECEIVABLES AND PAYABLES

Foreign currency receivables and payables are converted into euros at the exchange rate on the reporting date.

1.8 DEFERRED EXPENSES

Deferred expenses represent bond issuance fees. They are amortized over the term of the bonds in question.

1.9 BOND REDEMPTION PREMIUMS

The redemption premiums reported in the balance sheet correspond to the 2012, 2015, 2017, 2018, 2019 and 2020 bond issues, described in note 8.2 below. They are amortized over the life of the issues.

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).

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 13, 2018 and applies for the calculation of the special statutory profit-sharing reserve for the 3 years from 2018 to 2020. 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 3-year discretionary profit-sharing agreement on June 13, 2018 covering the years 2018 to 2020. It applies to employees of the same companies as the statutory profit-sharing agreement.

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

2.1 INTANGIBLE ASSETS

	December 31, 2020			
(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**

2.2 INVESTMENTS

	December 31, 2020		
(in € millions)	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	1,189,688	608,478	1,798,166
Total	**1,189,688**	**608,478**	**1,798,166**
Other investments			
Treasury shares held for cancellation	16,187	(16,187)	0
Other treasury shares	2,933	4,076	7,009
Other long-term receivables	22,028	(22,028)	0
Deposits and guarantees	89	0	89
Total	**41,237**	**(34,139)**	**7,098**
Provisions for impairment			
Impairment of other treasury shares	(40)	24	(16)
Total	**(40)**	**24**	**(16)**
Total investments, net	**5,004,544**	**574,363**	**5,578,907**

For other treasury shares, changes during the year correspond to the net purchases (purchases net of sales) for the period.

2.2.1 Shares in subsidiaries and affiliates

No impairment provision has been recorded on these shares.

2.2.2 Receivables from subsidiaries and affiliates

On July 6, 2017, the Company set up a loan agreement with Legrand France SA for an amount of €480,632 thousand for a period of 4 years, expiring on July 6, 2021. This loan is subject to annual interest of 0.54% per annum.

On October 9, 2017, the Company 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 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 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.

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[TM] 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, 2020, Legrand held 97,727 shares acquired under this agreement at a total cost of €7,009.2 thousand which are recorded under “Other treasury shares”.

Impairment of €16.6 thousand was recognized in relation to those shares at December 31, 2020.

During 2020, transactions under the liquidity agreement led to a cash outflow of €2,679.0 thousand corresponding to the purchase (net of sales) of 58,114 shares.

This amount was financed by the cash and short-term investments held in the liquidity agreement, the balance of which was €19,377.8 thousand as of December 31, 2020, 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:

	Cost	Maturity	
(in € thousands)	Net value	Within one year	Beyond one year
Trade account receivables	4,649	4,649	0
Prepaid and recoverable taxes	13,124	13,124	0
Recoverable value-added tax	533	533	0
Group relief receivables	370	370	0
Other receivables	118,238	118,238	0
TOTAL AT THE END OF THE PERIOD	**136,914**	**136,914**	**0**
TOTAL AT THE BEGINNING OF THE PERIOD	**51,632**	**51,632**	**0**

NOTE 4 - MARKETABLE SECURITIES

In 2020, and 2019, this item exclusively comprised Legrand shares purchased with a view of being granted to employees.

	December 31, 2020			December 31, 2019
(in € thousands)	Cost	Impairment	Net	Net
Performance share plans	1,606	0	1,606	523
TOTAL	**1,606**	**0**	**1,606**	**523**

Details of the objectives and terms of the current share buyback program, which represents a maximum of €1 billion, are provided in the program description published on May 27, 2020.

In 2020, the Company bought back 515,000 shares at a cost of €29,643,130.

A breakdown of this item is provided in note 6.1.

NOTE 5 - OTHER RECEIVABLES

(in € thousands)	December 31, 2020	December 31, 2019
Prepaid expenses	22	66
Deferred charges	5,034	4,908
Bond redemption premium	10,849	10,593
TOTAL	**15,905**	**15,567**

NOTE 6 - EQUITY

6.1 SHARE CAPITAL

Share capital as of December 31, 2020 amounted to € 1,069,790,984 represented by 267,447,746 ordinary shares with a par value of €4 each, corresponding to 267,447,746 theoretical voting rights and 267,322,339 exercisable voting rights (after subtracting shares held in treasury by the Company at that date).

As of December 31, 2020, the Company held 125,407 shares in treasury, versus 313,406 shares as of December 31, 2019, i.e. a decrease of 187,999 shares corresponding to:

- the net purchase of 515,000 shares outside of the liquidity agreement;
- the transfer 496,113 shares to employees under performance share plans;
- the cancellation of 265,000 shares;
- the net purchase of 58,114 shares under the liquidity agreement (see note 2.2.3).

At December 31, 2020, the Company held 125,407 shares, acquired at a cost of €8,615,007 and allocated as follows:

- 27,680 shares purchased at a cost of €1,605,771 and available for allocation upon exercise of performance share plans;
- 97,727 shares purchased at a cost of €7,009,236 and held under the liquidity agreement (see note 2.2.3).

Changes in share capital in 2020 were as follows:

	Number of shares	Par value	Share capital *(in euros)*	Premiums *(in euros)*
As of December 31, 2019	267,276,128	4	1,069,104,512	537,713,030
Exercise of options under the 2010 plan	436,618	4	1,746,472	7,474,900
Cancellation of shares	(265,000)	4	(1,060,000)	(15,126,920)
As of December 31, 2020	**267,447,746**	**4**	**1,069,790,984**	**530,061,010**

On February 12, 2020, the Board of Directors decided to cancel 265,000 treasury shares held for cancellation (shares purchased in 2019). The difference between the purchase price of the cancelled shares and their par value, i.e. €15,126,920, was deducted from additional paid-in capital.

In 2020, 436,618 shares were issued under the 2010 stock option plans, resulting in a capital increase representing a total amount of €9,221,372 (including additional paid-in capital).

6.2 ADDITIONAL PAID-IN CAPITAL, RESERVES AND RETAINED EARNINGS

(in € thousands)	December 31, 2020	December 31, 2019
Before appropriation of profit		
Additional paid-in capital	530,062	537,712
IPO costs charged to additional paid-in capital	(33,206)	(33,206)
Legal reserve	106,910	106,998
Non-distributable reserves	3,456	19,679
Other reserves and retained earnings	90,255	0
TOTAL	**697,477**	**631,183**

6.3 CHANGES IN EQUITY

(in € thousands)	December 31, 2020
Equity at the beginning of the period before appropriation of profit	2,131,651
Movements for the year after appropriation:	0
- Share capital	686
- Additional paid-in capital	(7,650)
- Reserves and retained earnings	0
- Non distributable reserves	0
- Dividends paid*	(357,419)
- Untaxed provisions and government grants	0
- Profit for the period	427,487
- Other	0
EQUITY AT THE END OF THE PERIOD BEFORE APPROPRIATION OF PROFIT	**2,194,755**

Legrand SA's General Meeting of Shareholders held on May 27, 2020, approved the payment of a total dividend of €357,419 thousand representing €1.34 per share.

6.4 PERFORMANCE SHARE PLANS AND STOCK OPTION PLANS

6.4.1 Performance share plans

The following performance share plans have also been approved by the Company's Board of Directors:

	2016 Plan	2017 Plan	2018 Plan	2019 Plan	2020 Plan
Date approved by shareholders	May 24, 2013	May 27, 2016	May 27, 2016	May 30, 2018	May 30, 2018
Grant date	May 27, 2016	May 31, 2017	May 30, 2018	May 29, 2019	May 26, 2020
Total number of performance share rights initially granted	502,924 (1)	492,254 (1)	524,123 (1)	617,818 (1)	461,861
o/w to Executive Officer	*15,504* (1)	*12,503* (1)	*19,546* (1)	*22,954* (1)	*11,544*
- Gilles Schnepp	*15,504*	*12,503*	*0*	*0*	*0*
- Benoît Coquart	*N/A*	*N/A*	*19,546*	*22,954*	*11,544*
End of vesting period	June 17, 2020	June 17, 2021	June 16, 2021 (2) June 16, 2022 (3)	June 16, 2022 (2) June 16, 2023 (3)	June 16, 2023 (2) June 14, 2024 (3)
End of lock-up period	June 17, 2020	June 17, 2021	May 31, 2023 (2) June 15, 2022 (3)	May 31, 2024 (2) June 16, 2023 (3)	May 28, 2025 (2) June 14, 2024 (3)
Number of performance shares adjusted for the performance criteria fulfillment	33,531 (4)	52,300 (5)	(40,100) (5)		
Number of performance share rights cancelled or forfeited	(40,824)	(40,975)	(40,846)	(40,497)	(1,148)
Number of performance shares acquired as of December 31, 2020	(495,631)	(169)	(313)	0	0
PERFORMANCE SHARE RIGHTS OUTSTANDING AS OF DECEMBER 31, 2020	**0**	**503,410**	**442,864**	**577,321**	**460,713**

(1) Given the dividend distribution features approved at the General Meetings of Shareholders on May 29, 2015, on May 27, 2016, on May 31, 2017, on May 30, 2018 and 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. Moreover, the number of performance shares has been reduced following Gilles Schnepp's decision to waive part of his entitlement to performance shares granted under the 2016 plan.

(2) Date applicable to the Executive Officer and members of the Executive Committee.

(3) Date applicable to beneficiaries other than the Executive Officer and members of the Executive Committee.

(4) Percentage of performance criteria achievement see Note 4.2.1.3 of universal registration document.

(5) Adjustments estimated as at the date when the financial statements were prepared.

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6.4.1.1 *2016 and 2017 performance share plans*

The final number of shares ultimately granted to beneficiaries is determined based on a service condition and several performance criteria. The vesting period is 4 years.

Type of performance criteria	Description of performance criteria	Weight of performance criteria by plan 2017
“External” financial performance criterion	Comparison between the arithmetic mean of Legrand’s consolidated EBITDA margin over a three-year period as published in the consolidated financial statements and the arithmetic mean of EBITDA margins achieved by companies forming part of the MSCI World Capital Goods index over the same period.	1/3
“Internal” financial performance criterion	Arithmetic mean of normalized free cash flow as a percentage of sales over a three-year period, as published in the consolidated financial statements.	1/3
Non-financial performance criterion	Arithmetic mean of the average achievement rate of Group CSR Roadmap priorities over a three-year period.	1/3

Following the Group’s adoption of IFRS 16, on March 20, 2019 the Board of Directors, regarding the performance measurement for 2019 with respect to the 2017 plan, decided to replace the EBITDA and free cash flow criteria. with criteria relating to operating margin and adjusted organic growth before acquisitions, in line with the Company’s 2019 targets

6.4.1.2 *2018, 2019 and 2020 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 2017 to 2020 plans were to vest according to the target allocation before application of the performance criteria (i.e. 1,984,308 shares), the Company's capital would be diluted by 0.7 %% as of December 31, 2020.

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6.4.2 Stock option plans

No stock option plans have been implemented since the 2010 Plan.

The following stock option plans have been approved by the Company's Board of Directors in previous years:

	2010 Plan	
Date approved by shareholders	May 15, 2007	
Grant date	March 4, 2010	
Total number of options granted	3,288,702	(1)
o/w to Executive Officer	*224,083*	(1)
- Gilles Schnepp	*138,813*	(1)
- Olivier Bazil	*85,270*	(1)
Start of exercise period	March 5, 2014	
Expiry of exercise period	March 4, 2020	
Exercise price	€21.12 Average closing price over the 20 trading days preceding the grant date	(1)
Exercise terms (plans comprising several tranches)	(2)	(3)
Number of options exercised as of December 31, 2020	(3,026,672)	
Number of options cancelled or forfeited	(262,030)	
STOCK OPTIONS OUTSTANDING AS OF DECEMBER 31, 2020	**0**	(4)

(1) Given the dividend distribution features approved at the General Meetings of Shareholders on May 29, 2015, on May 27, 2016, on May 31, 2017, on May 30, 2018 and on May 29, 2019, the number and exercise price of stock options was adjusted to take into account the impact of these transactions on the interests of stock option beneficiaries, in accordance with article L.228-99 of the French Commercial Code.

(2) Options vest after a maximum of four years, except in the event of resignation or termination for willful misconduct.

(3) This plan was subject to performance conditions (see Note 12 to the consolidated financial statements for the twelve months ended December 31, 2014).

(4) The weighted average market price of the Company stock upon exercises of stock options in 2020 was €72.49.

NOTE 7 - PROVISIONS

	December 31, 2020			
(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	926	102	0	1,028
Other	1,811	529	(826)	1,514
Provisions	**2,737**	**631**	**(826)**	**2,542**
Impairment on investments	40	16	(40)	16
Impairment on marketable securities	0	0	0	0
Provisions for impairment	**40**	**16**	**(40)**	**16**
TOTAL	**2,777**	**647**	**(866)**	**2,558**
Charges to and reversals from provisions recorded under the following income statement captions:				
- operating income and expense		631	(826)	
- financial income and expense		16	(40)	
- non-recurring income and expense		0	0	
TOTAL		**647**	**(866)**	

Other provisions relate to the *forfait social* tax (i.e. social charges) on performance share plans (see note 6.4.1).

NOTE 8 - DEBT AND OTHER LIABILITIES

	December 31, 2020			
		Maturity		
(in € thousands)	Net value	Due within one year	Due in one to five years	Due beyond five years
Bonds	3,524,042	24,042	1,700,000	1,800,000
Bank borrowings with original 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	**3,524,042**	**24,042**	**1,700,000**	**1,800,000**
Trade payables	2,817	2,817	0	0
Accrued taxes and employee benefit expense	4,717	4,717	0	0
Other	4,459	4,459	0	0
TOTAL OTHER LIABILITIES	**11,993**	**11,993**	**0**	**0**
TOTAL AT THE END OF THE PERIOD	**3,536,035**	**36,035**	**1,700,000**	**1,800,000**
TOTAL AT THE BEGINNING OF THE	**2,938,380**	**38,380**	**1,300,000**	**1,600,000**

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.

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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 Company signed a further agreement with all banks involved that amended and extended the Credit Facility. Under that agreement:

- the Credit Facility's maximum maturity was extended by 5.5 years, i.e., up to December 2026, including two options to extend by successive 1-year periods, and at improved financing terms compared with July 2014.
- drawdowns remain subject to an interest rate equivalent to market rates plus a margin determined on the basis of the Group's credit rating but will be increased or decreased each year depending on the Group CSR roadmap annual attainment rate.

The Credit Facility does not feature any covenants.

As the banks have agreed to the first-one-year extension, the Credit Facility will expire not before December 2025.

As of December 31, 2020., there were no drawings on the Credit Facility.

8.2 BONDS

In April 2012, the Company issued €400.0 million of 10-year bonds due to mature on April 19, 2022. The bonds have an, annual coupon of 3.375% with all of the principal repayable at maturity.

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.

8.3 OTHER LIABILITIES

Other liabilities consist of the €4,426 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 €21,970 thousand, representing intra-group services 100% located in France.

Non-recurring income and expenses are as follows:

(in € thousands)	December 31, 2020	December 31, 2019
Revenue transactions	0	0
Capital transactions	1,428	2,163
Provision reversals and expense transfers	26,500	18,556
TOTAL NON-RECURRING INCOME	**27,928**	**20,719**
Revenue transactions	(4,398)	(3,794)
Capital transactions	(28,561)	(20,066)
Amortization and provision expense	0	0
TOTAL NON-RECURRING EXPENSE	**(32,959)**	(23,860)
NON-RECURRING INCOME AND EXPENSE, NET	**(5,031)**	**(3,141)**

Non-recurring income and expenses on capital transactions correspond to income and expenses generated on sales and. purchases of treasury shares in connection with the liquidity agreement (income of €1,426 thousand) and performance shares transferred to beneficiaries under the 2016 plan (expense of €28,561 thousand).

The "provision reversals and expense transfers" item includes income of €26,500 thousand, reflecting the recharging of capital losses realized or expected at the Legrand SA level following the transfer of performance shares to the employees of various Group subsidiaries.

NOTE 10 - OTHER INFORMATION

10.1 INCOME TAX

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, 2020	Increase	Decrease	Dec. 31, 2020	Jan. 1, 2020	Change	Dec. 31, 2020
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	(182)	0	33	(149)	58	(16)	42
Provisions for pensions and other post-retirement benefit costs	(913)	0	(101)	(1,014)	236	26	262
Other provisions	(1,854)	0	340	(1,514)	490	(82)	408
Taxes and other	0	0	0	0	0	0	0
TOTAL	**(2,949)**	**0**	**272**	**(2,677)**	**784**	**(72)**	**712**

** Determined by the variable carry-forward method, taking into account the 3.3% 'contribution sociale de solidarité' introduced with effect from January 1, 2000. The rate used is the voted rate in effect for the 2020 fiscal year.*

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 2020, Legrand recognized a net income tax benefit of €15,707 thousand.

10.2 EXPOSURE TO MARKET RISKS (INTEREST RATE, CURRENCY AND CREDIT RISKS)

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.

As of December 31, 2020., no hedges were in place at the Company level.

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.

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.

10.3 FINANCIAL COMMITMENTS

Financial commitments given by the Company as of December 31, 2020.and 2019, were as follows:

(in € thousands)	December 31, 2020	December 31, 2019
Guarantees given to banks	0	0
Guarantees given to other organizations	0	63
TOTAL	**0**	**63**

10.4 EMPLOYEES

	December 31, 2020	December 31, 2019
Average number of employees		
Management	38	37
Administrative staff	5	5
Apprentices	1	1
TOTAL	**44**	**43**

10.5 COMPENSATION OF THE CHIEF EXECUTIVE OFFICER

During 2020, compensation awarded to the chief executive officer is as follows:

- Gilles Schnepp amounted to €312.5 thousand, for the period from January 1st, 2020 to June 30, 2020;
- Angeles Garcia-Poveda amounted to €312.5 thousand, for the period from July 1st, 2020 to December 31, 2020; and
- Benoît Coquart amounted to €1,115.8 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.

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.

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10.7 SUBSIDIARIES AND AFFILIATES

(in € thousands)	Share capital euros	Reserves and retained earnings	% interest	Carrying amount of the shares Cost	Carrying amount of the shares Net	Loan and advance	Guarantee given	Revenue	Profit (loss)	Dividends received
French companies										
Legrand France SA	54,913	734,152	100	3,773,659	3,773,659	1,916,323	0	798,626	438,041	450,008

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, 2020

Management report of the Board of Directors on March 17, 2021, to the Annual General Meeting scheduled on May 26, 2021, 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 of its subsidiaries and the companies it controls, by business segment

Revenues amounted to €22.0 million in the year to December 31, 2020, for providing services within the Group, compared with €24.7 million in the year to December 31, 2019.

Other operating income amounted to €2.1 million in the year to December 31, 2020, €1.8 million in the year to December 31, 2019.

Operating expenses amounted to €20.0 million in the year to December 31, 2020, compared with €22.2 million in the year to December 31, 2019.

At December 31, 2020, operating profit was €4.1 million, compared with €4.3 million in the year to December 31, 2019.

Net interest and other financial items for 2020 represented income amounting to €412.8 million, compared with €416.3 million in the year to December 31, 2019. This increase was mainly the result of an increase in interest on bond issues.

Non-recurring items resulted in a loss of €5.0 million on a net basis in 2020, compared with a loss of €3.1 million in 2019. The change was mainly due to expenses relating to the performance share plan.

Tax income amounted to €15.7 million to December 31, 2020, representing the surplus of tax paid by subsidiaries within the tax consolidation group, compared with €13.9 million in the year to December 31, 2019.

Net income for the year to December 31, 2020, amounted to €427.5 million, compared with €431.4 million in the year to December 31, 2019.

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

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

The Company's debt position is summarized in appendix 1 to this management report. The Company's external debt rose in 2020 compared to 2019.

1.3 Appropriation of earnings and determination of dividend

We propose that the Company's earnings of €427,487,360.64 in respect of the financial year to December 31, 2020, be appropriated as follows:

- an amount of €68,647.20 would be allocated to the legal reserve which is thus raised to 10 % of the share capital;
- the retained earnings amounting to €90,255,385.25, distributable income would therefore amount to €517,674,098.69;
- the amount of €5,158,756.43 would be allocated to reserves unavailable for treasury shares, thereby raising them to a total amount of €8,615,006.54;
- distributable income less the amount allocated to reserves unavailable for treasury shares would thus amount to €512,515,342.26;
- the Board of Directors proposes (i) to pay to shareholders as a dividend €1.42 per share, and (ii) 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, 2020 and after deduction of treasury shares held at that date, the appropriation of distributable income would be as follows: (i) €379,597,721.38 to dividends and (ii) a total amount of €132,917,620.88 under "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 €1.42 per share, the distribution will be classified as taxable income subject, for individual shareholders residing in France, to the flat-rate income tax of 12.8% introduced by 2018 finance act No. 2017-1837 of December 30, 2017 (or, if a shareholder makes an overall and irrevocable election, in the income tax declaration and no later than the time limit for said declaration, for sliding-scale income tax after deduction of the 40% exemption provided for under Article 158, paragraph 3, sub-paragraph 2 of the French General Tax Code), to social security contributions at a rate of 17.2% as well as, for taxpayers whose reference taxable income exceeds certain thresholds, an exceptional levy on high incomes at a rate of either 3% or 4%, pursuant to Article 223 sexies of the French General Tax Code. The dividend is, in principle, subject to a non-definitive flat-rate tax of 12.8% on its gross amount, excluding social security contributions. That levy is deductible from income tax levied during the 2021 fiscal year unless an exemption is requested in accordance with the provisions of Article 242 quater of the French General Tax Code.

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.

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 5.12 of this Universal Registration Document for more information about the Group's outlook, particularly in relation to the global public health context.

1.10 Existing branches

None.

1.11 Research and Development activity

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 days**	**1 day or more**	**Total (1 day or more)**
Total invoices incl.VAT at December 31, 2020	658	0	0
% of total ex-VAT purchases in 2020	22.0%	0%	0%
Total invoices incl.VAT at December 31, 2019	347	0	0
% of total ex-VAT purchases in 2019	9.9%	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 days**	**1 day or more**	**Total (1 day or more)**
Total invoices incl.VAT at December 31, 2020	4,649	0	0
% of ex-VAT revenue in 2020	21.2%	0%	0%
Total invoices incl.VAT at December 31, 2019	6,784	0	0
% of ex-VAT revenue in 2019	27.4%	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 appendix 3 of this management report.

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

This information is given in appendix 3 of this management report.

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 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.

3.7 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.

3.8 Evaluation of the Board of Directors

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

3.9 Independence of directors

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

3.10 Description of the diversity policy applied 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.

3.11 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.

3.12 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 on the Qualification of Agreements" in section 6.1.1.2 of this Universal Registration Document.

3.13 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 www.medef.com. The Company considers that its practices comply with all recommendations of that Code.

3.14 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.

3.15 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.

3.16 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 shares during 2020 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 or 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 shares is equal to the average 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.

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	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 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 share 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 $374.9 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 and on December 20, 2019; ■ the bond issue made on April 11, 2012 in a nominal amount of €400 million; ■ the bond issue made on December 9, 2015 in a nominal amount of €300 million; ■ the bond issue made on June 29, 2017 in a nominal amount of €1 billion; ■ the bond issue made on October 4, 2017 in a nominal amount of €400 million; ■ the bond issue made on February 26, 2018 in a nominal amount of €400 million; ■ the bond issue made on June 17, 2019 in a nominal amount of €400 million; ■ the bond issue made on May 12, 2020 in a 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.

(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.

3.17 Description of the compensation policy for company officers

In accordance with article L. 22-10-8 of the French Commercial Code, the information required under article R. 22-10-14 of the French Commercial Code is presented in sections 6.2.1 and 6.2.5 of this Universal Registration Document.

3.18 Total compensation and benefits of any kind paid or allotted 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 sections 6.2.2 and 6.2.5 of this Universal Registration Document.

3.19 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 6.2.2.4 of this Universal Registration Document.

3.20 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 6.2.2.4 of this Universal Registration Document.

3.21 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 "C-Other compensation components" part of section 6.2.1, section 6.2.4 and section 6.2.5 of this Universal Registration Document.

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

This information is provided in chapter 7 and section 6.2.1.3 of this Universal Registration Document.

4. OWNERSHIP STRUCTURE AND CAPITAL

4.1 Ownership structure and changes during the 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 2017, 2018 and 2019 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
2017	267,316,360 shares with a par value of €4 each	€1.26*	€0.93	€0.00
2018	266,464,962 shares with a par value of €4 each	€1.34**	€0.79	€0.00
2019	266,730,249 shares with a par value of €4 each	€1.34	€1.34	€0.00

** Since €0.33 of the dividend distributed for the 2017 financial year constitutes, for tax purposes, a repayment of paid-in capital as defined by Article 112(1)(1) of the French General Tax Code, this sum is not considered as distributed income for tax purposes.*

*** Since €0.55 of the dividend distributed for the 2018 financial year constitutes, for tax purposes, a repayment of paid-in capital as defined by Article 112(1)(1) of the French General Tax Code, this sum is not considered as distributed income for tax purposes.*

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.

In the course of 2020, the Company purchased a total of 3,547,937 shares at a total cost of €234,826,693 and sold 3,489,823 shares for a total of €230,722,068, under the liquidity agreement.

With respect to the liquidity agreement, the average purchase price was €66.19 per share and the average sale price was €66.54 per share. There were no trading costs associated with these transactions.

At December 31, 2020, the balance on the liquidity agreement stood at 97,727 shares.

Outside the scope of the liquidity contract, the Company repurchased 515,000 shares during the 2020 financial year, for a value of €29,643,130 at an average purchase price of €57.56, with trading costs amounting to €88,929.

The Company transferred 496,113 shares to employees under performance share plans. The Company also canceled 265,000shares.

At December 31, 2020, the Company held 125,407 shares with a nominal value of €4 each or a total of € 501,628 equal to 0.05% of its share capital. Valued at cost at the time of purchase, these shares totaled €8,615,007.

Aside from the liquidity agreement, the Company held 27,680 shares at December 31, 2020, with a total purchase cost of €1,605,771 and nominal value of €110,720.

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 during the 2020 financial year and the start of the 2021 financial year were as follows:

Person reporting	Type of transaction	Description of the financial instrument	Number of transactions	Total amount of transactions *(in euros)*
Franck Lemery	Sale	Shares	1	143,714
Antoine Burel	Sale	Shares	1	413,179

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 26, 2021.

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 10,022,779, representing 3.75% of the share capital, including 708,681 shares held in the "Actions Legrand" investment fund, a sub-fund of the Group's employee share ownership plan. These shares represented 0.27% of the Company's share capital.

At December 31, 2020, Group employees held a total of 2,350,262 shares within the meaning of article L. 225-102 of the French Commercial Code. representing 0.88% of the Company's 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 2020, excluding items carried over from prior years, came to €46,734, including €17,397 related to the tax on company vehicles *(Taxe sur les Véhicules de Tourisme et Société)* and €29,337 related to vehicle lease payments and depreciation, with the corresponding tax in an amount of €14,966.

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 a table in appendix 2 to this management report.

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

None.

5.5 Collateral, sureties and guarantees given and other security provided

At its meeting on February 9, 2021, 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.

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.

March 17, 2021
The Board of Directors

Appendix 1 to the Management Report

Debt position

(in millions of euros)	December 31, 2020	December 31, 2019
EXTERNAL DEBT		
Debt		
Bonds	3,500.0	2,900.0
Bank borrowings	0.0	0.0
Credit Facility	0.0	0.0
TOTAL EXTERNAL DEBT	**3,500.0**	**2,900.0**
Accrued interest	**24.0**	**21.3**
Interest expense		
Bonds	43.5	39.6
Bank borrowings	0.0	0.0
Credit Facility	0.0	0.0
TOTAL INTEREST EXPENSE ON EXTERNAL DEBT	**43.5**	**39.6**
%	1.2%	1.4%
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	**3,524.0**	**2,921.3**
Equity	2,195.3	2,131.7
DEBT-TO-EQUITY RATIO	**161%**	**137%**

Appendix 2 to the Management Report

Parent-company financial results for the last five years

(in thousands of euros except for numbers of shares, earnings per share and numbers of employees)	2016	2017	2018	2019	2020
Capital at end of year					
Share capital	1,069,309	1,067,223	1,069,981	1,069,105	1,069,791
Number of ordinary shares	267,327,374	266,805,751	267,495,149	267,276,128	267,447,746
Total number of shares in issue	267,327,374	266,805,751	267,495,149	267,276,128	267,447,746
of which shares held in treasury*	1,365,561	45,128	905,347	313,406	125,407
Comprehensive income from operations					
Ex-VAT revenue	15,470	17,592	18,592	24,725	21,970
Income before tax, employee profit-sharing, depreciation, amortization and provisions	198,266	208,937	211,516	417,336	414,896
Income tax benefit/(expense)	10,228	41,459	16,630	13,944	15,707
Employee profit-sharing	(125)	(115)	(161)	(109)	(99)
Income after tax, employee profit-sharing, depreciation, amortization and provisions	207,884	247,048	227,535	431,363	427,487
Dividends paid	307,058	317,415	336,819	357,063	357,419
Income from operations per share (in euros)					
Income after tax and employee profit-sharing, but before depreciation, amortization and provisions	0.78	0.94	0.85	1.61	1.61
Income after tax, employee profit-sharing, depreciation, amortization and provisions	0.78	0.93	0.85	1.61	1.60
Dividend paid per ordinary share	1.15	1.19	1.26	1.34	1.34
Employee data					
Average number of employees	33	33	37	43	44
Total payroll	5,735	6,235	7,175	7,109	5,884
Total benefits (social security, other social benefits, etc.)	2,487	2,690	2,482	2,703	3,632

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

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Appendix 3 to the Management Report

Executive company officer	Directorships and other roles currently held in companies or other types of organization in France or abroad	Directorships and other roles previously held in the past five years
BENOIT COQUART – Chief Executive Officer of Legrand* Aged 47 [(1)] French citizen 128, avenue du Maréchal de Lattre de Tassigny, 87000 Limoges Date of first appointment: 2020 End of current term of office: 2023	**Legrand** ■ Chief Executive Officer of Legrand* ■ Director of Legrand* (since 2020): ■ Roles in various subsidiaries [(2)]: - Chairman of Legrand Holding Inc.	**Legrand** ■ Vice-President France (until 2018) ■ Roles in various subsidiaries
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).	**Companies outside the Legrand Group** ■ None	**Companies outside the Legrand Group** ■ None
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 has been a member of Legrand's* Executive Committee since 2010. He became a Director of Legrand on July 1, 2020. He has also been Chairman of Ignes (Industries du Génie Numérique, Energétique et Sécuritaire) since 2019.	**Non-corporate roles** ■ Chairman of Ignes (since 2019)	**Non-corporate roles** ■ None
Benoît Coquart holds 46,212 Legrand shares.		

** Listed company.*

(1) Age as at March 17, 2021, the date on which the Board of Directors approved Appendix 3 to the Management Report which contains the directors' biographies.

(2) No compensation in any form is paid or due in respect of directorships held in Legrand or in Group subsidiaries.

Company officer	Directorships and other roles currently held in companies or other types of organization in France or abroad	Directorships and other roles previously held in the past five years
ANGELES GARCIA-POVEDA – Chairwoman of Legrand's Board of Directors, Partner and Director of Spencer Stuart Aged 50 (1) Spanish citizen 128, avenue du Maréchal de Lattre de Tassigny, 87000 Limoges Date of first appointment: 2012 End of current term of office: 2023	**Legrand** ■ Director of Legrand*: - Chairwoman of the Board of Directors (since 2020) - Member of the Strategy and Social Responsibility Committee	**Legrand** ■ Lead Director ■ Chairwoman of the Compensation Committee ■ Chairwoman of the Nominating and Governance Committee
Education Angeles Garcia-Poveda is a graduate of ICADE business school in Madrid. She also attended the Business Case Study Program at Harvard University.	**Companies outside the Legrand Group** ■ Director of Spencer Stuart* (since 2018) ■ Member of the Supervisory Board of AdVini* (since 2020)	**Companies outside the Legrand Group** ■ Managing Director of Spencer Stuart EMEA (until 2018)
Professional Background Angeles Garcia-Poveda has been Chairwoman of Legrand's* Board of Directors since July 2020. Before being appointed to that role, she had been Lead Director of Legrand* since 2013 after being appointed to the Board of the global specialist in electrical and digital building infrastructure in 2012. Angeles Garcia-Poveda also sits on the Supervisory Board of executive search consultancy Spencer Stuart. She joined Spencer Stuart in 2008 and became manager of its France office in 2011, before being appointed head of the EMEA region and a member of the global Executive Committee. Angeles Garcia-Poveda started her career at the Boston Consulting Group (BCG), where she spent 14 years as a strategy consultant and then as global recruiting manager. She is also a member of the Supervisory Board of wine group AdVini* and a Director of IFA and NEOMA.	**Non-corporate roles** ■ Director of the Institut Français des Administrateurs (French Institute of Directors, since 2020) ■ Director of NEOMA (since 2021)	**Non-corporate roles** ■ None

Angeles Garcia-Poveda holds 4,800 Legrand shares.

** Listed company.*

(1) Age as at March 17, 2021, the date on which the Board of Directors approved Appendix 3 to the Management Report which contains the directors' biographies.

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Director	Directorships and other roles currently held in companies or other types of organization in France or abroad	Directorships and other roles previously held in the past five years
OLIVIER BAZIL – Company Director Aged 74(1) French citizen 128, avenue du Maréchal de Lattre de Tassigny, 87000 Limoges Date of first appointment: 2002 End of current term of office: 2022	**Legrand** ■ Director of Legrand*: - Member of the Nominating and Governance Committee - Member of the Strategy and Social Responsibility Committee	**Legrand** ■ Roles in various subsidiaries
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.	**Companies outside the Legrand Group** ■ None	**Companies outside the Legrand Group** ■ Director of Firmenich International SA (until 2016) ■ Member of the Supervisory Board of Vallourec* (until 2017) ■ 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 Michelin* (until May 2020)
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.	**Non-corporate roles** ■ None	**Non-corporate roles** ■ None

Olivier Bazil holds 2,085,299 Legrand shares.

** Listed company.*

(1) Age as at March 17, 2021, the date on which the Board of Directors approved Appendix 3 to the Management Report which contains the directors' biographies.

Director	Directorships and other roles currently held in companies or other types of organization in France or abroad	Directorships and other roles previously held in the past five years
ISABELLE BOCCON-GIBOD – Company Director Aged 52 (1) French citizen 128, avenue du Maréchal de Lattre de Tassigny, 87000 Limoges Date of first appointment: 2016 End of current term of office: 2023	**Legrand** ■ Director of Legrand*: - Member of the Audit Committee - Member of the Strategy and Social Responsibility Committee	**Legrand** ■ None
Education Isabelle Boccon-Gibod is a graduate of the Ecole Centrale de Paris and Columbia University in the United States.	**Companies outside the Legrand Group** ■ Director of Arkema* (since 2014) ■ Director of Paprec (since 2014) ■ Chairwoman of Demeter (since 2018) ■ Director of SilMach (since 2019) ■ Director of GTT* (since 2020) ■ Director of Arc Holdings (since 2020) ■ Chairwoman of Observatoire Conseil (since 2020)	**Companies outside the Legrand Group** ■ Member of the Executive Committee of Altavia (until 2016) ■ Zodiac Aerospace*: - Director (until 2018) - Member of the Audit Committee (until 2018) ■ Director of Sequana (until 2019)
Professional Background Isabelle Boccon-Gibod began her career in 1991 with the International Paper Group, where she was head of industrial activities in the Cardboard division first in the United States and then 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 an author. She is a Director of Arkema*, the Paprec group, SilMach, GTT* and Arc Holdings. She is also Chairwoman of Observatoire Conseil. Finally, she has unpaid roles as Chairwoman of Demeter and Director of Adie (Association pour le Droit à l'Initiative Économique).	**Non-corporate roles** ■ Director of Adie (Association pour le Droit à l'Initiative Économique) (since 2018)	**Non-corporate roles** ■ Director of Centre Technique du Papier (until December 2020)
Isabelle Boccon-Gibod holds 1,000 Legrand shares.		

** Listed company.*

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Director	Directorships and other roles currently held in companies or other types of organization in France or abroad	Directorships and other roles previously held in the past five years
CHRISTEL BORIES – Chairwoman and Chief Executive Officer of Eramet* Aged 56(1) French citizen 128, avenue du Maréchal de Lattre de Tassigny, 87000 Limoges Date of first appointment: 2012 End of current term of office: 2023	**Legrand** ■ Director of Legrand*: – Chairwoman of the Strategy and Social Responsibility Committee - Member of the Audit Committee	**Legrand** ■ None
Education Christel Bories is a graduate of the École des Hautes Études Commerciales (HEC).	**Companies outside the Legrand Group** ■ Chairwoman and Chief Executive Officer of Eramet* (since 2017)	**Companies outside the Legrand Group** ■ Deputy Chief Executive Officer of Ipsen* (until 2016) ■ Director of Smurfit Kappa* (until December 2019)
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 Chairman and Chief Executive Officer of Alcan Packaging, then Chairman 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.	**Non-corporate roles** ■ Director of non-profit organization France Industrie (since 2020)	**Non-corporate roles** ■ None

Christel Bories holds 1,470 Legrand shares.

** Listed company.*

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Director	Directorships and other roles currently held in companies or other types of organization in France or abroad	Directorships and other roles previously held in the past five years
SOPHIE BOURDAIS – Legrand's national delegate for relations with the technical education sector Aged 53 (1) French citizen 128, avenue du Maréchal de Lattre de Tassigny, 87000 Limoges Date of first appointment: 2020 End of current term of office: 2023	**Legrand** ■ Director representing employees of Legrand* (since 2020): - Member of the Compensation Committee (since 2020) ■ National delegate for relations with the technical education sector	**Legrand** ■ Sales Department France (until 2019)
Education Sophie Bourdais is a graduate of *the Ecole Supérieure de Gestion* in Paris.	**Companies outside the Legrand Group** ■ None	**Companies outside the Legrand Group** ■ None
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 in the Legrand* Board meeting of November 4, 2020.	**Non-corporate roles** ■ None	**Non-corporate roles** ■ None
Sophie Bourdais holds 620 Legrand shares.		

** Listed company.*

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Director	Directorships and other roles currently held in companies or other types of organization in France or abroad	Directorships and other roles previously held in the past five years
EDWARD A. GILHULY – Co-founder and Managing Partner of Sageview Capital LP* Aged 61(1) US citizen 128, avenue du Maréchal de Lattre de Tassigny, 87000 Limoges Date of first appointment: 2018 End of current term of office: 2022	**Legrand** ■ Director of Legrand*: - Member of the Strategy and Social Responsibility Committee	**Legrand** ■ None
Education Edward A. Gilhuly holds a B.A. in Economics and History from Duke University and an MBA from Stanford University.	**Corporate roles outside the Legrand Group** ■ Director of Avalara* (since 2011) ■ Director of Exaro Energy (since 2012) ■ Director of MetricStream Inc. (since 2014) ■ Director of DemandBase (since 2015) ■ Director of ElasticPath Software (since 2018) ■ Director of Pantheon Systems (since 2019) ■ Co-founder and Managing Partner of Sageview Capital LP* (since 2005)	**Corporate roles outside the Legrand Group** ■ Director of GoPro (until 2017)
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 Avalara*, DemandBase, ElasticPath Software, Exaro Energy, MetricStream Inc. and Pantheon Systems.	**Non-corporate roles** ■ None	**Non-corporate roles** ■ None

Edward A. Gilhuly holds 119,712 Legrand shares.

** Listed company.*

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Director	Directorships and other roles currently held in companies or other types of organization in France or abroad	Directorships and other roles previously held in the past five years
PHILIPPE JEULIN – On secondment to the Rector of the Limoges Academy Aged 63[1] French citizen 128, avenue du Maréchal de Lattre de Tassigny, 87000 Limoges Date of first appointment: 2018 End of current term of office: 2022	**Legrand** ■ Director representing employees of Legrand* - Member of the Audit Committee	**Legrand** ■ Director representing employees on the Board of Directors of Legrand France (until 2018)
Education Philippe Jeulin is a graduate of the École Nationale Supérieure de Mécanique et d'Aérotechnique (ENSMA) and has Master's degrees in Science and in History of Science and Technology.	**Companies outside the Legrand Group** ■ On secondment to the Rector of the Limoges Academy as part of the University-Business academic cooperation program	**Companies outside the Legrand Group** ■ None
Professional Background Philippe Jeulin joined Legrand* in 1985 after working at Enertec Schlumberger and GMF. Until 2015, he held various positions at Legrand*, mainly in the IT and Human Resources Departments. He is currently on secondment to the Rector of the Limoges Academy as part of the University-Business academic cooperation program. He was also the originator and lead teacher of the "Business IT Engineering" program for CNAM Limousin (continuing education institute) from 1988 to 2015. Philippe Jeulin was appointed director representing employees on the Board of Directors of Legrand* on June 26, 2018, upon expiry of his term of office as director representing employees on the Board of Directors of Legrand France, Legrand's French subsidiary.	**Non-corporate roles** ■ None	**Non-corporate roles** ■ None
Philippe Jeulin does not hold any Legrand shares.		

** Listed company.*

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Director	Directorships and other roles currently held in companies or other types of organization in France or abroad	Directorships and other roles previously held in the past five years
PATRICK KOLLER – Chief Executive Officer of Faurecia* Aged 62 (1) Dual French and German citizen 128, avenue du Maréchal de Lattre de Tassigny, 87000 Limoges Date of first appointment: 2018 End of current term of office: 2022	**Legrand** ■ Director of Legrand*: - Member of the Compensation Committee - Member of the Nominating and Governance Committee	**Legrand** ■ None
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).	**Companies outside the Legrand Group** ■ Chief Executive Officer of Faurecia* (since 2016) ■ Director of Faurecia* (since 2017)	**Companies outside the Legrand Group** ■ Faurecia*: – Chief Operating Officer (until 2016) ■ Roles in various Faurecia* group subsidiaries
Professional Background Patrick Koller has been the Chief Executive Officer of Faurecia* since July 1, 2016. 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., 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.	**Non-corporate roles** ■ Director of the Fondation du Collège de France (since 2017)	**Non-corporate roles** ■ None
Patrick Koller holds 1,000 Legrand shares.		

** Listed company.*

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Director	Directorships and other roles currently held in companies or other types of organization in France or abroad	Directorships and other roles previously held in the past five years
MICHEL LANDEL – Company Director Aged 69[(1)] French citizen 128, avenue du Maréchal de Lattre de Tassigny, 87000 Limoges Date of first appointment: 2019 End of current term of office: 2023	**Legrand** ■ Director of Legrand*: - Lead Director (since 2020) - Chairman of the Nominating and Governance Committee (since 2020) - Member of the Compensation Committee (since 2020)	**Legrand** ■ None
Education European Business School	**Companies outside the Legrand Group** ■ Chairman of Astrolabe Services (since 2018) ■ Danone* - Director	**Companies outside the Legrand Group** ■ Danone* - Lead Director (until March 2021) - Chairman of the Governance Committee (until March 2021) ■ Sodexo* - Chief Executive Officer (until 2018) - Director (until 2018) - Member of the Supervisory Board of Sodexo Pass International (until 2018) - Member of the Supervisory Board of ONE SCA (until 2018) ■ Chairman of the Board of Directors of Louis Delhaize (until April 2020)
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 and Chairman of the Governance Committee at Danone*, and he is also Chairman of Astrolabe Services. Michel Landel was awarded the title of Chevalier de la Légion d'Honneur in 2007. **Michel Landel holds 500 Legrand shares.**	**Non-corporate roles** ■ None	**Non-corporate roles** ■ None

** Listed company.*

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Director	Directorships and other roles currently held in companies or other types of organization in France or abroad	Directorships and other roles previously held in the past five years
ANNALISA LOUSTAU ELIA – Company Director Aged 55 [(1)] Italian citizen 128, avenue du Maréchal de Lattre de Tassigny, 87000 Limoges Date of first appointment: 2013 End of current term of office: 2021	**Legrand** ■ Director of Legrand*: - Chairwoman of the Compensation Committee (since 2020)	**Legrand** ■ None
Education Annalisa Loustau Elia is a law graduate from La Sapienza University in Rome.	**Companies outside the Legrand Group** ■ Campari* - Director (since 2016) - Member of the Board of Directors - Member of the Compensation and Nominating Committee - Member of the Control and Risks Committee ■ Roche Bobois* - Member of the Supervisory Board (since 2018) - Member of the Audit Committee	**Companies outside the Legrand Group** ■ Printemps - Member of the Executive Committee (until 2020) - Head of Marketing (until 2020)
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 Campari* since 2016 and a member of the Supervisory Board at Roche Bobois* since 2018. **Annalisa Loustau Elia holds 1,340 Legrand shares.**	**Non-corporate roles** ■ None	**Non-corporate roles** ■ None

** Listed company.*

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Director	Directorships and other roles currently held in companies or other types of organization in France or abroad	Directorships and other roles previously held in the past five years
ÉLIANE ROUYER-CHEVALIER – Company Director Aged 68(1) French citizen 128, avenue du Maréchal de Lattre de Tassigny, 87000 Limoges Date of first appointment: 2011 End of current term of office: 2023	**Legrand** ■ Director of Legrand*: - Chairwoman of the Audit Committee - Member of the Compensation Committee	**Legrand** ■ None
Education Éliane Rouyer-Chevalier holds a degree in economics from Université Paris II Assas.	**Companies outside the Legrand Group** ■ Ipsos* - Independent Director (since 2019) - Member of the Audit Committee ■ Chairwoman of ERC Consulting (since 2013)	**Companies outside the Legrand Group** ■ Director of Time2Start (until 2019) ■ Independent Director of Vigeo Eiris (until 2019)
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. Since 2012, she has led a financial communication course at Université Paris Dauphine. 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 the Institut Français du Tourisme from 2013 to 2016, Cercle de la Compliance from 2015 to 2017 and Time2Start, an organization that helps young people from suburban areas to set up their own companies, from 2016 to 2019	**Non-corporate roles** ■ Director of F2IC (since 2014)	**Non-corporate roles** ■ Director of the Institut Français du Tourisme (until 2016) ■ Director of the Cercle de la Compliance (until 2017) ■ Vice-President of the Observatoire de la Communication Financière (since 2018)
Éliane Rouyer-Chevalier holds 1,350 Legrand shares.		

** Listed company.*

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Director	Directorships and other roles currently held in companies or other types of organization in France or abroad	Directorships and other roles previously held in the past five years
GILLES SCHNEPP – Company Director Aged 62 (1) French citizen 128, avenue du Maréchal de Lattre de Tassigny, 87000 Limoges Date of first appointment: 2002 End of current term of office: 2022	**Legrand** ■ Director of Legrand*: - Member of the Strategy and Social Responsibility Committee	**Legrand** ■ Chairman of the Board of Directors (until 2020) ■ Chairman and Chief Executive Officer (until 2018) ■ Roles in various subsidiaries
Education Gilles Schnepp is a graduate of the École des Hautes Études Commerciales (HEC).	**Companies outside the Legrand Group** ■ Saint-Gobain*: - Director (since 2009) - Member of the Audit and Risks Committee (since 2017) ■ Sanofi*: - Director (since 2020) ■ Danone*: - Director (since 2020) - Chairman of the Board of Directors (since March 2021) ■ Clayton, Dubilier & Rice: - Operating Advisor (since 2020)	**Companies outside the Legrand Group** ■ PSA* (until 2020): - Vice-Chairman of the Supervisory Board - Lead member of the Supervisory Board - Chairman of the Appointments, Remuneration and Governance Committee - Member of the Finance and Audit Committee
Professional Background Gilles Schnepp began his career began at Merrill Lynch France where he became Vice-Chairman. He joined Legrand* in 1989 as Deputy Chief Financial Officer. He became Company Secretary of Legrand France in 1993, Chief Financial Officer in 1996 and Chief Operating Officer in 2000. Gilles Schnepp has been a Director of the Company since 2002, and Chairman of the Board of Directors since 2006. He was Chairman and Chief Executive Officer from 2006 to February 7, 2018. He was Chairman of Legrand's Board of Directors from February 8, 2018 until June 30, 2020. Gilles Schnepp has been an Operating Advisor to Clayton, Dubilier & Rice funds since September 2020. Gilles Schnepp has also been a Director of Saint-Gobain* since 2009, and a Director of Sanofi* and of Danone* since 2020. He is appointed Chairman of the Board of Directors of Danone* in March 2021.	**Non-corporate roles** ■ Medef: - Member of the Executive Board of Medef - Joint Chairman of Medef's Ecological and Economic Transition Commission (since 2018)	**Non-corporate roles** ■ Chairman of FIEEC (until 2020)

Gilles Schnepp holds 2,415,082 Legrand shares.

** Listed company.*

(1) Age as at March 17, 2021, the date on which the Board of Directors approved Appendix 3 to the Management Report which contains the directors' biographies.

APPENDIX 3 - STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

This is a translation into English of the statutory auditors' report on the financial statements of LEGRAND issued in French and it is provided solely for the convenience of English-speaking users. This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To Annual General Meeting of Legrand

OPINION

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying financial statements of Legrand SA for the year ended December 31, 2020.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the company as at December 31, 2020 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, 2020 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 financial statements:

- both audit firms: comfort letters provided in the context of private placement bond issues;
- PricewaterhouseCoopers Audit: compliance review of transfer pricing documentation and review of the tax impacts of specific transactions;
- Deloitte & Associés: verification of the consolidated non-financial performance statement referred to in Article L.225-102-1 of the French Commercial Code (*code de commerce*).

JUSTIFICATION OF ASSESSMENTS - KEY AUDIT MATTERS

Due to the global crisis related to the COVID-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the health emergency have had numerous consequences for companies, particularly on their operations and financing, and have led to greater uncertainties as to their future prospects. Some of those measures, such as travel restrictions and remote working, have also had an impact on their internal organization and the performance of audits.

It is in this complex and evolving context that, 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 fair value 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, 2020, 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 66% 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 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 fair value 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 management 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 favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from controlled 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 to be included in the annual financial report

Pursuant to paragraph III of Article 222-3 of the AMF General Regulations, the Company's Management informed us of its decision to postpone the application of the single electronic reporting format, as defined by European Delegated Regulation No. 2019/815 of December 17, 2018, to reporting periods beginning on or after January 1, 2021. Accordingly, this report does not contain a conclusion on the compliance of the presentation of the financial statements to be included in the annual financial report referred to in paragraph I of Article L.451-1-2 of the French Monetary and Financial Code (*Code monétaire et financier*) with this format.

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 at December 31, 2020, Deloitte & Associés and PricewaterhouseCoopers Audit were in the 16th year and 18th year of total uninterrupted engagement, respectively. For both firms, this is the 15th 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) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code and in the French Code of Ethics 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, April 9, 2021

The Statutory Auditors

French Original signed by

PricewaterhouseCoopers Audit	**Deloitte & Associés**
Camille Phelizon	Jean-François Viat

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