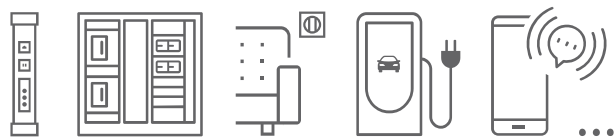


# TOGETHER IMPROVING LIVES

**MAY 2023** Sustainability-  
Linked Financing  
Framework



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## Introduction

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# 1. Introduction

Legrand<sup>1</sup> is the global specialist in electrical and digital building infrastructures. Its comprehensive offering of solutions (an extensive range of more than 300,000 products references covering all regions and types of buildings) for commercial, industrial and residential markets makes it a benchmark for customers worldwide. The Group harnesses technological and societal trends with lasting impacts on buildings. Drawing on an approach that involves all teams and stakeholders, Legrand is pursuing its strategy of profitable and responsible growth driven by acquisitions and innovation, with a steady flow of new offerings—including products with enhanced value in use (faster expanding segments: datacenters, connected offerings and energy efficiency programs).

Operating worldwide, the Group is supporting building digitalization and helping to reduce buildings' carbon footprint with its energy efficiency products and services.

Today, Legrand employs around 38,000 employees worldwide and has operations in close to 90 countries. The Group operates mainly in North and Central America (41% of sales) and Europe (40% of sales).

Legrand's strategy is based on two main growth

drivers: organic growth, fueled by innovation thanks to ongoing investments in R&D, and growth through targeted acquisitions.

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

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

The core purpose of Legrand is to improve 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.

As such, the Group has adopted a longstanding CSR approach, aligned with UN Sustainable Development goals and structured around short, medium and long-term targets covering its whole value chain.

## Close ties with value chain

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

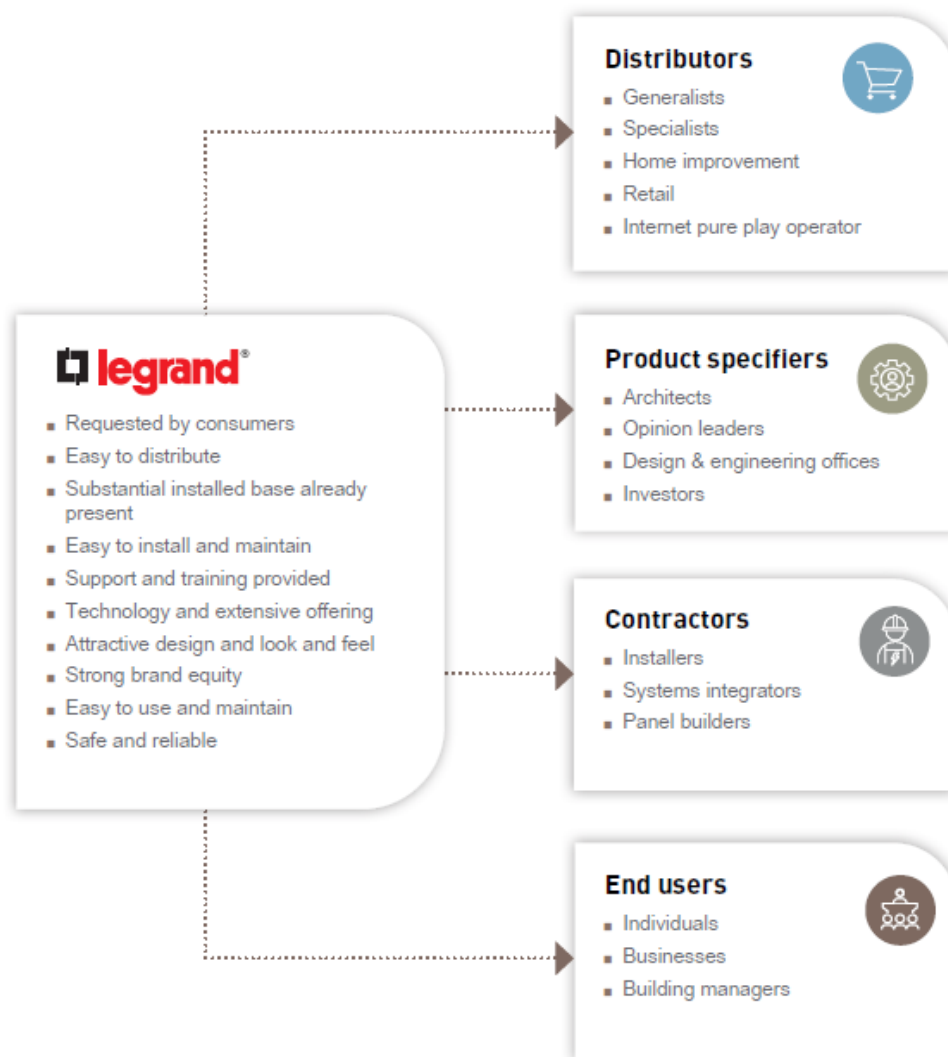
**Distributors,**  
to whom we sell  
our products

**Product specifiers,**  
(architects and design  
firms), who recommend  
the Group's solutions

**Electrical contractors,**  
who install our  
solutions in building

**End users,**  
(individuals, companies  
and building managers)

<sup>1</sup> "Legrand" (or "Legrand Group", "the Group") means Legrand SA (the "Issuer") and its consolidated subsidiaries excluding its minority shareholding.



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Legrand has been committed for many years to **Corporate Social Responsibility (CSR)**, with its first ISO 14001 certifications received in 1996. Since then, Legrand has been deploying a demanding and recognized approach, which covers numerous CSR topics, identified through its materiality matrix, and which extends to good governance.

Today, Legrand is committed to:

- **Reducing** the Group's environmental impact, by aiming to achieve collective carbon neutrality by 2050, setting targets for 2030 that are approved by the Science Based Targets Initiative (in 2021) in keeping with the highest requirements of the Paris Agreement, which calls for limiting the global increase in temperatures to 1.5°C above pre-industrial

levels, and by setting ambitious short-term milestones till 2024;

- **Promoting the circular economy principles** given its increasing importance for Legrand and its stakeholders. Key topics are the integration of eco-design in product development, the use of recycled materials in products and packaging, the phasing out of single-use plastic in packaging, and providing product environmental information to customers;
- **Its employees and communities** through respecting human rights, occupational health and safety, quality of life and well-being at work and employee commitment, skills development, attracting and retaining talent, inclusion, diversity and equal opportunity;
- **Its customers**, deploying a customer-centric strategy (on the basis of four key values:

listening, simplicity, responsiveness and expertise), providing high quality, sustainable products and solutions, as well as combating counterfeiting and respecting intellectual property;

- **Generating supplier engagement**, deploying a sustainable purchasing approach, monitoring and measuring higher-risk suppliers in terms of CSR, engaging with suppliers committed to diversity and inclusion, managing the presence of regulated substances and minerals from conflict zones in the Group's purchases;

Following the principle that its ethical, environmental and workforce-related rules also apply to its suppliers and subcontractors Legrand monitors higher-risk suppliers in terms of CSR;

- **Acting ethically** in all business activities, with a clear and deployed business ethics policy articulated around framing, training and monitoring of the policy for key Legrand employees worldwide.

In most of the markets where it sells its products, Legrand is subject to local and international regulations in the areas of competition law, embargoes, export control and efforts to combat money laundering and terrorist financing, as well as corruption and fraud. Legrand has therefore implemented a Compliance Program to ensure that its efforts are fully transparent and that it acts with integrity;

- **Complying with the duty of care**, with a plan set up in accordance with France's 2017 act on the duty of care, with the aim to ensure that Legrand and its partners are committed to meeting its standards in terms of working practices, business ethics, the environment as well as health and safety;
- **Exemplary governance**, with separated Chairwoman and CEO roles, a Board of Directors that is independent (83%), gender-balanced (42% of directors are women), international (5 nationalities) and with the director' terms recently shortened from four to three years.

#### **Legrand's ESG approach is integrated within its business model:**

- **With a longstanding commitment**, with the

CSR function created in 2004. Since 2007, Legrand has defined and coordinated its CSR strategy and performance through multi-year roadmaps, summarizing the key priorities and performance indicators. The four preceding roadmaps covered the periods 2007-2010, 2011-2013, 2014-2018 and 2019-2021.

- **It covers environmental, social, ethical and societal aspects**, considering the Group's operations as well as its value chain including its supply chain;

- The CSR strategy is aligned with the company's purpose and incorporated into its everyday management. Legrand's purpose, as set out in 2020, expresses its ambitions and unites employees around a common goal: "Improving lives by transforming the spaces where people live, work and meet, with electrical and digital infrastructures and connected solutions that are simple, innovative and sustainable".

- **This program is co-designed**, as the risks and opportunities in social, societal and environmental terms for Legrand's stakeholders, and for the Group, are identified and ranked in terms of importance through two complementary approaches:

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

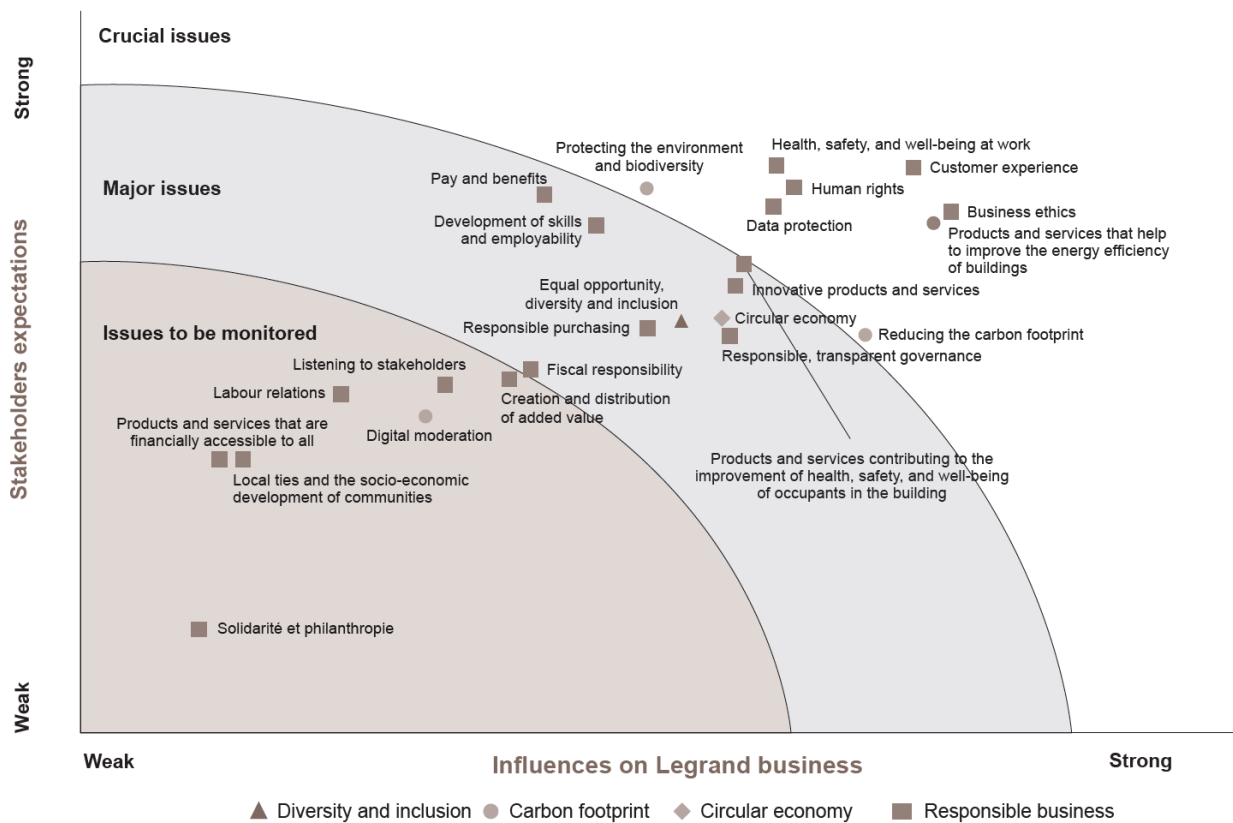
While considering extensively the required compliance with regulatory and legislative requirements and standards concerning CSR ("hard law" and "soft law"), the Group's CSR Department brings these two approaches together to identify the main non-financial issues, risks and opportunities. A new materiality assessment was carried out in 2021. A total of 5,291 responses were received in 94 countries from Legrand's main stakeholders, including employees, customers, suppliers and subcontractors, investors, shareholders, banks, rating agencies and representatives of civil society (NGOs, scientific community, industry, educational sector, students. etc.). Of the 24 issues submitted for consultation, eight were identified by the assessment and used to define the priorities of the new 2022-2024 CSR Roadmap launched in March 2022:

- business ethics;

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

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

## Legrand ESG Materiality Analysis



■ **Legrand embarks its newly acquired entities on a sustainable journey:** the Group's acquisitions are included within business-line systems (procedures and reporting processes) at the earliest opportunity. This process is completed within a period of maximum 36 months from the date of acquisition. Integration of new acquired companies within the Group's CSR performance structure starts from the second year after the year of acquisition (first year for compliance), the year of acquisition being the year of financial consolidation of the new entity into Legrand's accounts. Two environmental topics — eco-design and ISO

14001 — may take up to five years.

■ **Legrand's commitment to CSR is reflected in its compensation policy.** Since 2016, CSR criteria have been factored into executive team and managers' compensation systems.

For Executive committee members, 25% of their long-term incentives are linked to extra-financial performance. For Senior management & key positions, the long-term incentive plan, targeting all key positions in the Group, is linked for 1/3 to the Group's overall CSR performance (annual CSR roadmap achievement rate).

In addition, all top managers (CEO, Executive

committee, Countries' General Managers), have 10 to 20% of their annual variable compensation linked to CSR performance within their own perimeter.

In total, 17.5% of the CEO's total compensation – fixed, variable short term (bonus) and long term (LTI) – is linked to CSR performance.

comprehensive, it includes EU and French regulations, international standards as well as many internal charters and policies.

The UN's Sustainable Development Goals have a global scope. Legrand has integrated them as part of its ESG strategy, demonstrating its desire to address these objectives as well.

**Legrand's ESG & CSR approach is aligned with the Group's priorities and global standards.**

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

Legrand's ESG & CSR approach is very broad and

**Legrand's United Nations' Sustainable Development Goals Contribution**



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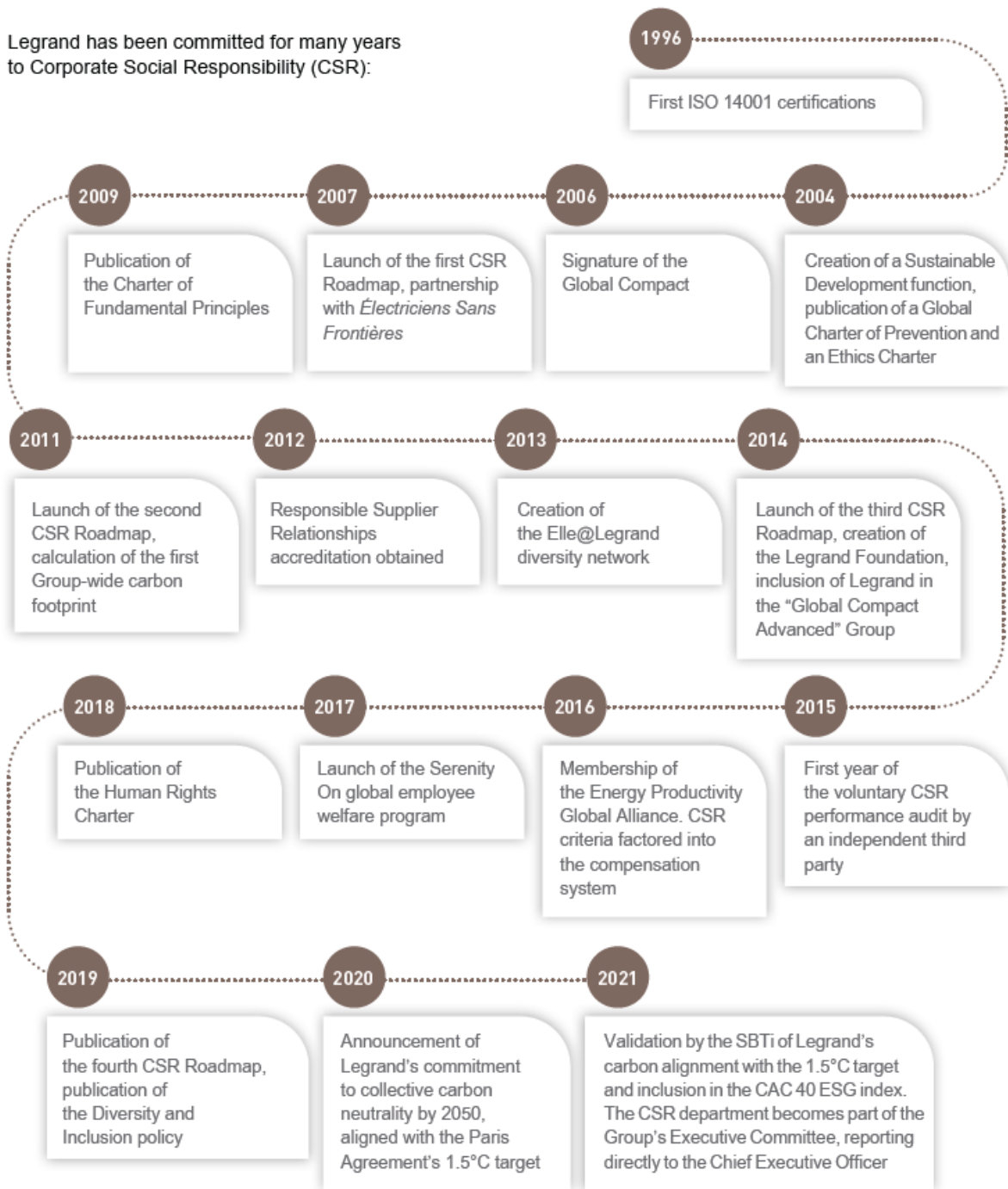
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## Legrand's Longstanding commitment to CSR reflects the company's purpose and contributes to its performance

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



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### Legrand's strong CSR governance reflects its sustainability strategy:

- **Board of Directors and its Commitments and CSR Committee.** This Committee within the Board of Directors is specifically dedicated to the preparation of CSR issues. It consists of five directors, four of whom were independent on the

publication date of this Framework. It met three times in 2022.

Its role on CSR: the Board of Directors takes into account the social and environmental challenges of the Company's activities; the Commitments and CSR Committee checks that the Group's strategy and CSR approach are consistent and take into account CSR topics, in

particular climate-related risks and opportunities; it reports on its work to the Board of Directors.

- The **Executive committee**. CSR matters are on the agenda for almost all Executive Committee meetings. In 2022, CSR matters were debated eight times and the Executive Committee took part in a Climate workshop. It directs and validates the CSR strategy and monitors how initiatives are implemented.
- The **CSR Department** is responsible for overseeing and implementing the Group's CSR strategy and reports directly to the CEO. The Executive Vice-President CSR is a member of the Group's Executive Committee. This central structure relies on several specialist functional Group departments: Operations, including Group Purchasing, Human Resources and Legal. These functional departments coordinate networks of correspondents (around 300 people) in the Group's subsidiaries.
- The **Carbon Steering Committee** is in charge of defining and monitoring the achievement of the Group's Carbon trajectory. The Carbon Steering Committee consists of six members of the Executive Committee: the CEO (chair), the Deputy CEO heading Operations, the Chief Financial Officer, the Executive VP North & Central America, the Executive VP HR and the Executive VP CSR. It is coordinated by the CVP Carbon, and also includes the CVP Purchasing, the CVP Operations Performance and the CVP Investor Relations, Financing & Treasury. Meetings are held once every quarter with the following agenda:
  - Setting the targets with regards to Climate mitigation and adaptation actions;
  - Validating the roadmap and action plan execution towards achieving those targets;
  - Monitoring the results obtained and the follow-up actions to be adopted.
- The **Carbon Steering Committee will be responsible for the overall governance of this Sustainability-Linked Financing Framework** and its related instruments. Its role will therefore include:
  - Overseeing the alignment of the Framework in any relevant transaction,
  - Monitoring the publication of the annual reporting as defined in the Framework and

in the outstanding Sustainability-linked financings' legal documentation,

- Monitoring the on-going evolution in sustainable finance markets and funding instruments, in order to be in-line with market best practices, and
- Managing any future updates of the Framework, including supervising the engagement of the independent provider to deliver the update of the Second Party Opinion.

## Legrand enjoys a well-recognized ESG performance

The Group's non-financial achievements are recognized, in France and abroad, in particular through its inclusion in benchmark ESG indices compiled by independent agencies. In 2022, Legrand achieved the following ratings:

- CDP Climate Change (B list)
- DJSI (score of 81)
- MSCI ESG rating AA
- Ecovadis (Platinum status)
- ISS ESG (Prime Status)
- Sustainalytics (low risk)

Today Legrand is thus a component stock of benchmark ESG indices including CAC 40 ESG, CAC SBT 1.5 and the FTSE4Good. Legrand is involved in studies, surveys and roundtables, both within and outside the industry, which represent important sources of information and opportunities to share best practices.

The Group is also a member of the CSR and circular economy committees set up within its professional organizations (GIMELEC, FIEEC, etc.), the *Club des Directeurs du Développement Durable* (C3D), the *Institut du Capitalisme Responsable* and the French Global Compact Advanced Club. Locally, Legrand's teams take part in studies, working groups and committees regarding CSR topics in their countries.

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## Legrand Sustainability Roadmap and Ambition

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## 2. Legrand Sustainability Roadmap and Ambition

As a global and responsible group within its ecosystem, Legrand is fully committed to addressing major social, workforce-related and environmental issues, listening to all its stakeholders.

Its holistic approach consists in identifying risks specific to the Group and the expectations of its stakeholders 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.

Legrand's sustainability roadmap and ambitions rely on three sets of targets: long-term, mid-term and short-term.

### Long-term (2050)

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

### Mid-term (2030)

- **Reducing the Group's greenhouse gas (GHG) emissions.** Legrand has aligned its climate strategy with the most ambitious Paris Agreement target, aiming to limit the global increase in temperatures to 1.5°C above pre-industrial levels. This 1.5°C pathway was approved by the Science Based Targets Initiative in August 2021, Legrand commits to reduce absolute:
  - Scopes 1 and 2 GHG emissions 50% by FY2030 from a FY2019 base year, in line with a 1.5°C trajectory;
  - Scope 3 GHG emissions from purchased goods and services, upstream and downstream transportation and distribution and end-of-life treatment of sold products by 15% within the same timeframe.

In addition, from 2022 included, Legrand is offsetting its residual Scope 1 and 2 GHG emissions as well as two Scope 3 items (business travel and employee commuting) through voluntary carbon offset projects.

- **Giving women a more prominent role within the Group.** Diversity is a key business imperative for Legrand and 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. Legrand intends to make diversity in the workplace a reality with tangible effects
- **Generate 80% of revenues from eco-responsible solutions.**

### Short-term (2024)

Legrand's new CSR Roadmap sets out its CSR priorities for the 2022-2024 period. It reflects the Group's desire to support efforts to develop buildings in a way that represents progress for employees, society and the planet. In order to make the Group agile and responsive in this domain, the 2022-2024 CSR Roadmap covers a three-year period. It addresses the following key areas:

- **Promotion of diversity and inclusion:** all over the world, among employees and value chain;
- **Reduce our Carbon Footprint:** with ambitious targets embarking suppliers to achieve mid-term targets and limit the environmental impact of its activities, particularly by reducing its Greenhouse Gas ("GHG") emissions;
- **Develop a Circular Economy:** an increasingly important issue, moving from a linear consumption system (extracting raw materials, manufacture, use, end of life and waste management) to a circular approach;
- **Be a Responsible Business:** Customer satisfaction, business ethics and compliance, as well as employee welfare and safety remain top priorities.

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# Concrete action: the 2022-2024 CSR Roadmap



## Promote diversity and inclusion

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

## Reduce our carbon footprint

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




## Develop a circular economy

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




## Be a responsible business

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

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## Sustainability-linked Financing Framework

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### 3. Sustainability-linked Financing Framework

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Legrand has long been committed to safeguarding the environment, by limiting the environmental impact of its activities. All along its value chain, the Group is determined to set an example by offering sustainable solutions to its customers.

Having established its inaugural Sustainability-Linked Financing Framework in September 2021, Legrand is now further enhancing its approach to Sustainable Finance by updating and expanding its Framework to connect its funding strategy with its broader sustainability objectives.

This section of the Framework defines a set of guiding principles for debt instruments linked to the achievement of material, quantitative, pre-determined and ambitious sustainability objectives, which are regularly monitored and externally verified through Key Performance Indicators (“KPIs”) and their associated Sustainability Performance Targets (“SPTs”).

Legrand’s Framework is aligned with the five core components of the Sustainability-Linked Bond Principles (SLBPs) published by the International Capital Markets Association (ICMA) in June 2020:

- 1 Selection of Key Performance Indicators (KPIs)
- 2 Calibration of Sustainability Performance Targets (SPTs)
- 3 Financing Characteristics
- 4 Reporting
- 5 Verification

This Framework aims at covering any upcoming Sustainability-linked Bond or any other financial security whose characteristics are linked with sustainability performance targets.

#### 3.1 SELECTION OF KEY PERFORMANCE INDICATORS

Legrand has selected the four following KPIs:

- KPI 1: Absolute Scope 1 & 2 GHG emissions
- KPI 2: Absolute Scope 3 GHG emissions
- KPI 3: Key Suppliers Engagement
- KPI 4: Proportion of management positions filled by women

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## KPI 1: Absolute Scope 1&2 GHG 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 a priority for the Group.**

### KPI 1 is structured under the following parameters:

<p><b>Methodology</b></p>	<p>Following the GHG Protocol<sup>2</sup> absolute Scope 1 and 2 GHG emissions are defined as follows:</p> <ul style="list-style-type: none"> <li>■ Scope 1 emissions are the Group's direct emissions, which mainly result from: <ul style="list-style-type: none"> <li>• direct emissions from stationary combustion sources (natural gas combustion for heating processes mainly);</li> <li>• direct emissions from mobile combustion sources (car fleet);</li> <li>• direct fugitive emissions from leaks of refrigerants from air conditioning and cooling units.</li> </ul> </li> <li>■ Scope 2 emissions are the Group's indirect emissions, which mainly result from: <ul style="list-style-type: none"> <li>• indirect emissions from electricity consumption;</li> <li>• indirect emissions from purchased heat.</li> </ul> </li> </ul> <p>The specific emission factor of each country's power generation system is taken into account when calculating these emissions.</p> <p>Newly acquired companies are integrated in the calculation of the Group's direct emissions within 36 months of their joining date.</p>
<p><b>Unit</b></p>	<p>Percentage of reduction of Scope 1&amp;2 GHG emissions, where:</p> <ul style="list-style-type: none"> <li>■ Absolute GHG emissions are measured in metric tons of carbon dioxide equivalent (tCO<sub>2</sub>eq), and</li> <li>■ The base year is 2019</li> </ul>
<p><b>Baseline</b></p>	<p>177 ktCO<sub>2</sub>eq (2019 revised baseline including 2018 and 2017 acquisitions)</p>
<p><b>Verification</b></p>	<p>See §3.5</p>

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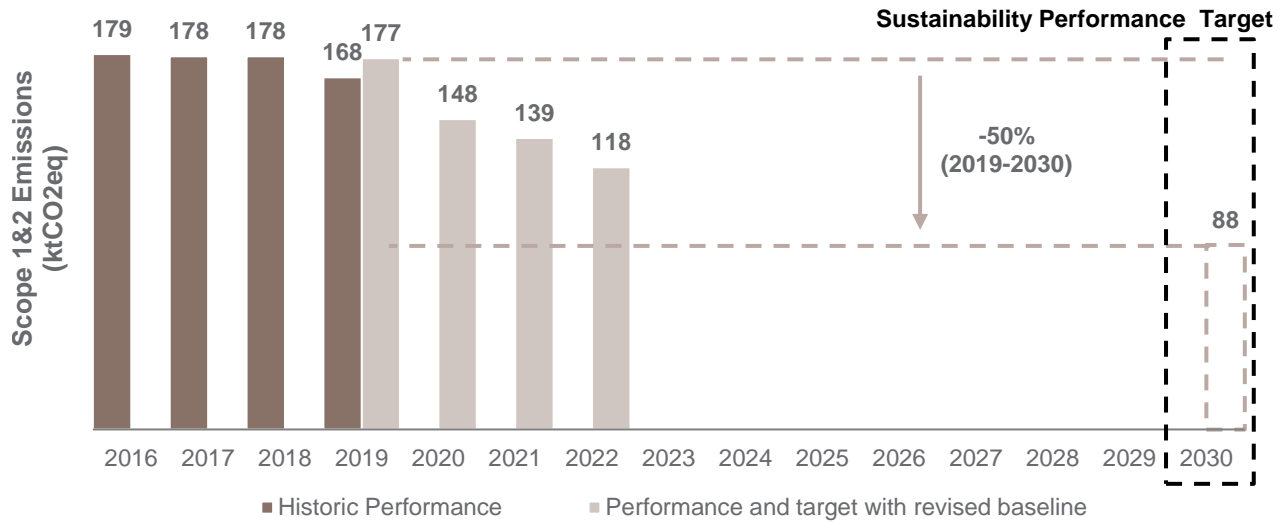
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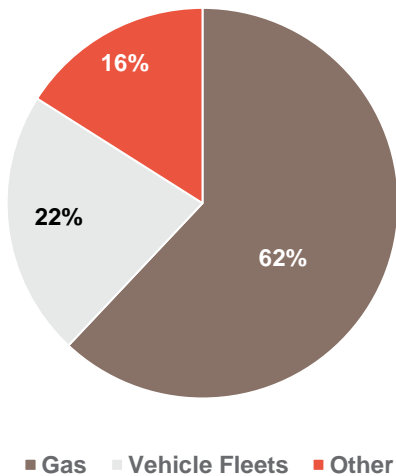
<sup>2</sup> GHG Protocol establishes comprehensive global standardized frameworks to measure and manage greenhouse gas emissions from private and public sector operations, value chains and mitigation actions (source: [www.ghgprotocol.org](http://www.ghgprotocol.org))



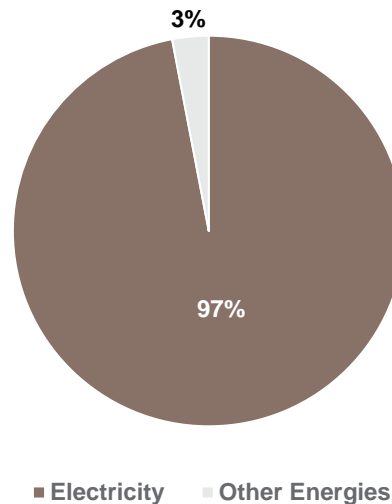
**Legrand's historic performance and target of its Scope 1&2 annual GHG emissions (on a current basis)**



**2022 Emissions Scope 1<sup>3</sup>**



**2022 Emissions Scope 2**



**Breakdown of Legrand's Scope 1&2 historical emissions (2019)**

Legrand's industrial activities mainly consist of materials transformation and assembly work, which means that its energy consumption is low. Its main sources of CO<sub>2</sub> emissions are heating and lighting

for its production units. As regards industrial processes, only plastic injection and extrusion use significant amounts of energy. In addition, Legrand helps reduce its customers' emissions with its energy efficiency products and solutions.

The Group has prioritized two ways of reducing its

<sup>3</sup> Other: refrigerant leaks, fuel oil, etc

Scope 1&2 GHG emissions:

- lowering its overall energy consumption;
- increasing the use of renewables by installing renewable electricity sources at its sites and buying green energy.

Over the past few years Legrand launched an ambitious reduction plan of its carbon emissions by improving the operational energy efficiency of the Group's main sites through:

- The deployment of the energy efficient and metering solutions developed by the Group;
- The refurbishment of premises with athermic glazing/shading solutions, double flow ventilation, presence detectors and LED devices;
- The introduction of best available industrial techniques for replacing obsolete equipment with less energy-intensive processes such as electric injection machines to replace hydraulic machines resulting in around 50% energy consumption reduction;
- The shift of its fleet to electric and hybrid vehicles and the installation of charging stations in the parking area of several sites;
- Factoring since 2016 an internal carbon price into opportunity assessments relating to capital expenditure and product development strategy. It is set at €80 per ton in 2023 on the basis of the market consensus;
- The use of renewable energy generated and used on site, such as solar and geothermal power;
- The purchase of renewable energy. The Group is working on gradually replacing its purchases of traditional energy with green energy (wind, hydro, solar, use of biogas to replace natural gas, etc.).

## KPI 2: Absolute Scope 3 GHG emissions

Scope 3 accounts for 95% of the total carbon footprint of Legrand in 2019, the base year. **Scope 3 emissions are therefore the core component of Legrand's ambition to carbon neutrality.**

In addition, the Group policy is to systematically seek ISO 14001 certification for all productions and logistic sites above a certain size<sup>4</sup>. New sites have to be certified within 5 years. Through this approach, 87.5% of the eligible sites have obtained third party ISO 14001 certification as of 2022.

Those efforts have resulted in the Group outperforming its targets with regards to Scope 1 and 2 emission reductions in 2019, 2020, 2021 and in 2022.

In the future, the Group will pursue its efforts to meet its targets of reductions of Scope 1 and 2 absolute GHG emissions:

- The energy consumption of the production and logistic sites, which accounts for circa 38% of the Group's reduction target, is expected to decline by 3% per annum on average.
  - At constant scope, the Group's energy consumption decreased by 4% in 2022, in line with the targets set by the Group.
- The use of renewable energy in its production system or buying green energy which accounts for circa 42% of the Group 2030 reduction target.
  - Legrand aims to produce renewable energy and use that energy at its sites wherever possible. Legrand aims to have 25% of its main industrial sites equipped with renewable energy by 2024 (it is 19% in 2022),
  - Furthermore, 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. By 2025, the Group targets to buy 80% of green electricity (it is 55% in 2022).
- Legrand will continue to shift its vehicle fleet to hybrid or electric vehicles.

<sup>4</sup> At least 25 full time equivalents for industrial sites, and over 500m<sup>2</sup> for logistics sites

**KPI 2 is structured under the following parameters:**

<b>Methodology</b>	<p>Following the GHG Protocol, the Group's <b>Scope 3 emissions KPI includes</b> the following items:</p> <ul style="list-style-type: none"> <li>■ 95% of the purchased goods and services (including goods packaging);</li> <li>■ Upstream transportation &amp; distribution;</li> <li>■ End-of-life-treatment of sold products;</li> <li>■ Downstream transportation &amp; distribution.</li> </ul> <p>The carbon inventory within the KPI 2 definition includes all controlled entities that fall within the scope of consolidation of the Group. All newly acquired companies are integrated in the Scope 3 emissions calculation within 36 months from the date of their joining.</p>
<b>Unit</b>	<p>Scope 3 absolute GHG emissions, where:</p> <ul style="list-style-type: none"> <li>■ Absolute GHG emissions are measured in metric tons of carbon dioxide equivalent (tCO<sub>2</sub>eq);</li> <li>■ The base year is the year 2019.</li> </ul>
<b>Baseline</b>	<p>2,710 ktCO<sub>2</sub>eq (2019)</p> <p>As of December 31, 2019, the absolute Scope 3 GHG emissions KPI covers 81% of total Scope 3 emissions of the Group. It amounts to 2,710 ktCO<sub>2</sub>eq (2019), i.e., 81% of total Scope 3 of 3,330 ktCO<sub>2</sub>eq. It accounts for 77% of the total carbon footprint of Legrand in 2019.</p>
<b>Verification</b>	See §3.5

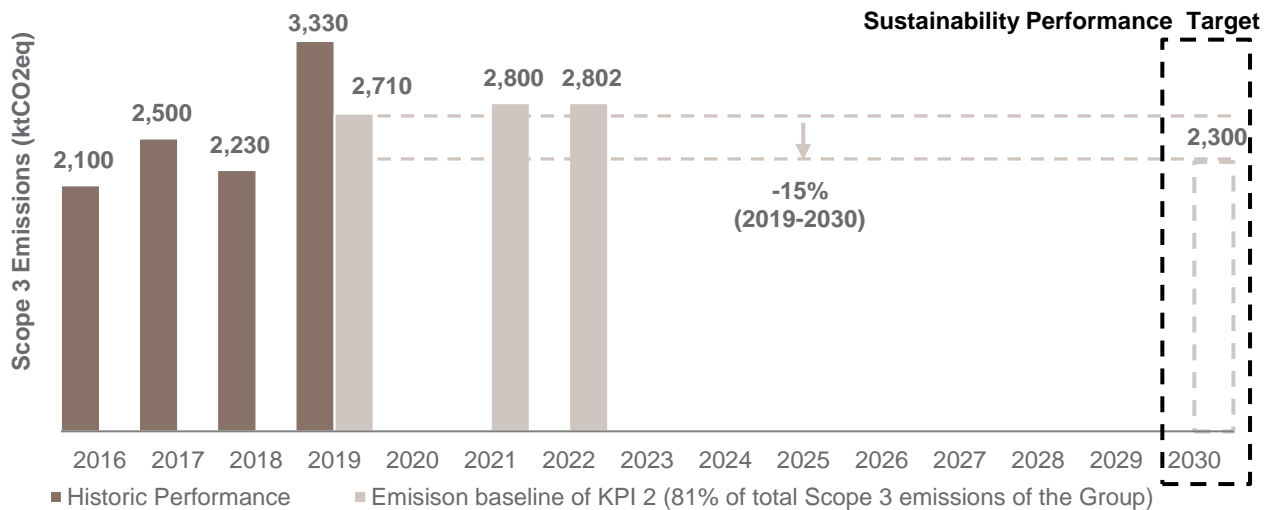
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**Legrand's historic performance and target for its Scope 3 annual GHG emissions reduction (on a current basis)<sup>5</sup>**

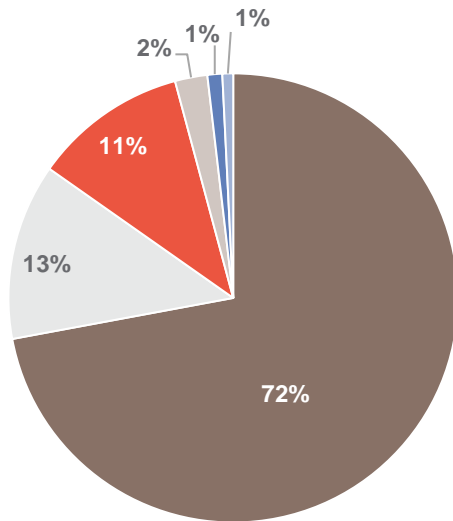


The 2019 data integrates the emissions of the Group's 2017 acquisitions, which was not the case for the

<sup>5</sup> 2020 emissions are highly impacted by the covid-19 crisis. They are therefore not included in the graph as deemed not relevant

previous year, as well as revised emission calculations especially on the purchase of goods and services, with a more detailed approach and a significant update in emission factors.

### Legrand breakdown of 2022 Scope 3 Emissions



- Production of raw materials and purchases of goods and services and fixed assets
- Upstream & downstream transportation
- Use of products sold
- End-of-Life processing of products sold
- Business travel and commuting by Group employees
- Other emissions

### Legrand’s action plan includes initiatives and 2030 objectives for each emission category:

- Purchasing of raw materials and components, which accounts for circa 37% of the Group’s 2030 reduction target:
  - Engaging Legrand’s key suppliers to adopt sustainable practices, including encouraging key suppliers to reduce by 30% their CO<sub>2</sub> emissions by 2030 as further highlighted in Legrand’s CSR roadmap and defined in KPI3;
  - Eco-design aiming at reducing weight and increasing usage of recycled materials.
- Packaging of Goods, with the ambition of a 30% emission reduction:
  - Develop 100% recycled and recyclable packaging: increasing the share of recycled and recyclable packaging from 57% in 2019 to 100% in 2030;
  - Achieve a 15% recycled plastics and 40% recycled metals use rate in products manufactured by the Group by 2024;

- Reduce the weight of packaging by 30%;
- Ban single use plastics, starting by eliminating 100% of single-use plastic in flow pack and expanded polystyrene packaging by 2024.
- End of Life Treatment of sold products:
  - Impact of the reduced weight of packaging & products through eco-design.
- Upstream transportation and distribution which accounts for circa 6% of the Group’s 2030 reduction target, which includes:
  - Encouraging suppliers to commit to a 1.5°C trajectory; and
  - The impact on transportation of increasing the number of eco designed products.
- Downstream Transportation & Distribution, which includes:
  - Impact of supplier selection and of reduction of weight/products transported through eco-design;
  - Objective to replace 50% of air transportation by sea transportation

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### KPI 3: Key Suppliers' Engagement

As of 2022 Scope 3 emissions represented 97% of Legrand's total carbon footprint, 69% of Scope 3 emissions were emissions from purchased goods and services (excluding capex). Supplier engagement is therefore an essential lever for Legrand to proactively abate Scope 3 emissions.

The KPI is aligned with Legrand's 2022-2024 CSR roadmap KPI "Reduce our carbon footprint / Indirect CO<sub>2</sub> emissions (scope 3) / Encourage at least 250 key suppliers to have an official CO<sub>2</sub> emission reduction target of 30% on average by 2030".

#### KPI 3 is structured under the following parameters:

<p><b>Methodology</b></p>	<ul style="list-style-type: none"> <li>■ Legrand currently calculates scope 3 emissions based on CO<sub>2</sub> emission factors associated with "families of purchased goods"             <ul style="list-style-type: none"> <li>• Certain materials purchased are grouped into "product families", e.g., steel, aluminum, PVC, and Legrand tracks in an internal database the purchased value of each family, and, in some cases, the associated volumes</li> <li>• Generic purchasing family emission factors are then used from various sources (ADEME, EIME database, ECO INVENT database) to calculate Legrand's absolute scope 3 emissions</li> </ul> </li> <li>■ Within purchasing families, Legrand has identified a first group of 500 key suppliers which make up a significant amount of annual spend and associated emissions</li> <li>■ CO<sub>2</sub> emission reduction targets set by suppliers are identified and monitored either through public disclosures or direct engagement with Legrand with provision of a specific letter of confirmation</li> <li>■ Suppliers' CO<sub>2</sub> emissions reduction target are recorded in absolute value, with a 2019 baseline and a 2030 target date. Supplier targets include Scope 1&amp;2 or Scope 1,2&amp;3 where relevant / available</li> </ul> <p><b>Within the first group of 500 key suppliers identified, Legrand's goal is to encourage at least 250 key suppliers to have an official combined CO<sub>2</sub>eq emission reduction target equivalent in value to a 30% reduction by 2030 from 2019 when considering the first 250 key suppliers' emissions.</b></p>
<p><b>Unit</b></p>	<p><b>The assessment is based on the two following indicators: count of engaged suppliers and amount of the engagement</b></p> <ul style="list-style-type: none"> <li>■ 250 suppliers to be engaged by 2024 + combined emissions reduction target by 2030 of -400 ktCO<sub>2</sub>eq</li> <li>■ This KPI has been created as part of Legrand's 2022-2024 CSR roadmap and hence data is only available from 2022</li> </ul> <p><b>If either indicator is not met by 2024, then the KPI will be deemed to have not been met</b></p>
<p><b>Baseline</b></p>	<p>Baseline of zero suppliers engaged in 2021 and therefore no ktCO<sub>2</sub>eq commitment</p>
<p><b>Verification</b></p>	<p>See §3.5</p>

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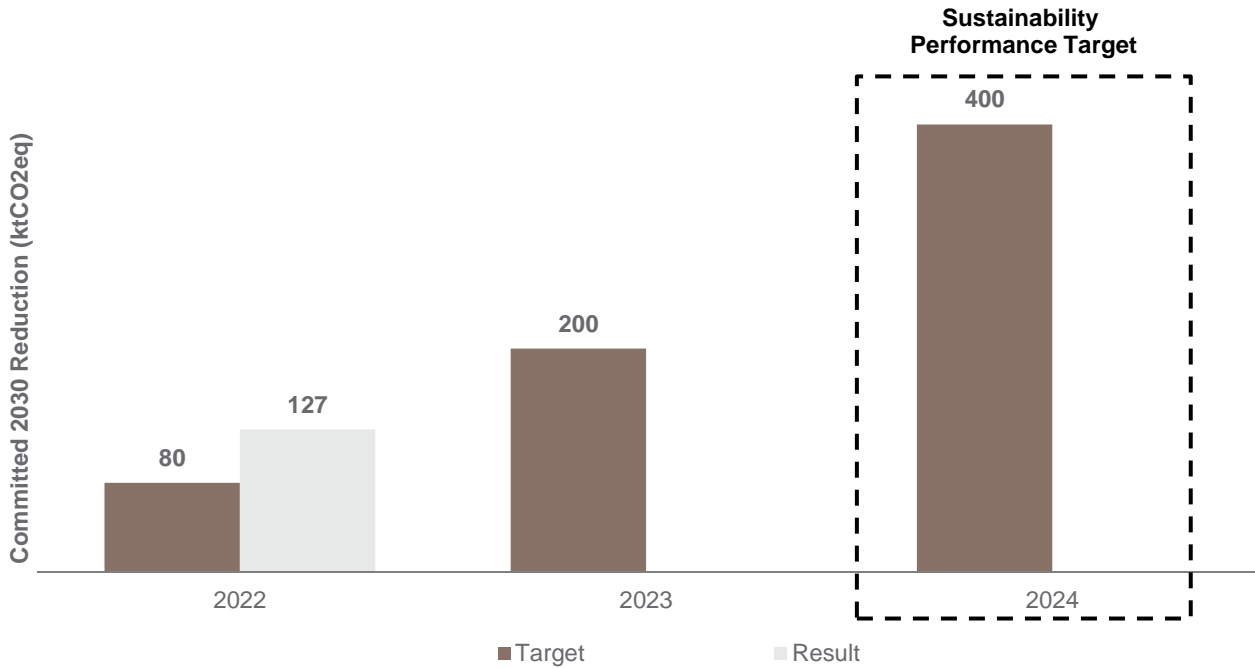
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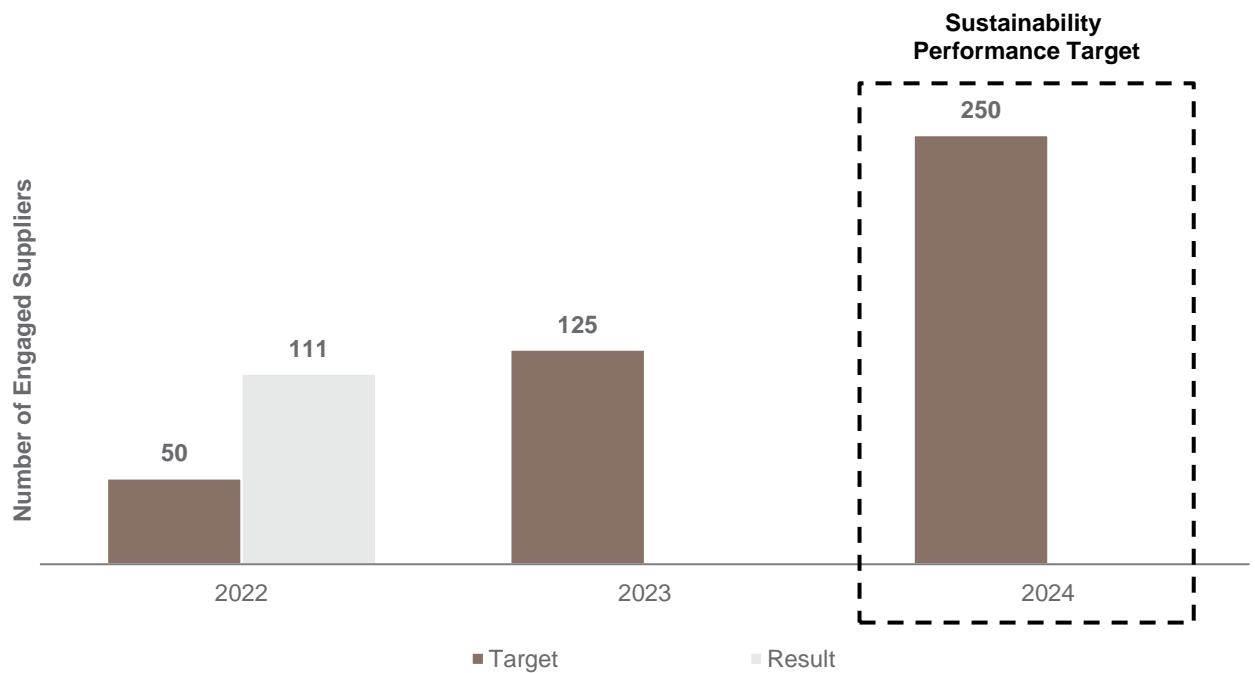
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## Legrand's Historical Performance & medium-term targets

### Aggregate 2030 reduction target commitments from suppliers in terms of ktCO<sub>2</sub>eq



### Number of suppliers committed with 2030 reduction target



## Legrand's KPI Relevance as an intermediary Scope 3 KPI

- Based on Legrand's existing Scope 3 modelling and tracking, 81% of Legrand's Scope 3 is considered in the certified SBTi trajectory target perimeter, of which selected purchased goods and services represent also 81% – therefore supplier engagement is key in driving scope 3 reductions in line with Legrand's committed SBTi targets (15% reduction by 2030 vs 2019 baseline).

CO <sub>2</sub> Emissions	ktCO <sub>2</sub> eq
Total Scope 3 (2019 Total)	3,331
o/w Scope 3 SBTi Perimeter (2019 & KPI Baseline)	2,710
o/w Selected Purchased Goods & Services	2,192
o/w 500 Key Suppliers	1,703
<b>o/w 250 Top Suppliers</b>	<b>1,326</b>

- Through existing purchasing families, Legrand has identified a first list of 500 key suppliers responsible for the largest share of identified purchased goods & services emissions – and is able to further estimate the emissions attributed to the top 250 suppliers within this subset.

- Legrand's KPI to encourage at least 250 key suppliers to have an average official CO<sub>2</sub>eq emission reduction target of 30% by 2030 has the potential to directly influence a reduction of 400 ktCO<sub>2</sub>eq.

Within the identified 500 key suppliers, Legrand's goal is to encourage at least 250 key suppliers to have an official combined CO<sub>2</sub>eq emission reduction target equivalent in value to a 30% reduction by 2030 from 2019 when considering only the first 250 key suppliers' emissions.

- In 2022, 111 suppliers made an official commitment to reduce their CO<sub>2</sub>eq emissions alongside Legrand, in more than 10 countries, exceeding the target of 50 suppliers. These commitments, calculated on the basis of

suppliers' total emissions (Scope 1, 2 and 3) are verified by the person in charge of sustainable purchasing and validated by external auditors. This is the equivalent of 127 ktCO<sub>2</sub>eq avoided at Group level, equal to 150% of the target of 80ktons.

## Legrand's action plan, and anticipated impact of supplier engagement

- The KPI has been designed in order to provide additional transparency on Legrand's levers to achieve Scope 3 CO<sub>2</sub> emission reduction targets.
- The KPI and associated SPT is implemented alongside additional commitments that Legrand is undertaking to tackle Scope 3 emissions along all portions of its full value chain such as:
  - Achieve 15% recycled plastics and 40 % recycled metals in products manufactured in 2024 (2022-2024 CSR roadmap KPI)
  - Reduce product weight and packaging weight
  - Reduce downstream transportation emissions
- CSR criteria are a key part in the supplier homologation and risk assessment process. In this respect, Legrand has undertaken measures such as:
  - Following an approval process which includes a CSR questionnaire
  - Training more than 1,500 Legrand employees in sustainable procurement
  - Incorporating CSR in the criteria for selecting suppliers, including the supplier's management of CSR risk
  - Establishing improvement plans with suppliers considered at risk or critical
  - This risk assessment process has led to Legrand discontinuing its relations with 10 suppliers since 2014

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## KPI 4: Increase the proportion of management positions filled by women

(As per Legrand’s 2022-2024 CSR Roadmap published and audited KPI “Promote diversity and inclusion / Gender diversity / Achieve a level of 30% of management positions filled by women”).

Legrand is committed to gender diversity across the Group and is focused on continuing to increase the representation of women within the various management teams within the Group.

### KPI 4 is structured under the following parameters:

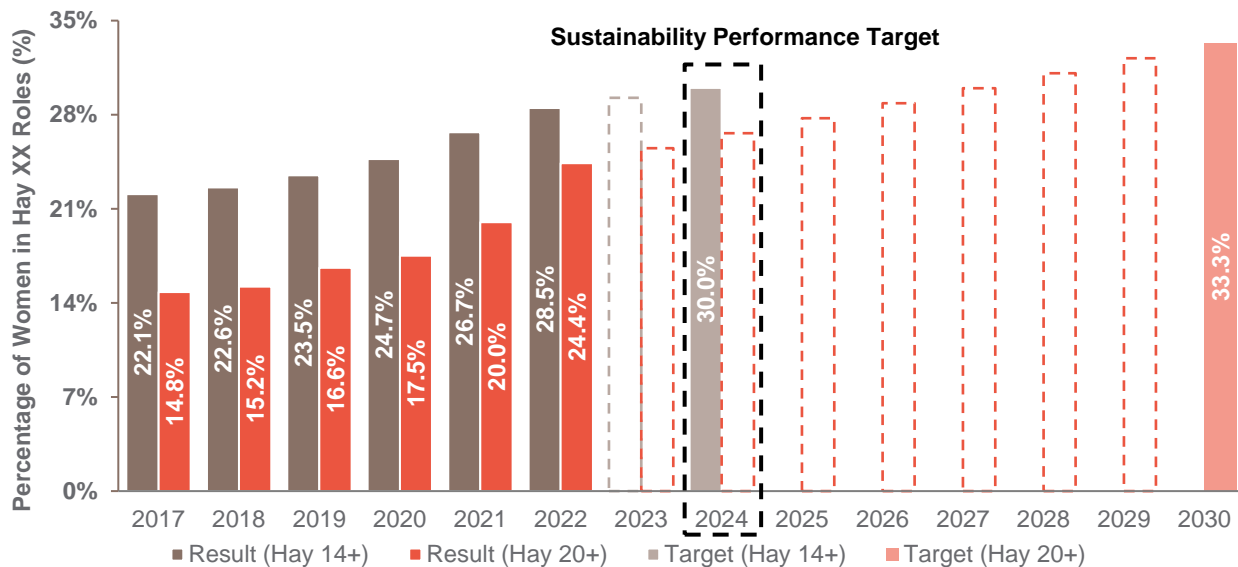
<b>Methodology</b>	<p><b>Achieve 30% of Hay grade 14 or above management positions filled by women</b></p> <p>Managerial positions are defined as positions rated 14 or above according to the Hay Job Evaluation methodology</p> <ul style="list-style-type: none"> <li>■ The Hay Job Evaluation methodology is an industry recognized certification that evaluates jobs across the group based on three core principles: <ul style="list-style-type: none"> <li>• <b>Know-How:</b> “Depth and Breadth of Technical Know-How”, “Planning, Organising and Controlling”, “Communication / Influencing”</li> <li>• <b>Problem Solving:</b> “Thinking Environment”, “Thinking Challenge”</li> <li>• <b>Accountability:</b> “Freedom to Act”, “Area and Nature of impact”</li> </ul> </li> <li>■ Based on this definition, 11,523 managers were identified in 2022</li> </ul>
<b>Unit</b>	■ Percentage where the total number of female managers is divided by the total number of identified managers
<b>Baseline</b>	The baseline is 26.7% as of 2021
<b>Verification</b>	See §3.5

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### Legrand’s historic performance with regards to gender diversity across the Group



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## Legrand's action plan, and additional aims to achieve the increase in gender diversity

- Strong commitment from the Executive committee:
  - Legrand's executive committee remains wholly dedicated to improving gender diversity and increasing the number of women in the management team as evidenced by the inclusion of D&I in the CSR Roadmap and in its 2030 strategic objectives.
- Legrand places diversity and inclusion at its core:
  - The KPI is firmly a part of the group values, and in line with Legrand's purpose, emphasized through the implementation of various internal policies and processes in place.
- KPI 4 is a key intermediate target for the issuer, demonstrating the issuers' commitment to increasing diversity in the wider management group in the short term, such that the pipeline for key management roles (Hay grade of 20 or over) is made more diverse, which in turn promotes an organic increase in diversity for key management roles over the medium term.
  - The issuer aims to have women make up at least a third of key managers (Hay grade of 20 or over) by 2030, noting this stood at 24.4% as of 2022.
- Legrand organizes operational follow ups with countries on a quarterly basis to ensure efforts are maintained.
- Legrand maintains a suite of other complementary KPIs:
  - Legrand is also aiming to have 80% of headcount aligned to a Diversity & Inclusion certified / labelled independent organization by 2024 (It is of 44.5% in 2022).
  - Management compensation is also linked to the achievement of these KPIs.
  - Progress on KPIs and actions plan are presented during Country budget presentations.
- Internal communication campaigns are run and employee training is made readily available:

- Legrand maintains partnerships with various schools & universities, provides guidance to partner recruitment agencies, ensures progress is being made through internal HR policies and processes (for example: staffing review, salary reviews, etc.)

## 3.2 CALIBRATION OF SUSTAINABILITY PERFORMANCE TARGETS (SPTS)

The SPTs will be calibrated from Legrand's sustainability strategy outlined in Section 2 of this Framework.

SPTs related to each of KPI 1 and 2, at the date of this Framework, are calibrated for one observation date, December 31, 2030, (the "Target Observation Date") as follows:

### SPT for KPI 1:

- As of December 31, 2030: Percentage of reduction of the absolute Scopes 1&2 GHG emissions ("KPI 1") of 50% compared to its baseline 2019

### SPT for KPI 2:

- As of December 31, 2030: Percentage of reduction of the absolute Scope 3 GHG emissions ("KPI 2") of 15% compared to its baseline 2019

These two targets were approved by the Science Based Targets initiative in July 2021 and were published on SBTi website in Aug 2021. Legrand believes that these SPTs are ambitious targets set by the Group as they go beyond Legrand "business as usual" trajectory of the business, and Legrand would need to deliver on its voluntary action plan (described in section 3.1 of this Framework) in order to achieve these targets.

SPTs related to each of KPI 3 and 4 at the date of this Framework are calibrated for one observation date, December 31, 2024, (the "Target Observation Date") as follows:

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### **SPT for KPI 3:**

- As of December 31, 2024:
  - 250 key suppliers to be engaged by 2024, **and**
  - combined supplier committed emissions reduction of -400 ktCO<sub>2</sub>eq by 2030 compared to a 2019 baseline

Failure by Legrand to meet either element of this combined SPT will result in the SPT being deemed as not met.

### **SPT for KPI 4:**

- As of December 31, 2024: 30% of managerial positions, defined as positions rated 14 or above according to the Hay Job Evaluation methodology, to be filled by women

## **3.3 FINANCING CHARACTERISTICS**

The financial characteristics of any financing issued under this Framework will be specified in its corresponding documentation including but not limited to the KPIs and SPTs.

- For any financing issued under this Framework, the non-achievement of the respective SPT as defined in the relevant transaction document may result in a coupon step-up applying to the relevant SLF:
- The SLF may have one or more observation dates where financial characteristics of the financing may vary;
- The SLF may have one or more SPTs. At each observation date, one or more KPIs and their respective SPTs may be observed where step-ups could be triggered if one of them is not achieved.

The purpose of this Framework is to present, through the pillars of the SLBP, a set of KPIs, which are aligned with the Group's commitments and that may be incorporated into Legrand future SLF issuances. For each SLF, the contractual documentation will define the exact KPIs, SPTs and financing characteristics.

For the avoidance of doubt, if the respective KPI(s) have achieved their respective SPTs and reporting and verification for all the SPTs have been provided and made public in accordance with the reporting

and verification sections of this Framework, the financial characteristics of any financing issued by Legrand under this Framework shall remain unchanged, except if specified otherwise in the relevant documentation, the exception to this principle being when a step down mechanism is also contemplated in the contractual documentation.

When the financing refers to multiple KPIs, each KPI may be assigned with a relative weight of the aggregate coupon step-up, as specified in the documentation of each financing issued under this Framework.

## **3.4 REPORTING**

### **Post issuance Annual Reporting**

Legrand intends to disclose the performance of the selected KPIs on an annual basis within its Universal Registration Document ("URD"), or within its declaration of extra financial performance or another document ("Sustainability Performance Report"). The Sustainability Performance Report will include information on potential drivers of the KPI outcomes, such as:

- up-to-date information on the performance of each selected KPI;
- any additional relevant information enabling investors to monitor the progress of each selected KPI towards the SPT(s) including M&A activity, behind the evolution of each selected KPI on an annual basis;
- any re-assessments of KPIs due to any changes to the calculation methodology for a KPI or any adjustments of baselines or KPI scope, if relevant.

The Sustainability Performance Report will be available on Legrand website ([legrandgroup.com](http://legrandgroup.com)).

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## 3.5 VERIFICATION

### Annual external verification

Each Sustainability Performance Report shall include or be accompanied by a limited assurance report issued by an external verifier.

### Post Target Observation Date external verification

Within 180 days after the Target Observation Date, Legrand undertakes to make public and available on its website a verification assurance report issued by a qualified external verifier and formally outlining the performance of the KPIs against their respective SPTs.

### Issuance of external verification

A leading Second Party Provider will issue a Second- Party Opinion on the framework, to confirm the alignment of this framework with the SLBP.

This second party opinion document will be made available on Legrand website (legrandgroup.com).

## 3.6 RECALCULATION EVENT

In the event of any change, which occurs between the issue date of a SLB and the relevant Target Observation Date:

- i) in the Group's perimeter (due to an acquisition, a merger or a demerger or other restructuring, an amalgamation, a consolidation or other form of reorganization with similar effect, a spin-off, a disposal or a sale of assets);
- ii) in or any amendment to any applicable laws, regulations, rules, guidelines and policies relating to the business of the Group; or
- iii) to the methodology for calculation of any Key Performance Indicator to reflect changes in the market practice or the relevant market standards,

which, individually or in aggregate, has a significant impact on the level of any Sustainability Performance Target or any Key Performance Indicator baseline (each, a "Recalculation Event"), the relevant Sustainability Performance Target may

be recalculated in good faith by Legrand to reflect such change, provided that the independent external verifier has independently confirmed that the proposed revision is consistent with the initial level of ambition of the relevant Sustainability Performance Target taking into account the Recalculation Event.

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## Disclaimer

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## 4. DISCLAIMER

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Thus, this Framework does not constitute (i) a prospectus or other offering document and no securities have been or will be registered under the

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