



ESG Capital Markets Day



March 29th, 2022

 **legrand**[®]



INTRODUCTION
Benoît Coquart, CEO

A faded background image of a diverse group of people in a professional setting, looking towards the right.

#LegrandImprovingLives

*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 faded background image of a server rack with various units and a hand holding a smartphone in the foreground.

#AcceleratingValueCreation

Legrand's CSR strategy feeds its growth strategy (1/4)

CSR has been a core part of the Group's integrated performance...



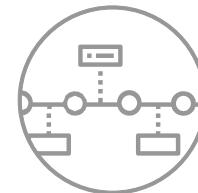
CLOSE TO 20 YEARS COMMITMENT ON SUSTAINABILITY

- CSR department created in 2004
- The 2022-2024 roadmap is our 5th CSR roadmap



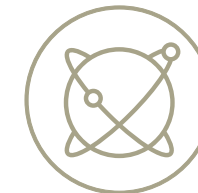
CLEAR CSR & GOVERNANCE PROCESSES

- CSR priorities identified through a worldwide materiality survey (>5K respondents)
- CSR on the agenda of Board meetings and its committees (10 meetings in 2021)



CSR, A SIZEABLE PART OF OUR INCENTIVE SCHEME

- A KPI-based approach
- > 1,300 people directly incentivized on CSR
- CSR represents 17.5% of the CEO's total target compensation



QUALITY REPORTING AND AUDITED RESULTS

- Non-financial reporting externally audited since 2015
- CSR results published alongside financial results

Legrand's CSR strategy feeds its growth strategy (2/4) ... with Board governance as one of its pillars



SEPARATE CORPORATE GOVERNANCE STRUCTURE

- Separation of duties between non-executive Chair and CEO



INDEPENDENCE AND DIVERSITY

- 75%⁽¹⁾ of board members are independent
- 42%⁽¹⁾ women
- 5⁽¹⁾ nationalities



STRONG INVOLVEMENT

- 28 meetings in 2021 (Board & committees)
- An average 98% attendance rate



COMPLEMENTARY EXPERTISE

- 50%⁽¹⁾ are CEOs or former CEOs of SBF120 companies
- Additional expertise include finance, marketing & consumer, new technologies, industrial topics, human resources

1. Ratios presented excluding directors representing employees.

NB: 2021 data unless specified otherwise.

Legrand's CSR strategy feeds its growth strategy (3/4)

Our objective is to directly impact Legrand and its stakeholders



CREATING VALUE FOR OUR EMPLOYEES

- Ensuring a safe, inclusive & stimulating environment
- Examples
 - -46% work accidents since 2018
 - 80% employee engagement in 2021
 - "Serenity On" Group social benefit program: 97% employees end 2021



CREATING VALUE FOR OUR CLIENTS

- Providing energy efficient products and solutions to help customers reduce their CO₂ emissions
- Examples
 - >13 million tons of CO₂ avoided for customers thanks to Group solutions (scope 4) since 2014
 - -28% direct CO₂ emissions in 3 years
 - > 1.5m customers trained since 2014



CREATING VALUE FOR OTHER STAKEHOLDERS

- Helping our ecosystem to implement best CSR practices
- Examples
 - 63 suppliers improved their CSR risk profile in 2021
 - 89% countries with a sponsorship strategy towards local communities
 - > 21,000 employees trained on business ethics between 2019-2021

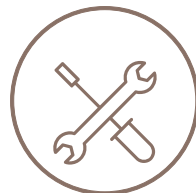
Legrand's CSR strategy feeds its growth strategy (4/4)

Our new 2022-2024 roadmap, based on those principles, will be focused on what truly matters



PROMOTE DIVERSITY & INCLUSION

- Gender
- Disabled, visible diversity, social origin, etc.
- Early-in-career



REDUCE OUR CARBON FOOTPRINT

- On all Scopes
(Scopes 1, 2, 3 and 4)



DEVELOP A CIRCULAR ECONOMY

- Phasing out single use plastic
- Recycled materials



BE A RESPONSIBLE BUSINESS

- Customers
- Employees
- Other stakeholders

Opening Legrand's next CSR chapter

Agenda of the Day

- Key outcomes of Legrand's historical CSR commitments
- Mid- and long-term commitments
- New CSR roadmap (2022-2024)
- Managing our integrated performance



Key outcomes of Legrand's historical CSR commitments

| **Virginie Gatin, EVP CSR**

Concrete actions & successes linked to historical commitments (1/3)

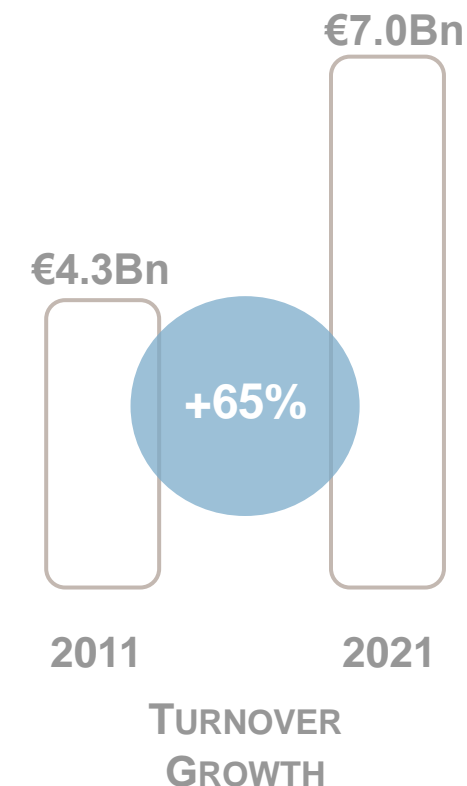
Reducing Legrand's negative externalities

LEGRAND DECREASED ITS ENVIRONMENTAL NEGATIVE EXTERNALITIES ...

... WHILE BUSINESS GREW SIGNIFICANTLY

DIRECT ENERGY CONSUMPTION ⁽¹⁾ (GWH)			CO ₂ EMISSION REDUCTION ⁽¹⁾ (SCOPES 1&2 IN TEQ CO ₂ ⁽²⁾)		
2011	2021	TREND (%)	2011	2021	TREND (%)
253	179	-29%	187,000	138,725	-26%

WATER CONSUMPTION ⁽¹⁾ (THOUSANDS OF M ³)			SHARE OF SALES MADE WITH PE/SPS ⁽³⁾		
2011	2021	TREND (%)	2011	2021	TREND (PTS ⁽⁴⁾)
1,390	727	-48%	30%	70%	+40 Pts



1. At current perimeter.

2. TEQ CO₂ means tons of CO₂ equivalent.

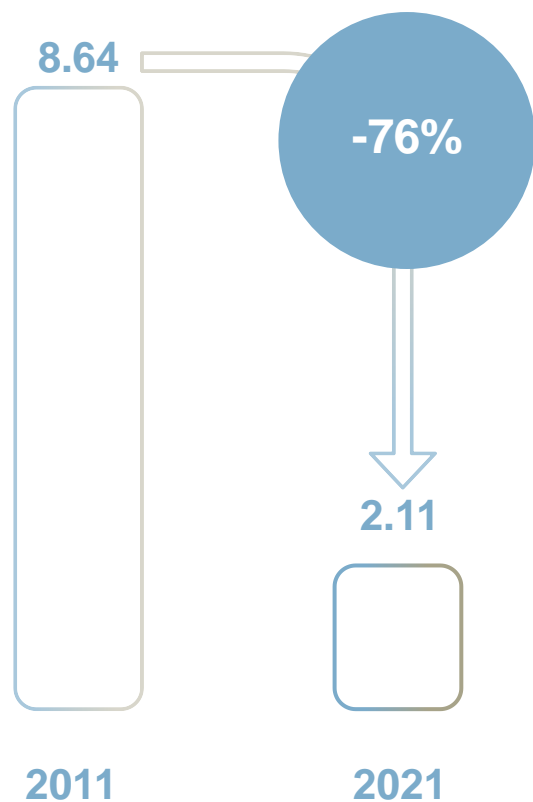
3. Relates to share of sales made with Product Environmental/Sustainable Profiles (PE/SPs), excluding recent acquisitions.

4. Pts: percentage points.

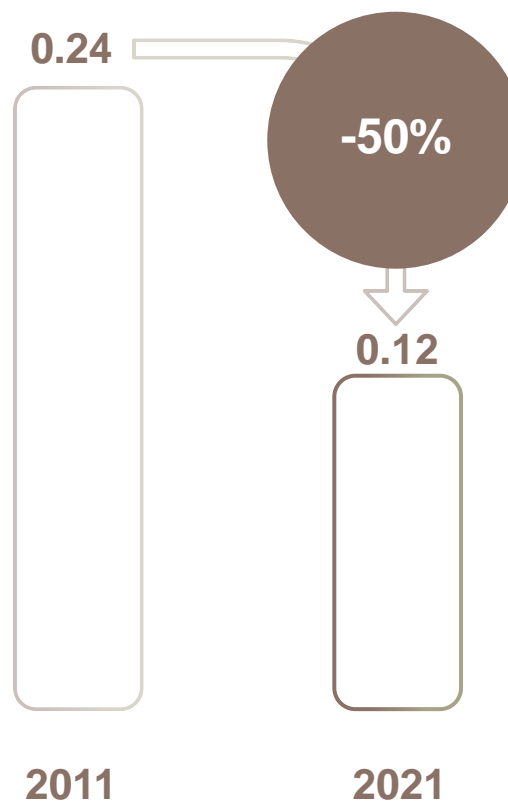
Concrete actions & successes linked to historical commitments (2/3)

Improving employee's health & safety

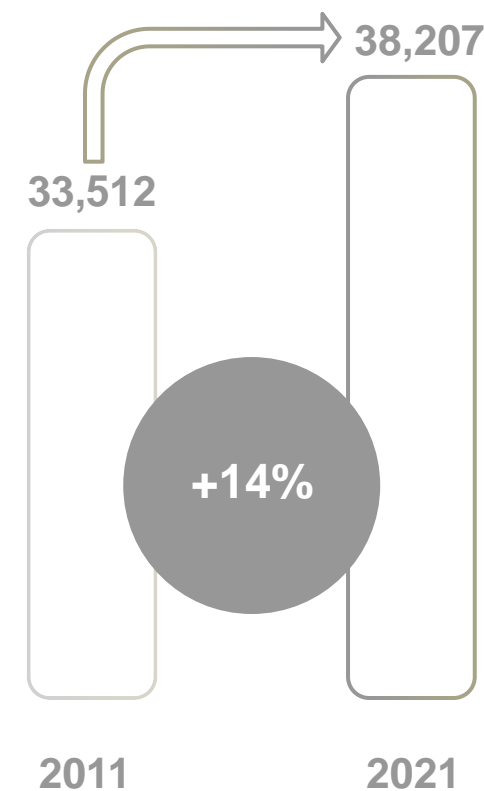
ACCIDENTS FREQUENCY RATE (FR1⁽¹⁾)



ACCIDENTS SEVERITY RATE



EMPLOYEE HEADCOUNT⁽²⁾



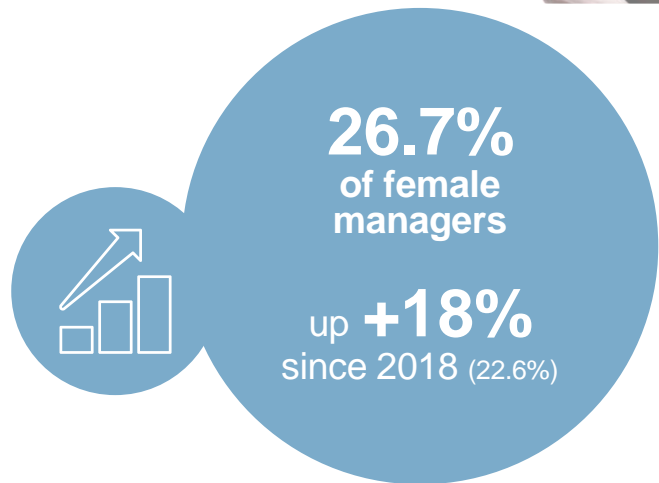
1. FR1: accidents with lost time.

2. Weighted average headcount at current perimeter.

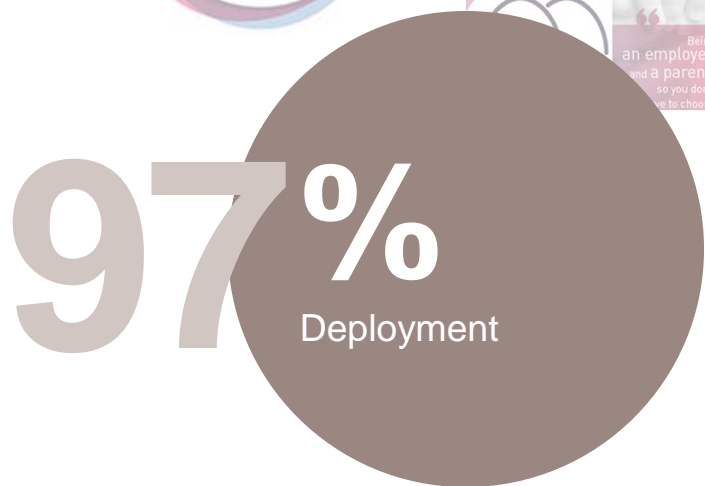
Concrete actions & successes linked to historical commitments (3/3)

Strong emphasis on diversity & inclusion as well as employee well-being

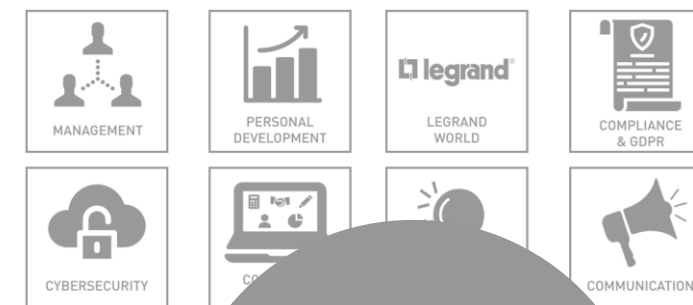
DIVERSITY



SERENITY ON



EMPLOYEE TRAINING



CSR contributing to employee engagement

Latest engagement survey carried out mid-2021

STRONG EMPLOYEE ENGAGEMENT



#LegrandImprovingLives

80%

Steep
increase
From 2017

3rd
Highest
positive score
“diversity &
inclusion”



Mid- & long-term commitments

| **Virginie Gatin, EVP CSR**

Mid-term ambitions for 2030

3 pillars

ACTING FOR THE CLIMATE

SBTi-validated targets:

- **-50% direct carbon emissions** (Scopes 1&2) at current perimeter and against 2019 baseline
- **-15% indirect upstream & downstream emissions linked to our business** (Scope 3) at current perimeter and against 2019 baseline



FOSTERING DIVERSITY AND INCLUSION IN THE WORKPLACE

- **1/3 of key positions held by women** (Grade Hay 20+)
- **Gender-balanced workforce**



#Legrand rainbow

INCREASING ECO-RESPONSIBLE REVENUE

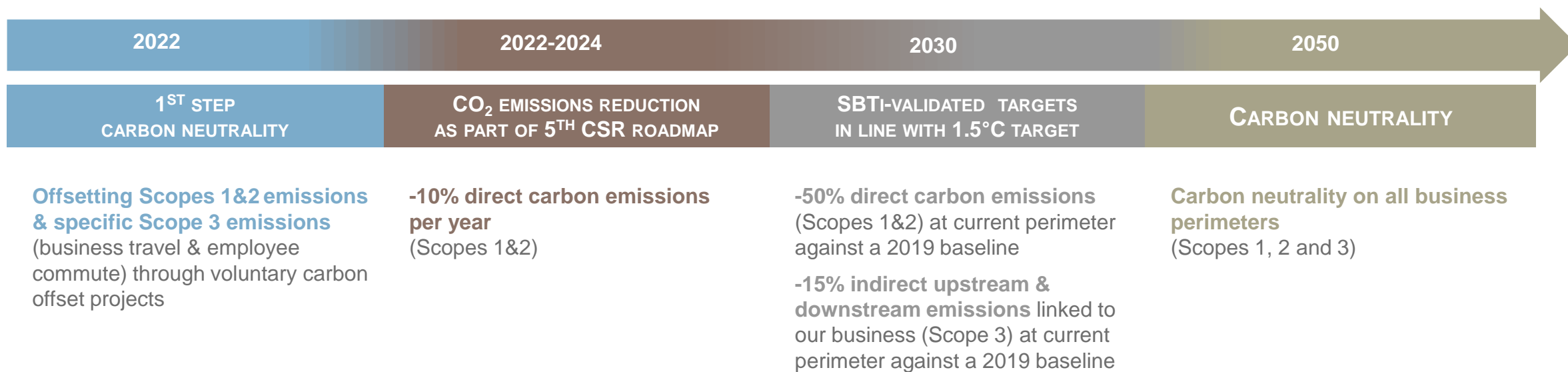
- **~80% of sales made with eco-responsible products** (by usage as part of energy efficiency programs and/or covered by a PSP such as PEPs⁽¹⁾)



1. PSP: Product Sustainable Profile; PEP: Product Environmental Profile.

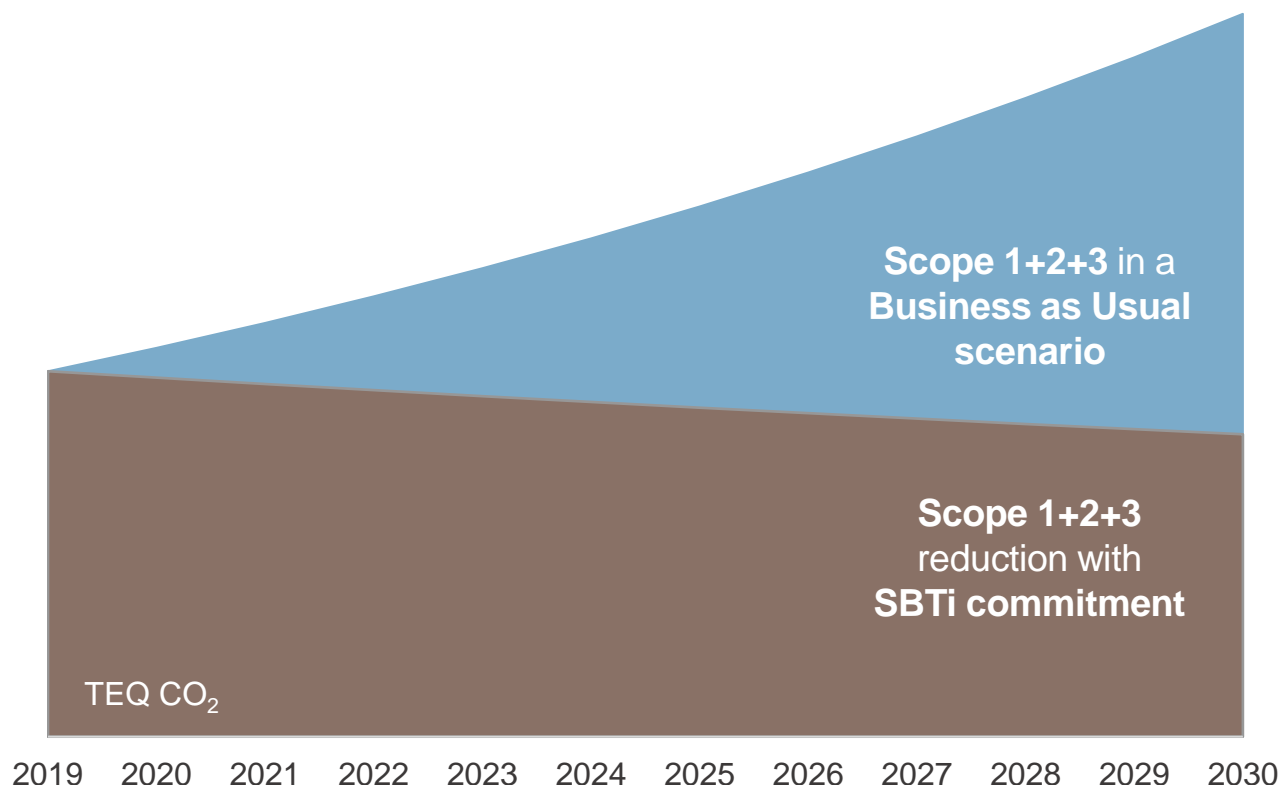
Carbon commitments 2022-2050

A series of commitments



SBTi validated Scope 1,2 & 3 commitment to 2030

Legrand's CO₂ emissions evolution 2019-2030



SCOPES 1&2 REDUCTION (-50% 2019 TO 2030)

- Energy efficiency
- Renewable energy
- Electric and hybrid vehicles

5%
of Legrand's emissions⁽¹⁾

SCOPE 3 REDUCTION (-15% 2019 TO 2030)

- Raw material supplier engagement
- Downstream transportation
- Upstream transportation
- Eco-design
- Packaging

95%
of Legrand's emissions⁽¹⁾

1. Relative weight based on Scopes 1, 2 & 3 perimeters in 2021 and as defined as part of the SBTi targets.



New CSR roadmap (2022-2024)
| **Virginie Gatin, EVP CSR**

Building our new 2022-2024 CSR roadmap

The CSR materiality survey: the starting point of a thorough definition process

A ROBUST PROCESS LEADING TO A FORMAL CSR ROADMAP

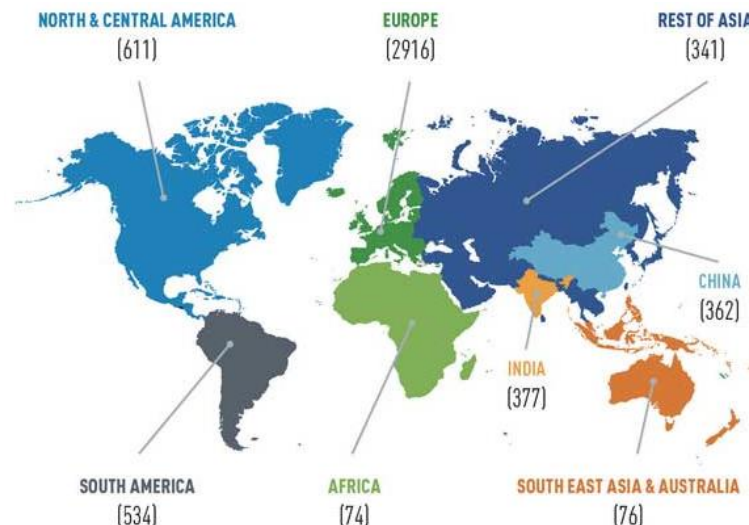
From stakeholder consultations to internal decision-making processes, the definition of the new CSR roadmap was an extensive and demanding process

Key steps

- International working groups at all levels (local and Executive)
- Internal survey of CSR network
- Discussions with the CSR and Engagement Committee
- External assessments: linked to trends & materiality survey
- Validated by the CSR and Engagement Committee and the Board of Directors

THE RESULTS OF LEGRAND'S CSR MATERIALITY SURVEY

RESPONDENTS FROM 94 COUNTRIES



5,291
RESPONSES

OF WHICH
1,655
BUSINESS
PARTNERS

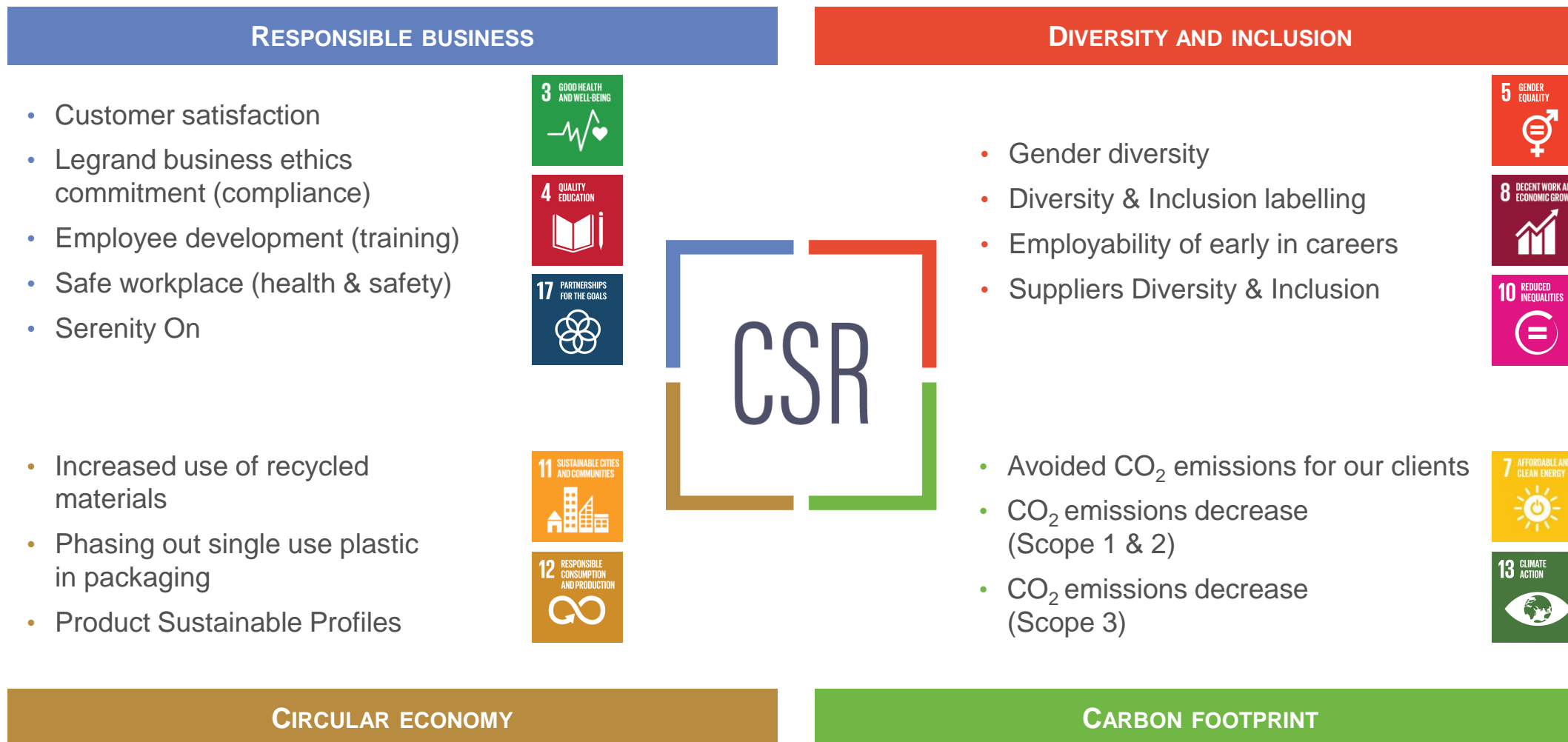
256
CIVIL
SOCIETY

8 KEY ISSUES IDENTIFIED

- Business ethics
- Customer experience
- Products and services that help to improve the **energy efficiency** of buildings
- Health, safety, and **well-being** at work
- Human rights
- Data protection
- Reducing the **carbon footprint**
- Protecting the **environment** and **biodiversity**

New 2022-2024 CSR Roadmap

4 pillars & 15 priorities guiding our actions



2022-2024 CSR Roadmap (1/4)

Promote diversity and inclusion



GENDER DIVERSITY

Reach a **ratio of 30% of women in management positions**

Through

- At least 50% of female recruits
- Integration of target into our processes: budget, mobility committee, etc

DIVERSITY & INCLUSION LABELLING

Reach **80% of employees in a “diversity & inclusion” labelled entity**

Through

- Using internationally recognized GEEIS⁽¹⁾ label
- Promoting gender diversity and one other diversity topic depending on local sensibility among disability, LGBT+, intergenerational, diversity of origin

EMPLOYABILITY OF EARLY IN CAREERS

Offer **each year 4,000 new opportunities** for early-in-careers

Through

- Wide range of opportunities: internships, apprenticeships, short term- and long-term employment
- Against 2,000 to 3,000 opportunities in previous years

SUPPLIERS DIVERSITY & INCLUSION

Develop 200 additional business streams with suppliers working in the diversity and inclusion field

Through

- Diversity and inclusion opportunities depending on local sensibility: from social entrepreneurship, to minority owned companies, companies promoting access to employment (people with disabilities, insertion)...

1. GEEIS: Gender Equality European & International Standard label that assesses and promotes companies with a proactive approach to professional equality.

2022-2024 CSR Roadmap (2/4)

Reduce our carbon footprint

REDUCE OUR
CARBON
FOOTPRINT



AVOIDED CO₂ EMISSIONS FOR OUR CLIENTS

Allow customers to **avoid 12 million tons of CO₂** emissions thanks to our energy efficiency offerings

Through

- Increase in sales of green products and solutions (21% of Group sales in 2021)
- Include solutions for residential, datacenters and non-residential

CO₂ EMISSIONS DECREASE (SCOPE 1&2)

Reduce each year by 10% our Scopes 1 & 2 CO₂ emissions

Through

- Improvement of energy efficiency of our factories
- Deployment of renewable energy sources on site
- Increase use of renewable electricity (80% by 2025)

CO₂ EMISSIONS DECREASE (SCOPE 3)

Encourage 250 suppliers to reduce by 30% on average their CO₂ emissions by 2030

Through

- Engagement of key suppliers that contribute to around 40% of Legrand's Scope 3 emissions
- Supplier engagement validated through either a formal commitment towards Legrand or with the SBTi

2022-2024 CSR Roadmap (3/4)

Develop a circular economy



INCREASED USE OF RECYCLED MATERIALS

Reach **15% of recycled plastics and 40% of recycled metals** in our products

Through

- Combined effort of continued eco-design of our new products and increasing sourcing of recycled materials
- Work with our suppliers to improve sourcing traceability

PHASING OUT SINGLE USE PLASTIC IN PACKAGING

Eliminate **100% of single use plastics** in flow pack and expanded polystyrene packaging

Through

- Reduction of packaging size and weight when possible, replacement of targeted plastic packaging with paper packaging or bio sourced materials
- Against an average use of 3 thousand tons of plastic packaging per year

PRODUCT SUSTAINABLE PROFILE

Cover **72% of Group sales** with certified product sustainable profiles

Through

- Continued development of coverage with Environmental Product Declarations to provide clients with clear and transparent information on environmental impacts of Legrand products
- 11 impact indicators covering the 5 Life Cycle Analysis phases of the product

2022-2024 CSR Roadmap (4/4)

Be a responsible business



CUSTOMER SATISFACTION

Reach **90% of sales made with satisfied clients**

BUSINESS ETHICS & COMPLIANCE

Sustained investment on business ethics (manage, train, and abide by Group rules)

EMPLOYMENT ABILITY & SKILLS

Train each year **85%** of employees and reach **7 hours** of training for each

SAFETY AT WORK

Decrease by 20% the accident frequency rate (FR2)

EXTENDED SOCIAL COVERAGE

Extend the **Serenity On coverage to 100%** of employees



Managing our
integrated performance
| **Franck Lemery, CFO**

Managing integrated performance (1/3)

CSR led by exemplary Governance

INSIGHTS INTO
LEGRAND'S GOVERNANCE



Angeles Garcia-Poveda

Independent Chairwoman of
Legrand's Board



Managing integrated performance (2/3)

CSR performance spurred through disciplined processes



REGULAR MILESTONES

- Frequent & regular meetings to challenge and deliver integrated performance
- Examples
 - Group CO₂ Steering Committee
 - Country quarterly performance meeting and budget review
 - Detailed review of each site performance



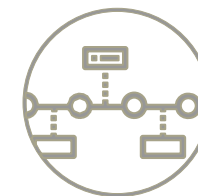
OPERATIONAL RISK MANAGEMENT

- Risk mapping with 18 risks managed operationally
- Examples
 - Comprehensive study of climate change potential impact on our footprint
 - “Business Ethics” with a solid Group compliance program (compulsory policy, trainings, tools and practices)



DECISION MAKING

- Decision criteria beneficial to CSR stakes
- Examples
 - Carbon price factored in major investment model
 - Inclusion of CSR into financing (green financing)
 - Women in recruitment and staffing Processes



BEST PRACTICES

- Legrand Way includes many tools and best practices for CSR excellency
- Examples
 - Inspired by ISO meth. (9k for Quality, 14k for Env., 45k for H&S, 50k for Energy Management)
 - Main focuses on energy, waste and Health & Safety

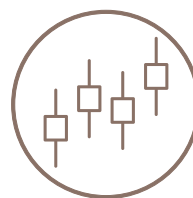
Managing integrated performance (3/3)

CSR supported by consistent integrated compensation



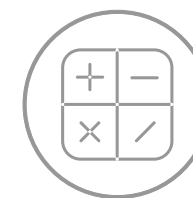
LONG-TERM LTI⁽¹⁾

- **LTIs** fully aligned with Group targets
 - 1/3 organic growth
 - 1/3 adjusted operating margin
 - **1/3 CSR achievement**
- Close to 15% of Managers benefiting from LTIs



SHORT-TERM BONUS SCHEME

- Local “performance contract” & **bonus scheme** contributing to group integrated performance
 - 70% of financial contract (top & bottom line)
 - **20% on local CSR KPIs**
 - 10% specific stakes (ex: M&A)



EXAMPLE OF CEO COMPENSATION

- CSR achievement weighs for **17.5% of target CEO total compensation** in 2021

1. LTIs: share based Long Term Incentive Programs.



CONCLUSION

| **Benoît Coquart, CEO**



Conclusion

Our 5th CSR roadmap is a driver supporting our mid-term ambitions

Clear, quantified & ambitious on 4 fronts:
climate, circular economy, diversity & inclusion, responsible business

Focusing on **actions that matter** and
have **significant impact**

Will **mobilize the entire company**
(people, process, incentivization schemes...and more.)

Is part of our **integrated performance** and
fully consistent with our mid-term guidance



Q&A SESSION

A faded background image of a diverse group of people in an office setting, smiling and engaged in conversation.

#LegrandImprovingLives

Thank you

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 faded background image showing a hand interacting with a smart home control panel. The panel features various icons for Wi-Fi, Bluetooth, and other smart home functions. To the right, a smart speaker is visible.

#AcceleratingValueCreation

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