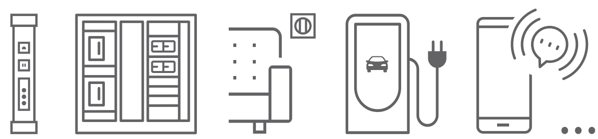
Legrand essentials

TOGETHER IMPROVING LIVES

2021 Universal registration document



legrand®

2021 Universal Registration Document

including the integrated report

The Universal Registration Document has been filed on April 6, 2022 with the AMF in its capacity as competent authority under Regulation (EU) 2017/1129, without prior approval in accordance with article 9 of that regulation.
This Universal Registration Document may be used for the purpose of a public offering of financial securities or the admission of financial securities for trading on a regulated market if it is supplemented by a securities note and, as the case may be, a summary and all amendments made to the Universal Registration Document. The resulting set of documents is approved by the AMF in accordance with Regulation (EU) 2017/1129.

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

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

Contents

Note

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

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

The Company’s consolidated financial statements presented in this Universal Registration Document for the financial year ending December 31, 2021 have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as adopted by the European Union. In accordance with applicable regulations, the Company prepares and presents its consolidated financial statements in accordance with IFRS, which differ in certain significant respects from French accounting principles. The Company’s financial statements are presented in accordance with French accounting principles.

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

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

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

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

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

01

Integrated report

Message from Benoît Coquart, Chief Executive Officer of Legrand

Sales
€7.0 billion

Over
38,200
employees worldwide

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

Market capitalization of around
€27.5 billion
at December 31, 2021. Constituent of the CAC 40 and CAC 40 ESG indexes.

Benoît Coquart, Chief Executive Officer

Record financial results and solid ESG performance in 2021

The more rapid pace of our profitable and responsible value creation was evident in Legrand's 2021 performance, following an unprecedent 2020, which highlighted the resilience of our business model.

From a financial perspective, the Group posted record results in a still changing environment (pandemic and supply chain pressures):

- sales of €7 billion, up 14.7% on the previous year and up 5.6% versus 2019, powered by marked organic growth of 13.6% over the year and of 3.7% versus 2019;
- adjusted operating profit representing 20.5% of sales, up 8.1% versus 2019, and net profit up 32.8% versus 2020 and up 8.3% versus 2019; and
- normalized free cash flow representing 15.4% of full-year sales.

Our non-financial performance was also very strong. Our fourth CSR roadmap's overall achievement rate was 131% in 2021, its final year, reflecting the full part played by all countries. Particularly noteworthy was the substantial reduction of 28% in our direct CO_2 emissions.

Our achievements in 2021 have underscored our positioning as a leading force in our industry, and our customers, our partners and our teams deserve great credit.”

Strong engagement amid a changing environment

Amid the enduring pandemic situation, we did not compromise on keeping our employees and our whole ecosystem safe (stringent health precautions, easy access to vaccination in a number of countries, solidarity measures, etc.).

We also managed the mounting supply chain pressures and historical inflation levels effectively, ensuring:

- no disruption to our customer service thanks to supply chain adjustments, advance planning with our suppliers and a redesign to supply approach;
- a tight grip on our costs and management of our selling prices, to achieve a high level of profitability and cash generation.

Our achievements in 2021 have underscored our positioning as a leading force in our industry, and our customers, our partners and our teams deserve great credit. Their commitment (2021 employee engagement rate at 80%, a substantial increase of 11 points versus 2017) has been flawless ever since the pandemic began.

Strengthening a unique model that creates value over the long term

In 2021, we further detailed our mid-term model and strategic roadmap. We are accelerating the pace of our profitable and responsible value creation in a market driven by increasingly buoyant structural trends – both historical (electrification, demographic change and development of the middle classes) and more recent (climate crisis, teleworking and assisted living).

Capitalizing on our unique position as a pure-playing powerhouse, generating close to two-thirds of our 2021 sales through leadership positions, we are stepping up our development initiatives, especially in faster expanding segments such as datacenters, connected offerings and energy efficiency programs:

- geographical product launches and roll-outs;
- accelerated digitalization of commercial relationships (more user-friendly apps and product configurators);
- development of promising new distribution channels (e-commerce) and geographical markets (Northern and Eastern Europe, Africa); and
- completion of four acquisitions in a year, accounting for a total of around €250 million in annual sales.

Faster expanding segments accounted for 33% of Legrand’s sales in 2021 (versus around 31% in 2020 and 18% in 2015). Our medium-term goal is to increase this figure to 50%.

On the ESG front, as a key player, we increased our commitments to combat climate change, with:

- a carbon trajectory (on Scopes 1, 2 and 3), aligned with the most ambitious objective of the Paris Agreement (1.5°C), validated by the SBTi;
- an array of solutions under our energy efficiency programs already accounting for around 21% of Group sales and enabling our customers to cut their own CO_2 emissions substantially.

In 2022, we will launch our fifth CSR Roadmap targeting four key areas: encouraging diversity and inclusion; reducing our carbon footprint; promoting the circular economy; and continuing to act responsibly vis-à-vis our stakeholders.

Building on a year in 2021 in which we demonstrated the relevance of our strategy, we have set targets for 2022 and the medium term that are aligned with an accelerated value creation benefiting all our stakeholders.

Strategic positioning

Legrand is ideally placed for the next economic cycle

A specialist in a growing industry

Low-risk sector of activity

More resistant to economic cycles

Strategic industry

Strategic industry with a low level of energy intensity supported by authorities under global and regional stimulus plans

Secular trends

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

New trends

Energy efficiency, digitalization, assisted-living systems, working from anywhere, well-being

A unique profile that creates value

Unique pure player in the building sector

“A giant in niches”, with close to two-thirds of sales deriving from leadership positions

Responsible value creation

A longstanding, integrated approach to performance, with a leading track-record in terms of profitability, cash generation and CSR

Clear development strategy

Organic growth and selective acquisitions

Agile organization and empowered teams

Committed, execution-focused teams

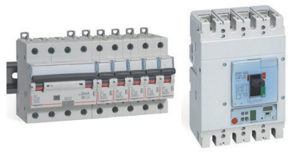
Extensive product offering

More than 300,000 product references

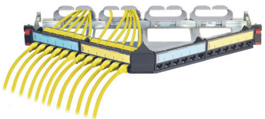
Control electrical installations

Make power available

Provide a secure, stable and optimized power supply



Protect electrical installations

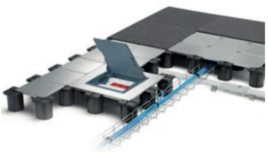


Install structured cabling

Distribute audio and video signals

Regulate temperature and sunlight

Manage and optimize lighting



Ensure the flow of electricity

Remotely manage and control all infrastructures

Recharge electric vehicles

Measure and control energy consumption

Organize datacenters' white-space infrastructures

Supply power to workstations

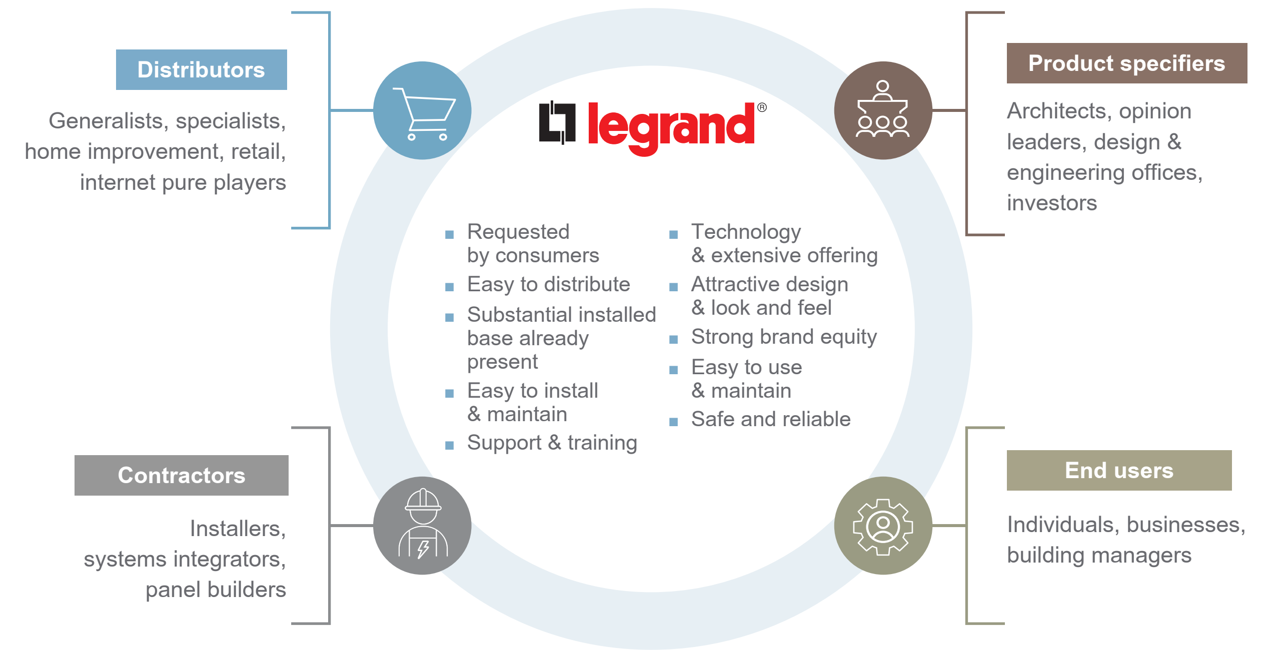
Ensure that people can move around buildings and exit them safely

Welcome and screen visitors

Strategic positioning

Legrand: a key player in the value chain

Delivering major benefits to the entire value chain…



... that help to build leadership positions

Sales generated through leadership positions(1)

~2/3
of sales

(1) Sales generated by no. 1 or no. 2 market positions for a product range on a given market.

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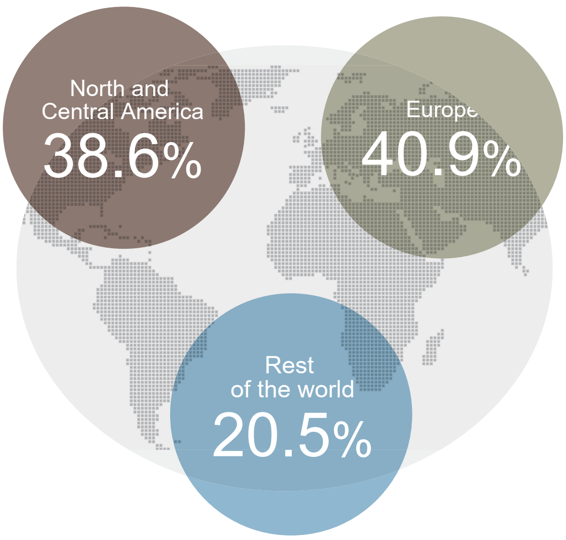
Exposure to structurally positive trends

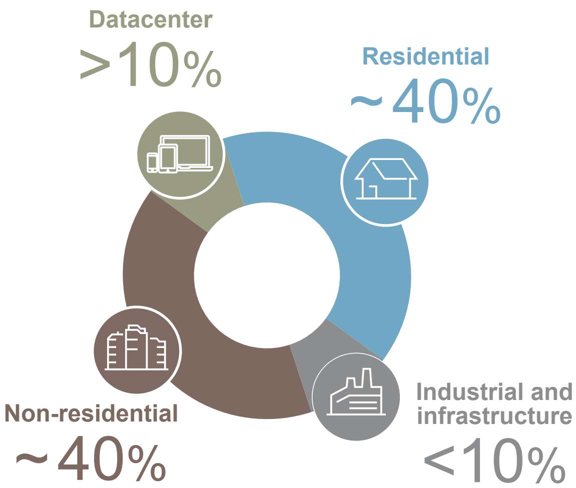
Secular trends	Top-of-the-agenda trends	Post-Covid trends
Demographics Population growth is driving up consumption and infrastructure spending **Urbanization** Better living conditions, work opportunities and higher incomes are favoring demand for smart applications and for the internet of things **Rising middle class** Rising middle classes are investing in high-quality digital products, services and technologies	**Buildings of the future** Smart-Connected-Simple-Safe products and applications are becoming essential **Climate emergency** More efficient, smarter buildings have a crucial role to play in curbing global warming This trend is supported by higher expectations among customers, stimulus plans recognizing the need to make buildings “greener” and stricter regulations in areas such as energy efficiency and carbon emission reductions **Health and wellbeing** Societies are putting greater emphasis on well-being and assisted-living systems	**Digital lifestyles** Digitalization combined with the shift in lifestyles is giving rise to structural trends for buildings in terms of connectivity and standards of comfort **Hybrid workplaces** Adjustments to office spaces are required (meeting rooms, social distancing) Workspaces will feature greater connectivity and even more embedded technology **Online business** Digitalization is driving more online purchases and sourcing, plus an increased need for digital infrastructure in all buildings

Balanced exposure (2021 sales)

3 main geographical regions



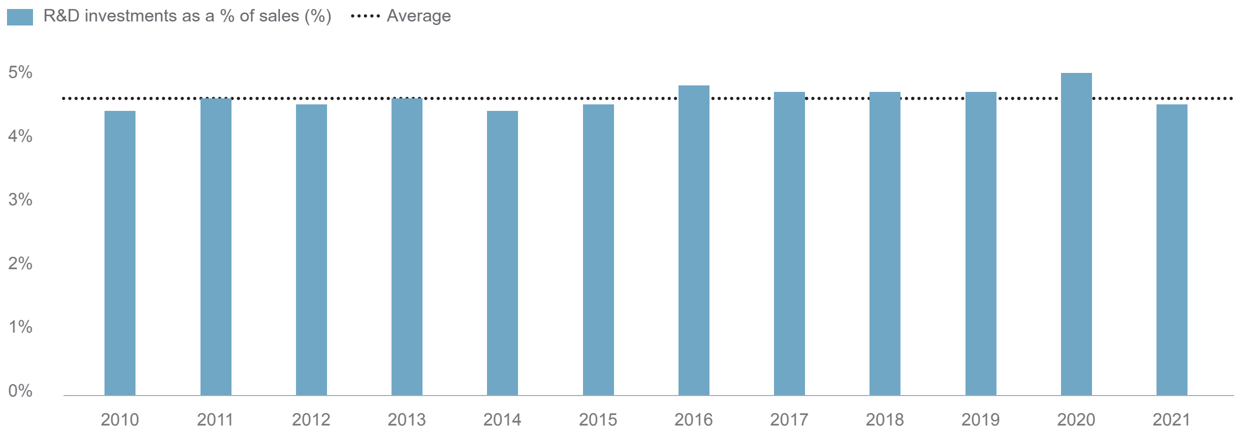
4 main end markets



Strategy focused on growth

Organic growth driven by innovation and by sales and marketing initiatives

Organic growth driven by product innovation with high levels of investment in R&D



Video door-entry system Classe 300 EOS

Disinfectant lighting technology “Indigo Clean”

Linkeo Datacenter cabinets

Targeted acquisitions

A still fragmented market made up of close to 3,000 small- and medium-sized businesses, half of which are owned by local players

Close relationships established with around 300 companies representing substantial potential for Legrand

Selective approach: close to 5 acquisitions per year on average since 2010, forming a very good fit with Legrand's business activities and creating value for the Group within 3 to 5 years

Highly efficient docking process

54 acquisitions between 2010 and 2021*

€5.3 billion invested between 2010 and 2021

+4.1% per year in inorganic growth on average between 2010 and 2021

** including Emos.*

Accelerated development thanks to faster expanding segments

Three faster expanding segments

Datacenters	Connected products – Eliot program	Energy efficiency
x2 % of Group sales since 2017	**>40** categories of connected products out of >100	**>13** million metric tons of CO_2 emissions avoided for our customers since 2014
Close to 13% of the Group's sales in 2021	Around 15% of the Group's sales in 2021	Around 21% of the Group's sales in 2021

A medium-term ambition: generating half of sales in faster expanding segments

2015	2020	2021	Medium-term
18% of sales	31% of sales	33% of sales	50% of sales

Longstanding CSR program

2004	2007-2010	2011-2013	2014-2018
Creation of a Sustainable Development function	1st Roadmap	2nd Roadmap	3rd Roadmap 122% achievement rate
	▪ Joined the **Global Compact** ▪ Added to the FTSE4Good index (2007)	▪ Accreditation for **Responsible Supplier** Relationship ▪ Launch of the **Group compliance program**	▪ **Certification** by an external auditor ▪ CSR criteria factored into **long-term compensation**

2019-2021 — 4th Roadmap — 131% achievement rate

- Three key areas – Business Ecosystem, People and the Environment
- 10 key challenges contributing to **10 of the United Nations Sustainable Development Goals**

2022 — 1st milestone for carbon neutrality

- **Neutrality on Scopes 1 and 2**, on business travels and on day-to-day employee commute
- Participation in voluntary projects to offset residual CO_2 emissions across the aforementioned scopes

2030 — 3 targets for 2030

- **80%** of sales from **eco-responsible** solutions in terms of their design and/or usage
- **Women to hold at least one-third of the Group's key positions & gender-balanced workforce**
- Acceleration in efforts to cut emissions to reach the targets validated by SBTi (1)

2050 — Carbon neutrality

- Strong reduction in CO_2 emissions across the whole value chain and neutralization of residual emissions

Aligned with priorities and global standards

Main contributions to the United Nations Sustainable Development Goals

Protect and improve the health, safety and well-being of the occupants of living spaces	3 Good health and well-being
Encourage diversity and inclusion at work	5 Gender equality
Equip buildings with more reliable and efficient energy supplies to help combat climate change	7 Affordable and clean energy; 13 Climate action
Supply products and solutions that are sustainable and part of the circular economy, safe, resource efficient, and transparent on their impact	12 Responsible consumption and production

(1) For more information, please refer to the press release of July 30, 2021.

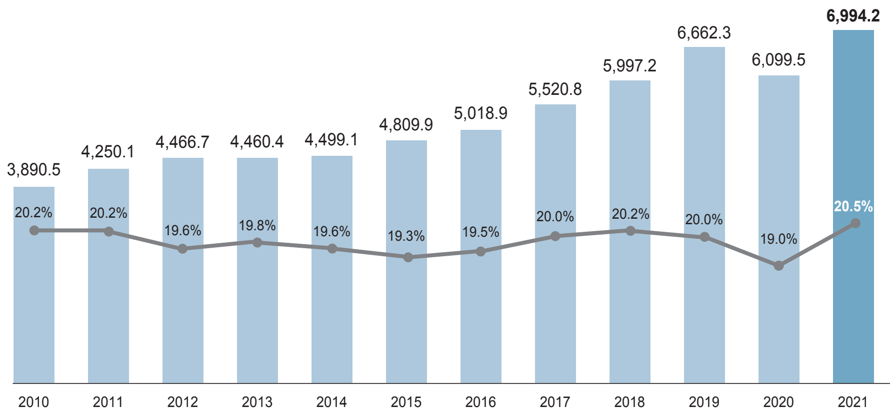
Integrated performance

Historical performance

2010-2021 historical financial performance

Sales (€ million) and
adjusted operating margin
(as a %) 2010 to 2021

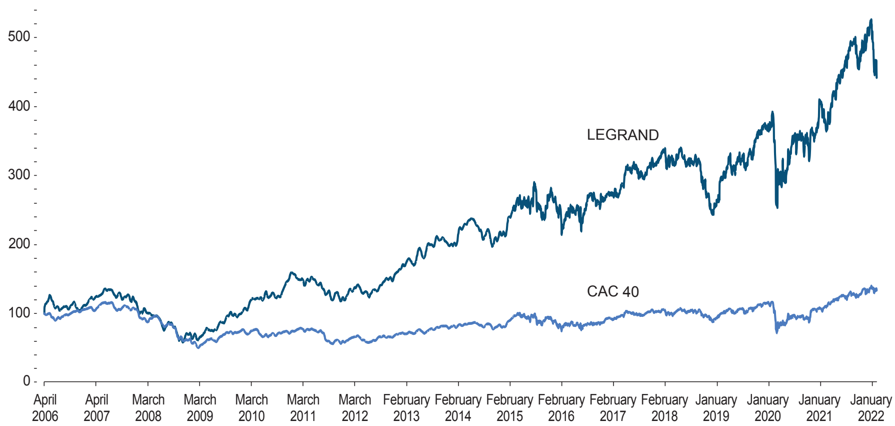
Adjusted operating margin (%)



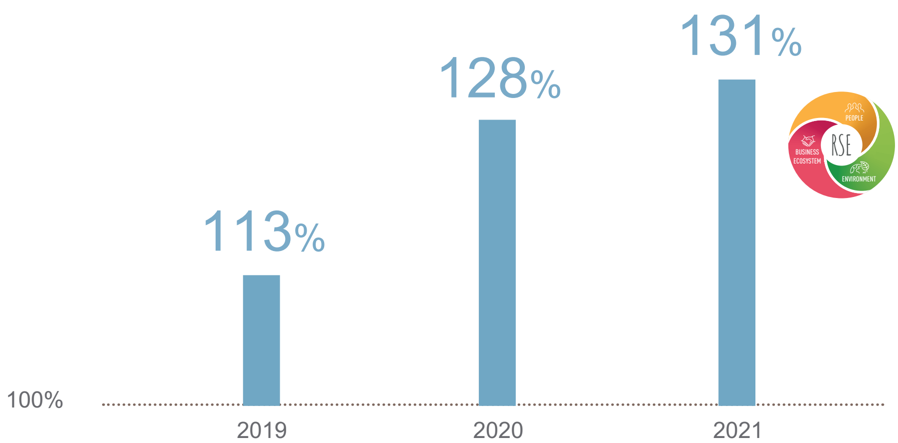
Share price performance

Between April 6, 2006
and February 11, 2022
(rebased 100 in 2006)

Annualized total shareholder
return including reinvestment
of dividends: 14%
(at December 31, 2021)



2019–2021 non-financial performance



Mid-term outlook driving value creation

Sustained sales growth **+5% to +10%** **average annual growth in sales excluding exchange-rate effects**	- Supported by a strengthened business model - Market expansion driven by structural trends and new addressable segments (> €30 billion) - Organic growth profile strengthened with faster expanding segments from 33% of sales in 2021 to 50% in the medium term - Bolt-on acquisitions strategy to be pursued with 3 to 6 deals per year
~20% of sales adjusted average operating margin	- Supported by volume-related leverage, sector-benchmark ability to raise selling prices, and solid cost management Full absorption of: - Investments in organic growth - Dilutive impact of new acquisitions (-10 to -50 basis points per year) - Financing of restructuring initiatives
13% to 15% of sales, average normalized free cash flow	- Balanced capital allocation – >1/2 of free cash flow invested in bolt-on acquisitions, while preserving a solid balance sheet – Average dividend payout ratio of ~50% – Share buybacks to compensate for the dilution linked to LTI programs

Climate	**2050:**	**Carbon-neutrality:** reduction in CO_2 emissions across Scopes 1, 2, & 3 and neutralization of residual emissions
	2030:	**SBTi target[1] (1.5°C):** Scopes 1 & 2 -50%, Scope 3 -15%
	2022:	**Carbon-neutral operations:** Scopes 1 & 2 and part of Scope 3 (business travel and day-to-day employee commute) emissions with voluntary carbon offsets
Diversity & inclusion	**2030:**	**1/3** of **key positions** held by **women** **Gender balance** across the Group's **entire workforce**
Eco-responsible revenue streams	**2030:**	**80%** of products (by revenue) are **eco-responsible** by design or by usage

(1) 2030 targets compared wtith 2019.

Integrated performance

2019-2021 CSR Roadmap performance

Business ecosystem

	PRIORITIES AND OBJECTIVES	Results 2019	Results 2020	Results 2021
Sustainable solutions	Protect the health and safety of users			
	100% of sales to be covered by the product risk management procedure	98%	100%	**100%**
	Stimulate innovation thanks to partnerships			
	10 innovation partnerships to be implemented every year	15	24	**32**
Sustainable purchasing	Raise awareness and provide sustainable purchasing training			
	1,000 employees to be given responsible purchasing training in 2021	503	651	**501**
	30 countries to incorporate "life cycle cost" in their purchasing policy in 2021	9	23	**28**
	Measure progress of suppliers identified as at-risk in CSR terms			
	100% of suppliers identified as being at-risk to make improvements in 2021	-	78%	**113%**
Act ethically	Continue to train employees on business ethics			
	Business ethics training to be delivered to 3,000 employees every year	4,151	13,511	**21,707**
	Monitor implementation of the Compliance program			
	100% of sales to be covered by the business ethics program	97%	95%	**97%**

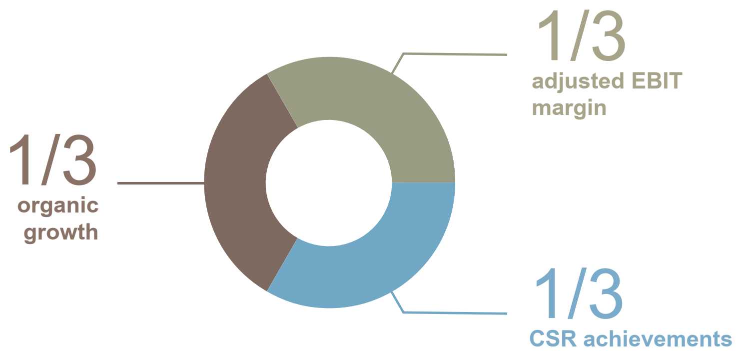
People

	PRIORITIES AND OBJECTIVES	Results 2019	Results 2020	Results 2021
Human rights and communities	Comply with the Group's commitment to human rights			
	100% of Legrand's locations to uphold human rights	100%	100%	**100%**
	Contribute to communities			
	75% of countries to implement a skills-sharing strategy in 2021	61%	80%	**89%**
Equal opportunities and diversity	Encourage gender diversity			
	Ratio of management positions held by women to increase by 20% in 2021	+3%	+10%	**+18%**
Health, safety and well-being at work	Deploy best practices on health and safety at work			
	Accident frequency rate (with and without lost time) to be cut by 20% in 2021	-16%	-30%	**-46%**
	90% of employees to be covered by the Legrand Way "Health and safety rules" in 2021	44%	65%	**94%**
	Strengthen employee engagement			
	100% of scopes to be covered by an "employee engagement" plan	100%	100%	**109%**
	95% of workforce to be covered by the Serenity On program in 2021	83%	93%	**97%**
Skills	Develop the skills and talents of all employees			
	85% of employees to receive at least 4 hours of training every year	85%	89%	**93%**
	90% of managers to be given an annual performance review every year	93%	98%	**97%**

Environment	PRIORITIES AND OBJECTIVES	Results 2019	Results 2020	Results 2021
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%	**-28%**
	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	3.0 Mt	**3.3 Mt**
Circular economy	Incorporate circular economy principles in the development of new products 100% of circular economy principles to be introduced at R&D centers in 2021	94%	97%	**104%**
	Provide environmental information on the Group's products Two-thirds of annual sales to be covered by audited environmental statements	62%	67%	**70%**
	Recover the waste generated by the Group 90% of waste to be recovered every year	90%	90%	**92%**
Air pollution	Reduce Volatile Organic Compounds (VOC) emissions VOC emissions to be cut by 10% by 2021 (2018 base, at constant scope)	- 4%	- 26%	**- 22%**

Compensation in line with the Group's objectives

~20%
of managers
qualify for long-term incentive plans (LTIs)



Structure of long-term incentive plan for key Group positions

Business model

Capital, 2021 figures

Human capital

- Over **38,200 employees** (38% women)
- **2,600 people** working in R&D in more than 20 countries
- Engaged teams
- 80% engagement rate

Industrial capital

- Close to **120 manufacturing sites** in **30 countries**
- 83% of sites ISO 9001-certified
- 88% of sites ISO 14001-certified

Financial capital

- 69.5% of the share capital held by long-only investors
- Net debt equal to **1.5x EBITDA**
- S&P rating of A- stable

Intellectual capital

- Around **3,900 patents**
- Around **80 trademarks**
- Over **15% of R&D teams dedicated to software and firmware**

Social capital

- **67% of purchases** from suppliers that have embraced Global Compact principles
- Corporate sponsorship agreements (*Électriciens 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

Growth drivers

External growth

54
acquisitions
between 2010 and 2021*

** including Emos.*

€5.3 billion
Invested

Organic growth

Innovation

~5%
of sales
invested in R&D
on average between 2010 and 2021

Excellence in sales and marketing

More than 300,000
product references

- Portfolio with 130,000 product references in ETIM* format
- Market-focused organization:
  - local organization
  - around 19% of the workforce dedicated to the Group's sales and marketing activities
- Digital best practices:
  - e-marketing, data analytics
  - e-commerce
- Satisfaction survey (Customer Satisfaction - CSAT score of 88%)

** Electro-Technical Information Model.*

Leadership positions

Close to **2/3** of sales

generated through no. 1 or no. 2 market positions

At least one leadership position in over

45

countries

Solutions that are	… with added value
▪ Reliable	▪ Features
▪ Available	▪ Simplicity
	▪ Comfort
	▪ Safety
	▪ Aesthetics

Faster expanding segments

- Energy efficiency
- Connected products – Eliot program
- Datacenters

Priority ESG objectives

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

Long term value creation

2021	2010-2021	2021
€7.0 billion in sales, of which 33% generated in faster expanding segments	20% adjusted operating margin	€1.1 billion normalized free cash flow

Balanced split of value added for stakeholders (2010-2021)

25%
Investments in development
– Capital expenditures (4%)
– R&D investments (4%)
– Acquisitions (17%)

25%
Other stakeholders
– Shareholders (11%)
– Governments (11%)
– Banks (3%)

50%
Employees

Business ecosystem

- **116 innovation partnerships** since 2014
- Over **1.5 million customers** trained since 2014
- **100% of suppliers** classified as at-risk from a CSR perspective have improved over the past three years
- Business ethics training delivered to more than **21,000 employees** over the past three years

People

- **89% of countries** have introduced a charitable giving policy
- **2.9 million people** have benefited from electricity supply projects carried out with *Électriciens sans frontières* since 2007
- **46% reduction in the frequency rate of workplace accidents** since 2018
- **97% of employees covered** by Serenity On, the Group's global program for minimum social coverage
- **93% of employees** received at least 4 hours of training during the year
- **18% increase in the proportion of female managers** since 2018
- **80% employee engagement rate** at Legrand following the 2021 engagement survey

Environment

- **92% of waste** recovered
- **28% reduction in direct CO_2 emissions** since 2018 (at comparable structure)
- **13.2 Mt of CO_2 emissions avoided** since 2014 through our energy efficiency solutions

2022-2024 CSR Roadmap

Promote diversity and inclusion

For Legrand, diversity and inclusion are contributing factors to sustainable performance and wealth.

- **Gender diversity**

  Achieve a level of 30% of management positions filled by women

- **'Diversity & Inclusion' labelling**

  Achieve a level of 80% of the workforce working at an entity holding the 'Diversity & Inclusion' label

- **Employability of Early-in-careers**

  Offer 4,000 new opportunities to Early-in-careers each year

- **Diversity and inclusion among suppliers**

  Develop 200 additional businesses with suppliers qualified as 'Diversity & Inclusion'

5 GENDER EQUALITY
8 DECENT WORK AND ECONOMIC GROWTH
10 REDUCED INEQUALITIES

Reduce our carbon footprint

Reducing the Group's carbon footprint is a priority in our efforts to combat climate change.

- **CO_2 emissions avoided for our customers**

  Thanks to the Group's Energy Efficiency solutions, enable our customers to avoid the emission of 12 million tons of CO_2

- **Direct and indirect CO_2 emissions (Scopes 1 and 2)**

  Reduce the Group's CO_2 emissions on Scopes 1 and 2 by 10% each year through energy efficiency improvements at our manufacturing sites and renewable energy deployment

- **Indirect CO_2 emissions (Scope 3)**

  Encourage at least 250 key suppliers to have an official CO_2 emission reduction target of 30% on average by 2030

7 AFFORDABLE AND CLEAN ENERGY
13 CLIMATE ACTION

CSR

Develop a circular economy

Embedding a circular economy approach into Legrand's activities is a major focus for the Group's sustainable development.

- **Use of recycled materials**

  Achieve a 15% recycled plastics use rate and 40% recycled metals use rate in products manufactured by the Group

- **Phase out single-use plastic**

  Eliminate 100% of single-use plastic in flow pack and expanded polystyrene packaging

- **Environmental declarations**

  Cover 72% of the Group's annual sales with Product Sustainable Profiles

Be a responsible business

Acting as a responsible player means upholding and valuing all our stakeholders, especially employees and customers, in our daily work activities.

- **Customer satisfaction**

  Achieve 90% of sales made to satisfied customers (satisfaction surveys)

- **Business ethics/compliance**

  Supervise, provide training and ensure compliance in relation to the Group's commitments in the area of business ethics

- **Employability and skills development**

  Provide training for 85% of employees each year and attain 7 hours of annual training for each employee

- **Safe workplace**

  Reduce the workplace accident frequency rate by 20% (FR2)

- **Expanded social coverage**

  Expand the Serenity On program to cover 100% of employees

Risk management

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

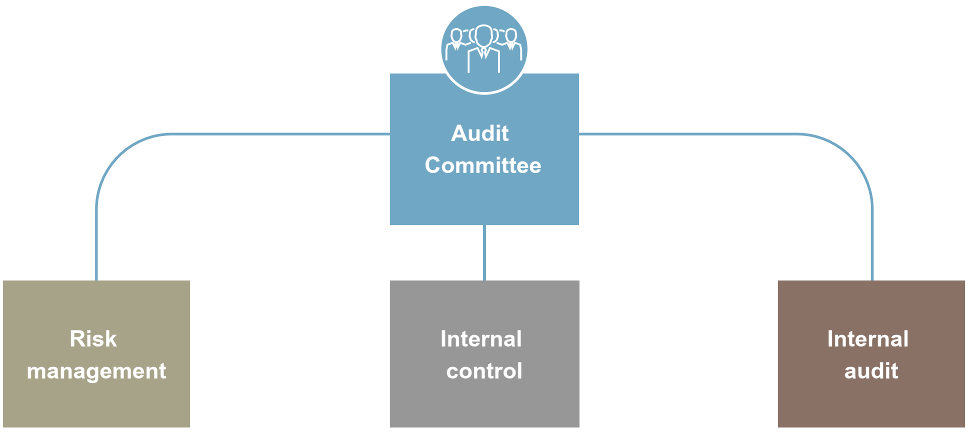
Group risk mapping

As Legrand 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 or human failure, fraud, non-compliance with regulations, etc.).

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

Dedicated governance framework



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

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

Internal audit
- 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 acquisition targets, acquiring them 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 dialogue ▪ 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	▪ Impacts 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

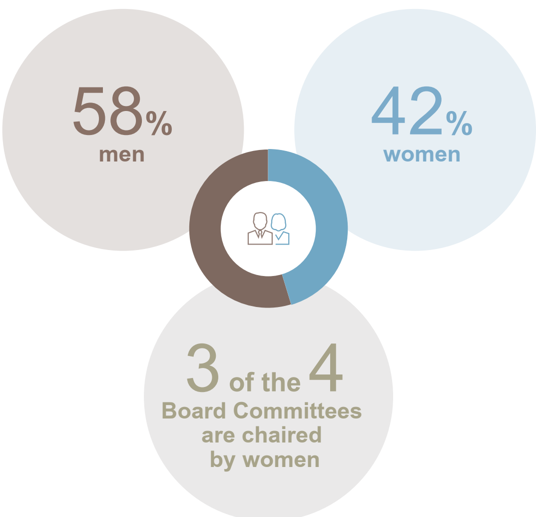
> **As Chairwoman of the Board, I am endeavoring to ensure Legrand continues to uphold best practices in corporate governance in the interest of the Group and of its stakeholders.”**

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

75% ratio of independent directors

5 nationalites represented on the Board of Directors

Gender balance on the Board of Directors*



Board of Directors: independence, diversity and variety of skills

Legrand is listed on Euronext Paris and is a component stock 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. Legrand abides 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.

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

(1) Information provided at the filing date of this Universal Registration Document.

The Board of Directors

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

Daniel BUISSON
Director representing employees
French national

Jean-Marc CHÉRY
Independent director
French national

Benoît COQUART
Director
French national

Edward A. GILHULY
Independent director
US national

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

Exemplary governance

Legrand ranks among the CAC 40 companies with the best governance scores as reflected by the CAC 40 Governance index.

7
Meetings of the Board of Directors

95%
Director attendance rate at Board meetings

2
Directors' meetings not attended by internal and executive directors

1
Externally conducted assessment of how the Board of Directors and the Board Committees operate

6
Meetings of the Audit Committee

3
Meetings of the Compensation Committee

7
Meetings of the Commitments and CSR Committee

5
Meetings of the Nomination and Governance Committee

99%
Director attendance rate at Board Committee meetings

2021 figures.

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The Executive Committee: an experienced and multidisciplinary team

The Executive Committee forms a close-knit, ten-member team, including four women, with a complementary range of expertise. All its members understand the Group's core business and its development priorities.

Benoît COQUART
Chief Executive Officer
joined the Group in 1997

Karine ALQUIER-CARO
Executive VP, Purchasing
joined the Group in 2001

Bénédicte BAHIER
Executive VP, Human Resources
joined the Group in 2007

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

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

Viginie GATIN
Executive VP, Corporate Social Responsibility
joined the Group in 2021

Gloria GLANG
Executive VP, Strategy and Development
joined the Group in 2019

Franck LEMERY
Executive VP, Chief Financial Officer
joined the Group in 1994

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

Frédéric XERRI
Executive VP, Europe
joined the Group in 1993

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02

Group overview

2.1 - Legrand and its business

2.1.1 - A unique model of responsible value creation

Legrand is the only global specialist in electrical and digital building infrastructures. The Group's addressable market is worth about €110 billion and is not very sensitive to the economic cycle. Legrand's offering has unrivaled depth with more than 300,000 product references across more than 100 product families. They are sold under generalist, specialist and local brands that are recognized by the Group's entire ecosystem (distributors, installers and end-users).

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

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

- highly committed teams, comprising more than 38,200 staff members in 2021 in close to 90 countries; and
- a business culture that focuses on performance, both financial and non-financial.

Legrand is listed on Euronext Paris and is a component stock of the CAC 40 and the CAC 40 ESG indexes. It reported sales of €7.0 billion in 2021.

2.1.1.1 Main advantages of the Legrand business model

The main advantages of the Legrand business model are its vast catalog of products and solutions, its unique position as a global specialist, its leadership in multiple areas and, finally, the special relationship it has with its economic chain because of its value proposition. With its unrivaled product range (more than 300,000 product references) sold in almost 180 countries, Legrand is the only global specialist in electrical and digital building infrastructures. It is a leader in numerous areas – with nearly two thirds of sales coming from areas in which it ranks number one or two – and has balanced geographical and sector exposure.

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

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

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

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

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

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

The Group's addressable market was estimated to be worth about €110 billion in 2021, and covers both the newbuild and renovation of buildings.

The market is characterized by:

- fragmented business flows from hundreds of thousands of customers;
- recurring business in the renovation segment, which accounted for around 45% of Legrand's sales in 2021; and
- a relative lack of overall commoditization.

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

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

(1) Acquisitions that complement Legrand's activities.

(2) Environmental, Social and Governance.

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

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

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.

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2.1.1.1.2 A product range of unrivaled depth

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

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

- control electrical installations (switches, user interfaces with up to 200 functions, wiring devices with integrated voice command, etc.). Legrand considers itself the world leader in control and connection interfaces. It is one of the few manufacturers whose offering complies with most of the standards in use around the world;
- make power available in all types of buildings (domestic and industrial power sockets, USB connectors, etc.);
- supply power to workstations (mobile or flush-mounted sockets, floor boxes, etc.);
- provide a secure, stable and optimized power supply (UPS[1] systems, transformers, harmonic filters, etc.), particularly in buildings that have significant digital infrastructure;
- protect electrical installations (residential or power-system protection panels, modular circuit-breakers, circuit-breakers with molded cases, air circuit breakers, residual current circuit-breakers and switches, etc.). These products:
  - protect people and property from major electrical risks;
  - ensure a reliable, high-quality power supply to all kinds of buildings;
  - protect renewable energy sources;
- distribute electricity around a building (metal or plastic cable management for ceilings, floors or walls, busbar trunking, floor boxes, etc.) while preventing any accidental contact between electrical cables and other electrical or mechanical equipment or with people;
- secure buildings (intrusion alarms, access control, technical alarms, smart locks, etc.);
- welcome and screen visitors (audio and video door-entry systems, doorbells, etc.);
- regulate temperature and sunlight (thermostats, shutter controls, etc.);
- install structured cabling within a building (cabinets and enclosures, patching racks, copper and fiber-optic connectors, etc.);
- organize the infrastructure of a datacenter's white-space (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.

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

(1) Uninterruptible power supplies.

(2) PDU: Power Distribution Unit.

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

2.1.1.1.3 The only global specialist in electrical and digital building infrastructure

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

Almost all of its sales relate to buildings:

- residential spaces: around 40% of sales in 2021, with more than half coming from the renovation segment;
- datacenters: more than 10%;
- non-residential spaces (offices, hotels, healthcare, education, etc.): around 40%, with more than half coming from the renovation segment; and
- other spaces (including industrial sites and infrastructure): less than 10%.

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

Core infrastructure products accounted for around 67% of sales in 2021 (versus 69% in 2020). Sales of these solutions grow at a similar pace to gross domestic product (GDP), in line with building activity in each country.

Faster expanding segments (connected products in the Eliot program, datacenter solutions, energy efficiency programs) accounted for around 33% of sales in 2021 (versus 31% in 2020). They are growing faster than the building market in general and are helping to raise the Group's presence in new customer categories.

2.1.1.1.4 A leading player with an unavoidable presence

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

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

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

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

This solid presence means that Legrand is an unavoidable benchmark in its markets. Its competitors include:

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

(1) PDU: Power Distribution Unit.

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

(3) Uninterruptible power supplies.

2.1.1.1.5 High profile developed through a portfolio of leading brands

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

Legrand markets its products:

- under world-renowned generalist brands such as Legrand and Bticino; and
- under an extensive portfolio of around 80 brands, either specialist brands such as Cablofil or Netatmo, or brands that are also very well known at the local level. Such brands include:
  - in Europe, Arnould, Debflex, Intervox, Planet Watthom, S2S, Zucchini, URA, IME, Kontaktor, Ecotap, Electrak, Ensto, Estap, Inform, Neat, Tynetec, Minkels and CP Electronics;
  - in North and Central America, Champion One, Chief, C2G, Da-Lite, Kenall, Finelite, Focal Point, Middle Atlantic Products, Pinnacle, Raritan, Sanus, Server Technology, Starline, Vantage and Wattstopper;
  - in the Rest of the World, Clever, Lorenzetti, HPM, HDL, SMS, Indo Asian, Numeric, Megapower and Shidean.

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

Legrand also holds around 3,900 active patents in about 70 countries, and its patents have an average remaining life approaching 9 years. They cover close to 1,700 different systems and technologies. The Group's level of dependence on third-party patents is not considered to be material.

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

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

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

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

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

2.1.1.2 A growth-focused model

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

2.1.1.2.1 First driver: organic growth

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

Innovation driven by research and development

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

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

Product development focuses mainly on the following aspects:

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

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

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

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

Legrand's research and development is carried out in particular in France, Italy, the United States and Asia (around 22% of R&D staff numbers). In 2021, around 2,600 employees in more than 20 countries were employed in research and development, of which more than 15% focused on software and firmware.

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

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

- the Classe 300 EOS connected door-entry system launched in 2021, which allows users to manage access to their homes manually, using their voices or remotely using the Home + Security app;
- the Drivia with Netatmo smart electrical panel, which allows users to manage and control an electrical installation's power consumption remotely using the Home + Control app, and won two prizes in CES 2020;
- connected smart thermostats such as Smarther with Netatmo, launched in 2020;
- the range of connected sockets and switches, including Céliane with Netatmo, which won a prize in CES 2017, and Living Now with integrated Alexa™, which won a prize in CES 2019;
- connected emergency lighting systems, sold 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; and
- Linkeo cabinets for datacenters, which ensure secure hosting of infrastructure in white space.

The Group is also continuing the geographical roll-out of its connected user interfaces, which are now sold in 69 countries, including 25 new countries in 2021.

Solid expertise in pricing

Legrand's average selling prices have increased every year for almost 30 years, and by an average of 1.7% per year from 2010 to 2021.

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

- pricing managers, whose task is to adjust selling prices by product reference based on value in use, innovation offered and market conditions, as well as movements in raw materials and component prices and inflation in general;
- a toolbox that uses data to fine-tune pricing for each product reference;
- the performance management process, with selling price effects discussed in each performance review.

This ability to increase selling prices also relies on customer loyalty, and on the Group's ecosystem more generally:

- end-users are less sensitive to product prices than in other industries. Electrical installation work (including cables and labor) usually accounts for only a small portion of the total average cost of a new-build construction project. For a residential project, for example, this share is around 7% to 8%;
- because labor represents a significant cost component for installers, they first look for products that will enable them to do fast, high-quality work. In a recent study, 90% of the Group's customers[1] said that they did not prioritize pricing when making purchasing decisions. Availability, quality and ease of installation are key criteria that also explain why installers remain very loyal to the brands they have selected.

Increase in the average value of purchases (mix effect)

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

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

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

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

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

2.1.1.2.2 Second driver: acquisitions

Growth through bolt-on acquisitions is a key component of Legrand's development model. Since 1954, the Group has acquired 179 companies.

The Group spent €5.3 billion and made 54 acquisitions since 2010 (including that of Emos early 2022), which:

- represented sales of around €2.6 billion and that drove average annual external growth by 4.1%;
- strengthened the Group's positions in:
  - historical segments such as user interfaces, power protection and cable management (around 10% of sales stemming from acquisitions between 2010 and 2021),
  - adjacent segments (product categories in which Legrand did not operate before 2010) such as audio-video infrastructure, UPS[1] systems and specification-grade architectural lighting for commercial buildings (over 45% of sales stemming from acquisitions during the period),
  - faster expanding segments, such as connected products in the Eliot program, datacenter solutions and energy efficiency solutions (just under 45% of sales stemming from acquisitions during the period).

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

A market that is still fragmented and that offers many opportunities

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

This market fragmentation:

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

Proven track record of growth through targeted acquisitions

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

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

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

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

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

Strict investment criteria in strategic and financial terms

The Group's acquisition policy is highly disciplined. It consists of a multi-criterion analysis that enables it to ensure that acquisitions:

- are a very good fit with the Group's current activities (increasing local market shares; and/or expanding the product range; and/or strengthening positions in high-potential markets); and
- comply on average with precise financial criteria, which primarily include:
  - an acquisition price corresponding to the usual valuation multiples when compared with those applied to companies in the same sector or the same markets,
  - a positive impact on net 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.

This disciplined approach has recently enabled the Group to become:

- number one in PDUs[3] in the United States (Raritan in 2015, Server Technology in 2017) and the Chinese leading player (Shenzhen Clever Electronic in 2018);

(1) Uninterruptible power supplies.

(2) Acquisitions that complement Legrand's activities.

(3) PDU: Power Distribution Unit.

- a leading player of busways[1] for datacenters in the United States and South Africa (Universal Electric Corporation in 2019, including the Starline brand);
- US number one in audio-video infrastructure (Milestone in 2017) and in non-residential, high-specification architectural lighting (Pinnacle Architectural Lighting in 2016, Finelite and OCL in 2017, Kenall in 2018 and Focal Point in 2020);
- European number two in assisted living (Intervox, Tynetec, Neat and Jontek, between 2011 and 2016).

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

2.1.1.3 Effective organization and processes

2.1.1.3.1 A responsive organization that has close ties with its markets

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

Global Back Office

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

Its priority tasks are to:

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

Local Front Offices

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

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

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

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

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

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

In 2021, sales by destination and weighted average headcount in the three regions were as follows:

- for Europe, €2,859.7 million and nearly 14,900 people;
- for North and Central America, €2,700.7 million and close to 7,100 people; and
- for the Rest of the World, €1,433.8 million and almost 16,200 people.

Please refer to sections 5.4.1 and 4.6.2.2 of this Universal Registration Document for more information on business trends by geographic region in 2021, and for a breakdown of average headcount by geographic region and by category (Front Office and Back Office).

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

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

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

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

Legrand monitors its performance very closely using the following tools:

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

  The country manager and his/her team are fully accountable for fulfilling the contract and therefore for realizing the appropriate scenario given the operating environment;
- the Group conducts quarterly performance reviews with country managers to assess achievement and the implemented scenario;
- comprehensive monthly reporting, used to assess performance relative to the latest approved scenario.

In addition to this ongoing monitoring work, the Group has long-term performance-linked incentive plans for almost 20% of Group managers in 2021, with a major part based on awards of performance shares. Organic growth, adjusted operating margin and the achievement of CSR targets at the Group level each account for a third of the criteria for awards under four-year incentive plans. Incentive plans for Executive Committee members include an additional criterion related to Legrand's share price performance relative to the CAC 40 index.

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

This policy directly encourages the creation of financial and non-financial value over time, while generating loyalty among managers (see sections 4.1.7, 6.2, 7.2 and 7.3 of this Universal Registration Document).

The Group's current and former senior management and employees held 3.74% of the Company's share capital as at December 31, 2021.

2.1.1.4 Solid and responsible value creation

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

Between 2015 and 2021 and overall, the Group's sales rose as follows:

- by +45% in absolute terms, including +31% in Europe, +116% in North and Central America, and +4% in the Rest of the World;
- by +17% at constant scope and exchange rates, including +25% in Europe, +14% in North and Central America and +13% in the Rest of the World.

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

Sales growth, together with demanding management, has resulted in levels of operating margins and cash generation that make Legrand a benchmark in its sector. On average between 2015 and 2021, the Group achieved:

- operating margin (with no adjustments) of over 18% of sales;
- free cash flow equal to 14% of sales, allowing the Group to self-finance development.

This enables the Group:

- to maintain an attractive dividend over time. Subject to the proposed dividend with respect to 2021 being approved by shareholders in the 2022 Shareholders' Meeting, the average payout ratio has been around 50% since 2006 and the dividend per share has not fallen once in that time;

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

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- to maintain a solid balance sheet structure capable of supporting its growth ambitions. To illustrate this, (i) Legrand's net debt/EBITDA ratio was 1.5 at December 31, 2021 and (ii) its Standard and Poor's rating of A- was confirmed in June 2021. This means that Legrand can raise funds in the market on favorable terms, as it did when it carried out its first bond issue linked to its carbon neutrality trajectory in September 2021[(1)].

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

For example, Legrand has:

- stepped up its commitment to combating climate change, adopting a carbon trajectory that is now aligned with the most ambitious target of the Paris Agreement, aiming to be fully carbon-neutral by 2050 with intermediate milestones in 2022 and 2030[(2)];
- stated its intention to increase female representation in its workforce and particularly in positions of responsibility, with the aim that one third of key positions will be occupied by women and that men and women will be equally represented in its workforce by 2030; and
- continued its initiatives in terms of exemplary governance, by shortening directors' terms of office from four to three years and maintaining a Board of Directors that has good female representation and many of whose members are independent and from international backgrounds.

The achievement rate of the third CSR roadmap (2014-2018) was 122%, and that of the fourth (2019-2021) was 131%. The fifth roadmap (2022-2024) was launched in early 2022.

As a result of its non-financial performance, Legrand is ranked in the Corporate Knights in 2022 (31st) and is among the top-rated companies in its sector by independent ESG agencies such as CDP Climate Change (List B), DJSI (80), MSCI (CSR score of AA), Ecovadis (Platinum status), ISS Oekom Corporate Rating (Prime status) and Sustainalytics (low risk). At the date this document was registered, the Group was also a member of the following benchmark indices: CAC 40 ESG, FTSE4Good and Vigeo Eiris (Eurozone 120 and Europe 120).

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

The Group's profitable and responsible growth strategy is widely acknowledged and has delivered front-running shareholder returns. The Group's share price rose by +421% between April 6, 2006 (IPO) and December 31, 2021, while the CAC 40 index rose +37%.

As a result, Legrand shareholders enjoyed an annual average return, with dividends reinvested, of almost +14% between 2006 and 2021.

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

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

2.1.2 - History

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

- **1865:** a porcelain tableware factory is set up in Limoges;
- **1904:** the porcelain factory is acquired by Frédéric Legrand, alongside Charles Alary and Jean Joquel, and later becomes the F. Legrand & Cie 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; the Group's sales exceed €1 billion;
- **1995:** issue of a $400 million Yankee bond maturing in 2025;
- **1996:** first operations in India with the acquisition of MDS;
- **1998:** the Group's total sales exceed €2 billion;
- **1999:** opening of Innoval in Limoges, an 8,000 m^2 showroom and training center for Group customers;
- **2000:** acquisition of Wiremold, the leading manufacturer of cable management systems in the United States;
- **2001:** Schneider Electric launches a friendly Public 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, a new organizational structure is introduced with the aim of separating Front Office and Back Office responsibilities;
- **2002:** finalization of the "demerger" from Schneider Electric. Legrand is acquired by a consortium consisting mainly of Wendel and KKR;
- **2003:** delisting;
- **2004:** creation of the sustainable development function;
- **2006:** Legrand is listed on Euronext Paris; Legrand joins the Global Compact;
- **2007:** first CSR roadmap; the Group's total sales exceed €4 billion;
- **2010:** first Eurobond issue for €300 million, maturing in 2017; entry into the UPS segment with the acquisition of Inform in Turkey;
- **2011:** Legrand returns to the CAC 40 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 connected solutions;
- **2016:** the Group's total sales exceed €5 billion;
- **2017:** acquisition of Milestone, a leading US player in Audio-Video infrastructure and power;
- **2018:** Legrand achieves its 2020 Eliot targets and steps up development of its dedicated connected objects program with the acquisition of Netatmo;
- **2019:** the Group's total sales exceed €6 billion;
- **2020:** Legrand steps up its efforts to combat climate change, committing to targets for 2022, 2030 and 2050;
- **2021:** the achievement rate for the fourth CSR roadmap is 131%; Legrand sets itself the medium-term target of generating 50% of its sales from faster expanding segments (datacenters, connected objects, energy efficiency).

2.2 - Faster growth momentum

2.2.1 - Increasingly favorable megatrends

2.2.1.1 Secular trends(1)

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

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

2.2.1.2 Key trends

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

- the rapid development of the **buildings of tomorrow**, both residential and non-residential, the main feature of which is that they will offer a more connected and simpler lifestyle. For example, the number of connected objects is expected to almost triple between 2020 (11.7 billion units) and 2025 (30 billion);
- the **climate and environmental emergency**, which is contributing to the development of buildings with no carbon footprint, since almost 40% of energy consumption and global CO_2 emissions come from buildings.

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

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

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

2.2.1.3 Accelerated trends

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

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

2.2.2 - Traditional growth drivers strengthened

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

New technologies, particularly digital ones, significantly increase the value in use of the Group's offerings, for both consumer and professional users, and make them even easier to install. Legrand is stepping up its investments in this area by devoting a growing proportion of its R&D to it. For example, R&D staff members focusing on firmware and software made up more than 15% of the total at the end of 2021 (as opposed to around 5% in 2010). Legrand intends to increase this ratio to 25% in the medium term.

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

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

- technical and logistical configurators along with online sales catalogs allowing customers to preconfigure the desired infrastructure;
- online digital content that presents products and makes them easier to install, particularly *via* tutorials;
- apps (such as the Home + Control and Home + Security mobile apps for connected products) and other specific management interfaces (*e.g.* for lighting solutions);
- full interoperability with standard control or management platforms for homes, large buildings (Building Management Systems) and datacenters (Datacenter Infrastructure Management). The Group facilitates the development of products that are interoperable with its connected and open source solutions as part of the Works with Legrand program. In this area, Legrand is continuing to set up collaborations, partnerships and other strategic technological alliances (for example with Apple, Google, Microsoft and Amazon™); and
- the provision of digital content for third-party platforms. In this way, Legrand is actively contributing to the development of BIM – Building Information Modeling, a digital planning process for a building's lifecycle – while deploying digital marketing content for distributors, specifiers and end-users (rich content), with 130,000 product lines already available in ETIM (Electro-Technical Information Model) format.

2.2.2.2 An ambitious plan of geographical development[1]

2.2.2.2.1 Geographical expansion *via* acquisitions

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

For example, Legrand has made 18 acquisitions in the United States since 2011. The US has been the Group's largest country in sales terms since 2015, and accounts for more than 35% of sales by destination. In the US, the Group has recently built solid leadership positions in several complementary areas:

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

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

2.2.2.2.2 Geographical expansion *via* organic growth

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

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

As regards setting up new operations, this strategy is used in particular in new economies (South America, Central America, Eastern Europe, Turkey, Asia excluding South Korea and Japan, Pacific excluding Australia, Africa and the Middle East). These countries offer major long-term growth potential. For example, Legrand intends to increase its presence in Africa, with the ambition of operating in 20 African countries *via* a subsidiary or sales office in each, as opposed to 12 at end-2021, 11 at end-2020 (and 5 at end-2010).

The Group currently generates more than a quarter of its sales in nearly 130 new economies and has a commercial and/or industrial presence in over half of them. China and India, the largest of these economies, accounted each between 4% and 5% of Group sales in 2021.

2.2.2.3 Favorable Development of new distribution channels

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

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

Legrand has a medium-term target of generating more than 15% of its sales online, as opposed to around 10% in 2021 and less than 2% in 2010. Sales break down as follows:

- around three quarters come from professional distributors, reflecting:
  - the Group's successful collaboration with its long-standing partners (rich content, data sharing, marketing initiatives, configurators), and
  - the multiplier effect from having both a digital and a physical presence;
- more than 15% come from companies specializing in online sales. This channel is growing rapidly and increases both customers' knowledge of the Group's products and their access to them;

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

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

(3) PDU: Power Distribution Unit.

- nearly 10% come directly from the Group's websites. This channel, which concerns a limited number of products and countries, is intended to raise visibility for marketing purposes and the Group does not intend to make a broad use of it.

2.2.3 - Confirmed ambitions in faster expanding segments

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

- products for datacenters (around 13% of sales in 2021);
- connected solutions in the Eliot program (around 15% of sales in 2021);
- products forming part of energy-efficiency programs (around 21% of sales in 2021).

Together (and excluding overlaps), these three categories accounted for around 33% of Legrand's sales in 2021 (versus around 31% in 2020 and 18% in 2015). As part of its strategic roadmap[1], the Group has set itself the target of generating around 50% of its sales from these three areas in the medium term.

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2.2.3.1 Datacenters

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

Legrand has actively expanded in this area: the proportion of its sales coming from datacenters has more than doubled in the last four years to around 13% in 2021 as opposed to around 6% in 2017.

By destination, datacenter sales were mainly made in North and Central America in 2021, where they represented about a quarter of the area sales.

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

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

The product range addresses all types of datacenter:

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

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

- technological innovation, in order to offer distinctive, leading-edge products such as its recently released Nexpand cabinets, its latest Keor (xpe & mod) and Upsaver UPS[4] ranges and its Inifinium acclAIM fiber-optic solutions;
- stronger Front and Back Offices:
  - Front Office: geographical expansion of Legrand Datacenter Solutions (LDCS) teams, which already operate in more than 40 countries, in order to roll out the Group's white-space products while capitalizing on relevant existing gray-space products (more than 90% of the Group's datacenter sales in 2021 were from white-space products). The Group won a number of high-profile projects in this way in 2021;
  - Back Office: roll-out of product platforms (particularly for cabinets, PDUs[2] and connectivity products);
- ongoing acquisitions of companies that have front-running positions in their markets. For example, the Group acquired Champion One in 2020, one of the main American third-party providers of fiber-optic transceivers and related devices, offering benchmark products, in both universal and customized configurations.

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

(2) *PDU: Power Distribution Unit.*

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

(4) *Uninterruptible power supplies.*

2.2.3.2 Connected solutions

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

The program accounted for around 15% of sales in 2021 as opposed to around 5% in 2014, and the Group is continuing to roll it out in many countries. The number of connected product families has doubled since launch to more than 40.

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

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

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

In 2021, sales from connected products were beyond the €1 billion milestone, and broke down as follows:

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

The Group's strategy aims to democratize connected buildings (*i.e.*, bringing them to the mainstream) through products known for their ease of installation and configuration as well as their modularity. They are particularly well suited to small and medium-sized buildings, and can also be integrated perfectly into large buildings.

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

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

The active and ongoing deployment of the Eliot program involves:

- entering new geographical markets. For example, Legrand is aiming to sell its connected user interfaces in around 90 countries by the end of 2022 and around 100 by the end of 2023, as opposed to five in 2018, 44 at the end of 2020 and 69 at the end of 2021;
- promoting connected products in a targeted way in each vertical;
- constantly improving the user experience by:
  - adding and improving functions within applications, and
  - integrating products into connected ecosystems. Legrand has a number of alliances in terms of technologies and protocols (Matter, ZigBee Alliance, Autocad, etc.).

Legrand's connected solutions improve wellbeing and help to optimize the use of buildings, particularly through the development of smart solutions for assisted living, which address an aging global population.

(1) PDU: Power Distribution Unit.

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

(3) Uninterruptible power supplies.

2.2.3.3 Energy efficiency programs

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

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

Legrand's solutions deliver significant energy savings of up to 35%[1].

Legrand estimates that its customers have avoided more than 13 millions of tonnes of CO_2 emissions since 2014 with its products (based on 70% of the current scope of energy efficiency programs between 2014 and 2020). Sales from energy efficiency programs reached around 21% of Legrand's total 2021 sales, and broke down as follows:

- by vertical: more than 40% commercial segments, about 30% datacenters and around 25% residential buildings;
- by geographical location: around one half in Europe and about one third in North and Central America.

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

- take advantage of stimulus plans and tougher regulations aimed at reducing building-related greenhouse gas emissions. For example, this is the case with the Nemo Green solution in France for commercial buildings;
- roll out its product ranges geographically. For example, the Group is aiming to sell its connected thermostats in around 25 countries by the end of 2022 as opposed to 17 at end-2021 and 16 at end-2020;
- continue acquisitions. In 2021, more particularly, Legrand strengthened its positions in electric vehicle charging points with the acquisitions of Ecotap and Ensto Building Systems, which means that it now:
  - offers a comprehensive product range,
  - generates almost 1% of its proforma sales (based on 12 months of consolidated sales) in this area.

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

- datacenter products that yield energy savings, both connected (such as PDUs[2] and metered busbars) and not (such as cabinets that optimize hot and cold air flows); and
- connected products that yield energy savings (such as thermostats, connected panels, user interfaces, etc.).

2.2.3.4 Additional growth opportunities arising from the Covid-19 pandemic

2.2.3.4.1 Accompanying increasingly flexible working methods

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

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

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

2.2.3.4.2 Meeting growing needs in the assisted living field

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

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

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

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

(2) PDU: Power Distribution Unit.

More generally, the roll-out of connectivity across the Group's offering, as part of the Eliot program, also addresses the desire for greater comfort and security, while also helping to make people more independent (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, etc.).

2.2.3.5 Eco-responsible products

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

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

- adopting circular economy principles, particularly by rolling out the Legrand Way for Eco-Design program across its R&D centers and by integrating recyclable materials into its packaging; and by
- giving customers the broadest possible information about the environmental impact of its products through PSPs (Product Sustainable Profiles) such as "PEPs", *i.e.*, Product Environmental Profiles, which together covered around 70% of its sales at the end of 2021.

In 2021, Legrand estimates that it generated around 75% of its sales from products that are eco-responsible because of the way they are designed or used (particularly in terms of energy efficiency). The Group is actively working on increasing that percentage to 80% by 2030, thus aligning itself increasingly with the UN's sustainable development goals.

Readers are invited to refer to sections 4.4.1 and 4.4.2 of this Universal Registration Document for further information on Legrand's energy efficiency activities and on the Group's eco-responsible products.

2.2.4 - A buoyant addressable market offering extension opportunities

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

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

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

Legrand is thus aiming to grow its addressable market from around €110 billion by the end of 2021 and to more than €160 billion in the medium term, of which more than €30 billion relates to new product categories.

2.3 - Ongoing approach of operational excellence and employee engagement

2.3.1 - An organization geared towards optimizing resources

2.3.1.1 Local Front Office

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

2.3.1.1.1 The front office's role and responsibilities

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

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

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

2.3.1.1.2 An economic chain adapted to market flows

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

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

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

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

2.3.1.1.3 A "push-and-pull" strategy

Sales and marketing are the responsibility of the Front Office, whose headcount accounted for around 19% of the Legrand total in 2021 (see section 4.6.2.2 of this Universal Registration Document). Marketing efforts are tailored to each type of customer (distributors, installers, specifiers and end-users). These efforts are primarily aimed at providing market participants with information, training, and other services relating to all of the Group's product ranges in order to encourage a high level of loyalty to its brands.

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

As part of the "push" strategy, Legrand maintains close relationships with distributors. The Group focuses on ensuring product availability, providing just-in-time delivery and simplifying the ordering, stocking and dispatching process. This 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* that are held by distributors, in return for which Legrand stocks non-priority finished products and undertakes to deliver them rapidly to distributors;
- *intelligent sorting*, which reduces the preparation work that distributors have to do themselves;
- *the establishment of an international logistics network* by interconnecting and synchronizing subsidiaries' local warehouses and by making logistics platforms available in Asia, the Middle East and Eastern Europe, thereby reducing the distance between products and customers.

Legrand enjoys strong, long-term commercial relationships with its distributors. In 2021, sales through its two main distributors Sonepar and Rexel accounted for close to 17% of the Group's sales, although this percentage varied from country to country. Legrand believes that no other single distributor accounted for more than 5% of the Group's global revenue in 2021. Legrand's other main customers include Adeo, Amazon, Comet, Comoli, Graybar, Menards, Wesco and Yess Electric.

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

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

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

- providing:
  - (i) training, technical handbooks, business software applications and a large amount of information in digital format to help customers with their digital communication (see chapter 2.2.2.1 of this Universal Registration Document),
  - (ii) training programs to local distributors and installers, in particular at its Innoval training centers (in France, the Middle East, Asia and South America).

In total, more than a million and a half customers have received training since 2014, in particular in the more than 20 centers around the world that provide training to participants in the electrical and digital industry. These training programs are designed to expand electrical installers' expertise and service offerings by familiarizing them with Legrand's latest product innovations and product installation methods;

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

2.3.1.2 A global Back Office

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

The Back Office's priority tasks are to:

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

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

2.3.1.2.1 Operations

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

- at the global level, it is in charge of the product development roadmap (deciding which products to develop, and when and where to develop them), firmware, software and applications, the production strategy (how and where to produce), purchasing, the supply chain, quality, and health and safety;
- locally, country managers are in charge of day-to-day management and the performance of the operations within their scope. Local systems and teams (research and development, production, purchasing, logistics and supply chain) provide the expertise that is crucial to understanding local market practices, optimizing costs and CO_2 emissions, and ensuring a high level of agility and responsiveness. Alongside a local Front Office, this organization allows the Group to respond rapidly when managing performance, including when the operating environment changes suddenly, as was the case with the Covid-19 crisis, the subsequent recovery and the strong pressure on supply chains that ensued.

Industrial organization and product development geared towards responsible operational excellence

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

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

To achieve this, Legrand:

- factors these criteria into the product design phase, specifically through the deployment of product and technology platforms (see section 2.1.1.2.1 of this Universal Registration Document). About 70% of the Group's sales were covered by platforms in 2021;
- works closely with the Strategy and Development Department to define technological roadmaps. It ensures that the technologies used are consistent with each other and that all of the Group's product ranges are compatible and organized into consistent systems;
- streamlines and optimizes its industrial and logistics operations by making products as closely as possible to end-markets, with the aim of both minimizing expenditure and reducing environmental impact. The Group is therefore locating more of its production in markets that offer long-term development opportunities, such as China and India;
- introduces plant specialization by product line or technology so as to reach critical mass and prevent the dispersal of resources and skills;
- systematically applies a "make or buy" approach to all new projects to determine whether to invest in new manufacturing assets or outsource;
- has for many years factored a carbon cost into its decision-making process when examining projects;
- deploys best practices in its production units through the Legrand Way program, aiming for overall operational excellence (productivity, capital employed, quality, customer service, etc.). The program's deployment rate across industrial sites rose by 7 points to 81% between 2018 and 2021; and
- invests in digitalizing its production facilities, with around 7% of its industrial capital expenditure allocated to Industry 4.0 in 2021 (Connected Factory, Data Analytics and Automated Tasks, use of smart production assistance solutions such as AGVs[1], Cobots[2] and augmented reality).

(1) AGV: Automated Guided Vehicle.

(2) Cobot: collaborative robot.

Purchasing: a key performance driver

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

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

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

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

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

The Group had around 36,000 suppliers at the end of 2021 and its purchases totaled nearly €3.7 billion, of which Europe accounted for around 37% and North and Central America for around 28%.

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

Raw material and component purchases totaled more than €2.4 billion in 2021, and the following table presents them (as a percentage of total material and components purchases) for 2021:

(% of the split of raw and material and components purchases)	December 31, 2021
Trading (electrical finished goods designed by Legrand)	22%
Metallic subcontracting (including added value)	18%
Electronic (components and sub-assembly)	15%
Electrical and lighting components	9%
Plastics subcontracting	6%
Other elements	1%
Components & subcontracting	**71%**
Metals	16%
Plastics raw material	9%
Packaging	4%
Raw Material	**29%**
Total	**100%**

Logistics and supply chain optimized for the benefit of customers

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

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

This approach is based on dedicated tools and processes for planning and execution (such as Distribution Resource Planning and Manufacturing Resource Planning), and digitalization (collaboration solutions and Data Analytics). Operational best practice is recorded and shared through the Legrand Way.

This system has enabled Legrand to reduce the ratio of inventory value to sales from more than 15% on average between 1990 and 2014 to about 14% on average between 2015 and 2021, while guaranteeing a high-quality service for its distributors (in terms of availability, flexibility, speed and adaptability).

A roadmap intended to maintain optimal and responsible operational performance

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

- in terms of driving growth through innovation and focusing on customer needs, Operations has the following targets:
  - maintain an R&D investments/sales ratio of around 5% through productivity initiatives and investment in innovation, including: (i) increasing the proportion of R&D staff members focused on software and firmware from more than 15% in 2021 to more than 25% mid-term, (ii) bolstering its R&D teams in Asia from 22% of worldwide R&D staff numbers in 2020 and 2021 to around 30% mid-term (at constant scope of 2020),
  - increase the percentage of sales covered by platforms from 66% in 2020 and around 70% in 2021 to 75% mid-term;
- in terms of driving performance through industrial competitiveness, Operations has the following targets:
  - accelerate annual productivity rate from the current 3% close to 4%, in particular by (i) streamlining and optimizing the Group's industrial and logistics footprint on an ongoing basis, (ii) rolling out the Legrand Way program, with the aim of covering 85% mid-term of production sites as opposed to 77% in 2020 and 81% in 2021, (iii) increasing the proportion of sales covered by platforms as mentioned above and (iv) increasing the proportion of capital expenditure allocated to Industry 4.0 from around 7% of industrial capex in 2020 and 2021 to over 10%, with coverage of the main industrial sites rising from 51% in 2020 and 57% in 2021 to 100% mid-term,
  - limit total capital expenditure to 3-3.5% of sales;
- as a key participant in the Group's CSR strategy, Operations has the following targets:
  - promote talent, diversity, inclusivity and business ethics,
  - reduce work accidents with and without lost time (FR2) by 20% relative to the 2020 level (of 4.6), with already 3.5 in 2021,
  - increase the percentage of sales covered by PSPs/PEPs to more than 70% as opposed to 67% in 2020 and around 70% in 2021,
  - achieve a waste recovery rate of over 90%, versus 90% in 2020 and 92% in 2021,
  - reduce energy consumption by 3% per year on average,
  - reduce the Group's direct emissions (Scopes 1 and 2) by 50% and its indirect emissions (Scope 3) by 15% between 2019 and 2030 in accordance with the 2050 carbon neutrality trajectory validated by the SBTi in 2021 and in line with limiting global warming to 1.5°C. For more details, please refer to the Sustainability-Linked Financing Framework on the Group's website and section 4.4.1 of the present Universal Registration Document.

2.3.1.2.2 Functional departments

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

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

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

2.3.2 - Fostering employee engagement with an entrepreneurial spirit

Legrand's strategy is realized by more than 38,200 highly committed, qualified and responsible staff members:

- the engagement rate was around 80% in 2021, much higher than in 2017;
- the staff attrition rate is one of the lowest in the industry;
- training levels are high, with each staff member for example receiving around 17 hours of training on average in 2021;
- compensation arrangements are focused on integrated performance and favor an entrepreneurial mindset;
- country managers are experienced, particularly in sales, are appointed by the Group's General Management and are responsible for integrated performance within their scope as a whole, including the Front and Back Offices.

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

- providing a working environment that meets the highest standards of comfort, wellbeing and business ethics;
- focusing on promoting talented people through an active policy of attracting and retaining them, providing active support and offering an extensive, appropriate training program;
- offering a minimum level of social protection that is common to all countries as part of the "Serenity On" program launched in 2017. The program covered 97% of Legrand's workforce in 2021, and it intends to raise this figure to 100% eventually;

- implementing an ambitious policy in terms of promoting diversity and an ever more inclusive business culture:
  - at the end of 2021, women made up (i) 40% of Executive Committee members; (ii) 20% of key managers (Hay grade of 20 or over), with the aim of increasing this to more than a third by 2030 as opposed to 15.2% in 2018; and (iii) 26.7% of managers overall (Hay grade of 14 or over) as opposed to 22.6% in 2018;
  - Legrand also has a number of initiatives to achieve greater inclusivity. In particular, the Group promotes (i) networks that focus on gender equality, visible minorities and LGBTQ+ people (Elle@Legrand, the Black Professional Network in the United States, Legrand Rainbow), (ii) measures designed to increase recruitment of people with disabilities, who accounted for 2.2% of the Group's workforce in 2021 and (iii) employment opportunities for young people (particularly through apprenticeships).

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

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

- long-term incentive plans involve awards of performance shares linked to targets in terms of the Group's growth, margins and CSR performance; awards are made every year to a broad base of managers. Around 1,300 managers were thus covered in 2021;
- country and business managers also receive bonuses, 70% of which are determined by compliance with the performance contract established with Management, 20% by achievement of local CSR targets and 10% by qualitative targets, related for example to acquisitions within their management scope.

For more information about the Group's HR initiatives, particularly in relation to its CSR policy, please refer to section 4.3 of this Universal Registration Document.

2.4 - Medium-term targets

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

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

- 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.

These targets are accompanied by a balanced capital allocation policy in which:

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

(1) Including restructuring costs.

03

Internal control and risk management

3.1 - Environment and organization of internal control and risk management

3.1.1 - Reference framework

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

3.1.2 - Scope of application

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

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

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

3.1.3 - Internal control and risk management environment

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

- the Group's values and purpose, formally enshrined in a set of charters that are widely circulated among teams. They include the Group's Charter of Fundamental Principles and its Application Guide setting out the Group's values, its Prevention Charter and Environment Charter, 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, which is an essential means of disseminating values within the Company;
- the clear objectives set out by the Company and communicated to its employees (see section 2.1.1.3.2);
- an organizational and hierarchical structure that provides a clear definition of responsibilities and powers;
- management policies and procedures available on the Group's intranet, applicable to all its subsidiaries;
- training organized around topical subjects and ongoing coordination of the internal controller network to ensure the sharing of best practice;
- IT tools and secure access to information systems determined according to each person's role, in compliance with the rules regarding segregation of duties.

The reporting 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, functional reporting systems (financial, HR, purchasing, corporate social responsibility, etc.), as well as the internal control self-assessment questionnaire completed by each entity.

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

- the Covid-19 crisis has given rise to specific crisis management actions and reporting to the Risk Committee and the Audit Committee;
- the audit approach has been adjusted to allow audits to be conducted remotely;
- the Group's risk map has been 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 and of the internal control framework in response to risks and weaknesses detected during audits.

The Group's Internal Control Department relies on local internal controllers who coordinate the process within their units. This is the case for roughly fifteen countries, including the largest contributors in terms of business (United States, France, Italy, China, India, Brazil, Russia, Spain, the United Kingdom, Mexico, Colombia, etc.). In smaller entities, internal control is the direct responsibility of their finance managers. In the Group as a whole, there were more than 30 specialist staff members focusing entirely on internal controls at the end of 2021.

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

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

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

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. It cannot guarantee that all risks, particularly those relating to error, fraud or failure, will be completely controlled or eliminated.

3.2 - Internal control system

3.2.1 - Definition and purposes of internal control

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

- enable it to take appropriate account of significant risks, whether strategic, operational, reputational, financial 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 and not limited solely to procedures to make sure that accounting and financial reporting data is reliable. More generally, its objectives are to:

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

The risk management process continually feeds into the internal control process, 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 specific standards, which are regularly updated. As well as all the legal, financial, management and accounting rules followed by the Group, they can be accessed on the Group's intranet.

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

The self-assessment process covers matters concerning the internal control environment and controls over the Group's main processes (*e.g.*, purchasing, sales, inventory management, payroll, fixed assets, etc.). The questionnaire evolves each year as part of a continuous improvement process. It is updated to take account of strengths and weaknesses identified during audits and self-assessments, and adjusted 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 questionnaires and tests are systematically reviewed, consolidated and analyzed by the Internal Control Department.

The 2021 self-assessment campaign showed that the Group's entities achieved an overall compliance rate of 93% in respect of the internal control system's minimum requirements, up from 91% in 2020. The Group regards this compliance rate as satisfactory. Targeted support is provided to help all entities achieve an individual compliance rate of at least 90%. Cross-functional initiatives are launched as and when required. In 2021, 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 Legrand's activities, processes and assets.

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

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

3.3.2 - Risk management procedure

The risk management procedure consists of three stages:

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

   The risk universe is regularly compared with available benchmarks.

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

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

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

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

3) Dealing with risks: measures to reduce, transfer or accept risks are applied. Action plans are defined and the owners of the risks identified within the functional departments, with the help of the Group's Risk Manager. The Risk Committee validates the procedure for dealing with the main risks and monitors the progress of the action plans.

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 risks 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.

A comprehensive update of the risk map began in September 2020. The previous update took place in 2018.

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 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 approach. Implementation of action plans is monitored systematically by the Internal Control Department.

In 2020 and 2021, remote audits were organized in order to adjust to the specific situation arising from the Covid-19 crisis.

3.5 - Procedures for preparing and processing accounting and financial information

3.5.1 - Objectives

Internal controls applied in the accounting and finance areas must:

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

3.5.2 - Main contributors

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

3.5.3 - Control mechanism for accounting and financial information

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

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

Finance managers in subsidiaries

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

Group Management Control

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

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

Corporate Financial Analysis

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

Accounting data is 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.

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

3.6 - Risk factors and control mechanisms in place

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

In September 2020, the Group started updating its risk map (as stated in section 3.3.2 of this Universal Registration Document). The risk factors identified in the course of the process were submitted for validation to the Audit Committee and the Board of Directors in February 2021.

Al risk factors are analyzed in each risk committee meeting through constant assessment of emerging risks.

In addition, in view of the current situation regarding Russia and Ukraine, the Group would point out that its economic exposure is not material in those two countries, which accounted for around 2% of its revenue in 2021.

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

As a result, the approach involves measuring net risks. The risk factors are analyzed taking into account the potential risks in Legrand’s business model and the risk mitigation arrangements. This approach differs from that used in relation to Corporate Social Responsibility, which refers to the gross risks. As a result, this risk factors chapter does not cover most of the inherent Corporate Social Responsibility 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 Art. 16 of Regulation no. 2017/1129/EU, this chapter only covers the risks specific to the Group that, in our view, have a net impact likely to influence investment decisions. In terms of methodology, therefore, 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 in 2018, when the previous update took place.

It covers all 25 of the risk factors 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 order of priority of certain risks was changed during the risk map update.

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

The Group has also improved its control over risks in relation 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 climate change-related risks	▪ Environmental damage ▪ Disruption to the Group's organization or operations ▪ Failure to move with customer demand in response to environmental and climate risks	▪ CSR approach and multi-year roadmaps ▪ Environment department and certification policy ▪ "Creation of the Product Offering" process coordinated by the Operations Department ▪ Adoption of circular economy principles (priority in the CSR Roadmap) ▪ Mapping of risks and climate 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, especially the need for data and e-business ▪ 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 ▪ "Creation of the Product Offering" process coordinated by the Operations Department ▪ Digital acceleration program, dedicated governance ▪ Deployment of Industry 4.0 technologies and automation of administrative tasks under the coordination of the Group Back Office Departments ▪ Strategic partnerships	Major / Priority	3.6.1.2
Products and solutions that do not reflect changing market expectations	▪ Failure to identify promising verticals or segments ▪ Failure to capture a trend or development in building design, building use or construction technologies ▪ 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 share per country (annual review in conjunction with General Management) ▪ "Creation of the Product Offering" process coordinated by the Operations Department ▪ Monthly marketing meetings led by General Management to review plans for new products ▪ Technology collaborations, partnerships and alliances ▪ Standardization team and committee, network of correspondents	Major / Priority	3.6.1.3
Brand positioning	▪ Failure to support the profile of brands ▪ Failure to protect intellectual property ▪ Failure to deal with reputational damage to brands	▪ Strategy and Development Department tasked with identifying macro-trends and coordinating the monitoring of market shares per country (annual review in conjunction with General Management) ▪ Department dedicated to intellectual property and network of correspondents within the Group ▪ Charter on individual use of social media and team dedicated to monitoring social media trends	Major / Priority	3.6.1.4

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

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

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3.6.1 - Strategic risks

3.6.1.1 Environmental impacts and risks related to climate change

Risk factors

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

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

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

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

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

Main ways of addressing risk

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

- a CSR approach and multi-year roadmaps overseen by the Corporate Social Responsibility Department;
- a Group Environment Department team and a ISO 14001 certification policy for its production, logistics and R&D sites;
- a "Creation of the Product Offering" process coordinated by the Operations Department in conjunction with the Strategy and Development Department;
- circular economy principles when developing new products. Two priorities of the CSR Roadmap address this area specifically (see section 4.4.2 – "Innovate for a circular economy" in this Universal Registration 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 Universal Registration Document).

3.6.1.2 Digital acceleration

Risk factors

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

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

The Group may also:

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

Main ways of addressing risk

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

- the Eliot program, which is developing Legrand's connected offering. This program is one of the Group's faster-growing segments. These segments accounted for around 33% of sales in 2021, with connected products representing close to 15%;
- a "Creation of the Product Offering" process coordinated by the Operations Department;
- a digital acceleration program monitored directly by the Executive Committee. It aims to improve the customer experience, the employee experience and operational excellence by harnessing new technologies;
- the deployment of Industry 4.0 technologies and automation of administrative tasks under the coordination of the Group Back Office Departments;
- strategic partnerships and numerous technology alliances, particularly as part of the Works with Legrand program (see section 2.2.2.1 – "Constant innovation and R&D efforts focused on digital technologies" in this Universal Registration Document).

3.6.1.3 Products and solutions that do not reflect changing market expectations

Risk factors

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

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

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

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

Main ways of addressing risk

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

- a Strategy and Development Department. Its task is to identify social and technological macro-trends and those related to the habits of end customers. It also coordinates the monitoring of market shares by product family and by country. These macro-trends and indicators are reviewed annually with General Management;
- a "Creation of the Product Offering" process coordinated by the Operations Department. Its role is to build the Group's offering through multi-year plans;
- Monthly Marketing Meetings (MMM) attended by the sales and marketing teams, the Operations Department and General Management. Product projects are validated and monitored in these MMMs;
- the signing of collaborative agreements, strategic partnerships and many technological alliances (see section 4.2.1.2 – "Priority no. 2: stimulate innovation through partnerships" in this Universal Registration Document);
- a team and committee dedicated to standardization. A global network of correspondents informs the Group about changes in local and international standards.

3.6.1.4 Brand positioning

Risk factors

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

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

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

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

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

Main ways of addressing risk

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

Monitoring, detection and response systems are also in place:

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

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

3.6.2 - Operational risks

3.6.2.1 Cybersecurity and personal data protection

Risk factors

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

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

New ways of working in the current context of a 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.

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

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

Main ways of addressing risk

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

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

The Group's cybersecurity program has seven main aspects:

- a detailed IT risk map;
- an IT security systems policy based on the applicable standards (National Institute of Standards and Technology) and industry best practice;
- systematic integration of security within IT projects through a specific methodology;
- an enhanced, mandatory employee company awareness program. In 2021, 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 connected objects and the related cloud.

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

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

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

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

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

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

3.6.2.2 Alignment of information systems with the company's requirements

Risk factors

Technological and functional developments increase the risk of a gap between the capabilities of the information system and the needs of the company and its various business lines. They increase the risk that the information systems used will fail. As a result, obsolescence needs to be managed in relation to existing information systems. The Group's acquisitions increase its exposure to this risk factor. The information systems of acquired entities often have different origins.

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

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

Main ways of addressing risk

The Group's Information Systems Department manages IT infrastructure, office software and credentials on a centralized basis.

The Group's Information Systems Department has responsibility for upgrading applications. It drafts roadmaps for IT applications in conjunction with the Departments that use them.

The Group Information Systems Department coordinates a structured governance process in relation to significant IT projects. Projects are subject to validation and monitoring during IT Project Reviews with Management.

3.6.2.3 Overall competitiveness of operations

Risk factors

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

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

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

The Group may also lack the capability:

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

Main ways of addressing risk

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

The following arrangements are in place:

- An Operations Performance Department in charge of:
  - deploying industry best practices at production facilities through the "Legrand Way" program at almost all Group units, aimed at achieving overall operational excellence (productivity, capital employed, quality, customer service, etc.);
  - coordinating efforts to streamline the Group's industrial and logistics footprint in conjunction with the countries;
  - deploying Industry 4.0 tools across the Group.
- The Group carries out Country Operations Performance Reviews (COPRs) to monitor key and concise performance indicators regarding the organization of country operations.
- A centralized procurement policy to optimize procurement, reduce the cost of items the Group consumes and deploy shared methods within the Group, particularly in terms of managing supplier risks and sustainable procurement (see sections 2.3.1.2.1 – "Operations", 4.2.2 – "Ensure responsible purchasing", and section 4.5.4 – "Supplier activities" in chapter 4.5 "Duty of care" in this Universal Registration 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 (section 2.3.1.2 – "A global Back Office" in this Universal Registration Document).

3.6.2.4 Human resources policy adequacy

Risk factors

The Group has over 34,200 employees worldwide.

In a pandemic context, Legrand'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, integrate, train, motivate, promote and retain new talent in all the regions in which it operates.

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

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

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

Main ways of addressing risk

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

Promoting health, safety and well-being at work is an integral part of the Group's CSR Roadmap (see section 4.3.2 – "Promote health, safety and well-being at work" of this Universal Registration 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. Legrand conducts an annual Organization & Staffing Review (OSR) to this end.
- Employee development and the implementation of tailored strategies for identifying and supporting talent and for recognizing performance. This is one of the priorities of the Group's CSR Roadmap (see section 4.3.3 – "Developing skills" of this Universal Registration 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 20,000 active users in 2021,
  - 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 – "Promoting equal opportunities and diversity" of this Universal Registration Document).
- Staff engagement. A Group-wide staff engagement survey is carried out on a regular basis. The findings are used to identify strengths and points for improvement and to launch appropriate actions.

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

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

3.6.3 - Reputational and compliance risks

3.6.3.1 Product quality and safety

Risk factors

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

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

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

Main ways of addressing risk

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

Legrand's quality policy is essentially implemented through:

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

The Operations Department reviews product quality and customer dissatisfaction during biannual reviews with each country.

For more information, please refer to section 4.2.1.1 – "Protect the health and safety of users" of this Universal Registration Document.

3.6.4 - Financial risks

None of the financial risks monitored by the Group are presented in the 2021 risk factors because they have been assigned a "Keep on watch" priority due to the risk mitigation measures used by the Group.

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

The risk of failing to achieve the expected financial and extra-financial performance (the potential impact of which could be major) is addressed in section 2.1.1.3 – "An effective organization and processes").

Similarly, the risk related to the financing of the model (the potential impact of which could be material) is covered by specific information in chapter 8, 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: Company Officers' civil liability, employer liability, credit insurance, fraud and attacks on its IT systems and data.

04

Corporate social responsibility and declaration of non-financial performance

4.1 - The Group's CSR strategy

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

https://www.legrandgroup.com/en/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 *Électriciens Sans Frontières*.

2009: publication of the Charter of Fundamental Principles.

2011: launch of the second CSR Roadmap, calculation of the first Group-wide carbon footprint.

2012: Responsible Supplier Relationships accreditation obtained.

2013: creation of the Elle@Legrand diversity network.

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

2015: 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: publication of the fourth CSR Roadmap, publication of the Diversity and Inclusion policy.

2020: announcement of the commitment to be carbon-neutral by 2050, aligned with the Paris Agreement's 1.5°C target.

2021: validation by the SBTi of Legrand's carbon alignment with the 1.5°C target.

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 individually committed to implementing it.

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

FOCUS: Legrand included in the 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 2021, the United Nations Global Compact had more than 19,000 members, including 15,268 companies (small and medium-sized enterprises and large corporations).

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 non-financial information set out in articles R. 225-105-2, A. 225-1 and following of the French Commercial Code, as amended by French Act no. 2018-898 of October 23, 2018 (transposing European directive 2014/95/EU);
- statutory provisions provided for by article L.225-102-4 of the French Commercial Code (duty of care plan).

Finally, an independent third-party organization issues an opinion about whether the Declaration of 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 four principles: protecting our employees in a sustainable working environment, making occupational health and safety an integral part of our activities, continuously improving our performance and management system, and fostering the accountability of everyone including our partners;
- **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-commitments/csr-resource-center

4.1.5 - Dialogue with stakeholders and involvement with CSR networks

Stakeholder Dialogue

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 educational sector;
- the financial and non-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/csr-home

Involvement with CSR networks

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

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

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

4.1.6 - CSR organization and governance

CSR organization

The CSR Department is responsible for overseeing and implementing the Group's CSR strategy and is directly attached 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: Legal, Human Resources, Purchasing departments and the Operations department which includes 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 10 members of the Executive Committee.
- It meets two to three times per year on average. In 2021, CSR issues were presented to the Executive Committee more frequently in order to prepare the new Roadmap (eight times).
- It directs and validates the CSR strategy and monitors how initiatives are implemented.

Commitments and CSR Committee

- This committee consists of six directors, of whom four are independent;
- The committee met seven times in 2021;
- It checks that the Group's strategy and CSR approach are consistent;
- It checks that CSR issues are properly taken into account, particularly climate-related risks and opportunities.

It reports on its work to the Board of Directors.

4.1.7 - CSR and compensation

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

In 2021, variable compensation was structured as follows:

Bonuses

- **10%-20%** 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 indexes, etc.).

Long-term incentive plans

- Of the LTI criteria for the CEO and 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.

Thus, for example, 17.5% of the CEO's total compensation (fixed, variable and long-term) is linked to CSR performance.

4.1.8 - Main non-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 Executive Vice-President CSR to the CSR Steering Committee.

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

The related summary is set out below.

It works with other departments to establish policies to address 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 this universal registration document.

Materiality matrix

This identifies and ranks the priority economic, workforce-related, environmental and social issues for the company and its stakeholders.

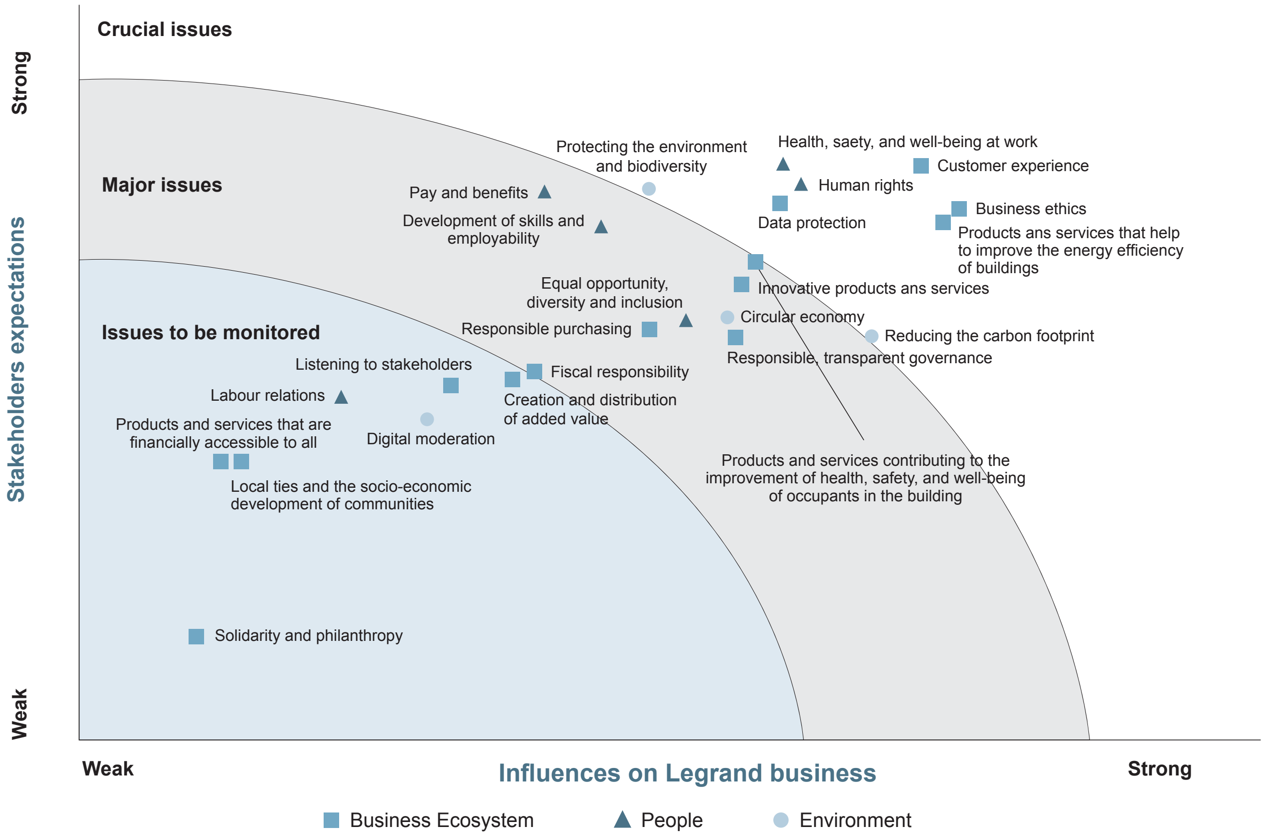
Methodology

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).

After the 2018 survey, a new questionnaire was sent out to the company's internal and external stakeholders in 2021. Almost 5,300 responses were obtained in 94 countries from Legrand's main stakeholders, including employees, customers, suppliers and subcontractors, investors, shareholders and representatives of civil society (NGOs, students. etc.).

This effort to determine material economic, workforce-related, environmental and social issues in all sectors led to the identification of 24 issues that were the subject of consultation. The results of this new materiality matrix were used to define the priorities of the new 2022–2024 CSR Roadmap launched in March 2022. They will be included in the summary of the Group's key risks and issues during 2022.

The detailed results of the survey are available on its website at https://www.legrandgroup.com/en/csr-home



Summary of the main non-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. As the 2019–2021 CSR Roadmap ended in 2021, the outcome of the materiality matrix presented above has not been included in the summary of main risk and issues. It will be included in 2022.
- **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 employees
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:** Ensure waste recovery **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.	high	major	**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

N.B.:

The materiality of the risks presented in this table is derived from the Group's materiality matrix drawn up in 2018, to remain consistent throughout the duration of the 2019-2021 Roadmap.

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 significant) in connection with the sale of connected objects, which is a non-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 develop its business by responding actively to the expectations of industry stakeholders while taking action to improve the well-being of its employees, reduce its impact on the environment and strengthen its commitment to society. 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 is 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

3 GOOD HEALTH AND WELL-BEING | 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

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

ENSURE SUSTAINABLE PURCHASING

8 DECENT WORK AND ECONOMIC GROWTH

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

ACT ETHICALLY

8 DECENT WORK AND ECONOMIC GROWTH

- 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, well-being, health and talent among its employees and communities.

RESPECT HUMAN RIGHTS AND COMMUNITIES

7 AFFORDABLE AND CLEAN ENERGY | 8 DECENT WORK AND ECONOMIC GROWTH | 10 REDUCED INEQUALITIES

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

PROMOTE HEALTH, SAFETY AND WELL-BEING AT WORK

3 GOOD HEALTH AND WELL-BEING | 8 DECENT WORK AND ECONOMIC GROWTH

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

DEVELOP SKILLS

4 QUALITY EDUCATION

- Develop the skills and talents of all employees

PROMOTE EQUAL OPPORTUNITIES AND DIVERSITY

5 GENDER EQUALITY | 10 REDUCED INEQUALITIES

- 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

12 RESPONSIBLE CONSUMPTION AND PRODUCTION | 13 CLIMATE ACTION

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

INNOVATE FOR CIRCULAR ECONOMY

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

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

COMBAT POLLUTION

COV

11 SUSTAINABLE CITIES AND COMMUNITIES | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

- Reduce Volatile Organic Compound (VOC) emissions

4.1.10 - The Group's medium- and long-term ambitions

Along with the challenges set out in the 2019–2021 CSR Roadmap, Legrand has set medium- and long-term ambitions to be achieved by 2030 and 2050:

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

Legrand is committed to carbon neutrality by 2050. To achieve this objective, the Group 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. The 1.5°C path was validated by the Science Based Targets Initiative in 2021.

Legrand initially made a commitment in 2018 to reduce its GHG 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, when it decided to align its climate strategy with the Paris Agreement's 1.5°C target, which implies, by 2030:

A 50% reduction in its Scopes 1 & 2 emissions by:

- Reducing the energy consumption of its sites by 3% per year on average;
- Deploying highly energy-efficient solutions across its sites;
- Using renewable energies by producing or buying green energy;
- Shifting its vehicle fleet towards hybrid or electric vehicles;

A 15% reduction in its Scope 3 emissions, which notably means helping its supply chain to reduce GHG emissions.

As well as these initiatives, Legrand is committed to offsetting its residual Scopes 1 and 2 GHG emissions as well as two Scope 3 items (business travel and employee commuting) by 2022 through voluntary carbon offset projects.

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

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

Legrand wants to help all employees 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).

- **Generate a larger proportion of revenue from eco-responsible activities**

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

– that 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 eco-responsible solutions compared with about 75% in 2021.

(1) *GHG emissions comprise the sum of seven gases that have a direct influence on climate change: carbon dioxide (CO_2), methane (CH4), nitrous oxide (N2O), chlorofluorocarbons (CFCs), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF6) and nitrogen trifluoride (NF3).*

4.1.11 - The new 2022–2024 CSR Roadmap

The fourth CSR Roadmap came to an end in 2021.

In March 2022, Legrand published its fifth CSR Roadmap, based on four guiding principles and 15 priorities for 2024:

- Promote diversity and inclusion;
- Reduce the Group's carbon footprint;
- Promote the circular economy;
- Be a responsible business.

In response to stakeholder expectations, particularly as regards the climate crisis, this Roadmap reflects the Group's aim of remaining a benchmark in CSR by stepping up its action in key issues and taking concrete measures worldwide to address them.

Details of the new 2022-2024 CSR Roadmap can be found in chapter 1 of this universal registration document.

4.1.12 - Recognized CSR performance

To promote transparency and openness, particularly for investors and shareholders, Legrand responds to numerous requests to assess and rate its ESG performance.

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

In 2021, Legrand achieved the following ratings:

- CDP Climate Change: B-list
- DJSI: score of 80
- MSCI: AA ESG rating
- Ecovadis: Platinum status
- ISS Oekom Corporate Rating: Prime Status
- Sustainalytics: low risk

The Group is a constituent of the following indexes:

- FTSE4Good
- Vigeo Eiris: Eurozone 120, Europe 120
- No. 31 in the Corporate Knights 2022 ranking of the world's 100 most sustainable corporations (overall score B), and the No. 5 French company in the ranking.

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

https://www.legrandgroup.com/en/our-commitments/csr-performance

4.1.13 - 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 36 months from the date of acquisition.

Integration of new companies within the Group CSR performance structure starts from the second year after the year of acquisition. Two environmental issues — eco-design and ISO 14001 — may take up to five years.

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 Sustainability Profiles (PSP)	Eco-design (level 2)	ISO 14001 Eco-design (level 3)

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4.1.14 - 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", "Deployment", "Performant", "*Excellent*").

By the end of 2021, more than 70 scorecards had been produced, representing all Group activities:

- 20% of subsidiaries were deemed "Excellent" (score of over 3.5 on a scale of 1 to 4, where 4 is the best score);
- 74% of subsidiaries were deemed "Performant" (score between 3 and 3.5);
- 6% 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 4.1.17 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).

4.1.15 - Identification of activities eligible for the European Taxonomy

Legrand is affected by Delegated Act (EU) 2021/2139 published on December 9, 2021 in the European Union Official Journal on activities that contribute substantially to climate change mitigation or climate change adaptation. For the 2021 financial statements, the only estimates required were eligible revenue, eligible operating expenditures and eligible capital expenditures.

As the taxonomy framework is likely to evolve, it is possible that the 2021 data provided here will be revised for 2022.

Revenue

- Most of Legrand's taxonomy-eligible activities come under section 3.5 of Annex 1 to the delegated act on climate change mitigation (manufacture of energy efficiency equipment for buildings). The list of activities includes the manufacture of presence and daylight controls for lighting systems, energy-efficient building control systems, thermostats and smart electricity meters.
- However, the list of activities covered by the delegated act and its annexes does not include a number of activities such as Legrand's energy efficient products for datacenters.
- All identified eligible activities represent revenue of €563 million, giving a revenue eligibility percentage of 8%.

Capital expenditures

- The approach taken for 2021 consisted of, first, taking capital expenditures that are eligible activities by nature (*e.g.,* shifting the fleet towards electric vehicles), and second, applying the revenue eligibility percentage to the remaining expenditures. This resulted in total eligible capital expenditures of €28 million in 2021.

Operating expenditures

- The amount was calculated by applying the revenue eligibility percentage to the scope of expenditures as defined in the taxonomy, resulting in total eligible operating expenditures of €25 million in 2021.

4.1.16 - Continued management of the Covid-19 crisis

In 2021, as in 2020, Legrand took action to manage the health crisis and its impacts, and continued to pursue the main policies implemented in 2020.

Health and safety of employees and partners

Legrand continued to protect its employees through:

- health protocols, regularly updated and sent out to employees;
- teleworking wherever possible to limit contacts;
- vaccination campaigns for employees in several countries, in particular India;
- authorized absence to go to vaccination centers;
- provision of free hand sanitizer and masks in all countries and Covid tests at certain sites;
- paid quarantine leave in the United States in addition to paid leave for vaccination purposes, to encourage symptomatic people to get tested and isolate until they have no further symptoms.

Continuity of operations, maintaining contact and customer service

In 2021, Legrand continued its work to ensure continuity of service for customers (digitalizing commercial relationships, maintaining and even stepping up support and training activities, continuity of industrial and logistics operations). As regards operations, although the epidemic had an occasional impact on a few production sites, the Group was much less affected than in 2020 and continuity of operations was therefore much less of an issue.

IT infrastructure and cybersecurity

The Information Systems Department continued its awareness-building actions by providing cybersecurity training and strengthening its technical systems.

Solidarity initiatives

The Group continued to support and protect its employees wherever necessary (see section on Health and safety of employees and partners). Outreach initiatives taken by the Group in various countries to support communities, in particular in France with the Legrand Foundation, resumed their normal course in 2021 (see section 4.3.1.2 Priority No. 8: Contribute to communities).

Impact of the Covid crisis on the company's growth and strategy

Financial and non-financial results in 2021 demonstrated the Group's robust ability to bounce back and accelerate its profitable and responsible value creation.

Legrand's market is driven by increasingly buoyant trends, both historical (electrification, demographic change and development of the middle classes) and more recent (climate crisis, teleworking and assisted living).

The Covid crisis therefore reinforced Legrand's strategy and particularly its development initiatives in the higher-growth segments, such as datacenters, connected objects and energy efficiency programs.

The crisis also demonstrated the importance of the Group's environmental, workforce-related and social commitments, which will be set out in its fifth CSR Roadmap in March 2022.

4.1.17 - 2021 non-financial performance

In 2021, the overall achievement rate for CSR targets was 131%.

OVERALL ACHIEVEMENT RATE	**113%**	**128%**	**131%**

BUSINESS ECOSYSTEM	2019	2020	2021	Reference
PROVIDE SUSTAINABLE SOLUTIONS				
1 – Protect the health and safety of users	98%	100%	100%	4.2.1.1
2 – Stimulate innovation thanks to partnerships	150%	240%	320%	4.2.1.2
ENSURE SUSTAINABLE PURCHASING				
3 – Raise awareness and provide sustainable purchasing training				4.2.2.1
3A – Sustainable purchasing training	126%	217%	167%	4.2.2.1.1
3B – Implementation of Life Cycle Cost in purchases processes	113%	110%	100%	4.2.2.1.2
4 – Measure progress of suppliers identified as at-risk in CSR terms	135%	157%	113%	4.2.2.2
ACT ETHICALLY				
5 – Continue to train employees on business ethics	138%	225%	241%	4.2.3.1
6 – Monitor application of the Compliance program	97%	95%	97%	4.2.3.2
% OF ACHIEVEMENT	**123%**	**163%**	**167%**	

PEOPLE	2019	2020	2021	Reference
RESPECT HUMAN RIGHTS AND COMMUNITIES				
7 – Comply with the Group’s commitment to human rights	100%	100%	100%	4.3.1.1
8 – Contribute to communities	111%	123%	119%	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%	230%	4.3.2.1.1
9B – Deploy the Legrand Way H&S program	145%	108%	104%	4.3.2.1.2.
10 – Strengthen employee engagement				4.3.2.2
10A – Deploy the Serenity On program	110%	103%	102%	4.3.2.2.1
10B – Measure and improve employee engagement	100%	100%	109%	4.3.2.2.2
DEVELOP SKILLS				
11 – Develop the skills and talents of all employees				4.3.3
11A – Provide training	100%	105%	109%	4.3.3.1
11B – Carry out annual performance appraisals	103%	108%	108%	4.3.3.1
PROMOTE EQUALITY OF OPPORTUNITY AND DIVERSITY				
12 – Encourage gender diversity	46%	71%	90%	4.3.4
% OF ACHIEVEMENT	**108%**	**110%**	**115%**	

ENVIRONMENT

	2019	2020	2021	Reference
LIMIT GREENHOUSE GAS EMISSIONS				
13 – Reduce the Group's carbon footprint (Scopes 1 & 2 GHG emissions)	103%	119%	123%	4.4.1.1
14 – Avoid CO_2 emissions thanks to the energy efficiency offers	113%	119%	114%	4.4.1.3
INNOVATE FOR A CIRCULAR ECONOMY				
15 – Integrate circular economy principles in the development of new products	109%	105%	104%	4.4.2.1
16 – Provide environmental information on Legrand products (PSP)	94%	100%	105%	4.4.2.2
17 – Ensure waste recovery	100%	100%	102%	4.4.2.3
COMBAT POLLUTION				
18 – Reduce Volatile Organic Compounds emissions (VOC)	127%	120%	113%	4.4.3.1
% of Achievement	**108%**	**110%**	**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 references 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

Offering high quality products that protect the health and safety of users and meet the most demanding standards is one of Legrand's priorities. Legrand is also stimulating innovation within its electrical and digital infrastructure industry by developing partnerships with various types of entities (suppliers, startups, the scientific and academic community and civil society). The aim is to propose innovative, more sustainable products to meet customer expectations.

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 work done by Legrand to reduce the environmental impact of its products is described in section 4.4.2 on the circular economy.

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, through 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-commitments/csr-resource-center

The Group's quality policy is essentially implemented through:

- **ISO 9001 certification** by independent bodies, based on quality management systems in place at each of the Group's sites. At the end of 2021, 83% of sites were certified;
- **Product accreditation by certified laboratories**, carried out before products are brought to market;
- **Production quality control procedures**, which require frequent or systematic checks to be introduced, depending on the characteristics and criticality of products and functions;
- **Additional tests, called "surveillance plans"**, to ensure that basic product performance remains consistent with initial quality and certification standards throughout the manufacturing and marketing phases. After products have been introduced into the market, independent, random checks are carried out on them, either internally or by an external provider. This monitoring plan includes a list of products to be assessed, procedures for testing and analyzing them, and progress reporting;

- **The customer dissatisfaction management process** ranks instances of dissatisfaction according to various levels of severity. Those that could 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.

Focus: new services for customers with hearing loss

In France, Customer Services introduced a new service enabling deaf and hard-of-hearing customers to contact a customer adviser easily through an online platform developed in partnership with the company Elioz. The customer contacts a specially trained operator/interpreter on the platform who will communicate in French sign language, real-time speech-to-text transcription or cued speech. The operator/interpreter is the interface between the customer and the customer adviser for translating exchanges objectively and confidentially.

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 2020 and 2021 acquisitions.

In 2021, 100% of revenue was covered by the product risk management procedure, up from 99.8% in 2020.

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

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;

A resolute innovation approach 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;
- 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 datacenters: development of Container Data Center 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 through a partnership program 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:

- CSA, an alliance to define interoperability solutions for connected products;
- 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

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 Paris & Co initiative: Paris & Co is an economic and innovation development agency for Paris and mainland France, which promotes innovation by incubating more than 500 French and foreign startups a year;
- the Sekoya platform, whose goal is to identify and promote the solutions of highly innovative companies, encourage the emergence of sustainable cities and infrastructures, and support the rollout of low carbon solutions to combat climate change. The carbon & climate platform runs a **"low carbon industrial club"** led by Eiffage, bringing together large groups, SMEs and startups with low carbon technical solutions.

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 provide preventive maintenance solutions;
- 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 and the University of Nevada in the United States in 2019, and the National University of Singapore, Centers of Reference in Innovative Technologies (CERTI) in Brazil, and India Institute of Technology (IIT) in India in 2021.

In countries in which the Group has a strong presence, subsidiaries are working with engineering schools and universities, thus helping 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 key countries in terms of revenue that must initiate at least one partnership annually. Other countries are encouraged to make proactive efforts.

In 2021, the Group formed 32 partnerships.

Priority no. 2		2019	2020	2021
Number of partnerships established during the year	Results	15	24	32
	Targets	10	10	10
	Achievement	**150%**	**240%**	**320%**

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 practices, 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; since 2020, a number of remote-learning sessions have been 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 5,000 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. This momentum continued in 2021, with 2,600 customer visits and 2,500 trainees attending Innoval centers.

For more information on the Group's training strategy, see section 2.3.1.1.3. 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 skill 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/ourresponsibility/people/respecting-human-rights-andcommunities

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, its involvement in joint electrical industry initiatives, and 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.

Focus: the daily battle against counterfeiting

In 2021, counterfeit circuit-breakers were identified in Mauritius. In response to this discovery, Legrand's intellectual property department took measures to have the counterfeit products removed, took legal action and alerted the customs authorities. In addition, the local teams carried out investigations in the retail stores to ensure that none of the counterfeit products were still in circulation on the island.

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 3,800 patents and 80 trademarks).

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.

Satisfaction surveys

Satisfaction surveys are carried out at various levels:

- An annual satisfaction survey is carried out in all the Group's geographies and customer segments covering 90% of Legrand's revenue, in order to measure several indicators and obtain qualitative feedback from customers.

Customer satisfaction is measured directly through the CSAT score, which stood at 88.1% in 2021.

- In parallel, the Net Promoter Score (NPS) is used on most of the Group's commercial websites (71 countries) for more detailed monitoring of customer satisfaction throughout the customer's digital journey. The NPS measures customer satisfaction by assessing how likely customers are to recommend a company, a brand and products to their friends and family.

Within each country, multi-criteria customer surveys are carried out regularly to measure aspects such as brand perception, quality, price and service.

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.

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

Legrand firmly believes that customer satisfaction is a driver of financial performance and employee engagement. It has therefore built on its customer-centric strategy with the Best of Us multi-year program aiming to enhance the customer experience. By regularly sounding out their expectations, Legrand can therefore offer its customers an experience that meets their needs throughout the customer journey, starting from initial advice about the product range, followed by all physical and digital commercial contact points, right through to after-sales assistance.

The program brings together the best initiatives that can improve the customer experience, including service quality, the relevance of tools provided, responsiveness and the way Legrand interacts with customers in general.

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 2021 service rate was 81%, as opposed to 85% in 2020 and 92.2% in 2019. This performance demonstrates the Group's resilience to the Covid-19 pandemic and the acute supply chain difficulties in 2021.

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.

CRM tools

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

4.2.2 - Ensure sustainable purchasing

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.

Based on the principle that the ethical, environmental and social rules applied by Legrand also apply to its suppliers and subcontractors, Legrand expects them to observe the same standards of social responsibility as the Group and undertakes to support them in an improvement plan 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.

The sustainable purchasing 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 67% of purchases from the Group's panel are from suppliers that embrace these principles.

Focus: Legrand recognized for its supplier relations and sustainable purchasing

Since 2012, in France, Legrand has held the Supplier Relations and Sustainable Procurement label, which has been aligned with the ISO 20400 sustainable procurement guidelines since the end of 2017.

In 2019, Legrand's purchasing operations in Italy were assessed as being very mature in relation to ISO 20400, a level confirmed by the Bureau Veritas audit performed in December 2020. No audit was performed in 2021.

Organization

Within the Group Purchasing Department, the head of sustainable purchasing, who functionally reports to the CSR Department since 2020, ensures that these rules are followed and implemented *via* a network of sustainable procurement correspondents in countries that have a purchasing department.

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 sustainable purchasing training 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 purchasing 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 were to have been achieved by the end of 2021 in 30 countries and territories representing 98% of the Group's purchasing.

The implementation timetable was as follows:

- 2019: Australia, Brazil, the 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: Sustainable purchasing training

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

The main employees 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 employees in sustainable purchasing

The target was to train 400 employees in 2019 and 300 in subsequent years.

In 2021, 501 employees followed the e-learning program in around 40 countries, mainly France, the United States, China, Italy, Mexico, and Southeast Asia.

Priority no. 3-A		2019	2020	2021
Number of employees trained on sustainable purchasing	Results	503	651	501
	Targets	400	300	300
	Achievement	**126%**	**217%**	**167%**

Focus: training internal procurement partners for a consistent sustainable purchasing approach across the Group

From 2019 to 2021, more than 1,500 employees were trained in sustainable procurement in almost 40 countries. The internal stakeholders were highly involved as almost 75% of employees trained were procurement partners, including more than 600 "industrial" employees, *i.e.*, working in R&D, logistics, quality and design, and more than 200 financial employees and other decision makers.

4.2.2.1.2 Priority no. 3-B: Implementation of Life Cycle Cost in purchases 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

As the Group's operations have evolved since 2018, and particularly in 2020, the 2021 target was adjusted to 28 countries versus 30 initially (discontinuation of industrial procurement activities in Saudi Arabia and very reduced industrial procurement in Portugal, hence its exit from the target).

In 2021, 27 of the 28 target countries achieved the expected number of LCC matrices and the Czech Republic took part on a voluntary basis, making a total of 28 countries.

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 an LCC* approach	Results	9	23	28
	Targets	8	21	28
	Achievement	**113%**	**110%**	**100%**

* *Life Cycle Cost*

Focus: the LCC approach - gradual and continuous acceptance.

The gradual rollout of the LCC matrix in 28 countries where Legrand has production sites has led to greater acceptance of the need to integrate CSR issues in supplier selection criteria. The relevant entities achieved an average of six LCC matrices in 2019 (8 countries, 60 LCC matrices) versus 10 in 2021 (28 countries, 295 LCC matrices).

4.2.2.2 Priority no. 4: measure the progress of suppliers identified as at-risk in CSR terms

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. Virtual audit processes have been carried out since the beginning of the health crisis;

- **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.

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 are integrated into this platform, to ensure that the sustainable procurement approach is deployed in a consistent and sustainable way within the Group.

In 2021, the CSR risk management system for France, China, Brazil, Egypt and India became part of the SVM platform. More than 230 supplier CSR scorecards are available. The rollout 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.

The aim was to produce 500 CSR scorecards between 2019 and 2021.

Since 2019, 521 CSR scorecards have been produced. At the end of 2021, the situation was as follows:

- 507 suppliers were assessed as CSR compliant (97.5%);
- 11 suppliers were assessed as CSR risky (2%);
- 3 suppliers were assessed as CSR critical (0.5%).

Action plans are 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 2020, there were 56 critical and risky suppliers.

The aim in 2021 was for all of those 56 suppliers to show an improvement, *i.e.*, for their CSR score to improve after the implementation of an action plan.

In 2021, the scorecards of the 56 critical and risky suppliers (46 risky and 10 critical) identified in 2020 showed an improvement following action plans, as did seven suppliers identified as risky in 2021. In total, 63 suppliers showed an improvement in 2021, mainly in France, India, the United States and Italy. This represents 112.5% of the risky suppliers identified.

Action plans will continue for suppliers that still present risks.

For more details about improvement plans, please refer to chapter 4.5 "Duty of care", section 4.5.4.3 "Supplier activity / Risk prevention and mitigation measures".

Priority no. 4		2019	2020	2021
Performance relating to risky suppliers	Results	269	78.3%	112.5%
	Targets	200*	50%**	100%**
	Achievement	**135%**	**157%**	**113%**

* *2019: number of scorecards completed*

** *2020 and 2021: % of CSR risky suppliers showing an improvement*

In addition to actions taken with the critical and risky suppliers referred to above, Legrand also performs CSR audits of those suppliers. Since 2019, 102 audits have taken place, including around 15 in 2021, mainly in India, China and Egypt.

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 fund 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 2021, 48 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 Delegated Regulation (EU) 2020/1588 of June 25, 2020 amending Annex 1 of Regulation (EU) 2017/821 of May 17, 2017 laying down supply chain due diligence obligations for Union importers of tin, tantalum and tungsten, their ores, and gold originating from conflict-affected and high-risk areas. Legrand does not purchase any of the ores listed in Annex 1 of the regulation and few of the metals listed concern Legrand; where they do, they are mainly purchased in the form of alloys or processed products, and so to our knowledge are not affected at this stage.

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

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 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.

This commitment 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.

Focus: country directors pledging support for the Compliance Program by signing a letter of commitment

Since June 2015, the commitment of General Management has cascaded down to the Group's various departments and countries through the signature of a letter pledging compliance with rules on business ethics.

This pledge reflects the two priorities of the CSR Roadmap and confirms the signatories' commitment to training local staff and effectively implementing the rules and procedures of the Group's compliance program.

Executive Committee members signed the pledge again in September 2021 to renew their commitment and reaffirm the importance of the compliance program within the Group.

Organization of business ethics within the Group

Business ethics is the responsibility of the Group Legal and Compliance Department supported by a network of Compliance Officers tasked with ensuring that the compliance program is fully in place across the Group.

The Group Compliance Officer works directly with the Group Risk Committee and also with the Audit Committee and Board of Directors.

Compliance control arrangements form an integral part of the Group's internal control program, which is responsible for risk management.

Business ethics guidelines and charters

Legrand's commitments and rules regarding business ethics are enshrined in its guidelines and charters.

- **The Guide to Good Business Practices** sets out the values shared by the Group's employees. It therefore reflects General Management's commitment to unreservedly and unequivocally involve the Legrand Group in the prevention and detection of corruption and fraud. Its aim is to foster a culture of compliance. The Guide defines and illustrates situations and behaviors that could constitute corruption or fraud and that must be prohibited. Behaviors that are contrary to the commitments and principles of the Guide may lead to penalties, notably as defined in the Group's internal procedures.
- In terms of trade relations, Legrand's **Competition Charter** sets out the best practices to adopt and explains how to abide by competition rules.
- These documents supplement the Group's **Charter of Fundamental Principles**; these are annexed to its rules of procedure and enforceable against Group employees, which must comply with the rules they contain. Group guides and charters apply to all Group employees and are adopted wherever it operates, including outside France, without prejudicing the application of stricter laws where relevant.

All employees must adhere to these rules, particularly if they are in contact with customers, suppliers or business partners.

Ethical business rules also apply to the Group's suppliers and subcontractors. Legrand expects them to adhere to the sustainability standards contained in its Ethical Supplier Relations Code. Compliance with these rules is a major factor in supplier selection and management.

All these documents can be found at

https://www.legrandgroup.com/en

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 built on **four key pillars**:

- compliance with competition rules;
- efforts to combat bribery and influence peddling;
- prevention of conflicts of interest and management of fraud risks;
- compliance with international embargoes and sanctions and the prevention of money laundering and terrorist financing.

The Compliance Program has five phases:

Phase 1. Strong commitment from the Group's General Management

This is supported by local Departments which sign a formal pledge to comply with the rules on business ethics. Country Compliance Officers are responsible for applying the program and report to the Country Compliance Committees.

Phase 2. Analysis of the Group's compliance risks

Compliance risk mapping provides insights into the risk factors that could affect the Group's business and performance. It enables the Group to guard against the legal, human, economic and financial consequences that could result from a lack of vigilance.

Its aim is to ensure that the Group's compliance program is effective and appropriate.

Legrand has identified compliance risks within the four pillars of the program, namely competition, anti-corruption, fraud, and embargoes and money laundering. The compliance risk map is evaluated regularly and updated on the basis of changes in the business or in the regulatory or economic environment.

Phase 3. Clear control policies and mechanisms

These are designed to meet Legrand's requirements and are applied locally. They are supplemented by practical guides tailored to local contexts and intended to define the Group's rules and tools.

Phase 4. Training and communication

The program is promoted *via* a communication plan. The Group's messages and tools are translated into local languages and circulated among employees. The Group provides training through e-learning platforms and classroom-based sessions for the employees concerned.

Phase 5. Supervision and audit

Each Group subsidiary undergoes a self-assessment of its internal control system which includes checks on compliance with business ethics. In addition, business ethics are included in the internal audit programs.

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 2021, the Group received around 15 ethics alerts *via* SignalEthic. None of those alerts had a significant impact. They were examined and handled in accordance with Group procedures as detailed in the Charter of Fundamental Principles.

Focus: 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 to train employees on 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 employees:
- Managers;
- Country heads;
- Operational managers;
- Chief Financial Officers;
- other people dealing with third parties, particularly those working in sales and purchasing.

They are the main contributors to efforts to prevent and detect corruption and fraud. It is therefore necessary that they clearly identify the behaviors to be adopted and their roles and responsibilities when faced with situations of non-compliance. They must encourage the broad dissemination of the commitments made by General Management, ensure that their 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 may be provided *via* e-learning or in person.

2019-2021 target and achievements

Train at least 3,000 employees per year.

Since the Compliance Program was launched, more than 27,000 employees have completed an e-learning or classroom-based compliance training course:

- 2,500 before 2014;
- 3,377 during the 2014–2018 CSR Roadmap;
- 21,707 during the 2019–2021 CSR Roadmap.

Priority no. 5		2019	2020*	2021*
Number of employees trained on business ethics	Results	4,151	13,511	21,707
	Targets	3,000	6,000*	9,000*
	Achievement	**138%**	**225%**	**241%**

* *Year to date from 2019*

4.2.3.2 Priority no. 6: monitor 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 2021, 35 audits were performed, including a "business ethics" review. Of those audits, five 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 acquisition. As a result, the percentage below does not include 2020 and 2021 acquisitions.

At the end of 2021, the compliance program's rate of deployment within the Group was measured at 96.9%.

Only two subsidiaries representing 1.5% of Group revenue showed a level of deployment that was deemed insufficient and will as a result be subjected to an enhanced action plan in 2022.

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

* *In % of Group sales covered*

4.2.3.3 Supervise lobbying activity

Lobbying efforts are not part of the Group's strategy.

In 2021, 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.

The Group primarily takes part in joint initiatives with other market operators within professional organizations (GIMELEC, IGNES, ASEC, etc.).

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, Legrand may be exposed to the risk of changes in tax regulations or of having its positions challenged during tax inspections.

Such challenges may give rise to financial costs that are potentially significant and, in some countries, criminal penalties that would damage the Group's image and reputation among its stakeholders.

The Group Tax Department and local experts are committed to refraining from using aggressive tax strategies disconnected from operational reality or artificial tax arrangements.

If necessary, operational teams use the services of tax firms that are internationally renowned or have a very strong local reputation.

The Group Tax Department carries out permanent monitoring of the most significant regulatory developments. It ensures that the Company complies with the applicable rules and laws in the main countries, and checks overall compliance with the Group policy defined in accordance with OECD rules.

The Tax Department has also set up country-by-country reporting in accordance with international recommendations. This enables it to detect potential discrepancies in tax expense or in the distribution of earnings.

Each month, the Group tax department monitors the overall tax expense borne by Legrand and for all Group subsidiaries.

Quarterly discussions take place between the Group Tax Department and finance officers in the main countries to review major tax matters.

Material tax items and any disputes and regulatory developments relating to tax are examined every quarter with the Finance Department and every year with General Management. The main matters are also shared with the Audit Committee at each quarterly publication.

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4.3 - Making commitments to employees and communities

With more than 34,200 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 Group Executive Committee. It is managed horizontally, with centralized management targeting key positions and resources. It is deployed in subsidiaries and managed by local human resources departments.

In addition, an HR manager responsible for social issues is given specific responsibility for:

- implementing the HR initiatives and priorities contained in the CSR Roadmap;
- providing a functional link with the CSR Department;
- being the sole point of contact for all HR departments within the subsidiaries on topics associated with Legrand's CSR commitments in this area.

For more information on the Group's human resources policy, visit the Careers section of the www.legrandgroup.com website.

4.3.1 - Respect human rights and communities

4.3.1.1 Priority no. 7: uphold 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 listed above, the Legrand Human Rights Charter, published in 2017, sets out, in operational terms, the Group's commitments on:

- child labor and young workers;
- forced labor;
- health and safety;
- decent working conditions;
- freedom of association;
- discrimination.

This Charter is publicly accessible on the www.legrandgroup.com website.

It aims to inform internal and external stakeholders about the principles and commitments that the Group has adopted for itself and its partners.

The Group also operates a 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 at its 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 action plans if areas for improvement are found.

In 2021, 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*	Results	99.9%	100%	100%
	Targets	100%	100%	100%
	Achievement	**99.9%**	**100%**	**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, its brand and its employees in order to provide the maximum benefit to the communities.

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 employees to take part in community initiatives during working hours. Examples are North and Central America, where Legrand has its Better Communities program, India and France, where a community engagement program was launched in September 2020.

https://www.legrand.us/aboutus/sustainability/employee-and-community-welfare.aspx

In 2021, employees spent a total of 1,045 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.

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 by Legrand employees, contributions of skills and financial support.

Housing that allows people to continue living at home

Helping people to live independently by continuing to live home have become major societal issues. 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.

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.

This action area contributes to the achievement of 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 for use by the NGO, and the involvement of employees who offer their skills and become directly involved on the ground or who provide training or technical support.

Legrand offers long-term support for development projects, and donates occasional aid to emergency humanitarian actions.

Since 2007, Legrand has supported *Électriciens Sans Frontières* in some 250 projects to increase access to electricity and provide emergency aid in 43 countries. Joint initiatives with *Électriciens Sans Frontières* have given 2.9 million people access to electricity.

In 2021, in line with the agreement signed in 2017, Legrand renewed its commitment to *Électriciens Sans Frontières* and the crisis and support center set up by the French Ministry for Europe and Foreign Affairs for managing emergency humanitarian situations. The agreement was signed by 14 companies or corporate foundations in the electricity sector and enables *Électriciens Sans Frontières* to assist the crisis and support center on a case-by-case basis when emergency situations arise, or during reconstruction efforts or when the contribution of skills is needed. The partners to the agreement will provide material and financial resources for that purpose.

Focus: partnership with *Électriciens Sans Frontières*

In previous years, Legrand provided assistance to the NGO during its emergency interventions in:

- Palu (Indonesia) in 2018;
- Beira (Mozambique) in 2019;
- Beirut (Lebanon) and Yerevan (Armenia) in 2020.

To find out more, visit www.electriciens-sansfrontieres.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 supports 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 stands at 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.

Focus: grants for training in the electrical industry

For the 2021-2022 academic year, the Legrand Foundation is providing grants for people training for jobs in the electrical industry. The grants are awarded on the basis of social criteria and are intended to fund equipment such as toolboxes, safety footwear, laptops or any other equipment needed for training purposes.

2019-2021 target and achievements

Roll out a sponsorship strategy in 75% of the countries in which the Group operates.

In 2021, 89% of countries had a charitable policy in place, *i.e.* 48 of the 54 countries identified.

The total budget allocated to charitable activities amounted to more than €10.1 million in 2021, breaking down as follows:

- Cash donations: €1.8 million.
- Product donations or other gifts in kind: €8.3 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%	80%	89%
	Targets	55%	65%	75%
	Achievement	**111%**	**123%**	**119%**

Other initiatives in pursuit of the UN 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 in India that contributes to achieving 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 five years to receive specialist advice from doctors at the Nanavati Super Specialty Hospital in Mumbai.

Focus: several countries set up Covid-19 vaccination campaigns for their employees

During 2021, several countries including Algeria, Brazil, China, Egypt, France, India and Russia, arranged for their employees to be vaccinated in the company's premises during working hours to protect them against Covid-19.

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.

As of the date of this universal registration document, two employee representatives sat on the Board of Directors, one appointed in 2018 and the other in 2020.

Certain indicators, monitored *via* the HR reporting process, give an overview of dialogue taking place within the Group in 2021:

- 65% of the workforce was employed in entities in which there was an employee-representation body and/or a union;
- 48% of employees were covered by collective agreements or agreements applicable to their entity;
- 883 information or consultation meetings with employee representative bodies or unions were held during the year;
- 138 new collective agreements were signed, covering 14,573 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.

4.3.2 - Promote health, safety and well-being at work

As Legrand's 2018 and 2021 Materiality Assessments show, 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 practices on health and safety at work

The ultimate objective 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 a sustainable working environment;
- incorporating health and safety into all activities;
- making sustained improvements to performance and to the management system;
- fostering accountability among all participants and involving partners.

The Prevention Charter, signed by the Chief Executive Officer, is promoted broadly among employees by the managers of each entity. 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 Health & Safety correspondents present on the various sites as well as QSE (Quality, Safety and Environment) officers.

ISO 45001 certification

The Group is in the process of obtaining ISO 45001 certification for most of its industrial and logistics sites. At the end of 2021, 45 reporting entities had obtained management system certification.

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 four-monthly report on the deployment of best practices.

According to the employee engagement survey carried out in 2021, 86% of respondents felt that the company was concerned for their health and safety at work.

Focus: 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 crisis team held meetings throughout 2021 to assess whether the prevention arrangements were adequate and determine whether any adjustments were needed.

Focus: Safety talks

Safety talks are informal discussions led by managers with their teams. They deal with topics relating to health and safety and resulting in one or two collective commitments made by the team to modify the way they work and make progress in terms of the safety culture.

In 2021, 178,550 people took part in the safety talks across the Group's consolidated scope (excluding recent acquisitions).

Focus: health campaigns

For several years, Legrand India has held awareness days for employees and visitors to the company to address health topics. In 2021, topics addressed included dengue fever, diabetes, the effects of smoking and drinking, eye health and road safety.

4.3.2.1.1 Priority 9A: Decrease the frequency rate of accidents with or without stoppage

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 had 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.

The FR1 continued to improve in 2021, halving again to 2.11.

For the 2019-2021 CSR Roadmap, the decision was made to adopt a different key indicator, *i.e.* FR2, which covers accidents both with and without lost time. The ambitious objective was to reduce the FR2 by 20%.

2019-2021 target and achievements

Reduce the FR2 indicator by 20% compared with 2018.

The FR2 figure for 2018 was 6.53, and so the target for 2021 was 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 number stated below does not include 2019, 2020 or 2021 acquisitions.

The FR2 was 3.52 at the end of 2021, thus beating the target set by the Group in its 2019–2021 CSR Roadmap.

Priority no. 9-A		2019	2020	2021
% reduction in the frequency of accidents*	Results	(15.9%)	(29.7%)	(46.1%)
	Targets	(7%)	(14%)	(20%)
	Achievement	**228%**	**212%**	**230%**

* *With or without stoppage (FR2)*

4.3.2.1.2 Priority no.9-B: 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 this issue.

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.*,
  - monitor employee health through regular check-ups;
  - prevent musculoskeletal disorders;
  - make significant efforts, in accordance with the UN goals, to ensure healthy lives and promote well-being;
  - prevent psychosocial risks.

2019-2021 target and achievements

Cover 90% of employees with the Legrand Way health and safety program.

Those initiatives are assessed according to their deployment and implementation progress. 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%.

In 2021, 93.7% of registered employees worked for entities scoring at least 45 out of 60. The 2019–2021 CSR Roadmap target was therefore achieved.

The figure excludes acquisitions in the last three years – *i.e.*, in 2019, 2020 and 2021 – and is based on the workforce at end-November 2021.

Priority no.9-B		2019	2020	2021
% of deployment of "Legrand Way" for H&S program*	Results	43.6%	65.0%	93.7%
	Targets	30%	60%	90%
	Achievement	**145%**	**108%**	**104%**

* *In % of workforce covered*

Focus: Sustainable Development Goal no. 3: ensure healthy lives and promote well-being for all at all ages

Each unit is asked to take one significant action every year in connection with the examples given by the UN.

These actions may be aimed at employees themselves, but may be extended to their families or local communities.

For example, a unit could organize a vaccination campaign, arrange a program to prevent road risks or devise a communication plan to help people 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 "Improving Lives", the Group has a duty of care towards its employees, which may go beyond national legislation or market practices where these fall below the Group's requirements. Providing employees with attractive compensation and a good working environment helps to improve the Group's employer brand. It also helps it to attract and retain employees more effectively.

4.3.2.2.1 Priority 10-A: 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 local legislation, which often offers a lower level of protection.

The program focuses on three key areas:

- **Parenthood** - To promote a better work/life balance, and in keeping with the spirit of the International Labour Organization's (ILO) recommendations, Serenity On sets a minimum standard for maternity leave and paternity leave.

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 emergency, 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 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's aim was 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 2021, it covered 97% of the workforce:

- Healthcare: 97%
- Death benefits: 96%
- Disability benefits: 95%
- Maternity: 98%
- Paternity: 98%

This rollout covers all consolidated entities, excluding companies acquired less than two years ago. Therefore, the result stated below does not include 2020 or 2021 acquisitions.

Priority no.10-A		2019	2020	2021
% of employees covered by the Serenity On program	Results	82.7%	92.6%	97.0%
	Targets	75%	90%	95%
	Achievement	**110%**	**103%**	**102%**

4.3.2.2.2 Priority no.10-B: Measure and improve employee engagement

Commitment results on 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 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.

According to the employee engagement survey conducted in 2021, 83% of respondents said that they generally managed to find a satisfactory balance between work and home life.

The well-being and satisfaction of the Group's employees are addressed through different processes:

- **CAPP** (Competency Appraisal Performance and Perspectives) interviews (see section 4.3.3.1.2), during which quality of life at work is discussed;
- **surveys about specific projects;**
- global **employee engagement surveys** conducted by an external service provider. The survey offers all employees an opportunity to discuss their engagement.

In 2021, Legrand conducted its second employee engagement survey among all employees. The participation rate improved to 79%.

2019-2021 target and achievements

Measure employee engagement

The 2017 employee engagement survey, which covered the Group's employees worldwide, produced an engagement score of 69%. The target was to improve by at least one percentage point following the second survey.

From 2017 to 2021, Legrand further developed its employee engagement model to align with market practices. Based on the new model, the 2021 engagement score was 80%. Based on the 2017 model (baseline for calculating CSR performance), the 2021 engagement score was 76% and the target was therefore achieved.

In addition, 87% of respondents said that they were proud to work for the company.

Priority no. 10-B		2019*	2020*	2021**
Performance relating to employee engagement	Results	100%	100%	76
	Targets	100%	100%	70
	Achievement	**100%**	**100%**	**109%**

* *2019 & 2020: % of scopes covered by an action plan*

** *2021: employee engagement score*

4.3.3 - Develop skills

Legrand pays special attention to managing and developing the skills of its employees. It encourages internal mobility and invests in career development.

The Group aims to foster engagement among its employees, as well as attracting and retaining new talents, 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 our employees

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 employees 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:

- **Core training for all**: initiatives are carried out at Group level in areas such as compliance, health and safety at work, cybersecurity, diversity and anti-discrimination. **At site level**, 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.);
- **Targeted training for 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");

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- **Managerial training**: 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 2021, the focus was on training in digital marketing and social selling.

In 2021, close to 556,600 hours of training were provided, compared to 530,000 in 2020.

According to the employee engagement survey conducted in 2021, 80% of respondents felt that the training they received was appropriate for their job.

Focus: Learning with Legrand, the digital training platform

In 2019, Legrand launched a digital training platform for its employees worldwide.

The platform contains standard modules, accessible to all, that provide detailed information about major topics concerning 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 the Group's countries and had 20,000 active users in 2021.

More than 100 courses are offered to employees on topics such as compliance, purchasing, cybersecurity, digital, the day-to-day use of digital tools, language learning and soft skills such as management. To enhance learning, the tool is accessible in multiple languages. Employees have taken part in more than 900 training sessions representing more than 120,000 hours of training on the platform.

Each year, a training roadmap is rolled out to reflect the Group's major strategic orientations. It is shared with all HR departments so that it can be drilled down to local level.

Regular communication events, such as training weeks and newsletters support the roadmap and help to develop the training culture among employees. Each month, a limited selection of modules on a core theme are made available to employees and managers.

Employees can access these resources *via* their smartphone and follow the training module as and when they wish.

Onboarding

To help new hires reach the required competency level as quickly as possible, some countries (such as Mexico, the 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.

This initiative continued in 2021 after a year of strong growth in distance managerial training 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 most employees were working remotely, depending on the context.

Talent training program

There are two specific talent development plans.

- **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. This program covers almost 80 people a year from a diverse range of functions and geographical origins.
- **Legrand Global Leaders**, aimed at people with senior management potential, uses an upstream assessment of participants to help them put together a personalized development program comprising courses from elite universities, coaching from managers and discussions with top management. This plan aims to support the process of appointing people into key roles within the Group, by creating a pool of talented people who have been assessed and are known to members of the Executive Committee. A class of some 20 senior managers start the program every 18 months.

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 employees in each country for key local roles.

2019-2021 target and achievements

85% of employees to have at least four hours of training per person per year.

In 2021, 92.7% of the workforce received training. This percentage excludes acquisitions made in 2020 and 2021 and is the number of hours of training delivered divided by the number of people in the workforce at the year-end, less the number of people absent for the entire year on long-term leave. The maximum achievement rate for countries is 100%.

Priority no. 11-A		2019	2020	2021
% of employees receiving a training*	Results	85.3%	89.3%	92.7%
	Targets	85%	85%	85%
	Achievement	**100%**	**105%**	**109%**

* *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 employees 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.

2019-2021 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 another local tool.

In 2021, the proportion of managers taking part in a CAPP interview was 97.3%. This figure excludes acquisitions made in 2020 and 2021 and is the number of annual manager interviews held divided by the number of managers in the workforce at the end of the year, less the number of managers absent for the entire year on long-term leave. The maximum achievement rate for countries is 100%.

As in 2020, 2021 saw huge use of remote working methods. Managers were asked to use CAPP interviews as an additional way of maintaining contact with employees, and thereby to adjust the year's targets on the basis of new aims and priorities.

According to the employee engagement survey conducted in 2021, 81% of respondents considered that the aims and objectives on which they were assessed were clearly defined.

Priority no. 11-B		2019	2020	2021
% of managers who had an individual appraisal	Results	93.1%	97.6%	97.3%
	Targets	90%	90%	90%
	Achievement	**103%**	**108%**	**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, who are 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 given the strong bias towards internal promotion, Legrand also relies on its compensation policy to retain managers.

Long-term incentive plans

These plans are distributed either in performance shares or in long-term bonuses.

A selection process involving line management and General Management seeks to identify the best-performing employees in all countries who help to create value in a responsible way across the organization. Performance share plans cover around 12% of the Group's managers (about 1,300 people). Three quarters of these employees are currently employed outside of France.

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.

In the 2021 employee engagement survey, the theme of Diversity and Inclusion came out top of the most positively perceived aspects, with 81% favorable responses.

90% of respondents felt that their manager treated them with respect. 83% believed that the company provides an inclusive working environment that accepts personal differences.

Focus: the Diversity and Inclusion Policy

The Diversity and Inclusion Policy, which was first published in 2019 and updated in 2021, applies to all Legrand establishments and companies worldwide, and mainly focuses on the following five areas:

- Gender balance
- Inclusion of disabled workers
- Intergenerational collaboration
- Social, cultural and ethnic 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.

The outcome of the employee engagement survey shows that there is very little difference in the way men and women perceive the aspects measured.

Promoting diversity, particularly by placing more women in management positions

Legrand is actively encouraging the recruitment of more female managers.

- **Executive Committee**: since mid-2021, the proportion of women on the Executive Committee is 40%, an increase from one third at the end of 2019 and 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 had increased by 32% by the end of the last CSR Roadmap.
- **Managerial positions**: in 2018, female managers made up 22.6% of the workforce. This figure had risen to 26.7% by the end of 2021.

Discrimination awareness and training for managers

Independent experts advised members of the HR department and workforce representatives involved in negotiating gender equality agreements. They were also involved in awareness-raising efforts among new hires during onboarding sessions, particularly in Australia, the United Arab Emirates, the United States, Germany, Italy, France and Canada.

Ensuring that HR processes comply with the principles of non-discrimination

Legrand has produced a recruitment guide that is consistent with the principle of non-discrimination, drafted by an international working group composed of HR managers from four countries (France, Italy, Turkey and the United States). A series of agreements on employment parity and equality have also been signed, particularly in France in 2012 and 2014 (renewed in 2018), and in Italy. These factors are taken into account in the annual pay review process.

Coordinating a network of gender equality and anti-discrimination officers

In France, for example, these officers have a mediation and advisory role, and share best practices. They must ensure that no discriminatory situations occur in terms of hiring, vocational training, career paths and development, women's ability to access positions of responsibility, compensation policy, work/life balance or the organization of working hours.

Gender equality officers reviewed 25 potential cases of discrimination in 2021 (versus 18 in 2020), 15 of which resulted in salary adjustments being made (versus 12 in 2020).

Combating stereotypes through training

Since 2013, nearly 900 of the Group's French managers have received training to combat stereotypes. In 2018, the initiative was supplemented in France, with efforts to raise awareness of everyday sexism, among 150 managers. In 2019, efforts continued in France with HR teams and prevention officers training on regarding efforts to combat sexual harassment and sexist behavior. Almost 500 further people received training on this topic in 2021.

Promoting the elle@legrand gender equality network

This network is an initiative developed by Group employees, run by an independent governing body and funded by General Management. The network discusses skills development, career progression and work/life balance, arranges programs such as mentoring and organizes presentations and exchanges of views with other networks.

At the end of 2021, the network was present in 33 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: combating gender-based violence

As part of its commitment to combating gender-based violence, Legrand has signed two charters aiming to protect victims of domestic violence:

- the Commitment Charter against Gender-Based Violence developed by oneINthreeWOMEN, the first European network of companies to engage in this combat, and *Fondation Agir Contre l'Exclusion* (FACE);
- the manifesto of French economic actors against violence, backed by the Ministry in charge of gender equality, diversity and equal opportunity.

These initiatives confirm Legrand's commitment to providing a secure, caring work environment for all employees and more particularly for women employees who have suffered violence. In line with its purpose of improving lives better, the Group takes action to raise staff awareness and direct victims towards the competent networks. Emergency numbers and support for victims are provided locally.

Focus: Empower Girls by Legrand India

Legrand India has been helping deserving female students pursue their engineering studies at local universities since 2018. The aim is to make women more self-sufficient by providing them with high-quality vocational training, and to train the female managers of the future.

The initiative currently supports 183 female students.

In 2021, this initiative won the GEEIS-SDG award for actions in favor of gender equality as a means of achieving the UN sustainable development goals.

Focus: "First steps" by Legrand in Ivory Coast

This program aims to help students of electrical trades to find jobs by giving them an initial insight into and first experience of the working world. It is conducted in partnership with the Bingerville Center for Electrical Trades in Ivory Coast.

2019-2021 target and achievements

20% increase in the number of women in managerial roles

All entities 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. At the end of 2021, this figure had risen to 26.7%. Figures exclude acquisitions made in 2020 and 2021.

Priority no. 12		2018	2019	2020	2021
% of female managers	Results	22.6%	23.3%	24.8%	26.7%
	Targets	N/A	24.2%	25.6%	27.1%
	Achievement		**46%**	**71%**	**90%**

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 in France, 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. By the end of 2021, more than 2,300 employees had taken the course.

Inclusion and disabilities

For many years, Legrand has sought to include disabled people in its workforce. This approach is a natural fit with the Group's commitment to "Promote equal opportunities through an improved awareness of diversity in Human Resources management".

Overall, people with a disability make up 2.16% of the Group's workforce.

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.

A training module on the integration of workers with disabilities is also available on the Learning with Legrand platform.

In 2021, Legrand took part in DuoDays, a national initiative launched in 2016 to help people with disabilities learn about a trade or validate a career choice by spending the day in a company, local authority or association.

It provides an opportunity for participants to look at things differently and overcome their prejudices together.

Legrand welcomed people in 28 sites and departments in France and the overseas territories, thus creating 28 pairs who worked together and learned from each other based around a chosen job.

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 (disability training) and Germany (work experience for a young autistic person) as part of European Disability Employment Week. In Hungary, almost 50 employees took part in the Special Olympics Summer National Games organized by the city of Szentes, during which some 700 athletes with moderate, severe and multiple intellectual disabilities competed in 16 disciplines

Inclusion and LGBT+

Legrand has made the inclusion of LGBT+ people one of the five pillars of its Diversity and Inclusion policy. The Company has also ratified the *Autre Cercle* charter (see Focus below).

In addition, Legrand supports the employee initiative to create an internal network that is open to all and aims to support the inclusion of LGBT+ within the company. In 2021, local satellites of this network were set up in France and Italy. A training module on LGBT+ inclusion is also available on the Learning with Legrand platform.

Around 10 employees took part in the "Odyssey for Equality" project, whose work on "What is our ideal workplace for LGBTIQA+ employees in 2031" was presented at the Human Rights forum in Copenhagen.

The Group also set up a support mechanism for transitioners. It also supports two charitable organizations, "Le Refuge" in France and "Migrabo" in Italy.

Focus: Signature of *L'Autre Cercle*'s LGBT+ Commitment Charter by the Executive Committee

As part of its Diversity and Inclusion policy, Legrand has continued its strong commitment to human rights and inclusion within the company. Accordingly, the Executive Committee has signed *L'Autre Cercle*'s LGBT+ Commitment Charter.

Benoît Coquart was named among *L'Autre Cercle*'s "2020 LGBT+ ally role models" in the manager category. This recognition results from the Group's commitment and efforts to promote greater diversity, inclusion and respect for differences within the company. In 2021, three other employees won awards in the LGBT+ first job, LGBT+ leader and ally executive categories.

Inter-generational inclusion

Legrand has developed several initiatives to help the various generations work together.

Many young people around the world benefit daily from the support provided by experienced employees during internships and apprenticeships.

Legrand raises awareness of the electrical industry among boys and girls, throughout their education from middle school to university, by sending employees to speak at schools, universities and training establishments, and by inviting students to attend events organized by the Group.

Technical challenges are held on a regular basis with university students. Legrand also supports the world vocational training championships organized by Worldskills in the "Electrical installation" category.

In many countries, initiatives are being developed to make it easier for all young people to learn about and access the job market.

In **Italy**, 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 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. A Team Future program is also available for potential interns and apprentices at university. The "ruhrtalente" program also seeks to recruit and raise awareness among talented female students from deprived backgrounds.

In **Mexico**, a program has already allowed 17 young interns and apprentices with limited financial resources to join the Group.

In **Spain**, Legrand has formed agreements with universities to offer work experience to students.

In **Indonesia**, 22 interns were supported during a one-year university course at **Politeknik Negeri Sriwijaya** with Legrand technical solutions.

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.

Social, cultural and ethno-racial inclusion

Legrand has several locations in France, and supports the development of the communities wherever it operates. Through the "*La France une chance, les entreprises s'engagent*" program, Legrand pursues various practical initiatives in favor of employment, inclusion and professional integration for all.

Legrand France is a partner of the "*Capital Filles*" charity which mentors female high-school students and gives them career guidance.

A training module on ethnic discrimination is available on the Learning with Legrand platform.

Focus: Black Professional Network

In the United States, a Black Professional Network (BPN) for visible minorities was set up in 2020. In 2021, a mentoring program was set up bringing together senior executives and employees of color to extend the networking process. A pilot reverse mentoring scheme between senior executives and employees has been developed to discuss what people of color experience in their working lives. Many employees have enjoyed career progression thanks to their more extensive networks.

In addition, an inclusive leadership program has been launched, beginning with the company's senior executives and top managers. The program includes an online training model and a series of webinars focusing on the four pillars of inclusive leadership, *i.e.*, impartiality, ability to listen, sense of belonging and growth mindset. More than 90 executives followed this program in 2021.

Focus: GEEIS – Diversity label

In 2020, the Group's head office and France entities obtained the Gender Equality European & International Standard (GEEIS) - Diversity label, created by Arborus and audited by Bureau Veritas Certification. They were followed in 2021 by the Group's subsidiaries in Chile, Colombia, Egypt and Switzerland.

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 reducing its environmental impacts. This responsibility applies to both the Group's operations and product design.

The Group aims to limit the environmental impact of its business, and to develop responsibly designed products that enable customers to reduce their greenhouse gas (GHG) emissions.

Organization and dedicated resources

The Group's environmental policy is managed by the Group Environment team within the CSR Department, which reports directly to the CEO.

Overall, around 110 people have operational responsibility for applying the Group's Environmental Policy.

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, in the R&D centers, specialists roll out and coordinate the eco-design policy through Legrand Way for Eco-Design practices and their associated tools.

The Group's environmental reporting allows periodic consolidation of environmental data from:

- production sites with more than 25 employees;
- administrative and commercial sites with more than 200 employees;
- logistics sites of more than 15,000 m^2.

At the end of 2021, 101 sites fell within the scope of the environmental reporting process.

New acquisitions are integrated at the latest three years after they join the Group.

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, including its R&D activities.

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 where the process is associated with production sites, by taking into consideration the environmental impact of the products they develop.

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, 87.7% of the eligible sites have obtained third-party ISO 14001 certification.

Focus: recognition for Legrand India's contribution to preserving 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.

Its main sources of energy consumption and therefore GHG emissions are:

- heating and lighting for its production units;
- a few materials processing operations such as plastic injection and extrusion.

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

Long-term commitment

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 signed the climate manifesto alongside 39 other major French companies to combat climate change and help limit global warming to 2°C. The Group also signed the Business for COP21 charter of commitments, and its initiatives are listed on the United Nations's 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 GHG 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 reduce its GHG emissions in line with the most ambitious Paris Agreement target. This trajectory is compatible with a 1.5°C increase in temperatures by 2100 compared with the pre-industrial era.

In 2021, the 1.5°C commitment made in 2020 was validated by the SBTi.

Focus: trajectory towards carbon neutrality

An initial trajectory of 2°C was validated for Legrand 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.

This commitment to reduce the Group's GHG emissions was strengthened in 2020 and validated by the SBTi in 2021. 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 by 2050. Carbon neutrality will be achieved through a sharp reduction in the Group's GHG emissions across its entire value chain and by neutralizing the emissions that cannot be avoided.

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

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

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

- Reducing the energy consumption of its sites by 3% per year on average;
- Deploying highly energy-efficient solutions across its sites;
- Using renewable energies on production sites or by buying green energy;
- Shifting its vehicle fleet towards hybrid or electric vehicles;

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

2/ As well as these initiatives, Legrand is committed to offsetting its residual Scope 1 and 2 GHG emissions as well as two Scope 3 items (business travel and employee commuting) by 2022 through voluntary carbon offset projects.

One of the first carbon offset projects identified by Legrand to meet its 2022 targets is a project to preserve flora and fauna in Africa.

Focus: employee involvement in environmental action

In 2021, Legrand organized an eco-friendly gestures campaign for all Legrand employees worldwide with the aim of involving them as much as possible in its environmental action. The program included raising awareness of daily gestures that have a positive impact on the environment and a challenge enabling the most assiduous employees to become eco-employees or eco-ambassadors.

In addition, around 20 employees in the United Arab Emirates took part in the 20th Clean Up UAE campaign organized by the Emirates Environmental Group (EEG) to clean up a site close to Legrand's premises. In the Moscow area, more than 30 employees took part in a campaign to plant 5,000 trees in a natural protected zone that had been ravaged by fire a few years earlier.

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 GHG emissions analysis and improvement targets, the Group underscores its commitment to this key issue and its desire for transparency.

In 2021, over 13,000 companies published environmental information through the CDP.

In 2021, 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 is allocated as follows on the 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;
- fuel consumption by company cars.

Scope 2 emissions

These are the Group's indirect emissions related to the production of electricity and heat purchased for its business activities (heating and lighting the Group's buildings and 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 and reducing them is therefore a priority.

Scope 3 emissions

These are indirect emissions from both upstream and downstream sources occurring in Legrand's value chain, such as suppliers, subcontractors and transportation (see section 4.4.1.2 "Limiting Scope 3 GHG emissions").

Scope 4 emissions

This indicator measures the GHG emissions avoided by users of Legrand's energy-efficiency products (see section 4.4.1.3).

The measurement is based on energy consumption avoided by users 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 4.4.1.3).

Details of the methodology and Legrand's Scopes 1, 2 and 3 GHG emissions based on the GHG Protocol categories are available on the Group website at https://www.legrandgroup.com/en/csr-home.

4.4.1.1 Priority no. 13: reduce the carbon footprint (Scope 1 and Scope 2 GHG emissions)

The GHG emission reduction strategy is based on three main measures:

- reducing energy consumption;
- using energy sources that are renewable or less CO_2 emitting;
- taking action to offset emissions.

4.4.1.1.1 Reducing energy consumption

Reducing the Group's GHG emissions by optimizing energy consumption is a priority.

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, on comparable scope, amounted to 453 GWh in 2021, as opposed to 406 GWh in 2020, 436 GWh in 2019 and 451 GWh in 2018.

At current scope and before accounting for green electricity purchases, aggregate Scopes 1 and 2 emissions in 2021 amounted to 148,969 metric tons of CO_2 equivalent (rounded to 149,000 metric tons) as opposed to 148,383 metric tons in 2020, 168,000 metric tons in 2019 and 178,000 metric tons in 2018. Thanks to the Group's policy in green electricity purchases, these Scopes 1 and 2 emissions amounted to 138,725 metric tons of CO_2 equivalent (rounded to 139,000 metric tons) in 2021. Previous year figures remain unchanged.

Details of green electricity purchases can be found in section 4.4.1.1.2 "Renewable energy use".

2019-2021 target and achievements

Reduce GHG emissions from operations (Scope 1 and Scope 2) by 7% in 2021 compared with 2018.

For comparison purposes, this priority is assessed on the basis of the 2018 reporting scope (comparable scope). In 2018, emissions totaled 178,000 metric tons.

In 2021, across the same scope, operational GHG emissions (Scopes 1 and 2 in metric tons of CO_2 equivalent) amounted to 127,629 metric tons, *i.e.*, beating the 2021 target by 166,000 metric tons (again based on the 2018 comparable scope).

Priority no. 13		2019	2020	2021
Scopes 1&2 CO_2* emissions (constant)	Results	165,282	137,250	127,629
	Targets	174,000	170,000	166,000
	Achievement	**105%**	**119%**	**123%**

* *In metric tons of CO_2 equivalent*

		2019	2020	2021
Scopes 1&2 CO_2* emissions (current)	Results	168,000	148,383	138,725
	Targets	174,000	170,000	166,000
	Achievement	**103%**	**113%**	**116%**

* *In metric tons of CO_2 equivalent*

Scopes 1 and 2 GHG emissions (at constant scope) fell by 7% in 2021 versus 2020 and by 28% between 2018 and 2021. This illustrates the success of the energy efficiency actions taken at Legrand sites and the installation of renewable energies (solar panels) at some production sites.

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 embarked on the process of 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 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 continues to refer to ISO 50001 tools 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 four 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 40% reduction in GHG emissions.
- Energy Marathons: internal competitions between the various entities to encourage employees 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 and charging stations continue to be installed at several industrial sites.

4.4.1.2 Limit Scope 3 GHG emissions

In 2021, Legrand's Scope 3 GHG emissions amounted to 3.46 million metric tons, breaking down as follows:

- upstream emissions come from the production of raw materials, purchases of goods and services (69%), upstream transportation (9%), fixed assets (3%), employee commuting (<1%) and business travel (<1%);
- downstream emissions come from downstream and intra-group transportation (<4%), end-of-life processing of products (2%) and emissions from products sold (11%) in Scope 3.

Details regarding "emissions from products sold":

In methodological terms, GHG emissions are associated with energy-consuming equipment such as heating or cooling systems (boilers, air conditioning units, etc.) or light sources. Legrand's Scope 3 downstream emissions from products sold amounted to 11%, although this figure is likely to evolve over time, 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 (4.4.2.6).

4.4.1.1.2 Renewable energy use

Legrand aims to produce and use its own renewable 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.

A growing number of sites are turning to solar photovoltaic plants. In 2021, six sites produced and used their own energy locally and six projects are being rolled out worldwide.

The Group is working to replace its purchases of traditional energy with green energy (wind, hydro, solar, use of biogas to replace natural gas, etc.).

In 2021, 100% of electricity used by Legrand in Italy and 26% in France came from renewable energy sources through specific contracts such as power purchase agreements (PPA).

10% of the natural gas purchased in France came from anaerobic digesters that produce biogas.

In 2021, Legrand covered 12% of its electricity purchases with green electricity purchases.

Focus: SBTi commitment

The Group 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 commitment was validated by the Science Based Targets initiative in 2021 and can be broken down as follows:

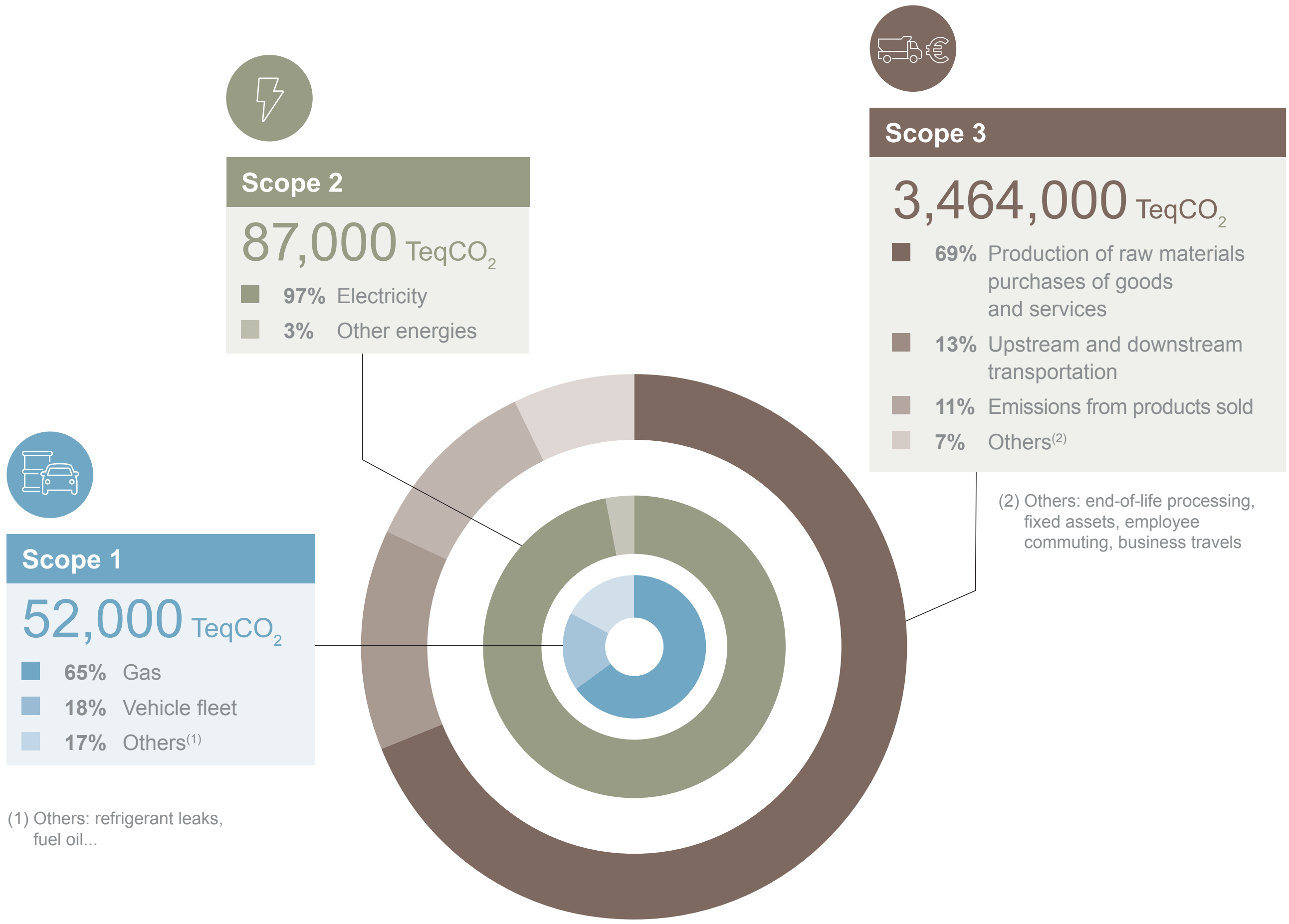
Reducing the emissions of Scopes 1 & 2 by 50% by 2030, with an adjusted 2019 baseline that includes acquisitions made in 2018 and 2019, *i.e.*, 177,000 metric tons of CO_2 equivalent;

Reducing Scope 3 GHG emissions by 15% by 2030 with a 2019 baseline of 2,710,000 metric tons of CO_2 equivalent (*i.e.*, 81% of Scope 3 GHG emissions in 2019).

For 2021, Legrand's emissions (SBTi scope) are as follows:

		2019	2021	2030
CO_2 emissions (SBTi scope)	*Scopes* 1 & 2	177,000	138,725	88,500
	Scope 3	2,710,000	2,800,000	2,300,000

* *in teq* CO_2



LEGRAND's 2021 carbon footprint
carried out in accordance with the GHG Protocol carbon accounting method

Initiatives to reduce Scope 3 emissions

Investments – use of an internal carbon price

Since early 2016, Legrand has factored in an internal carbon price of €35 per metric ton of carbon dioxide in its opportunity assessment relating to its capex and product development strategy. In January 2022, given the recent rise in carbon prices, particularly on the European Union's ETS market, Legrand raised its internal carbon price to €80 based on the market consensus. The price will be revised annually in line with market trends.

Raw materials and components

The eco-design approach allows the amount of raw materials used in new products to be reduced. 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 GHG emissions:

- reducing transportation distances between production and storage sites;
- consolidating the various manufacturing stages into a single location, thus reducing transportation between sites;
- limiting the use of air freight as far as possible;
- increasing the use of transportation by sea, rail or river where possible as an alternative to road transportation;
- using the same means of transport for both incoming and outgoing shipments, to avoid empty return journeys;
- optimizing the loading of trucks.

4.4.1.3 Priority no. 14: avoid GHG 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 GHG 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 UN Sustainable Development Goals 7, 11 and 13, is to help improving people's lives by improving 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 CX^3 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". In France, for example, this solution meets the legislative obligations arising from the "*décret tertiaire*" on tertiary buildings.

Electric vehicle charging solutions

- Legrand offers a range of charging stations (Green'up) designed for houses, public or company car parks and apartment buildings, including a smart range (IRVE 3.0). This range was bolstered in 2021 with the acquisition of Ecotap in the Netherlands and Ensto Building Systems in Finland, which also provide fast charging solutions for private buildings as well as public facilities such as roads, car parks and service stations.

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 under the Legrand brand name as well as local brands Inform (Turkey), SMS (Brazil), Borri (Italy), Numeric (India), S2S (France), Primetech (Italy) and Fluxpower (Germany):
  - conventional UPS ranges;
  - high-tech modular UPS facilities for critically important systems (datacenters and financial institutions);
  - high-energy-efficiency UPS using a smart power factor correction circuit. Energy efficiency remains at a high and constant level, even at a low rate of charge.

Detection and lighting solutions

The Group 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. Brands include WattStopper and Vantage LHUMAN, the new dynamic lighting control solution that integrates precise lighting control with motorized window shading and lighting fixtures to create an interior lighting environment centered around the user's life and well-being.

Specific solutions for datacenters

The Group provides highly energy-efficient solutions for data centers 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.

The acquisition of Raritan and Servertech rounded out the datacenter offering with smart PDUs (Power Data Units) to analyze energy consumption and improve performance.

2019-2021 target and achievements

Avoid 7.6 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.

These factors are added together to obtain 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 were as follows:

- 2019: 2.2 million metric tons avoided;
- 2020: 2.5 million metric tons avoided;
- 2021: 2.9 million metric tons avoided.

Priority no. 14		2019	2020	2021
Metric tons of CO_2 emissions avoided*	Results	2,456,675	2,970,093	3,310,877
	Targets	2,174,053	2,500,000	2,900,000
	Achievement	**113%**	**119%**	**114%**

* *Thanks to the Group's energy efficiency offers*

Between 2014 and 2021 therefore, the Group's solutions enabled customers to avoid almost 13.2 million metric tons of CO_2 emissions in total.

4.4.2 - Innovate for a circular economy

Reducing environmental impacts also means implementing circular economy principles, which the Group integrates into the development of its new products. These principles are divided into the following categories:

- ongoing improvements in environmental performance at the Group's research and development (R&D) centers through the incorporation of eco-design practices;
- use of product life cycle analysis (LCA) and a photo of the product's environmental impact presented in the PSP (Product Sustainability Profile) or PEP (Product Environmental Profile);
- 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 focuses on the progressive deployment of nine good practices:

Practice 1: Assessing the risk of hazardous substances being present

Legrand voluntarily applies European RoHS (Restriction of Hazardous Substances) regulations to all of its products sold around the world.

Legrand has also 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

The aim is to involve suppliers 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).

Focus: eco-design means fewer materials and less energy

In Brazil, the eco-designed PIAL Plus switch has reduced energy dissipation by 15% while also reducing the volume of conducting materials required by 47%, thus avoiding the depletion of natural resources.

2019-2021 target and achievements

Roll out the Legrand Way for Eco-design fully across R&D centers.

A score is assigned to each of the practices described above. Each R&D site has an annual minimum score target, 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 2021, the Group's target was an implementation rate of 100%. The actual result was 104%, giving an achievement rate of 104%. This figure does not take into account acquisitions made in 2019, 2020 and 2021.

Priority no. 15		2019	2020	2021
% deployment of the "Legrand Way for Eco-design" program	Results	94.2%	96.5%	104.1%
	Targets	87%	92%	100%
	Achievement	**109%**	**105%**	**104%**

4.4.2.2 Priority no. 16: provide environmental information on Legrand products

Customers are increasingly seeking information about the environmental impact of the products they buy or 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 its products. PSPs include two types of product-related disclosures:

- the Environmental Product Declaration (EPD);

- the Health Product Declaration (HPD) or the Declare Label.

Where one of these three 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, including:

- 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.

For Legrand, an EPD must 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 is produced by analyzing multiple criteria relating to the product lifecycle, 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) and Declare Label

The HPD and the Declare Label are two formats used to disclose information about the content and health impact of products and materials. They provide comprehensive information about chemical substances contained in products by cross-referencing them with a wide range of "hazard" lists published by public authorities, non-governmental organizations (NGOs) and scientific associations.

2019-2021 target and achievements

PEPs to cover two thirds of revenue.

In 2021, the proportion of revenue covered by a Product Sustainability Profile (PSP), such as the PEP, was 69.8%, up from 66.6% in 2020. This figure does not include acquisitions made in 2019, 2020 and 2021, or the acquisition of Kenall in December 2018, considered as a 2019 acquisition.

Priority no. 16		2019	2020	2021
% of revenue covered by a PSP*	Results	62.3%	66.6%	69.8%
	Targets	67%	67%	67%
	Achievement	**94%**	**100%**	**105%**

* *Product Sustainability Profile*

4.4.2.3 Priority no. 17: ensure waste recovery

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;
- **Sharing of best practices and identification of local improvement initiatives** to limit the amount of waste at source;
- **Waste identification and the definition of sorting guidelines** to facilitate recycling. The identification of hazardous waste in particular is essential to ensure that it is correctly handled;

- **Selection of service providers** that offer the best waste recycling while minimizing landfill and incineration without energy recovery.

As an example of a good practice, the Group has introduced the "3 Rs" approach in 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 2021 was about 56,000 metric tons as opposed to 49,000 metric tons in 2020 and 51,000 metric tons in 2019, unadjusted for changes in scope.

2019-2021 target and achievements

Recover at least 90% of waste.

In 2021, 91.7% of waste was sent to the recycling sector. This figure does not include acquisitions made in 2019, 2020 and 2021 or the Kenall acquisition in December 2018.

*Priority no. 17**		**2019**	**2020**	**2021**
% of waste recovered**	Results	90.0%	89.9%	91.7%
	Targets	90%	90%	90%
	Achievement	**100%**	**100%**	**102%**

* *Scope of industrial activities*
** *Sent to the recycling sector*

4.4.2.4 Use of Hazardous substances

RoHS Directive

The Restriction of Hazardous Substances (RoHS) directive 2011/65/EU lays down rules restricting the use of hazardous substances for electrical and electronic products.

Since 2004, Legrand has aimed to eliminate RoHS-regulated substances from all of its products, 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.

Legrand has also sought to extend these RoHS-related usage restrictions on hazardous substances to all of its global sales.

At the end of 2021, 92.1% 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 from Electrical and Electronic Equipment (WEEE)

Legrand makes every effort to collect and recycle its products at the end of their lives. Historically, the Group has been a pioneer as, for over 20 years, it has organized the recovery and recycling of self-contained emergency lighting units in France.

The WEEE (waste from electrical and electronic equipment) Directive has created rules and a structure for dealing with WEEE in Europe. In response to its regulatory obligations, Legrand helps fund recovery and recycling facilities throughout Europe that process products placed on the market through retail channels.

In France for example, Legrand participated, as a founding member, in the launch of the Ecosystem organization, which recovers end-of-life electrical and electronic equipment. The recycling rate for "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 GHG 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.

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 2021 was from recycled sources.

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 Celiane 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 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 steel generally contains 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.

Focus: Batibox, flush-mounting boxes made of 100% recycled plastic

All flush-mounting boxes in the Batibox masonry range have been made from recycled plastic since 2020.

4.4.3 - Combat 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.

Focus: Legrand India wins Best Environmental Excellence award

In 2021, Legrand India won the Best Environmental Excellence award from the Economic Times, which rewards environmental initiatives aiming to reduce GHG emissions, VOCs and water consumption and to manage waste efficiently.

2019-2021 target and achievements

Reduce VOCs by 10% compared with 2018

VOC emissions based on the 2018 industrial scope amounted to 99.2 metric tons in 2021 as opposed to 95 metric tons in 2020, 121 metric tons in 2019 and 127 metric tons in 2018.

This equates to a 22% reduction in three years.

Priority no. 18		2019	2020	2021
Volatile Organic Compounds* (tons)	Results	121.3	94.6	99.2
	Targets	121.9	118.1	114.3
	Achievement	**127%**	**120%**	**113%**

* *Only emissions linked to industrial activities are taken into account (excluding maintenance activities). At constant 2018 scope.*

4.4.3.2 Soil pollution and biodiversity protection

Legrand does not directly use soil and has little impact on biodiversity within the framework of its operations. The majority of the Group's production sites are located within commercial or industrial areas subject to specific regulations. 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 impact on biodiversity (damage indicators).

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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 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 Group has identified 20 sites that account for 80% of Legrand's water stress worldwide.

This analysis has revealed that approximately 70% of the Group's water consumption occurs at industrial sites situated in zones where there is low or moderate water consumption (WSI index less than or equal to 0.7). This approach enables manufacturers to focus their actions on the most sensitive sites in terms of their environmental impact on local water resources.

Legrand uses domestic quality water as most of its water consumption is for domestic use by staff in the workplace. The treatment of 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 entails responsible industrial processes and practices water management.

In 2021, the Group's water consumption amounted to 727,000 m^3 compared with 698,000 m^3 in 2020, 773,000 m^3 in 2019 and 855,000 m^3 in 2018, down 15% over three years on current scope.

In the medium term, 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, average water use intensity was 104 m^3 in 2021 compared with 253 m^3 in 2018, *i.e.,* a decrease of 59% over that period.

Methods of recycling and reusing water have been adopted in certain countries:

- A rainwater recovery installation has enabled the Wuxi site in China to reduce its water consumption by about 40%;
- The Jalgaon site in India also recovers rainwater to supply the domestic water network.
- In Australia, rainwater is collected and used to water green spaces.

Focus: World Water Day celebrated in Brazil

In 2021, to celebrate World Water Day, Brazil organized a campaign to raise awareness about responsible water management for employees and their children. Almost 300 people took part in the event and there was a drawing competition for the children on the theme of water

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 CSR, and includes representatives of the internal audit and risk management, operational performance, innovation and real estate departments. It is in charge of developing the Group's approach to climate-related risks, identifying material risks and implementing strategies to prevent and mitigate those risks.

The work done by the committee is presented to the Commitments and CSR 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.
- 10 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

Environmental and particulary, climate-related regulations, like energy-efficiency rules, are becoming increasingly strict and could make compliance more expensive for Legrand or affect its competitiveness. Companies that do not make significant efforts to align themselves with strict carbon-related regulations may be regarded as risky investments or as less attractive to the financial community.

Legrand's response: Legrand 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 factored in an internal carbon price per metric ton of CO_2 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 2.1.1.2.1.

4.4.4.2.2 Opportunities related to products and services

Eco-design: energy-efficient, low-carbon products by design

With customers seeking to reduce GHG emissions in their supply chains, demand for energy-efficient equipment that involves low carbon emissions is likely to increase. As a result, offering solutions with greater efficiency and 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 the environmental impact of its products 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 or business models, such as diversifying into comprehensive solutions involving both software and hardware.

Legrand's response: Legrand is an active participant in the market for products, in particular smart products, that increase the energy efficiency of tertiary (including data centers) and industrial buildings. See section 2.2.3.3.

Energy efficiency | Smart infrastructure – individual 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 regulations escalate, giving Legrand opportunities to diversify its product range.

Legrand's response: Legrand is an active participant in the market for products, in particular smart products, that increase the energy efficiency of residential buildings. See section 2.2.3.3.

New markets: electric mobility

The automotive industry is currently undergoing a major transformation, particularly with the adoption of electric vehicles. According to the Bloomberg New Energy Finance (BNEF) report published in 2021, estimated sales of electric passenger cars are expected to leap by more than 80% in 2021 to 5.6 million units. And according to the AIE, electric vehicle sales are expected to reach 32 million units by 2030, representing annual growth of 15% in the 2020-2030 period. This means that the market for electric vehicle charging infrastructure (recharging kits, sockets and stations, etc.) is likely to grow.

Legrand's response: Legrand is an active participant in the electric vehicle charging infrastructure market. See section 2.1.1.

Minimizing energy costs

The lower cost of renewable electricity and energy-efficiency technology means that it can sometimes be more competitive than conventional electricity, and this is creating new opportunities to reduce expenditure on energy while also reducing GHG emissions arising from electricity sourcing.

Legrand's response: 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 considered to address all relevant points identified.

4.5 - Duty of care

In accordance with France's 2017 act on the duty of care of parent companies and ordering companies and with its CSR strategy, Legrand has set up a duty of care plan, the structure and results of which are presented below.

The aim is to ensure that Legrand's partners are committed to meeting its standards in terms of working practices, business ethics, the environment and health and safety.

4.5.1 - 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 36 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 design 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 Commitments and CSR Committee and Audit Committee.

The duty of care plan has been presented to union representatives at the French and European levels.

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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 and 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:** uphold the Group's commitment to human rights	**CSR priority no. 9:** deploy best practices on 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 (employees, 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, other 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, 521 CSR scorecards have been produced. At the end of 2021, the situation was as follows:

- 507 suppliers were found to be compliant in CSR terms (97.5%);
- 11 were found to be risky in CSR terms (2%);
- 3 were found to be critical in CSR terms (0.5%).

Action plans are 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, 109 CSR audits have been carried out, mainly in India, China, Colombia, Italy, the United States, France and Egypt.

This assessment and monitoring system is being gradually automated *via* the Supplier Value Management (SVM) digital platform.

4.5.4.3 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 employees** in sustainable procurement. In 2019-2021, Legrand has a target of providing this training to 1,000 employees. By the end of 2021, more than 1,500 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 has achieved its target of implementing the “Life Cycle Cost” approach in 28 countries (adjusted target, see section 4.2.2.1.2). 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, Italy and the United States). For 2019-2021, Legrand’s target was for 100% of suppliers identified as “presenting risks” or “critical” to have shown an improvement.

  In 2021, all risky suppliers identified in 2020 had shown an improvement, as had seven additional suppliers identified in 2021. This corresponds to 63 CSR scorecards that improved following action plans taken by Legrand, mainly in France, India, the United States, Southeast Asia and Italy. 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, ensuring the conformity of effluent treatment stations, and ensuring the conformity of the supplier’s employee working hours and overtime payment.

  See section 4.2.2.2 "Priority no. 4 – Measure the progress of suppliers that present 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 seven 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	1,540
Coverage rate of the purchasing risk analysis	100%
Number of documentary audits since 2019 (CSR scorecards)	521
Number of audits since 2019	109
Risk indicators	
Total number of suppliers in 2021	36,000
Number of higher-risk suppliers in terms of CSR (theoretical analysis of CSR mapping)	700 (year to date from 2014)
Number of suppliers presenting risks in terms of CSR (with respect to the 521 CSR scorecards completed since 2019)	11
Number of critical suppliers in terms of CSR (with respect to the 521 CSR scorecards completed since 2019)	3
Performance indicators	
Number of ethical alerts (internal and external) concerning suppliers in 2021	1
% of suppliers presenting risks in CSR terms (detected in 2020) to have shown an improvement in their situation	100%
Number of suppliers whose contracts have been terminated	2 between 2014 and 2018 1 in 2021 4 ongoing at end 2021

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 2021:

- 57% of the Group's workforce was based in "free" countries,
- 43% 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.

Since 2019, all countries have carried out a self-assessment regarding respect for fundamental rights at work, thus covering 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.

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, Canada and Turkey.

The country with the highest FR2 accident frequency rates (with and without lost time) is the United States. Specific action plans are underway there.

Work accidents with or without lost time are classified by standard cause, of which the three main ones in 2021 were:

- object being handled (32%);
- fall or collision not at height (14%);
- machinery (15%).

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 4.3.2 of this document.

Comprehensive reporting

A four level reporting process is in place:

- real-time reporting of work-related accidents (immediate disclosure to the Group's General Management);
- monthly reporting on key accident statistics;
- quarterly reporting of additional accident data (days of lost time, occupational illness, sub-contractor reporting);
- annual reporting: 3 campaigns on the CSR Roadmap criteria (April, August and November).

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 employees. 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.

Legrand has recorded a continuous fall in the FR2 over three years. It fell from 6.53 at end 2018 to 4.59 at the end of 2020 and then 3.52 at the end of 2021, thus beating the target set in the 2019-2021 CSR Roadmap as of 2020.

Indicators relating to the duty of care at our sites
Human rights and occupational health and safety issues

Resource indicators	
Hours of occupational health and safety training	185,807 (5.7 per person on average)
Human rights risk map coverage rate	100%
Occupational health and safety reporting coverage rate	100%
% of the workforce covered by the roll-out of Health and Safety best practice	94%
Risk indicators	
% of the workforce working in countries that are "not free" or "partially free"	43%
Performance indicators	
Number of ethical alerts (internal and external) concerning the rights of employees or human rights more generally	9
% of the workforce covered by a continuous improvement approach regarding human rights	100%
FR1 rate (lost-time accident frequency)	2.11
FR2 rate (frequency of accidents with or without lost time)	3.52
Number of entities with a preventive or remedial human rights action plan	12
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). These elements are identified as the Group's main risk factors.

On the basis of energy consumption, the Group calculates its GHG emissions each year, particularly for Scopes 1 and 2.

Each site's environmental impacts are identified, measured and managed using the ISO 14001 environmental management system (EMS), which defines a continuous improvement loop: identification and management of Significant Environmental Aspects (SEAs) allow each site to produce its own risk map.

Through centralized monitoring, the Group checks that this continuous improvement is reflected in its consolidated indicators. The 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 Environment 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 action plan that is monitored locally as part of the EMS. This decentralized way of defining initiatives ensures that they are suited to local conditions, which vary widely from site to site depending on location, the environment and the production processes used.

Industrial best practices, as set out in the Legrand Way, form a benchmark to guide sites in their improvement plans'.

The effectiveness of measures taken is monitored as part of the ISO 14001 EMS. Results are consolidated, which shows progress towards targets at the Group level and allows the definition of remedial action targeting some or all sites where results are not satisfactory.

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, 2020 or 2021.

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 duty of care at our sites - Environmental issues

Resource indicators	
Proportion of sites with ISO 14001 certification	88%
Risk indicators	
Number of ethical alerts (internal and external) concerning the environment	0
Amount of reserves set aside to cover environmental risks	€5.3 million
Performance indicators	
% reduction in energy consumption since 2018	0%
% reduction in direct CO_2 emissions since 2018 (constant scope)	-22%
% of waste sent to the recycling sector(1)	92%
% reduction in VOCs (relative to 2018, constant scope)(1)	-22%

(1) These indicators cover the Group's industrial sites.

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 2021.

New acquisitions receive training on the reporting rules and standards in the first year of their consolidation into the Group. Their prevention indicators are taken into account within the overall figures provided by the Group only after the third year following their consolidation because of the time needed to conform to the Group's methods and standards.

In 2021, seven entities joined the scope of reporting. They were entities that joined the Group in 2018:

- Debflex and Netatmo in France;
- Kenall in the United States;
- Trical in New Zealand;
- Clever in China;
- Gemnet in the United Arab Emirates;
- Modulan in Germany.

Human resources reports

These periodically consolidate statistical data on human resources management.

In 2021, they covered 98.1% of the workforce. New acquisitions are integrated the year following their entry into the Group's scope of consolidation.

In 2021, the following entities joined the scope of reporting:

- Focal Point in the United States;
- Borri and its countries of operation;
- Compose in the Netherlands.

Environmental reports

These allow periodic consolidation of environmental data.

They concern production sites with more than 25 people, administrative or commercial sites with more than 200 employees, and logistics sites larger than 15,000 m^2.

New acquisitions are integrated at the latest three years after they join the Group. Kenall, acquired on December 20, 2018, was not included in the Group's 2021 environmental data due to its end-of-year acquisition date. This entity is considered to be a 2019 acquisition and will therefore be included in the 2022 environmental data.

In 2021, reporting covered 101 sites.

- Four sites joined the scope of reporting (Trical in New Zealand, Modulan in Germany, Clever in China and Rocom in Vietnam) and three left it (Belhomert in France, Daneva-Poa in Brazil and Beijing in China).

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.

4.6.2 - 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.*, 32,296 people at the end of 2021).

Risk indicators are consolidated across almost all employees covered by health and safety reporting, except for a few cases of isolated or seconded employees.

For reasons related to the reporting process, the above results (excluding accident data) were calculated on the basis of end-November 2021 headcount, *i.e.*, 32,333.

	2019	2020	2021
FR1 - Frequency rate of lost-time work accidents (Number of accidents x 1,000,000) / (Number of hours worked)	3.59	2.98	2.11
FR2 - Frequency rate of work accidents with or without lost time (Number of accidents x 1,000,000) / (Number of hours worked)	5.49	4.59	3.52
Legrand Way - Deployment of OHS best practice (% of Group workforce working for entities with a score of 45 or more)	44%	65.0%	93.7%
Health and Safety Committees (HSCs) (% of Group workforce covered by this process)	97%	95%	97%
Occupational health (Number of people who have had a check-up within the last 5 years)	78%	77%	77%
Severity rate of accidents at work (Number of days of lost time * 1,000) / (Number of hours worked)	0.14	0.16	0.12
Number of accidents among subcontractors	100	56	88
Training (Number of health and safety training hours per person)	5.2	5.2	5.8
Occupational illness (Number of recognized occupational illnesses)	64	38	45
Frequency rate of occupational illnesses (Number of recognized occupational illnesses x 1,000,000) / (Number of hours worked)	1.04	0.68	0.75
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 2021

Registered workforce (open-ended and fixed-term contracts): at the end of 2021, the registered workforce consisted of 34,244 people.

The scope of HR reporting is 33,607 people, 98.1% of the total workforce. It does not include acquisitions made in 2021.

Average workforce (open-ended and fixed-term contracts): average headcount in 2021 was 38,207. The breakdown by geographical location and main business sector is set out below.

	2019		2020		2021	
TOTAL NUMBER OF EMPLOYEES (ANNUAL AVERAGE)	**39,007**		**36,726**		**38,207**	
By geographical location:						
Europe	14,743		14,009		14,890	
North and Central America	7,187		6,819		7,084	
Rest of the world	17,077		15,898		16,233	
	of which Back Office	*of which Front Office*	*of which Back Office*	*of which Front Office*	*of which Back Office*	*of which Front Office*
TOTAL NUMBER OF EMPLOYEES (ANNUAL AVERAGE)	**80%**	**20%**	**80%**	**20%**	**81%**	**19%**
By geographical location:						
Europe	79%	21%	79%	21%	79%	21%
North and Central America	79%	21%	79%	21%	79%	21%
Rest of the world	82%	18%	83%	17%	84%	16%

Organization of working hours - Worldwide

	2019	2020	2021
% employees working full-time	97.4%	97.4%	97.6%
% employees working part-time	2.6%	2.6%	2.4%

N.B. The definition of full time and part time is given in the HR reporting user guide.

Absenteeism - Worldwide

	2019	2020	2021
All job categories	2.67%	2.98%	3.11%

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 82.7% of the year-end workforce in HR reporting (excluding US data).

Employee-management dialogue and freedom of association – Worldwide

	2019	2020	2021
% of employees covered by a collective bargaining agreement and/or convention	46%	45%	48%

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

	2019	2020	2021
% of reporting scopes with consultation rules	34%	33%	36%

Compensation – Worldwide

	2019	2020	2021
% of non-managers on minimum wage	1.4%	1.7%	0.9%

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 99.4% of the Group's non-managerial employees.*

Compensation by gender and occupational category – Worldwide

	2019	2020	2021
Gender pay gap: managers	14.2%	12.8%	13.3%
Gender pay gap: non-managers	12.3%	10.4%	10.3%

N.B. The calculation of the gender pay gap, for both non-managers and managers, is based on the weighted workforce in each reporting scope. It covers 99.6% of the Group's non-managerial employees and 98.5% 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

	2019	2020	2021
Mature countries	47%	49%	49%
New economies	53%	51%	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

	2019	2020	2021
Managers	30%	32%	34%
Non-Managers	70%	68%	66%

N.B. Definitions of occupational categories are included in the HR reporting user guide.

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Breakdown by age – Worldwide

	2019	2020	2021
Employees < 26 years	7%	6%	7%
Employees ≥ 26 years and < 36 years	26%	25%	25%
Employees ≥ 36 years and < 46 years	30%	31%	30%
Employees ≥ 46 years and < 56 years	25%	26%	26%
Employees > 56 years	12%	12%	12%

N.B. The age pyramid takes into account employees with fixed-term or open-ended employment contracts.

Breakdown by type of contract

	2019	2020	2021
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

	2019	2020	2021
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)	37%	38%	44%
Proportion of fixed-term converted into open-ended contracts in hiring of employees on open-ended contracts	22%	27%	22%
Open-ended contract turnover	14%	15%	14%
O/w voluntary open-ended contract turnover (resignations)	6.6%	5.1%	8.3%

In 2021:

- *the total number of hires was 7,860;*
- *the number of open-ended contracts among new hires on open-ended and fixed-term contracts totaled 3,462;*
- *the number of fixed-term contracts converted into open-ended contracts was 967.*

“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. "Voluntary 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**	2019	2020	2021
Of which resignations	48%	33%	57%
Of which retirement	9%	8%	9%
Of which other departures	43%	59%	34%
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 2021, the total number of departures was 7,526 for all reasons and for all types of contracts combined (of which 12.82% were departures for personal reasons, layoffs for economic reasons, and fixed-term contracts terminated early by the employer). Out of that total, 4,107 departures concerned employees on open-ended contracts; 3,419 departures concerned employees on fixed-term contracts, of which 48% were in the Group’s Chinese entities on account of the high proportion of fixed-term contracts in China. Note that 75% of departures of employees on fixed-term contracts took place at the employee’s initiative.

Hirings by gender – Worldwide

	2019	2020	2021
Percentage of women among persons hired	46%	49%	50%
Percentage of men among persons hired	55%	51%	50%

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)

	2019	2020	2021
Number of training hours per employee (Worldwide)	17 h	17 h	17 h
Number of training hours per employee - Managers	23 h	22 h	20 h
Number of training hours per employee - Non-managers	15 h	14 h	15 h
Percentage of the Group's workforce receiving training during the year	85%	89%	93%

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

	2019	2020	2021
Rate of Individual Appraisal Reviews (CAPPs) – Managers	93%	98%	97%
Manager retention rate	95%	97%	94%

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

	2019	2020	2021
Women	36%	36%	38%
Men	64%	64%	62%

Breakdown of employees by gender and age – Worldwide – Open-ended and fixed-term contracts

	2019	2020	2021
Female employees < 26 years	3.2%	2.8%	3.2%
Male employees < 26 years	4.1%	3.6%	3.7%
Female employees ≥ 26 years and < 36 years	9.4%	9.4%	9.8%
Male employees ≥ 26 years and < 36 years	16.4%	15.5%	14.9%
Female employees ≥ 36 years and < 46 years	11.6%	11.8%	11.9%
Male employees ≥ 36 years and < 46 years	18.8%	19.0%	18.3%
Female employees ≥ 46 years and < 56 years	8.4%	8.4%	8.8%
Male employees ≥ 46 years and < 56 years	16.5%	17.3%	17.1%
Female employees ≥ 56 years	3.9%	4.0%	4.0%
Male employees ≥ 56 years	7.7%	8.2%	8.3%

N.B. At the end of 2021, the average age of male employees was 42.79 years, compared with 41.11 years for women.

Breakdown of employees by gender and occupational categories – Worldwide – Open-ended and fixed-term contracts

	2019	2020	2021
Percentage of female managers	23.5%	24.7%	26.7%
Percentage of male managers	76.5%	75.3%	73.3%
Percentage of female non-managers	42.1%	42.1%	43.3%
Percentage of male non-managers	57.9%	57.9%	56.7%
Percentage of women in key positions	16.6%	17.5%	20.0%

Percentage of disabled workers – Worldwide

	2019	2020	2021
Percentage of disabled workers	2.23%	2.22%	2.16%

4.6.3 - Overview of environmental indicators

The tables below show the main Group environmental indicators.

All data correspond to the Environment reporting scope, except for greenhouse gas emissions expressed in metric tons of CO_2 equivalent, which cover 100% of the Group's activities (excluding acquisitions made in 2019, 2020 and 2021 and excluding the acquisition of Kenall in December 2018, which is considered to be a 2019 acquisition). 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.

	2019	2020	2021
Energy consumption *(GWh)*	436	406	453
Direct energy consumption (mainly gas) *(GWh)*	168	160	179
Indirect energy consumption (mainly electricity) *(GWh)*	268	246	274
Total CO_2 emissions related to energy usage or Scopes 1 and 2 *(in thousands of metric tons of CO_2 equivalent)*	168	148	139
Emissions from product transportation *(in thousands of metric tons of CO_2 equivalent)*	115	119	123
Indirect CO_2 emissions or Scope 3 *(in thousands of metric tons of CO_2 equivalent)*	2230****	3331****	3464****
ISO 14001-certified sites *(%)*	91%	91%	87.7%
Water consumption *(in thousands of m^3)*	773	698	727
Waste produced *(in thousands of metric tons)*	51	50	56
of which hazardous waste	5%	4%	5%
Waste recovered** *(%)*	90%	90%	91.7%
Volatile Organic Compound (VOC) emissions *(metric tons)****	121	125	124

* *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 (NOx) and sulfur oxides (SOx)

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

	2019	2020	2021
Share of Group sales generated by products with PEPs	62%	67%	69.8%
Share of Group sales[(1)] compliant with RoHS regulations	91%	91%	92%

(1) *Including Group products outside the scope of RoHS regulations, excluding acquisitions in 2019 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

	2019	2020	2021
Environment-related contingency provisions and guarantees *(in millions of euros)*	9.0	7.0	5.3
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 (2021 version).

The full cross-reference table can be found on the Group website.

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

4.6.5 - UN Global Compact cross-reference table

	Global Compact principles	Sections of the universal registration document
1.	Businesses should support and respect the protection of internationally proclaimed Human Rights	4.2.2 Ensure sustainable 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. Promoting equal opportunities and diversity
7.	Businesses should support a precautionary approach to environmental challenges	4.4. Limiting environmental impact
8.	The undertaking of initiatives to promote greater environmental responsibility	
9.	The encouragement of the development and diffusion of environmentally friendly technologies	4.4.2 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 sustainable purchasing

4.6.6 - TCFD recommendations cross-reference table

TCFD recommendation – Governance	Relevant section of the Declaration of extra financial Performance
a) Describe the board's oversight of climate-related risks and opportunities.	4.1.6 - CSR organization and governance See "Commitments and CSR Committee" section
b) Describe management's role in assessing and managing climate-related risks and opportunities.	4.4.4 - Managing climate-related risks and opportunities 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 - 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 - 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 - Faster growth momentum
TCFD info requirement – Risk management	
a) Describe the organization's processes for identifying and assessing climate-related risks.	4.4.4 - 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 - Managing climate-related risks and opportunities 4.4.4.2 - Risks and opportunities identified

4.6.7 - SASB cross-reference table

The full cross-reference table can be found on the Group website.

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

4.6.8 - 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 practice	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 sustainable 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

4.7 - Statutory Auditors' report

Report of one of the Statutory Auditors, appointed as independent third party, on the verification of the consolidated non-financial performance statement

This is a free English translation of the report by one of the Statutory Auditors issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Year ended December 31, 2021

To the Shareholders' Meeting,

In our capacity as Statutory Auditor of Legrand SA (hereinafter the "Company"), appointed as independent third party ("third party") and accredited by the French Accreditation Committee (Cofrac), under number 3-1048 (Cofrac Inspection Accreditation, no. 3–1048, scope available at www.cofrac.fr) and currently adapting our management system as required by the Cofrac for this accreditation (from ISO17020 to ISO 17029), we have conducted procedures to express a limited assurance conclusion on the historical information (observed or extrapolated) in the consolidated non-financial performance statement, prepared in accordance with the Company's procedures (hereinafter the "Guidelines"), for the year ended December 31, 2021 (hereinafter the "Information" and the "Statement", respectively), presented in the Group management report pursuant to the legal and regulatory provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (*code de commerce*).

It is also up to us to express, at the request of the entity and outside the scope of accreditation, a reasonable assurance conclusion that certain information selected by the entity and presented in the Statement has been established, in all material respects, in a sincere manner, in accordance with the Repository. This information concerns the progress of the 2019 – 2021 CSR roadmap for the year ended 31 December 2021.

MODERATE ASSURANCE CONCLUSION ON THE CONSOLIDATED STATEMENT OF EXTRA PERFORMANCE-FINANCIAL IN ACCORDANCE WITH ARTICLE L.225-102-1 OF THE FRENCH COMMERCIAL CODE-

Based on the procedures we have implemented, as described in the "Nature and scope of work" section, and the elements we have collected, we have not identified any material misstatement likely to call into question the fact that the statement of extra-financial performance complies with the applicable regulatory provisions and that the Information, taken as a whole, is presented, in a sincere manner, in accordance with the Reference Framework.

REASONABLE ASSURANCE CONCLUSION ON A SELECTION OF INFORMATION INCLUDED IN THE STATEMENT

In our view, the rate of achievement of the 2021 objectives of the Roadmap 2019-2021, taken as a whole are presented, in all their significant aspects, in a sincere manner, in accordance with the Repository.

PREPARATION OF THE NON-FINANCIAL PERFORMANCE STATEMENT

The absence of a generally accepted and commonly used reference framework or established practices on which to base the assessment and measurement of the Information enables the use of different but acceptable measurement techniques that may impact comparability between entities and over time.

Accordingly, the Information must be read and interpreted with reference to the Guidelines, summarised in the Statement and available on the Company's website or on request from its headquarters.

LIMITS INHERENT IN THE PREPARATION OF THE INFORMATION RELATING TO THE STATEMENT

The Information may be subject to uncertainty inherent to the state of scientific and economic knowledge and the quality of external data used. Some information is sensitive to the choice of methodology and the assumptions or estimates used for its preparation and presented in the Statement.

RESPONSIBILITY OF THE COMPANY

The Board of Directors is responsible for:

- selecting or determining the appropriate criteria for the preparation of the Information;
- preparing a Statement pursuant to legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies implemented with respect to these risks as well as the outcomes of these policies, including key performance indicators and the information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy);

- implementing such internal control as it determines is necessary to enable the preparation of Information that is free from material misstatement, whether due to fraud or error.

The Statement has been prepared by applying the Company's Guidelines as referred to above.

RESPONSIBILITY OF THE STATUTORY AUDITOR APPOINTED AS INDEPENDENT THIRD PARTY

Based on our work, our responsibility is to express a limited assurance conclusion on:

- the compliance of the Statement with the requirements of Article R. 225-105 of the French Commercial Code;
- the fairness of the information provided pursuant to part 3 of sections I and II of Article R. 225-105 of the French Commercial Code, *i.e.* the outcomes of policies, including key performance indicators, and measures relating to the main risks, hereinafter the "Information."

As it is our responsibility to issue an independent conclusion on the information prepared by management, we are not authorised to participate in the preparation of the Information, as this could compromise our independence.

It is not our responsibility to provide a conclusion on:

- the Company's compliance with other applicable legal and regulatory provisions (particularly with regard to the information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy), the duty of vigilance and the fight against corruption and tax evasion);
- the fairness of information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy);
- the compliance of products and services with the applicable regulations.

APPLICABLE REGULATORY PROVISIONS AND PROFESSIONAL GUIDANCE

We performed the work described below in accordance with Articles A. 225-1 and *seq.* of the French Commercial Code, the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement and acting as the verification programme and with the international standard ISAE 3000 (revised).

INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by Article L. 822-11-3 of the French Commercial Code and French Code of Ethics for Statutory Auditors (*Code de déontologie*). In addition, we have implemented a system of quality control including documented policies and procedures aimed at ensuring compliance with applicable legal and regulatory requirements, ethical requirements and the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement.

MEANS AND RESOURCES

Our work engaged the skills of five people between September 2021 and February 2022 and took a total of twenty-four weeks.

To assist us in conducting our work, we referred to our corporate social responsibility and sustainable development experts. We conducted around twenty interviews with people responsible for preparing the Statement.

NATURE AND SCOPE OF PROCEDURES

We planned and performed our work taking account of the risk of material misstatement of the Information.

We consider that the procedures conducted in exercising our professional judgement enable us to express a limited assurance conclusion:

- We familiarized ourselves with the activities of all companies in the consolidation scope and the description of the principal risks.
- We assessed the suitability of the Guidelines with respect to their relevance, completeness, reliability, neutrality and clarity, taking into account, where appropriate, best practices within the sector;
- We verified that the Statement covers each category of information stipulated in section III of Article L. 225-102-1 governing social and environmental affairs, respect for human rights and the fight against corruption and tax evasion;
- We verified that the Statement provides the information required under Article R.225-105 II of the French Commercial Code where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the information required under Article L.225-102-1 III, paragraph 2 of the French Commercial Code;
- We verified that the Statement presents the business model and a description of the principal risks associated with the activities of all the consolidated entities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks;
- We referred to documentary sources and conducted interviews to:
  - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented, and

 - corroborate the qualitative information (measures and outcomes) that we considered to be the most important, namely that relating to the roadmap, with work carried out at the level of the consolidating entity;
- We verified that the Statement covers the consolidated scope, *i.e.* all companies within the consolidation scope in accordance with Article L. 233-16, with the limits specified in the Statement.
- We obtained an understanding of internal control and risk management procedures implemented by the Company and assessed the data collection process aimed at ensuring the completeness and fairness of the Information;
- For the key performance indicators and other quantitative outcomes, presented in Annex 1, that we considered to be the most important, we implemented:
  - analytical procedures that consisted in verifying the correct consolidation of collected data as well as the consistency of changes thereto;
  - substantive tests, on a sample basis and using other selection methods, that consisted in verifying the proper application of definitions and procedures and reconciling data with supporting documents. These procedures were conducted for a selection of contributing entities, presented in Annex 2 and covered between 18% and 40% of the consolidated data selected for these tests.
- We assessed the overall consistency of the Statement in relation to our knowledge of the entire Company.

The procedures conducted in a limited assurance review are substantially less in scope than those required to issue a reasonable assurance opinion in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*); a higher level of assurance would have required us to carry out more extensive procedures.

At the request of the entity, we have carried out additional work to enable us to formulate a reasonable assurance conclusion on the rate of achievement of the 2021 objectives of the Roadmap 2019-2021.

The work carried out, at the level of the consolidating entity, was of the same nature as that described in the section above on moderate insurance, in particular with regard to:

- analytical procedures consisting in verifying the correct consolidation of the data collected as well as the consistency of their evolution;
- detailed tests carried out on the basis of sampling, verifying the correct application of definitions and procedures and reconciling the data with supporting documents.

Paris-La Défense, February 21, 2022

One of the Statutory Auditors,

Deloitte & Associés

Olivier Broissand	Olivier Jan
Partner, Audit	Partner, Développement Durable

Annex 1

The information considered most important and on which detailed work has been carried out are the following:

Key performance indicators and other quantitative outcomes

Quantitative health and safety information

- Frequency rate of lost-time work accidents
- Severity of accidents at work
- Number of recognized occupational illnesses

Other quantitative social information

- Registered workforce at the end of 2021
- 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)
- Volatile Organic Compound (VOC) emissions (metric tons)
- Waste produced (in thousands of metric tons) – of which hazardous waste
- Waste recovered (Sent for recycling) (%)

Qualitative environmental information

- Review of the Indirect or Scope 3 CO_2 emissions methodology (Indirect or Scope 3 CO_2 emissions)

Annex 2

The sample of selected entities and sites is presented below:

Quantitative information on occupational health and safety:

Legrand Huizhou (China), Legrand Columbia (Colombia), EMB – Egypt (Egypt), Bticino (Italy), Legrand AV US (USA).

Quantitative social information:

AG China (China), Legrand Columbia (Colombia), Numeric (India), Bticino (Italy),

Quantitative environmental information:

EMB Cairo (Egypt); TCL Huizhou (China); Limoges and Verneuil-en-Halatte (France); Numeric India, Jalqaon, Sinnar, Nashik, Haridwar, Taloja, Parwanoo and Adlec New Delhi Rohad (India); Bticino (Italy); Legrand AV Da-Lite Blue Ash and Legrand AV Warsaw (USA).

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05

Management report on the consolidated financial statements for the financial year ended December 31, 2021

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 - 2021 Highlights

Consolidated sales

In 2021, full-year sales rose +14.7% from 2020 to total €6,994 million.

Organic sales growth was +13.6%, including +11.6% in mature countries and +19.6% in new economies. This growth reflects the Group's stronger competitive positions as well as the success of its development and pricing initiatives and came despite pressure on supply chains that gathered strength from the third quarter 2021 on.

The impact of broader scope of consolidation was +3.0%. Based on acquisitions announced, excluding that of Emos[(1)] , whose date of consolidation will be set once the operation has been finalized, this impact should be around +2% full year in 2022.

The exchange-rate effect on sales was -2.0% for the year. Based on average exchange rates in January 2022, the full-year exchange-rate effect on sales would be around +2% in 2022.

Adjusted operating profit and margin

Adjusted operating profit for 2021 stood at €1,434 million, up +24.0% from 2020 and +8.1% from 2019. This sets the adjusted operating margin for the period at 20.5% of sales.

Before acquisitions (at 2020 scope of consolidation), adjusted operating margin for the year came to 20.8% in 2021, which represents a +1.8-point rise from 2020.

This rise in profitability came despite an inflation of over +11% on raw material and components during the year (including nearly +17% in the fourth quarter alone), and reflects the Group's very selective and targeted management of production, administrative and commercial expenses, as well as its pricing initiatives

Net profit attributable to the Group

As of December 31, 2021, net profit attributable to the Group was up +32.8% at €904 million. This €223 million rise on 2020 came primarily from:

- strong rise in operating profit (+€279 million);
- favorable change (+€16 million) in financial results; and

the rise in corporate income tax (-€73 million on the net profit; the 28.0% corporate tax rate in 2021 was one point lower than in 2020).

Cash generation and balance sheet structure

Cash flow from operations (€1,318 million) stood at 18.8% of 2021 full-year sales, representing a +0.6-point rise from the previous year.

Normalized free cash flow came to 15.4% of sales or €1,074.1 million, a +3.9% rise in value compared with 2020.

Free cash flow was 13.6% of 2021 sales, including strengthened coverage of inventories amid supply-chain pressure.

The ratio of net debt to EBITDA was 1.5 for the year.

Group financing reflects Legrand's extra-financial and climate commitments with:

- a pioneering multi-currency syndicated loan; since 2019, this loan's cost has been partly linked to the CSR roadmaps' yearly achievement rate;
- the successful launch of a first Sustainability-Linked 10-year bond[(2)] in 2021. The issue is indexed on the Group's carbon neutrality trajectory and its 2030 targets for reducing greenhouse gas emissions that were validated by SBTi.

(1) Subject to standard conditions precedent.

(2) For more information, readers are invited to read the press release dated September 29, 2021, as well as other documentation linked to this sustainability-linked bond issue – including the Sustainability-Linked Financing Framework – which are available at https://www.legrandgroup.com/en/endettement-investisseurs-obligataires.

Solid extra-financial performance

At the end of its fourth CSR Roadmap, covering 2019-2021, Legrand had overall reached a 131% achievement rate, scoring over 100% in each of the three areas that underpin its commitments

Key achievements over this three-year period included:

- a -28% reduction in carbon emissions directly related to its business (Scopes 1 & 2) at constant perimeter and compared with 2018. This was done through improved energy efficiency of the Group's sites and increased use of sustainable sources of energy;
- a -22% reduction in emissions of Volatile Organic Compounds (VOC) from 2018;
- a +18% rise in the ratio of women amongst employed managers (Hay grade 14 and up), which stood at 26.7% at the end of 2021;
- 97% of employees now covered by Legrand's "Serenity On" welfare program, which offers guaranteed standard cover for health insurance, parental leave, and death and disability benefits;
- a -46% decline in accidents frequency rate with and without lost time (FR2) compared with 2018;
- training of over 21,000 employees in business ethics; and
- an employees commitment rate of 80%, a steep increase from the last survey, taken in 2017.

Also in 2021, Legrand pursued its long-term sustainability initiatives:

- fighting against global warming by intensifying its efforts to reduce the Group's carbon footprint (Scopes 1, 2 & 3) and targeting full neutrality by 2050. The Group also aligned on a 1.5°C rise trajectory, setting 2030 objectives in keeping with the Paris Agreement and validated by the SBTi[1];
- promoting the circular economy and energy transition by designing eco-responsible products that accounted for around 75% of sales in 2021;
- supporting communities suffering from power insecurity, one example being the ongoing partnership that began in 2007 with *Électriciens sans Frontières*, thus favoring access to an electrical infrastructure for 2.9 million people since 2007, including 190,000 in 2021 alone; and
- promoting an ever more inclusive workplace environment, with inhouse networks to promote diversity and inclusion regardless of gender (Elle@Legrand), sexual orientation (Legrand Rainbow) and ethnic minorities (Black Professional Network).

Acquisitions

The main acquisitions completed in 2021 were as follows:

- Ecotap, a front-running Dutch player, specialist in alternating and direct-current charging stations for electric vehicles, offers for homes, businesses and public charging points. Ecotap business represents annual sales of roughly €40 million;
- Ensto Building Systems, a Finnish leader in low voltage. Ensto Building Systems reports an annual sales of about €120 million;
- Geiger, a German specialist in structured cabling for data centers. Geiger has an annual sales of around €5 million.

These operations done over the year strengthen the Group's leadership positions.

(1) For more information, readers are referred to the press release dated July 30, 2021.

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 2020 and 2021 in note 2.1 to the consolidated financial statements shown in chapter 8 of this Universal Registration Document. A segment corresponds either to a country or groups of countries. These three operating segments are:

- Europe, including France, Italy and Rest of Europe, mainly including Benelux, Germany, Iberia (including Spain and Portugal), Poland, Russia, Turkey and the UK;
- North and Central America including Canada, Mexico, the United States and Central American countries; and
- Rest of the World, mainly including Australia, China, India and South America (including particularly Brazil, Chile and Colombia).
- Since local market conditions are the determining factors in business performance and net sales by zone, consolidated financial information for multi-country zones does not accurately reflect financial performance in each national market.

Furthermore, products may be manufactured and sold locally or imported from or exported to another Group entity. These factors may make it difficult to compare results for different operating segments. Consequently, with the exception of information relating to net sales, the discussion of results below focuses primarily on consolidated results, with reference to national markets where these have a material impact on consolidated accounts.

5.3.2 - Main factors affecting Group results

5.3.2.1 Net sales

Markets in the countries and regions where Legrand operates have their own features, essentially as a result of local economic conditions and lifestyles, which affect the scale of renovation and new construction of homes, stores and office buildings, as well as the level of corporate investment in industrial facilities.

Changes in consolidated net sales principally reflect the following factors:

- changes in sales volume (*i.e.*, the number of products sold in each period) due to changes in product demand and business levels in all markets;
- product mix;
- changes in sales prices (including discounts and rebates, cash discounts for prompt payment, general price changes relating to local market conditions, and specific price changes, such as those designed to pass on inflation in all costs);
- fluctuations in exchange rates between the euro and the different billing currencies, which affect the level of consolidated net sales after conversion; and
- changes in the subsidiaries consolidated by Legrand, mainly as a result of acquisitions or disposals (which are referred to as "changes in the scope of consolidation").

The table below presents a breakdown by geographic zone of the Company's consolidated net sales (by destination: market where customers are based) for the years ended December 31, 2021 and 2020. Sales "by destination" means all sales by the Group to third parties in a given geographic market.

(in € million, except %)	12 months ended			
	December 31, 2021		December 31, 2020	
	€	%	€	%
Net sales by destination				
Europe	2,859.7	40.9	2,396.0	39.3
North and Central America	2,700.7	38.6	2,485.4	40.7
Rest of the World	1,433.8	20.5	1,218.1	20.0
Total	**6,994.2**	**100.0**	**6,099.5**	**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 69% of consolidated cost of sales over the last two financial years. Likewise, on average approximately 73% of this cost relates to components and approximately 27% 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 cycle.

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.
- 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: 2021 and 2020

(in € millions)	12 months ended December 31, 2021	12 months ended December 31, 2020
Net sales	**6,994.2**	**6,099.5**
Operating expenses		
Cost of sales	(3,439.2)	(2,915.7)
Administrative and selling expenses	(1,765.0)	(1,666.5)
Research and development costs	(329.1)	(319.4)
Other operating income (expenses)	(116.8)	(132.5)
Operating profit	**1,344.1**	**1,065.4**
Financial expenses	(92.4)	(99.3)
Financial income	6.8	6.1
Exchange gains (losses)	(1.5)	(10.3)
Financial profit (loss)	**(87.1)**	**(103.5)**
Profit before tax	**1,257.0**	**961.9**
Income tax expense	(351.9)	(279.2)
Share of profits (losses) of equity-accounted entities	0.0	(0.7)
Profit for the period	**905.1**	**682.0**
Of which:		
– **Net profit attributable to the Group**	**904.5**	**681.2**
– **Minority interests**	**0.6**	**0.8**

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, 2021	12 months ended December 31, 2020
Profit for the period	**905.1**	**682.0**
Share of profits (losses) of equity-accounted entities	0.0	0.7
Income tax expense	351.9	279.2
Exchange (gains) losses	1.5	10.3
Financial income	(6.8)	(6.1)
Financial expenses	92.4	99.3
Operating profit	**1,344.1**	**1,065.4**
Acquisition-related amortization,depreciation, expenses and income	89.9	90.6
Goodwill impairment	0.0	0.0
Adjusted operating profit	**1,434.0**	**1,156.0**
Adjusted restructuring costs(1)	34.8	64.0
Maintainable adjusted operating profit	**1,468.8**	**1,220.0**

(1) Adjusted restructuring costs are defined as restructuring costs adjusted for revaluation of assets at the time of acquisitions.

5.4.1 - Net sales

Consolidated net sales rose 14.7% to €6,994.2 million in 2021, compared with €6,099.5 million in 2020, reflecting the combined impact of:

- +13.6% organic rise (at constant scope of consolidation and exchange rates);
- +3.0% due to the broader scope of consolidation that resulted from acquisitions with carry-over effect of 2020 acquisitions consolidated for 12 months in 2021 including Focal Point (United States) for 10 months in 2020; Borri (Italy), Champion One (United States) and Compose (Netherlands) balance sheet only in 2020 and to the first-time consolidation in 2021 for Ecotap (Netherlands) for 6 months and Ensto Building Systems (Finland) for 2 months; and
- -2.0% due to exchange-rate effects over the period.

5.4.1.1 Analysis of changes in net sales by destination from 2020 to 2021

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 2020 and 2021.

	12 months ended December 31,					
Net sales *(in € million, except %)*	2021	2020	Total change	Change in scope of consolidation	Organic growth(1)	Exchange-rate effect
Europe	2,859.7	2,396.0	19.4%	3.0%	17.1%	(1.0%)
North and Central America	2,700.7	2,485.4	8.7%	3.4%	8.7%	(3.3%)
Rest of the World	1,433.8	1,218.1	17.7%	2.3%	16.9%	(1.6%)
Consolidated total	**6,994.2**	**6,099.5**	**14.7%**	**3.0%**	**13.6%**	**(2.0%)**

(1) At constant scope of consolidation and exchange rates.

Comments below concern sales by destination:

Europe:

Net sales in the Europe zone for 2021 came to €2,859.7 million compared with €2,396.0 million in 2020, an increase of +19.4%. This reflects:

- a +3.0% change in scope of consolidation;
- the unfavorable -1.0% impact of exchange-rate fluctuations;
- and +17.1% organic evolution.

In Europe's mature countries (35.0% of Group revenue), sales rose +16.5% over the year, including +2.6% in the fourth quarter alone. Drivers of the year's performance included strong showings in France and Italy, linked to many commercial successes, notably in faster expanding segments (connected products, solutions for datacenters, and energy efficiency).

Sales in Europe's new economies rose +20.0% in 2021, including +22.7% in the fourth quarter alone, with significant increases in Turkey and in Eastern Europe over full year.

North and Central America:

Net sales in the North and Central America zone in 2021 came to €2,700.7 million compared with €2,485.4 million in 2020, an increase of +8.7%. This reflects:

- a +3.4% change in scope of consolidation;
- the unfavorable -3.3% impact of exchange-rate fluctuations;
- and +8.7% organic evolution.

In the United States alone (35.4% of Group revenue), sales rose +7.4% in 2021 and were also up +12.1% in the fourth quarter alone. Full year, sales in solutions for datacenters increased strongly and did still well in residential spaces, while demand from other non-residential spaces grew as well, without going back to the 2019 level.

Sales showed a substantial rise over the year in both Mexico and Canada.

Rest of the World:

Net sales in the Rest of the World zone for 2021 came to €1,433.8 million compared with €1,218.1 million in 2020, an increase of +17.7%. This reflects:

- a +2.3% change in scope of consolidation;
- the unfavorable -1.6% impact of exchange-rate fluctuations;
- and +16.9% organic evolution.

In Asia-Pacific (13.1% of Group revenue), sales rose +14.3% in 2021 and +3.4% in the fourth quarter alone. Strong growth over the 12-month period came in particular from double-digit increases in many countries, including China and India, and a less marked rise in Australia.

In Africa and the Middle East (3.7% of Group revenue), sales rose +13.2% from 2020 and gained +4.6% in the fourth quarter alone. Full year, the region's performance was buoyed by strong momentum in Africa, while business declined in the Middle East.

In South America (3.7% of Group revenue), sales increased +31.0% in 2021, including +2.8% in the fourth quarter alone. All main countries in the region reported double-digit growth over the year.

5.4.1.2 Breakdown of changes in net sales by origin from 2020 to 2021

The following table presents the breakdown of changes in net sales to third parties as reported by zone of **origin** between 2020 and 2021:

	12 months ended December 31,					
Net sales *(in € million, except %)*	2021	2020	Total change	Change in scope of consolidation	Organic growth(1)	Exchange-rate effect
Europe	2,993.3	2,499.4	19.8%	3.2%	17.1%	(1.0%)
North and Central America	2,747.8	2,526.3	8.8%	3.6%	8.6%	(3.3%)
Rest of the World	1,253.1	1,073.8	16.7%	1.3%	17.1%	(1.6%)
Consolidated total	**6,994.2**	**6,099.5**	**14.7%**	**3.0%**	**13.6%**	**(2.0%)**

(1) At constant scope of consolidation and exchange rates.

5.4.2 - Cost of sales

The consolidated cost of sales rose 18.0% to €3,439.2 million in 2021, compared with €2,915.7 million in 2020. This was primarily due to:

- the increase in the volume of raw materials and components consumed as production increased;
- higher raw material and component prices in 2021 than in 2020;
- consolidation of new acquisitions.

These were partly offset by:

- ongoing efforts to raise productivity and adjust to changing conditions.

As a percentage of net sales, the cost of sales came to 47.8% in 2020 compared with 49.2% in 2021.

5.4.3 - Administrative and selling expenses

Administrative and selling expenses rose by 5.9% to €1,765.0 million in 2021, compared with €1,666.5 million in 2020. This was essentially attributable to:

- acceleration of the Group's digitalization,
- consolidation of new acquisitions.

Expressed as a percentage of sales, administrative and selling expenses decreased from 25.2% in 2021 to 27.3% in 2020.

5.4.4 - Research and development costs

(in € millions)	12 months ended December 31, 2021	December 31, 2020
Research and development costs	(329.1)	(319.4)
Acquisition-related amortization and R&D tax credit	11.4	11.2
Amortization of capitalized development costs	27.0	27.9
R&D costs before capitalized development costs	**(290.7)**	**(280.3)**
Capitalized development costs	(30.6)	(28.3)
Research and development expenditure for the period	**(321.3)**	**(308.6)**

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, €30.6 million in development costs were capitalized in 2021 compared with €28.3 million in 2020.

Amortization charges for capitalized development costs amounted to €27.0 million in 2021, compared with €27.9 million in 2020.

Research and development costs totaled €329.1 million in 2021 compared with €319.4 million in 2020. 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 €321.3 million in 2021 (4.6% of net sales), compared with €308.6 million in 2020 (5.1% of net sales).

In 2021, research and development operations had more than 2,600 employees in more than 20 countries.

5.4.5 - Other operating income and expenses

In 2021, other operating income and expenses totaled €116.8 million compared with €132.5 million in the same period of 2020.

5.4.6 - Operating profit

The Group consolidated operating profit rose 26.2% to €1,344.1 million in 2021 compared with €1,065.4 million in 2020. This increase resulted from:

- a 14.7% rise in net sales;
- an 18.0% rise in cost of sales;
- a 5.4% rise in administrative, selling and research & development costs; and
- an €15.7 million decrease in other income and operating expenses.

As a percentage of net sales, operating profit came to 19.2% in 2021 compared with 17.5% in 2020.

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 rose 24.0% to stand at €1,434.0 million in 2021 compared with €1,156.0 million in 2020, 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 42.9% rise to €685.1 million in 2021 compared with €479.4 million in 2020, representing 22.9% of net sales in 2021 compared with 19.2% in 2020;
- **North and Central America**: a 12.7% rise to €533.2 million in 2021, compared with €473.3 million in 2020, representing 19.4% of net sales in 2021 compared with 18.7% in 2020; and

- **Rest of the World**: a 6.1% rise to €215.7 million in 2021 compared with €203.3 million in 2020, representing 17.2% of net sales in 2021 compared to 18.9% in 2020.

In 2021, Group adjusted operating margin before acquisitions (at 2020 scope of consolidation) stood at 20.8% of net sales, an improvement of 1.8 point compared with 2020 figure of 19.0%. Taking acquisitions into account, the Group's adjusted operating margin came to 20.5% of net sales in 2021.

5.4.8 - Net financial expenses

Net financial expenses principally correspond to financial expenses related to Yankee bonds; the 2012, 2015, 2017, 2018, 2019, 2020 and 2021 bond issues and other bank borrowings (for a description of these arrangements, see paragraph 5.5.2 of this chapter), less financial income arising from the investment of cash and cash equivalents.

Finance expenses stood at €92.4 million in 2021 compared with €99.3 million in 2020. Financial income came to €6.8 million in 2021 compared with €6.1 million in 2020.

Net financial expenses decreased €7.6 million in 2021 from the same period of 2020, accounting for 1.2% of net sales compared with 1.5% in 2020.

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 €1.5 million in 2021 compared with €10.3 million losses in the same period of 2020.

5.4.10 - Income tax expense

In 2021 Legrand's pre-tax income amounted to €1,257.0 million up from €961.9 million in 2020.

Consolidated income tax expense amounted to €351.9 million in 2021 compared with €279.2 million in 2020. The effective tax rate stood at 28.0% in 2021 compared with 29.0% in the same period of 2020.

5.4.11 - Net profit attributable to the Group

Net income amounted to €904.5 million in 2021 (€223.3 million increase or +32.8% compared with 2020) and reflects:

- a €278.7 million rise in operating profit;
- a €7.6 million rise in net financial expenses;
- a €8.8 million rise in exchange gains and losses;
- a €72.7 million rise in income tax expense.
- a €0.7 million rise in share of profits of equity-accounted entities; and
- a €0.2 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, 2021 and 2020

	12 months ended	
(in € millions)	December 31, 2021	December 31, 2020
Net cash from operating activities	1,112.7	1,161.9
Net cash from investing activities*	(466.9)	(850.4)
Net cash from financing activities	(687.1)	823.7
Translation net change in cash and cash equivalents	37.9	(54.4)
Increase (decrease) in cash and cash equivalents	**(3.4)**	**1,080.8**
* *Of which capital expenditure and capitalized development costs*	*(170.5)*	*(155.1)*

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 €1,112.7 million at December 31, 2021 compared with €1,161.9 million at December 31, 2020.

This €49.2 million decrease was due to opposite effects of a €209.4 million increase in cash flow from operations (defined as net cash generated by operating activities, plus or minus changes in current operating assets and liabilities) reaching €1,318.1 million at December 31, 2021 compared with €1,108.7 million on December 31, 2020, offset by changes in working capital requirement which set cash generation at €205.4 million in 2021 compared with €53.2 million cash generation in the same period of 2020.

5.5.1.2 NET CASH FROM INVESTING ACTIVITIES

Net cash used in investing activities for the period ended December 31, 2021 amounted to €466.9 million compared with €850.4 million for the period ended December 31, 2020. This decrease was primarily due to the acquisition of subsidiaries partially offset by an increase in capital expenditure.

The amount of acquisitions (net of cash acquired) totaled €296.2 million in 2021 (compared with €721.2 million in 2020).

Capital expenditure and capitalized development costs amounted to €170.5 million for the period ended December 31, 2021 (including €28.3 million in capitalized development costs), or a 9.9% rise compared with investments and capitalized development costs of €155.1 million in the period ending December 31, 2020 (of which €28.3 million in capitalized development costs).

5.5.1.3 NET CASH FROM FINANCING ACTIVITIES

Net cash generated by financing activities amounted to €687.1 million in 2021, including primarily the payment of dividends in an amount of €377.9 million, buybacks of treasury shares for €91.7 million, €886.6 million decrease in short-term financing, repayment of long-term financing for €74.2 million, more than offset by a €794.9 million increase in long-term financing.

5.5.2 - Debt

Gross debt (defined as the sum of long-term and short-term borrowings, including commercial paper and bank overdrafts) came to €5,312.5 million at December 31, 2021 compared to €5,394.5 million at December 31, 2020. Cash and cash equivalents and marketable securities amounted to €2,788.3 million at December 31, 2021 compared to €2,791.7 million at December 31, 2020. Net debt (defined as gross debt less cash and cash equivalents and marketable securities) totaled €2,524.2 million at December 31, 2021 compared to €2,602.8 million at December 31, 2020.

The ratio of consolidated net debt to consolidated shareholders' equity was around 44% at December 31, 2021 compared with around 53% at December 31, 2020.

At December 31, 2021, the Group's gross debt consisted of the following:

- €4,100.0 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), May 2020 (€600 million) and October 2021 (€600 million);
- €540.0 million in negotiable commercial paper (of which €320.0 million short-term and €220.0 million long-term);
- €304.1 million in Yankee bonds;
- €279.2 million in lease financial liabilities; and
- €89.2 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 €170.5 million for the period ended December 31, 2021 representing 2.4% of net sales compared with investments and capitalized development costs of €155.1 million in the period ending December 31, 2020 representing 2.5 % of net sales.

Capital expenditure consists mainly of investment in new products, in productivity and digitalization of the Group. Meanwhile, the Group is pursuing ongoing initiatives to control capital employed.

5.7 - Off-balance sheet commitments

The Group does not have any off-balance sheet arrangements that have or can be considered reasonably likely to have a current or future impact on its finances, revenues, expenses, results, operating income, cash, capital expenditure or capital reserves, and that would be material to investors. (See note 5.3 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 - Subsequent events

In February 2022, the Group announced the acquisition of Emos[1], a Central and Eastern European leader in electrical installation components, with particularly strong ties to DIY distributors and local e-commerce players. Based in the Czech Republic, Emos has annual sales of around €85 million.

(1) Subject to standard conditions precedent

5.9 - Variations in exchange rates

A significant number of the Group's foreign subsidiaries operate in countries outside the euro zone. In 2021, approximately 65% 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/US dollar exchange rates from 2017 through 2021, expressed in euro per US 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**
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
2021	0.88	0.85	0.89	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.

5.10 - Quantitative and qualitative disclosures relating to financial risks

Legrand's exposure to financial risk mainly concerns the following areas:

- interest rate risk;
- currency risk;
- commodity risk;
- credit risk;
- counterparty risk; and
- liquidity risk.

The Group's cash management strategy is based on overall financial risk management principles and involves taking specific measures to manage the risks associated with interest rates, exchange rates, commodity prices and the investment of available cash. The Group does not conduct trading in financial instruments, in line with its policy of not carrying out any speculative transactions. Transactions involving financial instruments are conducted with the sole purpose of managing interest-rate, exchange-rate and commodity price risks, and as such are limited in duration and amount.

This strategy is centralized at Group level. Deployment is managed by the Financing and Treasury Department, which recommends appropriate measures and implements these after they have been validated by the Corporate Finance Department and the Group's senior management. A detailed reporting system has been set up to permit permanent tracking of the Group's positions and effective oversight of the management of financial risks.

A detailed description of risks and Legrand's risk management appears in note 5.1.2 appended to the consolidated financial statements referred to in chapter 8 of this Universal Registration Document.

Main characteristics of procedures for preparing and processing accounting and financial information are described in the chapter 3 of this Universal Registration Document.

5.11 - Summary of critical accounting policies

The accounting policies described below are those the Company considers critical in preparing its consolidated financial statements:

- intangible assets;
- fair value of financial instruments;
- accounting for stock option plans;
- employee benefits;
- deferred taxes; and
- use of estimates.

These policies include significant estimates made by management using information available at the time the estimates are made. A more detailed description of the main accounting policies used by the Company in preparing its consolidated financial statements is included in notes to the consolidated financial statements referred to in chapter 8 of this Universal Registration Document, and in particular in note 1.2.3.

5.12 - New IFRS pronouncements

Main standards and interpretations published by the IASB with mandatory application from January 1, 2021 were as follows:

- Amendment to IAS 19 – Employee benefits;
- Amendment to IFRS 16 – Leases.

Summaries of these publications and their possible consequences as regards the financial information provided by the Group are presented in note 1.2.1. to the consolidated financial statements referred to in chapter 8 of this Universal Registration Document.

5.13 - Trends and prospects

In 2022, Legrand will pursue its strategy of profitable and responsible development laid out in its strategic roadmap[1].

Taking into account current macroeconomic outlook and assuming no marked worsening in supply chains, Legrand is aiming for the following full-year targets in 2022:

- growth in sales at constant exchange rates of between +5% and +11%, with (i) organic growth of between +3% and +7% and (ii) a scope of consolidation effect of between +2% and +4%;
- an adjusted operating margin of about 20% of sales, with (i) a margin of between 19.9% and 20.7% before acquisitions (at 2021 scope of consolidation) and (ii) dilution from acquisitions of between -20 and -40 basis points.

The Group also aims to reach around 100% of CSR achievement for the first year of its 2022-2024 roadmap, testifying to its bold and exemplary approach to ESG.

(1) For more information, readers are referred to the press release dated September 22, 2021.

5.14 - Table of consolidated financial results over the last five years

(in € millions except number of shares, earnings per share and number of employees)	2017	2018	2019	2020	2021
End of period share capital					
Share capital	1,067.2	1,070.0	1,069.1	1,069.8	1,069.8
Number of shares	266,805,751	267,495,149	267,276,128	267,447,746	267,447,746
Earnings					
Net sales	5,520.8	5,997.2	6,622.3	6,099.5	6,994.2
Profit before tax, depreciation and amortization	1,154.8	1,281.3	1,462.8	1,296.2	1,563.4
Income tax expense	(224.2)	(301.3)	(318.3)	(279.2)	(351.9)
Share of profits (losses) of equity-accounted entities	(1.5)	(0.4)	(1.8)	(0.7)	0.0
Profit for the period	713.2	772.4	836.1	682.0	905.1
Dividends paid	317.1	336.8	357.1	357.4	377.9
Earnings per share(1)					
Profit before tax, depreciation and amortization	4.334	4.801	5.482	4.852	5.858
Basic earnings per share	2.669	2.892	3.129	2.550	3.389
Dividend per share	1.19	1.26	1.34	1.34	1.42
Personnel					
End of period number of employees	34,105	34,384	34,955	32,954	34,244
Personnel costs	1,411.3	1,512.3	1,641.6	1,597.9	1,695.0

(1) Earnings per share are computed on the basis of the number of circulating ordinary shares during the period, or 266,432,980 shares in 2017, 266,878,862 shares in 2018, 266,833,977 shares in 2019, 267,172,454 shares in 2020 and 266,896,342, shares in 2021.

5.15 - Selected financial information

The selected financial information for the years ended December 31, 2021, 2020 and 2019 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 %)	2021	2020	2019
Net sales	**6,994.2**	**6,099.5**	**6,622.3**
Total sales growth	14.7%	(7.9%)	10.4%
Sales growth at constant scope of consolidation and exchange rates	13.6%	(8.7%)	2.6%
EBITDA(1)	**1,650.5**	**1,399.7**	**1,544.0**
Maintainable EBITDA(2)	1,675.0	1,457.6	1,574.9
Adjusted operating profit(3)	**1,434.0**	**1,156.0**	**1,326.1**
As % of net sales	20.5%	19.0%	20.0%
Maintainable adjusted operating profit(2)	1,468.8	1,220.0	1,357.0
Adjusted net profit attributable to the Group	**904.5**	**681.2**	**834.8**
As % of net sales	12.9%	11.2%	12.6%
Profit for the period(4)	**905.1**	**682.0**	**836.1**
As % of net sales	12.9%	11.2%	12.6%
Free cash flow(5)	**952.4**	**1,029.1**	**1,044.3**
As % of net sales	13.6%	16.9%	15.8%
Normalized free cash flow(6)	**1,074.1**	**1,034.2**	**1,009.8**
As % of net sales	15.4%	17.0%	15.2%
Net financial debt at December 31(7)	**2,524.2**	**2,602.8**	**2,480.7**

(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)	2021	2020	2019
Profit for the period	**905.1**	**682.0**	**836.1**
Share of profits (losses) of equity-accounted entities	0.0	0.7	1.8
Income tax expense	351.9	279.2	318.3
Exchange (gains) losses	1.5	10.3	2.0
Financial income	(6.8)	(6.1)	(11.9)
Financial expenses	92.4	99.3	91.1
Operating profit	**1,344.1**	**1,065.4**	**1,237.4**
Amortization and depreciation of tangible assets	179.4	187.4	183.3
Amortization and depreciation of intangible assets (including capitalized development costs) and Milestone's inventory step-up	127.0	146.9	123.3
Goodwill impairment	0.0	0.0	0.0
EBITDA	**1,650.5**	**1,399.7**	**1,544.0**
Restructuring costs	24.5	57.9	30.9
Maintainable EBITDA	**1,675.0**	**1,457.6**	**1,574.9**

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)	2021	2020	2019
Profit for the period	**905.1**	**682.0**	**836.1**
Share of profits (losses) of equity-accounted entities	0.0	0.7	1.8
Income tax expense	351.9	279.2	318.3
Exchange (gains) losses	1.5	10.3	2.0
Financial income	(6.8)	(6.1)	(11.9)
Financial expenses	92.4	99.3	91.1
Operating profit	**1,344.1**	**1,065.4**	**1,237.4**
Amortization and other P&L impacts relating to acquisitions	89.9	90.6	88.7
Goodwill impairment	0.0	0.0	0.0
Adjusted operating profit	**1,434.0**	**1,156.0**	**1,326.1**
Adjusted restructuring costs(1)	34.8	64.0	30.9
Maintainable adjusted operating profit	**1,468.8**	**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.

The table below shows a reconciliation of research and development expenditure with research and development expense:

(in € millions)	2021	2020	2019
Research and development costs	(329.1)	(319.4)	(312.0)
Acquisition-related amortization and R&D tax credit	11.4	11.2	3.3
Amortization of capitalized development costs	27.0	27.9	27.2
R&D costs before capitalized development costs	**(290.7)**	**(280.3)**	**(281.5)**
Capitalized development costs	(30.6)	(28.3)	(35.3)
Research and development expenditure for the period	**(321.3)**	**(308.6)**	**(316.8)**

The table below shows a reconciliation of the Group's free and normalized free cash flow with net cash from operating activities:

(in € millions)	2021	2020	2019
Net cash from operating activities	**1,112.7**	**1,161.9**	**1,239.4**
Net proceeds from sales of fixed and financial assets	10.2	22.3	7.1
Capital expenditures	(139.9)	(126.8)	(166.9)
Capitalized development costs	(30.6)	(28.3)	(35.3)
Free cash flow	952.4	1,029.1	1,044.3
Increase (decrease) in working capital requirement	205.4	(53.2)	(17.7)
(Increase) decrease in normalized working capital requirement	(83.7)	58.3	(16.8)
Normalized free cash flow	**1,074.1**	**1,034.2**	**1,009.8**

The table below shows changes in the net financial debt of Legrand:

(in € millions)	2021	2020	2019
Long-term borrowings	4,485.9	4,073.8	3,575.4
Short-term borrowings	826.6	1,320.7	616.2
Cash and cash equivalents and marketable securities	(2,788.3)	(2,791.7)	(1,710.9)
Net financial debt	**2,524.2**	**2,602.8**	**2,480.7**

The table below shows the changes in Legrand's equity:

(in € millions)	2021	2020	2019
Share capital	1,069.8	1,069.8	1,069.1
Retained earnings	5,268.5	4,788.3	4,486.6
Translation reserves	(621.8)	(962.3)	(453.5)
Equity attributable to equity holders of Legrand	**5,716.5**	**4,895.8**	**5,102.2**

06

Corporate governance

6.1 - Administration and management of the Company

The Company refers to the Afep-Medef Corporate Governance Code for 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

Principles

The current Articles of Association of the Company and the internal rules of the Board of Directors[1] (the "**Internal Rules**") define the following principles:

- **number of directors**: the Board of Directors has at least three members and no more than the maximum number of members authorized by the applicable legal and regulatory provisions;
- **length of directors' term of office**: the length of the term of office of directors is three years[2]. It expires at the end of the Ordinary Shareholders' Meeting convened to consider the financial statements for the previous financial year and held in the year in which their term of office expires. Directors may be reappointed for consecutive terms without limitation;
- **ownership of Legrand Securities**: subject to the exceptions provided for in law, each director must own at least 500 shares, registered in their name, for the entire duration of their term of office. In addition to this requirement laid down in the Articles of Association, the Internal Rules recommend that each director should gradually acquire in the course of his/herterm of office a number of shares equivalent to one full year of compensation for duties as a director;
- **age limit for directors**: no one over the age of 70 may be appointed to the Board of Directors if such appointment means that more than one third of Board members will be over that age. If, during their term of office, the number of members of the Board of Directors aged over 70 makes up more than one third of the Board, the oldest member will be deemed to have resigned at the end of the Ordinary Shareholders' Meeting convened to consider the financial statements for the previous financial year and held during the year in which the age limit is reached;
- **Chair of the Board of Directors**: the Chair is appointed by the Board of Directors from among its members. He/she must be a natural person aged under 65 at the time of appointment. When the Chair has reached this age limit, he/she is considered as having resigned at the end of the Ordinary Shareholders' Meeting convened to consider the financial statements for the previous financial year and held during the year in which the age limit is reached. The Chair may be reappointed for consecutive terms without limitation;
- **Vice-Chair of the Board of Directors**: the Board of Directors may appoint a Vice-Chair if necessary. His/her role is to take the place of the Chair if the latter is prevented from fulfilling his/her duties. The Vice-Chair is subject to the same age limit as the Chair;
- **Lead Director** (the **"Lead Director"**): the Board of Directors may appoint a Lead Director. In accordance with the Code of Corporate Governance, the Lead Director must be appointed from among the independent directors. The appointment becomes mandatory if the offices of Chair of the Board of Directors and Chief Executive Officer are combined. If necessary, the Lead Director may directly convene a meeting of the Board of Directors on a given agenda whose importance or urgent nature would justify holding an extraordinary meeting of the Board. Please see section 6.1.2 for details of all the Lead Director's duties and powers;
- **co-opting**: when the conditions provided for in law are met, the Board of Directors may appoint members of the Board temporarily, for the remaining term of office of their predecessor. By law, temporary appointments shall be subject to ratification by the next Ordinary Shareholders' Meeting.

(1) The Company's Articles of Association and the Internal Rules are available on the Company's website www.legrandgroup.com/en, in the section "INVESTORS AND SHAREHOLDERS / Corporate governance / Home" section.

(2) The standard term of office of directors was shortened from four years to three years by the Shareholders' Meeting of May 27, 2020 (sixteenth resolution). This change applies only to appointments and reappointments approved with effect from said Shareholders' Meeting.

Current composition of the Board of Directors

The following table provides a summary overview of the members of the Board of Directors at March 15, 2022:

		Personal information				Experience	Position on the Board				Membership of Board Committees			
	as of March 15, 2022	Age	Gender	Nationality	Number of shares	Number of appointments in listed companies(1)	Independence	Date of first appointment	End date of term of office	Length of service on the Board	Audit	Nomination and Governance Committee	Compensation	Commitments / CSR
Directors representing employees	Angeles Garcia-Poveda (Chairwoman)	51	F	Spanish	4,800	2	X	May 25, 2012	2023 SM	9				●
	Benoît Coquart (Chief Executive Officer)	48	M	French	75,845	0		May 27, 2020	2023 SM	1				
Directors	Olivier Bazil	75	M	French	2,054,047	0		Dec. 10, 2002	2022 SM	19		●		●
	Isabelle Boccon-Gibod	53	F	French	1,000	3	X	May 27, 2016	2023 SM	5	●			●
	Christel Bories	57	F	French	1,470	1	X	May 25, 2012	2023 SM	9	●			C
	Jean-Marc Chéry	61	M	French	500	1	X	May 26, 2021	2024 SM	<1				
	Edward A. Gilhuly	62	M	American	119,712	1	X	May 30, 2018	2022 SM	3				●
	Patrick Koller	63	M	Dual French/ German	1,000	1	X	May 30, 2018	2022 SM	3		●	●	
	Michel Landel (Lead Director)	70	M	French	1,100	1	X	May 29, 2019	2023 SM	2		C	●	
	Annalisa Loustau Elia	56	F	Italian	1,340	4	X	May 25, 2013	2024 SM	8			C	
	Éliane Rouyer-Chevalier	69	F	French	1,350	1	X	May 26, 2011	2023 SM	10	C		●	
	Gilles Schnepp	63	M	French	2,415,082	3		Dec. 10, 2002	2022 SM	19				●
Directors representing employees	Sophie Bourdais	54	F	French	620	0		Sept. 30, 2020	2023 SM	1			●	
	Daniel Buisson	58	M	French	0	0		Sept. 30, 2021	2023 SM	<1				

(1) The office held at the Company is not counted in this calculation.

SM: Shareholders' Meeting. ●: Committee member. C: Chair of a Committee.

At the date of this Universal Registration Document, the Board of Directors has 14 members including the Chairwoman of the Board, the Lead Director and the two directors representing employees. Biographical details of the Company's directors are provided in appendix 3 to the management report on the annual financial statements for the year ended December 31, 2021, in this Universal Registration Document.

Directors representing employees

Pursuant to article L. 225-27-1 of the French Commercial Code, the Board of Directors ruled at its meeting on March 19, 2018 on the appointment procedures for directors representing employees. It decided that they should be appointed by the Central Works Council, since renamed the Central Workforce and Economic Committee (the "**CWEC**").

The law no. 2019-486 of May 22, 2019, on growth and business transformation (the "**Pacte Law**"), lowered the threshold from which a second director is required from twelve to eight directors.

Since the Company's Board of Directors currently has more than eight directors[(1)], the appointment of two directors representing employees is required. The CWEC of September 30, 2020, appointed Sophie Bourdais as a director representing employees.

The CWEC of September 30, 2021 appointed Daniel Buisson as a director representing employees on the Company's Board of Directors effective September 30, 2021, replacing Philippe Jeulin, due to his retirement on the same date.

Daniel Buisson was appointed for a term until the normal end date of the term of office of the other directors appointed pursuant to article L. 225-27-1 of the French Commercial Code, that is until the Shareholders' Meeting to be called in 2023 to approve the financial statements for the financial year ended December 31, 2022.

The directors appointed to represent the employees have the same status, same rights, and same responsibilities as the other directors.

Representatives of the CWEC

Two representatives of the CWEC also attend meetings of the Board of Directors in an advisory capacity.

Staggering of directors' terms of office

Directors' terms of office have been staggered. Four directors' terms of office are due to expire at the Shareholders' Meeting called on May 25, 2022. Thereafter, the terms of office of eight directors will expire in 2023, a further two 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 involved in any bankruptcy, receivership, liquidation or court administration of a business within the last five years;
- have been convicted of any charge and/or received an official public penalty issued by the statutory or regulatory authorities (including professional bodies);
- have been prohibited by a court from sitting on an administrative, management or supervisory body of an issuer or from taking part in the management or conduct of an issuer's business over the last five years.

To uphold its commitment to good corporate governance, the Board of Directors adopted a Directors' Charter, which has been integrated into the internal rules. This Directors' Charter sets forth the rights and obligations of the directors and is binding upon each director. In accordance with the Directors' Charter, Directors undertake to:

- inform the Lead Director and the Board of Directors of any actual or potential conflict of interest, abstain from participating in the related discussions and votes, in accordance with the Code of Corporate Governance, and
- avoid any personal involvement with businesses that are competitors of the Company and its Group without having informed the Board of Directors and obtained its consent.

In addition, the Internal Rules lay down the rules for preventing and managing conflicts of interest. This document states that the Lead Director is responsible for preventing conflicts of interest from arising. To achieve this, he/she raises awareness about situations that could potentially give rise to conflicts of interest. He/she is also kept informed by each director of any actual or potential conflict of interest. He/she then report on these to the Board of Directors, as they do on any actual or potential conflict of interest which they may detect independently.

No actual or potential conflicts of interest were reported to the Lead Director or to the Board of Directors in 2021.

In addition, the directors have undertaken to keep the Board of Directors informed of directorships held in other companies, including membership of such companies' board committees, both in France and abroad.

(1) The director representing employees is not counted when these percentages are calculated.

(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 on or after May 27, 2020.

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 list the independence criteria set forth in the Code of Corporate Governance. Accordingly, an independent director must not:

- be or have been in the past five years:
  - an employee or executive officer of the Company or Group,
  - an employee, executive officer or director of a company consolidated by the Company,
  - an employee, executive officer or director of the Company's parent company or of a company consolidated by that parent company;
- be an executive officer of a company in which the Company directly or indirectly holds a directorship or in which an employee appointed as such or an executive officer of the Company (currently in office or having held such office during the last past five previous years) is a director;
- be a customer, supplier, commercial banker, investment banker or advisor:
  - that is significant to the Company or its Group; or
  - for which the Company or its Group represents a significant 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 securities or any compensation linked to the performance of the Company or the Group;
- be a major shareholder in the Company taking part in its control.

However, when a director represents a shareholder of the Company directly or indirectly holding more than 10% of the Company's capital or voting rights, the Board of Directors, after receiving a report from the Nomination and Governance Committee, must systematically review his/her status as an independent director. As part of this process, it must give due regard to the Company's share ownership structure and any potential conflicts of interest.

Qualification procedure for independent directors

In accordance with the Internal Rules, qualifications as independent directors are discussed by the Nomination and Governance Committee with regard to the independence criteria defined above, and are approved by the Board of Directors when a director is appointed and annually for all directors. The findings of the Board of Directors' review are made available to shareholders.

Findings of the review conducted by the Nomination and Governance Committee and the Board of Directors concerning the criterion of business relationships between the Company and its directors

During the annual review of directors' independence, the Nomination and Governance Committee and then the Board of Directors at its meeting of March 15, 2022 analyzed any business relationships that may exist between the Group on the one hand and each director or companies with which they are associated (as a customer, supplier, commercial banker, investment banker or advisor) on the other hand.

To prepare the evaluation, the Nomination and Governance Committee asked directors to complete an independence questionnaire. The Committee then analyzed the position of each director based on the responses given, with the following objectives:

- determine whether a business relationship exists;
- and where applicable, assess whether this relationship is significant by applying qualitative criteria (context, background and structure of the relationship, and parties' respective powers) as well as quantitative criteria (materiality of the relationship to the parties).

The review showed none of the directors had business relationships with Legrand, except for Jean-Marc Chéry.

The business relationship between Legrand and the STMicroelectronics group, of which Jean-Marc Chéry is CEO, consists mainly of indirect purchases. Certain Group entities buy electronic components manufactured by STMicroelectronics from specialized distributors.

With regard to the respective powers of Legrand and Jean-Marc Chéry, the Committee found:

- the purchase of STMicroelectronics' electronic components by the Company and its entities preceded the appointment of Jean-Marc Chéry as a director of the Company;
- Jean-Marc Chéry, in his capacity as a director of the Company, had no decision-making authority within the Group with regard to the establishment or continuation of this business relationship.

(1) The assessment of whether the relationship with the Company or the Group is significant or non-significant must be considered by the Board of Directors. The qualitative and quantitative criteria leading to that assessment (continuity, economic dependence, exclusivity, etc.) are explicitly stated in the Universal Registration Document.

Lastly, the financial stakes involved are not significant for either Legrand or for STMicroelectronics.

Accordingly, the Nomination and Governance Committee considered the business relationship between Legrand and Jean-Marc Chéry to be “non-significant” from both a qualitative and quantitative standpoint because the financial stakes involved are of low significance for both the groups involved. The Board of Directors subsequently approved the conclusion drawn by the Nomination and Governance Committee.

Findings of the review conducted by the Nomination and Governance Committee and the Board of Directors concerning other independence criteria

At its meeting on March 15, 2022, the Board of Directors reviewed the individual status of each director in relation to the independence criteria stated above. On the recommendation of the Nomination and Governance Committee, it found that Isabelle Boccon-Gibod, Christel Bories, Jean-Marc Chéry, Angeles Garcia-Poveda, Edward A. Gilhuly, Patrick Koller, Michel Landel, Annalisa Loustau Elia, and Éliane Rouyer-Chevalier, could be designated as independent directors:

	Angeles Garcia-Poveda	Olivier Bazil	Jean-Marc Chéry	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		●	●	●	●	●	●	●	●	●	●	●
Significant business relationships	●	●	●	●	●	●	●	●	●	●	●	●
Family ties	●	●	●	●	●	●	●	●	●	●	●	●
Statutory Auditor	●	●	●	●	●	●	●	●	●	●	●	●
Term of office of over 12 years	●	X	●	●	●	●	●	●	●	●	●	X
Non-executive officer status	●	●	●	●	●	●	●	●	●	●	●	X
Major shareholder status(1)	●	●	●	●	●	●	●	●	●	●	●	●

●: indicates independence criterion met.

X: indicates independence criterion not met.

(1) Shareholder holding, directly or indirectly, more than 10% of the Company’s share capital or voting rights.

The proportion of independent directors on the Company’s Board of Directors thus stands at 75%(1). This level is higher than the minimum ratio of 50% recommended by the Code of Corporate Governance for non-controlled companies.

With respect to the Board of Directors’ specialized Committees:

- the Audit Committee has three members, all of whom are independent, therefore 100% of its members are independent directors. This is in line with the Code of Corporate Governance, which recommends that at least two thirds of the Committee’s members should be independent directors;
- the Nomination and Governance Committee has three members, 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 directors, and so the proportion of independent directors is 100% (Directors representing employees are not counted for the purpose of calculating the proportion of independent directors, in accordance with the recommendations of the Corporate Governance Code). This is in line with the Code of Corporate Governance, which recommends that the majority of the Committee’s members should be independent directors;
- the Commitments and CSR Committee has six members, four of whom are independent, and so the proportion of independent directors is 66.67%.

The Lead Director is also independent, in accordance with the Code of Corporate Governance.

(1) Directors representing employees are not counted for the purpose of calculating the proportion of independent directors, in accordance with the recommendations of the Corporate Governance Code. The rate is calculated subject to the approval by the Combined Shareholders’ Meeting on May 25, 2022 of the reappointment of Olivier Bazil, Edward A. Gilhuly and Patrick Koller. The rate of independent directors will stand at 83% at the end of the Combined Shareholders’ Meeting on May 25, 2022 subject to the approval of the appointment of Florent Menegaux as an independent director.

Multiple directorships

The Internal Rules state that each director must devote the necessary time and attention to their duties. In accordance with the recommendations of the Code of Corporate Governance, a director must not hold more than four other directorships in listed companies not affiliated with the Group, including those outside France. In addition, the French Commercial Code states that an individual may not simultaneously hold directorships in more than five *sociétés anonymes* (corporations) having their registered office in France. Based on the information provided by the directors, they are all in compliance with the rules on multiple directorships.

Selection process for independent 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 lays sets the objectives for changes to its composition;
- the Nomination and Governance Committee is assisted by a recruitment firm with the process of identifying candidates who match the target profiles set by the Board of Directors;
- the Chair of the Board of Directors and the Chair of the Nomination 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 Nomination and Governance Committee and with management;
- the Nomination and Governance Committee considers the results of these interviews and submits its recommendations to the Board of Directors.

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 2021

During the 2021 financial year, the composition of the Board of Directors changed as follows:

Departures	Appointments	Renewal
Philippe Jeulin (September 30, 2021)	Jean-Marc Chéry (May 26, 2021) Daniel Buisson (September 30, 2021)	Annalisa Loustau Elia (May 26, 2021)

Terms of office as directors that expired in 2021

The terms of office as a director of Annalisa Loustau Elia expired in 2021. She has stated her intention to stand for reappointment.

Annalisa Loustau Elia,a director of the Company since 2013, also chairs the Compensation Committee. She brings to the Company a complementary perspective on matters specific to the Company's business sector, through her experience in digital transformation and customer experience in the luxury goods, retail and mass consumer goods sectors, and offers the Company expertise in general strategic matters. Given the size of the Group's operations in Italy, her Italian nationality and her knowledge of the Italian market also afford her invaluable insights.

For these reasons, the Board of Directors on March 17, 2021, proposed to submit a resolution for approval at the Shareholders' Meeting on May 26, 2021, to renew her term of office as director for a three-year term of office as a director. The shareholders voted in favor this reappointment.

Appointment of a director in 2021

In addition, to enrich its composition, the Board of Directors, on the recommendation of the Nomination and Governance Committee proposed the appointment of Jean-Marc Chéry as an independent director at the Shareholders' Meeting of May 26, 2021. The shareholders voted in favor of this appointment.

Through his experience as a senior executive of a large listed industrial group, the Board of Directors decided that Jean-Marc Chéry could make a valuable contribution to the Board of Directors' work.

Replacement of the first director representing employees in 2021

The Central Workforce and Economic Committee on September 30, 2021 appointed Daniel Buisson as a director representing employees to the Company's Board of Directors effective as from September 30, 2021, replacing Philippe Jeulin, due to his retirement on the same date.

Changes in the composition of the Board of Directors in 2022

Term of office expiring in 2022

The terms of office as directors of Olivier Bazil, Edward A. Gilhuly, Patrick Koller and Gilles Schnepp expire in 2022.

Olivier Bazil, Edward A. Gilhuly and Patrick Koller have stated their intention to stand for reappointment.

Olivier Bazil has been a director of Legrand since 2002 and boasts more than 35 years' professional experience within the Legrand Group. He is a member of the Nomination and Governance Committee and of the Commitments and CSR Committee. He provides the Board of Directors with the benefit of his experience and his knowledge of the Group and its business.

Edward A. Gilhuly, a US national, an independent director since 2018, is a member of the Commitments and CSR Committee. Edward A. Gilhuly is a founding partner of the Sageview Capital investment fund. He provides the Board of Directors with the benefit of his financial skills, his experience in external growth strategy and his knowledge of the US market.

Patrick Koller, a dual French-German national, independent director since 2018, is a member of the Compensation Committee and of the Nomination and Governance Committee. Patrick Koller is Chief Executive Officer of the Faurecia group. Through his experience as a senior executive of a large listed industrial group, Patrick Koller makes a valuable contribution to the work of the Board of Directors.

At its meeting on March 15, 2022, the Board of Directors again found that Edward A. Gilhuly and Patrick Koller could be designated as independent directors based on the recommendation of the Nomination and Governance Committee.

The Board of Directors also considered the number of directorships held by Olivier Bazil, Edward A. Gilhuly and Patrick Koller based on the Nomination and Governance Committee's recommendation. That analysis showed that the number of directorships held by these individuals outside the Company complies 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 25, 2022 the renewal of Olivier Bazil, Edward A. Gilhuly and Patrick Koller's term of office as director for a three-year term of office. For further information, please refer to the presentation of the agenda and the draft resolutions available on the Company's website www.legrandgroup.com/en, in the section "INVESTORS AND SHAREHOLDERS / Shareholders' meetings / 2022 General Meeting".

Appointment of an independent director in 2022

To enrich its composition, the Board of Directors, on a proposal made by the Nomination and Governance Committee, recommended the appointment of Florent Menegaux as an independent director.

This proposed appointment is part of an external hiring process for new directors conducted in 2021 and 2022, at the end of which the appointment of Florent Menegaux was approved by the Nomination and Governance Committee on March 11, 2022 and by the Board of Directors on March 15, 2022.

Given his experience as a senior manager of a large listed industrial group, the view was that Florent Menegaux could make a valuable contribution to the Board of Directors' work.

At its meeting of March 15, 2022, the Board of Directors, on the recommendation of the Nomination and Governance Committee, examined Florent Menegaux's individual situation and found (i) there was no significant business relationship between Florent Menegaux and Legrand and (ii) Florent Menegaux could be designated as an independent director. The Board of Directors also found 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 25, 2022 the appointment of Florent Menegaux, as an independent director for a three-year term. For further information, please refer to the presentation of the agenda and the draft resolutions available on the Company's website: www.legrandgroup.com/en in the section "INVESTORS AND SHAREHOLDERS / Shareholders' meetings / 2022 General Meeting".

Diversity in the composition of the Board of Directors

Each year, the Board of Directors examines its composition and that of its specialized 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 of Directors is performing its duties with the necessary independence and objectivity.

Subject to approval at the Combined Shareholders' Meeting on May 25, 2022, of the renewal of the term of office as directors of Olivier Bazil, Edward A. Gilhuly and Patrick Koller and the appointment of Florent Menegaux, 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 25, 2022, include:

- five women, representing a percentage of 42%(1), which exceeds the 40% minimum requirements of the French Commercial Code;
- ten independent members, or a proportion of 83%(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 2021, the Board of Directors considered directors' skills to be varied and complementary. Certain directors possess strategic skills or experience in the general management of industrial groups, and others have financial skills or more specific areas of expertise (investor relations, talent management, marketing and CSR). In addition, the past and current representatives of Legrand's general management who are members of the Board of Directors ensure that the Board of Directors possesses a good level of knowledge of the Group and how it operates.

Since 2017, Legrand has featured in the "CAC 40 Governance" index which recognizes companies with the best governance practice.

Given all these factors, the Board considered its composition in 2021 to be satisfactory with regard to the diversity criteria examined. It nevertheless continues to pay attention to any potential change that could be consistent with the Group's development and dynamic approach.

Accordingly, the Board of Directors decided to support the renewal of the terms of office as directors of Olivier Bazil, Edward A. Gilhuly and Patrick Koller, who have stated their intention to stand for reappointment.

Gender balance of the Board and its specialized Committees

- Of the 12 directors sitting on Board of Directors, five, or 42% are women.
- The Board of Directors has been chaired by an independent chairwoman since July 1, 2020.
- Three of the four specialized 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 bodies are outlined below.

Missions and duties of the Board of Directors and of its Chair

The Board of Directors carries out the duties that have been assigned to it by law in order to act at all times in the Company's interest. The Board of Directors determines how the Company is managed. The Board of Directors may decide to set up Committees to consider matters submitted to them by the Board of Directors or its Chair. It determines the composition and duties of its Committees. They perform their duties under its responsibility and without prejudice to the powers of the Board itself.

The Board's strategy and decisions are formulated within the framework of the Company's sustainable development policy. It endeavors to promote long-term value creation by the Company 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 as bonds or in any other form, or any voluntary early repayment of loans, advances or borrowings for an amount exceeding €100 million,
  - the establishment of joint venture(s) or the acquisition of any business(es) for an amount exceeding €100 million; the acquisition of any equity interest or business, or the formation of any joint-venture agreement where the amount involved exceeds €100 million,
  - the sale or transfer of any business(es) or asset(s) for an amount exceeding €100 million; the sale of any equity interest or business involving an amount exceeding €100 million,

(1) 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. The rate is calculated subject to the approval by the Combined Shareholders' Meeting on May 25, 2022 of the reappointment of Olivier Bazil, Edward A. Gilhuly and Patrick Koller and the appointment of Florent Menegaux as an independent director.

– the selection, replacement or removal of any or all of the Statutory Auditors,
– merger transactions or proposals concerning the Company or, more generally, any transaction resulting in the transfer or sale of all or substantially all of its assets,
– any transaction leading to an increase or reduction in the Company's share capital, including, as may be the case, through the issue of securities giving access to the Company's share capital, such as securities convertible into shares or exchangeable for or redeemable in shares or preferred shares (except for awards of bonus shares or stock options in the Company's normal course of business),
– any introduction of double voting rights or any other change to the voting rights attached to Company shares,
– any proposal for the appointment of new members to the Board of Directors,
– the admission to trading of any shares issued by the Company on a regulated market other than Euronext or any other financial instrument issued by the Company,
– insolvency filings, appointment of an *ad hoc* authorized agent, liquidation, any voluntary winding-up or agreed liquidation of the Company, and any decision that may result in the initiation of insolvency proceedings or the appointment of an *ad hoc* authorized agent,
– any proposal for a decision entailing amendment of the Company's Articles of Association,
– in the event of disputes, the conclusion of any agreement, settlement or arrangement, or acceptance of any compromise, where the amount concerned exceeds €100 million,
– the grant of any surety on Company assets if the obligation for which surety is given or the assets pledged represents an amount in excess of €100 million,
– and more generally, any material transaction outside the scope of the Legrand's stated strategy, where the amount concerned exceeds €100 million;

- to examine and approve the reports on the activities of the Board of Directors and its Committees to be included in the corporate governance report;
- to examine and approve, based on a proposal made by the Nomination and Governance Committee, the presentation of directors to be included in the corporate governance report, in particular the list of independent directors, setting out the criteria applied;
- to co-opt directors where necessary, and present proposals for the reelection or appointment of directors to the Ordinary Shareholders' Meeting;
- to discuss the performance of the executive officers (without the interested parties being present), to determine, based on a proposal made by the Compensation Committee, the compensation due to executive officers and to apportion the compensation awarded to the directors, in accordance with the compensation policies approved every year by the Shareholders' Meeting;
- to consider stock option and bonus share plans and all other share-based payments or compensation indexed or otherwise linked to shares;
- to ensure that shareholders and investors receive relevant, balanced and instructive information about the strategy, development model, the way in which extra-financial issues that are material for the Company are taken into account and its long-term outlook;
- to review on a regular basis, along with the strategy it has formulated, the opportunities and risks, such as financial, legal, operational, social and environmental risks(1), 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. The Chair reports to the Shareholders' Meeting. The Chair is responsible for ensuring that the Company's corporate bodies operate effectively in line with the principles of good governance. The Chair sets the schedule and agenda for Board meetings and convenes them. The Chair coordinates the work of the Board of Directors with that of its specialized Committees. In dealings with the Company's other bodies and with external parties, the Chair of the Board of Directors is the only person with the power to act in the name of the Board of Directors and to speak on its behalf(2).

The Chair may hold discussions with the Statutory Auditors in order to prepare the work of the Board of Directors and its Committees. The Chair coordinates with the Chief Executive Officer, who alone is responsible for the general and executive management of the Company. The Chair may ask the Chief Executive Officer or any manager for any information that may assist the Board of Directors and its Committees with fulfilling their duties.

Relationship between the Board of Directors and shareholders

After the offices of Chair of the Board of Directors and Chief Executive Officer were separated, a decision was made to entrust the duty of maintaining dialog on governance issues between the Board of Directors and shareholders with the Chair of the Board of Directors, together with the Executive VP Investor Relations. Depending on the topics being covered, managers may be invited to attend.

(1) *For more information about the Group's governance and the duties of the Commitments and CSR Committee concerning the review and monitoring of opportunities and environmental and social risks, please refer to section 4.1.6 of this Universal Registration Document.*

(2) *Except in exceptional circumstances, and excluding where a particular mission or specific mandate is entrusted by the Board of Directors to another director.*

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 of Directors' 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 of Directors' meeting, or
- directly convene a meeting of the Board of Directors to consider a given agenda whose importance or urgent nature justifies holding an extraordinary meeting of the Board of Directors.

The Chief Executive Officer may also ask the Chair to convene a Board of Directors' meeting to consider a particular agenda. Whenever the Board of Directors has not met for more than two months, at least one third of the members of the Board of Directors may ask the Chair to convene a meeting of the Board of Directors to consider a particular agenda. The Chair is bound to act on these requests.

Subject to the above, the agenda is decided by the Chair and may not be set, where necessary, until the meeting itself.

The Internal Rules state that notices of meetings, which may be sent out by the secretary of the Board of Directors, may be issued by letter, 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 of Directors' meetings may be held by means of videoconference or telecommunication, provided that these transmit at least the voices of participants and meet the technical requirements for the continuous and simultaneous relay of proceedings. In all instances permitted by law, directors participating in Board of Directors' meetings using such means are deemed present for the purposes of quorum and majority voting requirements.

If one or more directors notify the Chair of the Board of Directors that they cannot attend a Board meeting, the Chair must attempt to organize a Board meeting using the means described in the preceding paragraph. Board meetings may not be held using such means to adopt certain decisions where to do so is prohibited by law.

The Chair shall endeavor to issue notices of Board meetings five days prior to the actual meeting. The Chair shall also endeavor to take account of the diary constraints of Board members to ensure as many members as possible attend each meeting.

Decisions are made subject to the quorum and majority voting requirements provided for by law. If a vote is tied, the Chair has the casting vote. The Board may appoint a secretary who need not be one of its members.

Written consultation of the Board of Directors

In accordance with article 9.4 of the Articles of Association, decisions within the duties of the Board of Directors as referred to by the applicable regulations may be adopted by means of a written consultation of the directors.

The decision to launch this type of consultation is made by the Chair. When a written consultation is launched, the Chair sends the directors by email the text of the proposed decision(s) and any document or information needed for them to reach their decision.

The quorum and majority voting rules are those applicable to decisions made at meetings of the Board of Directors. The quorum requirement is calculated based on the number of members who respond to the written consultation by the stated deadline.

Decisions made by a written consultation must be recorded in a minute prepared by the Chair.

Attendance register

An attendance register is kept at the Company's registered office that is signed by the directors taking part at the meeting of the Board of Directors. Where appropriate, it contains the names of the directors who were present by means of videoconference or telecommunication, represented, excused or absent at each meeting. The Board secretary initials the attendance register in the place of directors represented or participating at the meeting of the Board of Directors *via* a videoconference or telecommunication (on their behalf and on behalf of those representing them, where appropriate). Proxies granted by mail or email are annexed to the attendance register.

Minutes of Board meetings

The Board's decisions are evidenced by minutes prepared, signed, and maintained in accordance with regulatory requirements. The minutes of each Board meeting must include:

- the name of each director present physically or by means of videoconference or telecommunication, represented, excused or absent;

- the occurrence of any technical videoconference or conference call incident that disrupted proceedings;
- the presence or absence of individuals convened to the meeting of the Board of Directors pursuant to a statutory requirement;
- the name of other persons attending all or part of the Board meeting;
- a summary of the debates and deliberations of the Board of Directors;
- questions raised and the reservations stated by participating directors, if any.

Notices and minutes of Board meetings are translated into English.

The draft minutes of the meeting of the Board of Directors are prepared by the Board secretary after each meeting.

The final minutes are approved at a meeting of the Board of Directors and signed by the chair of the meeting and a director.

The minutes may be prepared in electronic form. They may also be signed by means of an electronic signature, complying at the very least with the requirements applicable to advanced electronic signatures, as provided for in the statutory requirements in force.

Evaluation of the Board of Directors and its specialized Committees

The Board discusses its operating procedures at least once a year. That includes a review of the operating procedures of the specialized 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, any steps taken as a result (see section 6.1.1.3).

The evaluation of the Board's operating procedures and those of its specialized Committees is supervised by the Lead Director.

Directors' access to information

So that Board members can carry out their duties effectively, a documentation set containing all the documents and information needed for the consideration of the items on the agenda is made available to the directors a reasonable amount of time before the meeting by means including a secure digital platform.

Directors may request any documents they believe relevant for the preparation of the meeting, provided that they submit such requests with a reasonable notice period.

Between meetings, directors should be provided with all relevant information on events or transactions that are significant for the Company. Directors can meet with the Company's principal executive managers, including in the absence of the Chief Executive Officer. In the latter case, the Chief Executive Officer should be given prior notice. Board members are kept informed about market developments, the competitive environment and the main issues, including in the field 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 asks to take part.

For example, visits, presentations and meetings were arranged for Jean-Marc Chéry following his appointment as a director at the Shareholders' Meeting of May 26, 2021. The goal was to prepare him as effectively as possible for his new duties on the Board of Directors. In the course of this induction program, Jean-Marc Chéry visited the product lab, the Magré manufacturing facility, the Innoval customer training center in Limoges, as well as the My Home Apartment, which showcases the technologies marketed by Legrand in its home systems. He also met with several of Legrand's senior executives and operational managers.

The 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 2022 following the appointment of Daniel Buisson, director representing employees.

In addition, directors representing employees and CWEC representatives attending meetings of the Company's Board of Directors will be offered English classes during 2022.

Lastly, financial and legal training sessions can be arranged upon request for the CWEC representatives who attend the Company's Board of Directors' meetings.

Professional ethics for directors

In accordance with the Directors' Charter, before taking up their post, all directors must ensure that they are fully aware of their general and specific duties. These obligations arise from legislation and regulations, the Articles of Association, the Internal Rules and the Directors' Charter, as well as from various other legally binding documents:

Code of Conduct for Stock Market Transactions

In 2006, the Group adopted a Code of Conduct for Stock Market Transactions, which is available on the Company's website at www.legrandgroup.com/en. This Code complies with the EU Market Abuse Regulation no. 596/2014 (MAR, the "**Market Abuse Regulation**"), which came into force on July 3, 2016, and AMF Position-recommendation no. 2016-08 as amended on April 29, 2021.

The Code was adopted by the Board of Directors on June 2, 2006 and the new versions were presented at the Board of Directors' meeting of November 9, 2016 and then November 2, 2021. One of its purposes is to raise awareness among all Group staff ("**Staff**[(1)]" or "**Member of Staff**"[(1)]) of regarding:

- the legislation and regulations applicable to the possession, disclosure and use of "inside information" ("**Inside Information**[(2)]") concerning the Company which could apply to them since they may have access to such information by virtue of their positions or duties for the Group;
- compliance with the closed periods laid down by the Company;
- the rules for trading in Legrand Securities (the "**Legrand Securities**[(3)]") and the safeguards put in place to ensure that each employee may invest in Legrand Securities without breaching market integrity rules;
- the penalties incurred in the event that these rules are breached.

The Code also provides for:

- the appointment of the ethics officer, who is the Group's Executive VP Legal Affairs (the "**Ethics Officer**");
- rules on establishing, updating and making available to the AMF a list of all individuals privy to Inside Information who are working for the Group pursuant to an employment contract or who perform in any other manner tasks giving them access to the Inside Information (the "**Insider List**");
- where the Insider is a service provider acting in the name and on behalf of the Company with access to Inside Information in the course of its business relationship with the Company, rules on having an individual within the organization who establishes and updates a list of Insiders stating those members of its staff and, if need be, of third parties conducting tasks for the service provider who are privy to Inside Information concerning Legrand;
- the embargo periods during which the Company will not give out any new information about its business or earnings to financial analysts and investors;
- the role of the committee set up in 2016 when the Company adopted an internal procedure for designating and publishing Inside Information (the "**MAR Committee**"). This role consists in evaluating, on a case-by-case basis, whether or not information is inside information and then determining and examining the consequences in the event that such information is disseminated.

Under this Code, the managers[(4)] and other individuals regularly or occasionally privy to Inside Information concerning Legrand or the Legrand Group must refrain from trading in the Legrand Securities during the periods laid down below:

- during the 30-calendar-day period prior to publication of the annual, half-yearly and quarterly financial statements or of an annual or half-yearly financial report, ending (at 6 pm) on the day after publication of the relevant information,
- during any other period defined and announced by the Ethics Officer.

In general, any person may, before performing a transaction in the Legrand Securities, request the opinion of the MAR Committee on such a transaction by contacting the Ethics Officer who will then call a meeting of the MAR Committee for said purpose.

All individuals must refrain from performing a transaction in the Legrand Securities when they appear on an Insider List. If an individual appears on the list without being privy to Insider Information, the Ethics Officer's opinion they may seek before performing a transaction in the Legrand Securities.

Conversely, an individual may hold an Inside Information without appearing on an Insider List. In such a scenario, they may also seek the Ethics Officer's opinion before performing a transaction in the Legrand Securities.

(1) *Member of Staff refers to any person discharging managerial responsibilities (Chair, Chief Executive Officer, directors), any employee or external service provider acting in the name and on behalf of Legrand.*

(2) *Inside Information is information of a precise nature not already in the public domain directly or indirectly concerning Legrand or the Legrand Group, or one or more Legrand Securities, and that would be likely to have a significant impact on the price of Legrand Securities were it to be made public.*

(3) *Legrand Securities refers to (i) any and all financial instruments issued by Legrand admitted to trading or covered by an application for admission to trading on a regulated market or a multi-lateral trading facility (MTF) or negotiated on an organized trading facility (OTF) and including the shares and any securities issued or to be issued in the future by Legrand giving access to the share capital of the Company or of one of the subsidiaries of the Legrand Group, the bonds and any other securities representing a debt claim on the Company or one of the Legrand Group's subsidiaries, the rights that may be detached from these various securities, including preferred subscription or allotment rights, and units or shares of collective investment undertakings, and (ii) any and all financial instruments the price or value of which depends on the price or value of the securities referred to in (i) above or that has an impact on this price or value.*

(4) *Or "persons discharging managerial responsibilities" refers to the company officers and senior managers. For the purposes of the Code:*
   - *the company officers are (i) the Chair and Chief Executive Officer, the Chief Executive Officer or the Deputy Chief Executive Officer(s) of Legrand, and the members of Legrand's Board of Directors;*
   - *the senior managers are individuals who, firstly, have decision-making powers at the Legrand Group concerning the future direction and strategy of Legrand or the Legrand Group and, secondly, who are regularly privy to Inside Information directly or indirectly concerning Legrand or the Legrand Group.*

These opinions are of consultative value only, and the decision on whether or not to perform the transaction in the Legrand Securities is the sole responsibility of the relevant individual.

Internal Charter on the Qualification of Agreements

The Company possesses an internal Group charter. This charter designates agreements when they are entered into by the Company and distinguishes agreements that need to undergo the procedure for related-party agreements from those relating to regular transactions concluded under normal conditions. It is available on the Company's website at legrandgroup.com/en. In accordance with the latest relevant requirements, the charter was updated and adopted by the Board of Directors on May 6, 2020. It contains a procedure under which a committee may assess the qualification conditions of regular agreements concluded under normal conditions.

6.1.1.3 Work performed by the Board of Directors in 2021

In 2021, the Board of Directors met seven times. Directors' attendance at Board of Directors' meetings was highly satisfactory since the attendance rate in 2021 was 95%.

Attendance record of the Board of Directors	Attendance rate (meetings attended/total number of meetings)	Form of attendance	
		Physical	Videoconference
Angeles Garcia-Poveda	100% (7/7)	14%	86%
Olivier Bazil	100% (7/7)	14%	86%
Isabelle Boccon-Gibod	100% (7/7)	14%	86%
Christel Bories	71% (5/7)	20%	80%
Sophie Bourdais	100% (7/7)	14%	86%
Daniel Buisson	100% (1/1)	100%	0%
Jean-Marc Chéry	100% (3/3)	33%	77%
Benoît Coquart	100% (7/7)	14%	86%
Edward A. Gilhuly	71% (5/7)	0%	100%
Philippe Jeulin (1)	100% (6/6)	0%	100%
Patrick Koller	100% (7/7)	14%	86%
Michel Landel	100% (7/7)	14%	86%
Annalisa Loustau Elia	100% (7/7)	14%	86%
Éliane Rouyer-Chevalier	86% (6/7)	0%	100%
Gilles Schnepp	100% (7/7)	14%	86%

(1) Philippe Jeulin was a member of the Audit Committee until September 30, 2021, the end date of his term of office as a director due to his retirement.

According to the Internal Rules, some of its decisions may be prepared for by the Board of Directors' specialized Committees, enabling the Board of Directors to discharge its duties as effectively as possible. The average attendance rate at meetings of the various Board committees was 99% in 2021. Information on these specialized Committees can be found in section 6.1.3 of this Universal Registration Document.

Topics covered by the Board of Directors in 2021

The Board's worked on matters including:

- the Company's results:
  - report on the Audit Committee's work, as set out in section 6.1.3.3 below,
  - approval of the consolidated and statutory financial statements for the year ended December 31, 2020, and the related reports, the consolidated financial statements for the three months ended March 31, 2021, the consolidated financial statements and management report for the six months ended June 30, 2021, and the consolidated financial statements for the nine-month period ended September 30, 2021,
  - 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 2021,
  - approval of the 2021 budget;
- governance:
  - report on the work performed by the Lead Director,
  - report on the work of the Nomination and Governance Committee, as set out in section 6.1.3.3 below,
  - designation of independent directors,
  - review of the composition of the Board of Directors in view of the renewal of the term of office of one director, the appointment of an independent director and the appointment of a new director representing employees, due to the retirement of the previous director representing employees,

- review of the composition of the Board specialized Committees,
- definition of diversity targets for the Board of Directors' composition,
- evaluation of the operating procedures of the Board of Directors and its Committees (summary and proposals),
- review of regulated agreements;

- compensation:
  - report on the work of the Compensation Committee, as set out in section 6.1.3.3 below,
  - compensation paid to the company officers,
  - review of compensation in respect of 2020,
  - determination of the principles of compensation for 2021,
  - long-term incentive plans/performance share plans and stock-option plans,
  - use of the authority granted under the fifteenth resolution of the Combined Shareholders' Meeting on May 26, 2021,
  - approval of the rules of the 2021 performance share plan for Group employees, the Chief Executive Officer and Executive Committee members, and for long-term incentive bonuses,
  - approval of individual performance share awards to Group employees and Executive Committee members,
  - determination of the number of shares that the Chief Executive Officer is required to hold in registered form until the termination of his/her duties as concerns performance share awards,
  - compensation granted to the directors: amounts awarded in respect of 2020,
  - 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 fourteenth resolution of the Combined Shareholders' Meeting on May 26, 2021,
  - presentation of the plan of issuance of Sustainability-Linked-Bonds;
- Company strategy and growth:
  - report on the work of the Commitments and CSR 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,
  - latest news concerning the Group's purchasing,
  - an update on the Company's shareholder structure,
  - feedback from the markets following publication of the full-year results,
  - perception survey of the Company,
  - presentations on strategic issues, especially during the Board of Directors' Annual Strategy Seminar,
  - presentation of the 2019-2021 CSR Roadmap achievements,
  - presentation of the priorities under the new 2022-2024 CSR Roadmap,
  - presentation of the Group's IT systems roadmap,
  - report on the September 22, 2021 Capital Markets Day event;
- risk management: presentation of the new risk mapping;
- preparations for the annual Shareholders' Meeting on May 26, 2021:
  - notice of meeting for the annual Combined 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,
  - annual review of the policy regarding gender balance and equal pay.

Working meeting of the Board of Directors

Since 2021, Legrand's directors have taken part every year in a working meeting dedicated to specific topical and/or extra-financial themes related to the duties of the Board of Directors. External specialists are brought in to give presentations to Board members at this type of meeting. In 2021, the Board of Directors devoted its working meeting to climate change.

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 Seminar's program is tailored to help directors better understand their role on the Board and improve their knowledge of the Group, and its organization, its products and its markets. It also helps to spark discussions concerning the Company's strategy. In 2021, the Board's Strategy Seminar was held in Paris. Its objective was to present the Group's strategic roadmap and included focus on 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 specialized Committees,
- the quality of preparation and debate regarding significant matters, and

- the actual contribution of each director to the work of the Board, and his/her involvement in decision-making.

In accordance with its Internal Rules, the Board of Directors discusses its operating procedures at least once a year. It reports on this in the Company's Universal Registration Document.

It should be noted that the Board approved the process for evaluating its work based on a three-year cycle. This alternates between an external evaluation and internal evaluations which may, depending on the year, include an evaluation of directors' individual contributions.

In 2021, the evaluation of the Board of Directors and its specialized Committees was carried out externally, under the oversight of the Lead Director based on individual interviews organized by an external firm using an agreed framework.

A detailed evaluation report on these interviews and an executive summary was then presented to the meeting of the Nomination and Governance Committee on January 29, 2021. The results were also fed back at the Board of Directors' meeting of March 17, 2021.

In brief, the evaluation carried out in 2021 with respect to 2020 showed that the Board of Directors' operating procedures are highly satisfactory, especially with regard to:

- **the composition of the Board**: (i) the composition is adequate in terms of its size and profiles, (ii) the Board is diverse and has a balanced gender mix, with complementary skills that are useful and relevant for its operation, (iii) recent governance changes have been welcomed;
- **communication, the content of documents and information provided to the Board of Directors**: (i) the secure digital platform enabling easy access to documents is very appreciated, (ii) the Board documentation set and documents made available by management are of a high quality, (iii) preparations for meetings are extremely good, and acquisitions are monitored very well;
- **conduct of Board of Directors' meetings**: directors are satisfied with the frequency, length and prior notice given for meetings;
- **debates and reports**: discussions between directors and management are of a high quality;
- **the relationship between the Board of Directors and, firstly, the Chief Executive Officer and, secondly, the Chairwoman of the Board of Directors**: (i) the directors report a genuine trust-based relationship between the Board and the Chairwoman of the Board of Directors and between the Board and the Chief Executive Officer, (ii) the Board members are very satisfied with the discussions between the Chairwoman and the individual members;
- **members' view of their own personal contribution to the work of the Board of Directors**: it is deemed satisfactory (understanding of roles and responsibilities, level of preparation, involvement in debates, attendance and limited number of offices ensuring that they are fully able to perform their duties as a director of the Company).

During the 2021 financial year, the Directors formulated recommendations to maintain the continuous improvement process for the Board's operating procedures. The main recommendations and management's response were as follows:

- a desire to reconsider the missions and duties of the Strategy and Social Responsibility Committee:
  - in response, the Nomination and Governance Committee considered the duties assigned to the Committee and its name based on a comparative study of CAC 40 and SBF 120 companies. Accordingly, the Committee made a recommendation to the Board, which accepted it at its meeting on February 9, 2022, to (i) retain the current duties of the Strategy and Social Responsibility Committee and (ii) to change its name to the "Commitments and CSR Committee" to better reflect its duties;
- the involvement of management and external specialists on specific issues at meetings of the Board of Directors:
  - in response, a proposal was made to continue the involvement of management at Strategy Seminars and meetings of the Board of the Directors and to bring them in as and when Group's current events require.

6.1.2 - Lead Director

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, after soliciting the opinion of the Nomination and Governance Committee. The term of office of the Lead Director may not exceed their term as director. The Lead Director may be reappointed based on a proposal made by the Nomination and Governance Committee.

After the offices of Chair and Chief Executive Officer were separated in 2018, a decision was made to retain the position of Lead Director.

Following the appointment of Angeles Garcia-Poveda as Chairwoman of the Board of Directors on July 1, 2020, the Board decided to entrust Michel Landel with the role of Lead Director until the expiration of his term of office as a director. Michel Landel, an independent director, is also a member of the Compensation Committee and Chairman of the Nomination and Governance Committee.

6.1.2.1 Duties of the Lead Director

The Lead Director's chief duty 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 conflict. 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 well 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 annual directors' meetings not attended by internal and executive directors at which matters discussed include the performance of senior executives and future management plans;
- reporting to the Chair of the Board of Directors on the conclusions of annual directors' meetings not attented by internal and executive directors; and
- if the Chair of the Board of Directors is unavailable and at the latter's request, maintaining the dialog with the Company's shareholders.

6.1.2.2 Powers of the Lead Director

In the exercise of his/her duties, the Lead Director may:

- submit a proposal, as appropriate, to the Chair of the Board of Directors to add items to the agenda of Board of Directors' meetings;
- ask the Chair to convene a meeting of the Board of Directors or directly convene a meeting of the Board of Directors on a given agenda whose importance or urgent nature justifies holding an extraordinary meeting of the Board of Directors;
- chair meetings of the Board of Directors if the Chair is unable to attend; and
- if appropriate, attend meetings of Committees of the which Lead Director is not a member.

The Lead Director ensures that directors are able to meet with and hear from senior management and Statutory Auditors, as provided for by the Internal Rules. More generally, the Lead Director ensures that directors receive the information they need to discharge their duties as effectively as possible, as provided for in the Internal Rules. The Lead Director reports to the Board of Directors once a year on his/her activities.

6.1.2.3 Report on the work performed by the Lead Director in 2021

In 2021, the Lead Director, Michel Landel, supervised the external evaluation of the operating procedures of the Board and its Committees.

He convened and chaired two annual directors' meetings not attended by internal and executive directors. During these meetings, the directors discussed various topics, including the evaluation of the performance of the Chief Executive Officer, his compensation, and succession planning. During the annual evaluation of the operating procedures of the Board and its specialized Committees, the Lead Director asked the directors to give their opinion on the quality of meetings of the directors' meeting not attended by internal and executive directors (scheduling, length, etc.) and to evaluate the quality and substance of the debates that took place at these meetings. The directors expressed their complete satisfaction regarding the above points during the most recent Board of Directors' evaluation.

In accordance with the Internal Rules, the Lead Director, Michel Landel presented a report on his activities in 2021 to the Board of Directors at its meeting on March 15, 2022.

6.1.3 - Board of Directors' specialized Committees

To facilitate the work of the Board of Directors and make preparations for decision-making, the Board establishes specialized Committees to examine topics within their respective duties. These specialized Committees submit opinions, proposals and recommendations to the Board of Directors.

There are four permanent specialized Committees:

- the Audit Committee;
- the Nomination and Governance Committee;
- the Compensation Committee; and
- the Commitments and CSR Committee.

6.1.3.1 Composition of the Board of Directors' specialized Committees

Principles

The Board of Directors appoints members of the specialized Committees based on a proposal made by the Nomination and Governance Committee, for a term that may not exceed their term of office as directors. The Board of Directors may remove Committee members after consultation with the Nomination and Governance Committee.

The Audit Committee may have a maximum of five members. Executive officers may not be appointed to the Audit Committee. Members of the Audit Committee should possess finance or accounting skills. The Chair of the Audit Committee is chosen by the members of the Audit Committee based on a proposal made by the Nomination and Governance Committee, from among the Audit Committee's independent members. The appointment of the Audit Committee's Chair must be specifically considered by the Board of Directors. This procedure shall apply for the extension of the Chair's term of office.

The Nomination and Governance Committee may have a maximum of five members. Executive officers may not join the Nomination and Governance Committee. The Chair of the Nomination and Governance Committee is chosen by the Committee members from among its independent members.

The Compensation Committee may have a maximum of five members. Executive officers may not join the Compensation Committee. The Chair of the Compensation Committee is chosen by the Committee members from among its independent members, based on a proposal made by the Nomination and Governance Committee.

The Commitments and CSR Committee may have a maximum of six members. The Chair of the Commitments and CSR Committee is chosen by the members of said Committee from among its members, based on a proposal made by the Nomination and Governance Committee.

Current composition of the Board of Directors' specialized Committees

	Board of Directors' specialized Committees			
	Audit Committee	Nomination and Governance Committee	Compensation Committee	Commitments and CSR Committee
Angeles Garcia-Poveda				●
Olivier Bazil		●		●
Isabelle Boccon-Gibod	●			●
Christel Bories	●			C
Sophie Bourdais			●	
Daniel Buisson				
Jean-Marc Chéry				
Benoît Coquart				
Edward A. Gilhuly				●
Philippe Jeulin(1)	●			
Patrick Koller		●	●	
Michel Landel		C	●	
Annalisa Loustau Elia			C	
Éliane Rouyer-Chevalier	C		●	
Gilles Schnepp				●

●: *Member of a Committee.*

C: *Chair of a Committee.*

(1) *Philippe Jeulin was a member of the Audit Committee until September 30, 2021, the end date of his term of office as a director due to his retirement.*

In 2021, 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	Philippe Jeulin (September 30, 2021)		
Nomination and Governance Committee			
Compensation Committee			Annalisa Loustau Elia (May 26, 2021)
Commitments and CSR Committee			

Audit Committee

The Audit Committee has three[(1)] independent members appointed by the Board of Directors, in accordance with the recommendations of the Code of Corporate Governance, which state that at least two thirds of members should be independent directors:

- Éliane Rouyer-Chevalier (independent director, Chairwoman),
- Isabelle Boccon-Gibod (independent director), and
- Christel Bories (independent director).

Their biographies and information about their education and professional development can be found in appendix 3 to the management report in this Universal Registration Document.

The Audit Committee is chaired by **Éliane Rouyer-Chevalier**, who holds financial and accounting qualifications. She makes an additional contribution through her understanding of key financial indicators and risk evaluation capabilities.

Isabelle Boccon-Gibod has expertise in finance and accounting as well as prior 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.

Nomination and Governance Committee

The Nomination and Governance Committee has three members appointed by the Board of Directors, including two independent directors, namely

- Michel Landel (independent director, Chairman),
- Olivier Bazil, and
- Patrick Koller (independent director).

Their biographies and information about their education and professional development can be found in appendix 3 to the management report in this Universal Registration Document.

Michel Landel has chaired the Nomination 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 previously 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 challenges inside-out, which is very useful for the Committee's work.

Patrick Koller brings to the Committee his experience as a member of the general management and board of directors of a large listed industrial group.

The Code of Corporate Governance recommends that a majority of the members of the nomination and governance committee should be independent directors. With two of the three members designated as independent directors, the composition of the Nomination and Governance Committee is compliant with this recommendation.

As stated in the "Directorships due for renewal in 2022" section above, Olivier Bazil and Patrick Koller have stated their intention to stand for reappointment as directors. Their terms of office are due to expire at the Shareholders' Meeting to be held on May 25, 2022. The Nomination and Governance Committee decided to support their reappointment. Should their term of office be renewed, Olivier Bazil and Patrick Koller would retain their position on the Nomination and Governance Committee.

Compensation Committee

The Compensation Committee has five members appointed by the Board of Directors, four of whom are independent:

- Annalisa Loustau Elia (independent director, Chairwoman),
- Sophie Bourdais (director representing employees),
- Patrick Koller (independent director),
- Michel Landel (independent director), and
- Éliane Rouyer-Chevalier (independent director).

(1) Philippe Jeulin was a member of the Audit Committee until September 30, 2021, the end date of his term of office as a director due to his retirement.

Their biographies and information about their education and professional development can be found in appendix 3 to the management report in this Universal Registration Document.

Since July 1, 2020, the Compensation Committee has been chaired by **Annalisa Loustau Elia**. Thanks to her set of skills, she is able to make pertinent assessments of the qualitative and extra-financial criteria used for compensation purposes.

In accordance with the Code of Corporate Governance, the Board of Directors, on the recommendation of the Nomination and Governance Committee, appointed **Sophie Bourdais**, a director representing employees, as a member of the Compensation Committee.

Patrick Koller brings to the Committee the benefit of his experience as a senior executive and board member of a listed industrial group and his knowledge of compensation practices at listed companies.

Michel Landel was appointed by the Board of Directors on November 4, 2020 as a member of the Compensation Committee. The Board of Directors 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 corporate governance insights.

As stated in the "Directorships due for renewal in 2022" section above, Patrick Koller stated his intention to stand for reappointment as a director. His term of office is due to expire at the Shareholders' Meeting to be held on May 25, 2022. The Nomination and Governance Committee decided to support his reappointment. Should his term of office be renewed, Patrick Koller would retain his position on the Compensation Committee.

The Code of Corporate Governance recommends that a majority of the members of the Compensation Committee should be independent directors. With all its members designated as independent directors, the Compensation Committee's composition is compliant with this recommendation.

Commitments and CSR Committee

The Commitments and CSR Committee has 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 in this Universal Registration Document.

The Commitments and CSR Committee is chaired by **Christel Bories**, whose senior management experience with industrial groups provides useful insights for the Committee.

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.

Angeles Garcia-Poveda provides the Committee with the benefit of her experience on the Company's Board of Directors.

Edward A. Gilhuly provides the Committee with the benefit of his skills in finance and external growth strategy and his knowledge of how business is done in the United States, which is genuinely invaluable because of the Group's presence there.

Lastly, **Olivier Bazil** and **Gilles Schnepp** provide the Committee with the benefit of their in-depth knowledge of the Group and its businesses.

As stated in the "Directorships due for renewal in 2022" section above, Olivier Bazil and Edward A. Gilhuly have stated their intention to stand for reappointment as directors. Their terms of office are due to expire at the Shareholders' Meeting to be held on May 25, 2022. The Nomination and Governance Committee decided to support their reappointment. Should their term of office be renewed, Olivier Bazil and Edward A. Gilhuly would retain their position on the Commitments and CSR Committee.

6.1.3.2 Operating procedures of the Board of Directors' specialized Committees

Each Committee meets as often as required to consider issues falling within its duties; 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, they may call a meeting of that Committee. The Chair may also convene a Committee meeting if he/she deem 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's agenda and gives notice of it to Committee members within a period of time sufficient to allow each Committee member to prepare for the meeting. The notice must contain the Committee meeting's agenda and any information and documentation useful for the consideration of agenda items. Committee meetings may be held at the Company's registered office, at any other location, or by videoconference. Committees are provided with secretarial assistance by the persons appointed by or in agreement with the Committee chair.

In exercising 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 duties and arrangements for the operation of the Audit Committee are outlined in the Internal Rules, the provisions of which are restated below. The duties and operating rules of the Company's Audit Committee were determined on the basis of the conclusions of the AMF working party on audit committees in July 2010 and order no. 2016-315 of March 17, 2016 on statutory audits.

Duties of the Audit Committee

The Audit Committee assists the Board of Directors in the conduct of its duties as regards the adoption of annual statutory and consolidated financial statements and the preparation of information presented to shareholders and the market. It monitors the effectiveness of internal controls and risk management. It is also charged with monitoring issues relating to the establishment and control of accounting, financial and extra-financial information, as well as the statutory audit. The Audit Committee holds regular meetings with the Statutory Auditors, including meetings not attended by any executives.

As regards internal control procedures and risk management, the Board of Directors entrusts the Audit Committee with the following tasks:

- 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 view 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 analyze the risks, including with a view to mapping CSR risks;
- to hear the conclusions of the independent third-party responsible for reviewing the extra-financial data.

The Audit Committee may decide, with the approval of the Board of Directors, to entrust special assignments to one of its members, it being stipulated that in accordance with the provisions of the Internal Rules, additional compensation may be awarded for undertaking such assignments.

At Audit Committee meetings devoted to evaluation of the process for preparing and processing accounting, financial and extra-financial information, the Statutory Auditors report on the performance of their duties and the conclusions of their work. The Audit Committee is informed of the main findings by the Statutory Auditors and internal audit as regards the effectiveness of internal control and risk management systems. It hears from managers responsible for the audit, internal control and risk management. It is kept informed of the internal audit program and receives internal audit reports or a regular summary of those reports.

As regards the review of the financial statements, the Board of Directors entrusts the Audit Committee with the following tasks:

- to monitor the financial reporting process and, where appropriate, to make recommendations to ensure its integrity;
- to carry out a prior review of the draft statutory and consolidated financial statements, whether annual, half-yearly or quarterly, in order to establish the conditions in which they were prepared and to ensure the relevance and consistency of the accounting rules and principles adopted;
- to examine the method and scope of consolidation applied in the financial statements;

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- to ensure the proper accounting treatment of material transactions at Group level;
- to regularly establish the financial position, cash flow and significant commitments of the Company and the Group.

During the Audit Committee's review of the financial statements, the Statutory Auditors present the key audit matters to the Committee covering in particular any audit adjustments and any material internal control weaknesses.

Management also gives a presentation to support the Audit Committee's review of the financial statements. During this presentation, management presents the Company's risk exposures, including social and environmental risks, its material off-balance-sheet commitments, and the accounting options selected.

More generally, for the review of financial statements, the Audit Committee may interview, without the executives or directors who play active roles in the Company being present, any person who takes part in preparing or auditing the financial statements (finance department, internal audit department and Statutory Auditors).

As regards external control procedures, the Audit Committee's main task is to ensure the proper examination of the annual statutory and consolidated financial statements by the Statutory Auditors, as well as their independence and objectivity:

- by ensuring that the Statutory Auditors perform their duty of conducting a statutory audit of the annual statutory and consolidated financial statements;
- by monitoring the selection procedure for the Statutory Auditors pursuant to the applicable regulations and examining the issues relating to the appointment, renewal, or removal of the Company's Statutory Auditors. At the end of the selection procedure for the Statutory Auditors, the Audit Committee issues a recommendation to the Board of Directors on the Statutory Auditors proposed for appointment or renewal by the Shareholders' Meeting in compliance with the applicable regulations;
- by receiving each year from the Statutory Auditors: (i) their declaration of independence; (ii) information about the fees paid to the network of Statutory Auditors by companies controlled by the Company or the entity controlling the Company; and (iii) information concerning the non-audit services ("**NAS**") performed;
- by receiving the supplementary report to the audit report;
- by approving the provision of the NAS by the Statutory Auditors, pursuant to the conditions provided for by the internal pre-authorization procedure, and in particular after having analyzed the risks to the independence of the Statutory Auditors and the safeguards applied by the latter;
- by examining the amount and details of the fees paid by the Group to the Statutory Auditors and to any network to which they may belong. In this respect, the Audit Committee must obtain details of the fees paid by the Company and its Group to the Statutory Auditors and to any network to which they may belong, and ensure that the amount of such fees, or the fraction they represent of the total revenues of the Statutory Auditors and their network, are not such that the independence of the Statutory Auditors might be compromised.

Meetings of the Audit Committee

The Audit Committee meets as often as may be necessary. It must report regularly to the Board of Directors, and as a minimum when the annual and interim financial statements are approved on:

- how it has conducted its missions,
- the results of the statutory audit, and
- how this audit assignment contributed to the integrity of financial reporting and its role in the process.

It immediately informs the Board of Directors of any difficulties encountered. The reports of the Audit Committee to the Board of Directors aim to keep the Board of Directors fully informed in order to facilitate its decision-making.

Meetings of the Audit Committee are valid only if at least half of its members are present. Decisions are made by simple majority, with a casting vote for the Chair. Meetings of the Audit Committee may take place by conference call or videoconference.

Nomination and Governance Committee

The duties and arrangements for the operation of the Nomination and Governance Committee are outlined in the Internal Rules, the provisions of which are restated below.

Duties of the Nomination and Governance Committee

The Nomination and Governance Committee is tasked with:

- considering and submitting proposals to the Board of Directors on the various options for organizing the Company's management and control powers;
- considering and submitting proposals to the Board of Directors for appointments to the positions of director, Lead Director, Chief Executive Officer, Chief Operating Officer, Chair of the Board and members and chairs of the specialized Committees; to that end, it must assess the levels of expertise and experience required, define duties and assess the amount of time needed to carry them out;
- submitting proposals to the Board of Directors regarding the substance of the specialized Committees' duties;
- preparing, under the supervision of the Lead Director, the procedures for periodic self-assessments by the Board of Directors and governing bodies, and any evaluation of the Board of Directors by an external consultant;
- preparing a succession plan for executive officers so as to be in a position to recommend options to the Board of Directors, particularly in the event of an unforeseen vacancy arising; the succession planning for executive officers is reviewed annually by the Chair of the Nomination and Governance Committee and management;

- examining each year, on a case-by-case basis, the position of each director in relation to the independence criteria;
- examining changes in the corporate governance rules, monitoring the implementation of those rules by the Company (including the implementation of the Code of Corporate Governance to which the Company refers).

The Chief Executive Officer is involved in the Nomination and Governance Committee's work on the selection of new directors and succession planning for executive officers.

Meetings of the Nomination and Governance Committee

The Nomination and Governance Committee meets at least twice a year. If necessary, it also meets prior to the approval of the agenda of the annual Shareholders' Meeting, to review the draft resolutions that are to be submitted to it and that fall within the Committee's remit. It reports on its activities to the Board of Directors. Meetings of the Nomination and Governance Committee may validly transact business if at least half of its members are present. Decisions are made by simple majority, with a casting vote for the Chair. Meetings of the Nomination and Governance Committee may be held by conference call or videoconference.

Compensation Committee

The duties and arrangements for the operation of the Compensation Committee are outlined in the Internal Rules, the provisions of which are restated below.

Duties of the Compensation Committee

As regards the compensation of executive officers, the Compensation Committee:

- assesses all forms of compensation, including benefits in kind, insurance and pension entitlements received from any company in the Group and any affiliated company;
- examines and makes proposals to the Board of Directors concerning all executive officers' compensation and benefits, including how the variable portion of their compensation should be determined;
- ensures that the Company fulfills its obligations regarding the transparency of compensation. To this end, it prepares an annual activity report which is submitted for the approval of the Board and for inclusion in the Company's Universal Registration Document, and ensures that all legally required information concerning compensation is fully and clearly set out in the Universal Registration Document;
- reviews the information relating to compensation in the corporate governance report and any other document required by applicable law and regulations and, more generally, ensures that the proper information on compensation is given to shareholders.

As regards directors' compensation, the Compensation Committee:

- issues a recommendation on the overall amount and conditions applicable to compensation for duties as a director in accordance with the provisions of the Internal Rules;
- issues a recommendation on the compensation policy for directors;
- makes recommendations concerning any compensation awarded to directors entrusted with special assignments.

As regards stock-option plans and all other share-based compensation or compensation indexed or otherwise linked to shares, the Compensation Committee is tasked with:

- examining the general policy for this type of compensation and submitting any proposals it may have in this area to the Board of Directors;
- reviewing the information on this subject provided in the Universal Registration Document and to the Shareholders' Meeting;
- submitting proposals to the Board of Directors concerning which of the options permitted by law to choose and explaining the reasons for that choice, together with its consequences;
- preparing the Board's decisions on compensation arrangements.

In addition, the Compensation Committee must be informed of the compensation policy for key executives who are not company officers. The Committee involves the Chief Executive Officer in this aspect of its work.

Meetings of the Compensation Committee

The Compensation Committee meets at least twice a year. It reports on its activities to the Board of Directors. Meetings of the Compensation Committee may validly transact business only if at least half of its members are present. Decisions are made by simple majority, with a casting vote for the Chair. Meetings of the Compensation Committee may take place by conference call or videoconference.

Commitments and CSR Committee[1]

The duties and arrangements for the operation of the Commitments and CSR Committee are outlined in the Board of Directors' Internal Rules, the provisions of which are restated below.

Duties of the Commitments and CSR Committee

The duties of the Commitments and CSR Committee are to assist the Board of Directors in its decisions regarding the strategic direction of the Company, and in particular to:

- examine all significant projects concerning the Group's development, in particular projects for strategic partnerships and significant investments or divestments;
- examine draft annual budgets submitted to the Board of Directors; for this purpose, the Commitments and CSR Committee may meet with Company managers on the assumptions used to draw up or amend these budgets;
- assess the Group strategy's compliance with 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 Commitments and CSR Committee

The Commitments and CSR Committee meets as often as is necessary and in any event at least twice a year. It reports on its activities to the Board of Directors. Meetings of the Commitments and CSR Committee may validly transact business only if at least half of its members are present. Decisions are made by simple majority, with a casting vote for the Chair. Meetings of the Commitments and CSR Committee may take place by conference call or videoconference.

Use of services provided by external consultants

The Board committees may commission external technical studies on matters falling 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(s) concerned is/(are) objective.

6.1.3.3 Work performed by the Board of Directors' specialized Committees in 2021

In 2021, directors' attendance rate at Board committee meetings was 99%. In accordance with the recommendations of the Code of Corporate Governance, the table below provides details of each director's individual attendance rate.

Attendance record at Board of Directors' specialized Committees	Audit Committee	Nomination and Governance Committee	Compensation Committee	Commitments and CSR Committee
Angeles Garcia-Poveda	Not applicable	Not applicable	Not applicable	100%
Olivier Bazil	Not applicable	100%	Not applicable	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
Daniel Buisson	Not applicable	Not applicable	Not applicable	Not applicable
Jean-Marc Chéry	Not applicable	Not applicable	Not applicable	Not applicable
Benoît Coquart	Not applicable	Not applicable	Not applicable	Not applicable
Edward A. Gilhuly	Not applicable	Not applicable	Not applicable	86%
Philippe Jeulin[(1)]	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	86%

(1) Philippe Jeulin was a member of the Audit Committee until September 30, 2021, the end date of his term of office as a director due to his retirement.

(1) For more information about the CSR organization and governance, please refer to section 4.1.6 of this Universal Registration Document.

Work performed by the Audit Committee in 2021

The Audit Committee met six times in 2021. 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, 2020,
  - 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, 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, 2020, and June 30, 2021,
  - review of key figures in press releases on the annual, quarterly and half-yearly consolidated financial statements and assumptions on the outlook for 2021, as well as accounting options,
  - payment arrangements for dividends and their consequences for resolutions to be submitted to the Annual Shareholders' Meeting of May 26, 2021;
- 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 new risk mapping,
  - review of the risk management framework,
  - presentation of the steering framework for certain specific risks: protection of information systems and data against cybercrime,
  - protection of online products and their data against cybercrime,
  - framework for improving occupational health and safety,
  - reliability and compliance of financial information;
- audit and relations with external auditors:
  - Statutory Auditors' appointment,
  - selection of the Statutory Auditor from the remaining panel and launch of the competitive tender to replace the outgoing Statutory Auditor,
  - analysis of the written submissions and discussions with the Finance Department to select candidates for the interview stage,
  - internal audit: 2020 summary and review of the 2021 audit plan,
  - quarterly update on internal audits and fraud (review of audit summaries and fraud report),
  - review of the assignments of the Statutory Auditors, including additional assignments,
  - review of the budget for auditors' fees,
  - scrutiny of NAS;
- other:
  - ESEF reporting,
  - monitoring of extra-financial reporting obligations linked to the green taxonomy,
  - presentation of the plan of issuance of Sustainability-Linked-Bonds,
  - update on the Group Compliance Program,
  - presentation of section 3.1 to 3.5 the 2021 Universal Registration Document and of the 2021 declaration of extra-financial performance.

Pursuant to the internal rules of the Company's Board of Directors, the Audit Committee, as part of its duties, met with the Chief Financial Officer and the head of internal audit and risk control. The Audit Committee also met with Statutory Auditors, without any of the Company's general management team in attendance, in line with the recommendations of the Code of Corporate Governance.

Work performed by the Nomination and Governance Committee in 2021

The Nomination and Governance Committee met five times in 2021. The attendance rate for the year was 100%. The Committee met to consider matters including the following:

- membership of the Board of Directors and Board committees:
  - procedure for qualification of independent directors,
  - review of the rules of the French Commercial Code, the recommendations of the Code of Corporate Governance and voting policy of proxy advisors related to the rules on multiple directorships,
  - annual review of the Board of Directors' diversity policy,
  - recommendation to vote in favor of the renewal of the term of office of Annalisa Loustau Elia as a director,
  - recommendation to appoint Jean-Marc Chéry;
- Group succession planning:
  - annual review of existing succession planning for all key management posts within the Group, as well as the duties of Chief Executive Officer, Chair of the Board of Directors, the directors, and the Board of Directors' specialized Committees;
- other:
  - review of the corporate governance report,
  - consideration of potential changes to the Committees and analysis of benchmarks concerning CSR-related committees,
  - update of the assessment of how the Board of Directors and the Board committees operate carried out externally.

Work performed by the Compensation Committee in 2021

The Compensation Committee met three times in 2021. Attendance for the year was 100%. The Committee met to consider matters including the following:

- compensation paid to the executive officers:
  - review of the overall compensation structure for executive officers,
  - determination of the compensation paid to the Chair of the Board of Directors with respect to 2020,
  - determination of the compensation paid to the Chief Executive Officer with respect to 2020 (including consideration of the qualitative portion of the Chief Executive Officer's 2020 annual variable compensation),
  - determination of the compensation policy for executive officers in respect of 2021,
  - recommendations concerning the equity ratios for inclusion in the 2021 Universal Registration Document;
- long-term incentive plans/performance share plans:
  - rules of the 2021 performance share plan,
  - approval of individual awards of performance shares to the Chief Executive Officer and the Group's key managers,
  - determination of the number of shares that the Chief Executive Officer is required to hold in registered form until the termination of their duties as concerns performance share awards;
- compensation granted to the directors:
  - amounts awarded in respect of 2020,
  - determination of the compensation policy for directors in respect of 2021;
- directors' expenses:
  - proposed overall annual reimbursement budget.

Work performed by the Commitments and CSR Committee in 2021

The Commitments and CSR Committee met seven times in 2021. Attendance for the year was 95.2%. 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 2021 draft budget,
  - approval of the 2021 budget;
- CSR:
  - review of CSR indices of which the Company is a constituent, and competitive analysis,
  - presentation of the 2019–2021 CSR Roadmap achievements,
  - presentation of the new 2022–2024 CSR Roadmap.

6.1.4 - General Management of the Company

6.1.4.1 Identity of the Chief Executive Officer

The Board of Directors on February 7, 2018, appointed Benoît Coquart as Chief Executive Officer.

Multiple directorships

The Code of Corporate Governance recommends that executive officers should hold no more than two other directorships in listed companies outside their group, including foreign ones. Benoît Coquart, Chief Executive Officer, does not hold any other directorship in another French or foreign listed company.

6.1.4.2 Operating procedures of general management

Choice of the Company's general management method

Principles

The Board of Directors shall decide, under the conditions set out in the Company's Articles of Association, whether the general management is performed by the Chair of the Board of Directors or by another individual bearing the title of Chief Executive Officer. Shareholders and third parties are informed of this decision in accordance with applicable laws and regulations. The general management structure may be changed at any time. The Board of Directors must discuss whether to retain the current system whenever the term of office of the Chair of the Board of Directors or the Chief Executive Officer comes to an end. Where the Chair of the Board of Directors is responsible for the general management of the Company, the following provisions relating to the Chief Executive Officer apply.

The Chief Executive Officer must always be an individual below the age of 65 upon appointment. When the Chief Executive Officer has reached this age limit, they are considered as having resigned from the role after the Ordinary Shareholders' Meeting 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 not a director, the Chief Executive Officer attends meetings of the Board of Directors in an advisory capacity, except if the Board decides otherwise by a simple majority vote. If the Chief Executive Officer is temporarily unable to perform their functions, the Board of Directors may appoint a director to act as Chief Executive Officer. The Board of Directors determines the compensation and length of the Chief Executive Officer's duties.

If proposed by the Chief Executive Officer, the Board of Directors may appoint a maximum of five Chief Operating Officers to assist the Chief Executive Officer. A Chief Operating Officer must always be a natural person. They may or may not be directors. In agreement with the Chief Executive Officer, the Board shall determine the scope and duration of the Chief Operating Officer's powers. They may not exceed the powers or length of the term of office of the Chief Executive Officer. The Board determines the compensation of each Chief Operating Officer. If the Chief Executive Officer leaves, the Chief Operating Officer shall remain in office until a new Chief Executive Officer is appointed unless the Board decides otherwise. Chief Operating Officers may be reappointed for consecutive terms without limitation and are subject to the same age limits as the Chief Executive Officer.

Decision by the Board of Directors to separate the duties of Chair from those of Chief Executive Officer

According to the Code of Corporate Governance, "corporations with Boards of Directors have a choice between separating and combining the offices of Chair and Chief Executive Officer. The law does not favor either formula and allows the Board of Directors to choose between these two forms of executive management".

Therefore, the Board of Directors decided to separate the offices of the Chair of the Board of Directors and Chief Executive Officer as of February 8, 2018. This option complies with best governance practices. It means both roles are given full and proper attention.

Benoît Coquart was appointed as Chief Executive Officer of the Company by the Board on February 7, 2018. With the appointment of Benoît Coquart, Legrand's general management is now headed up by an experienced executive, who has a perfect grasp of the challenges facing the Group and its industry. He has demonstrated his leadership skills in key strategic and operating positions at Legrand for a period of over 20 years.

At its meeting on February 27, 2020, Angeles Garcia-Poveda was appointed as Chairwoman of the Board of Directors replacing Gilles Schnepp with effect from July 1, 2020. A decision was made to maintain the separation between the duties of Chair and Chief Executive Officer effective July 1, 2020.

Appointment of the Chief Executive Officer as a director

At its meeting of February 27, 2020, the Board of Directors decided to propose the appointment of Benoît Coquart, Chief Executive Officer of Legrand, as a director at the Shareholders' Meeting on May 27, 2020. The shareholders voted in favor of this appointment.

In accordance with the recommendations of the Nomination and Governance Committee, the Board of Directors took the view that Benoît Coquart's considerable experience within the Legrand group would represent a valuable asset for the Board of Directors.

6.1.4.3 Powers of the Chief Executive Officer

Subject to internal restrictions, not binding on third parties, that the Board of Directors may apply to their powers in its Internal rules, the Chief Executive Officer holds the broadest powers to act under any circumstances on behalf of the Company. Those powers are to be exercised within the limits resulting from the Company's corporate purpose and the powers expressly reserved by law to Shareholders' Meetings and to the Board of Directors. The Internal rules list certain important decisions and transactions requiring prior approval from the Board of Directors. These decisions and transactions are presented in section 6.1.1.2 of this Universal Registration Document.

6.1.4.4 Executive Committee

The Executive Committee is made up of a close-knit team of ten members with a diverse mix of complementary expertise, who all understand the core business of the Group and its key drivers.

At the date of this Universal Registration Document, the Executive Committee, which includes four women, has the following members:

Name	Position	Date joined 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
Virginie Gatin	Executive VP Corporate Social Responsibility	2021
Gloria Glang	Executive VP Strategy and Development	2019
Franck Lemery	Executive VP Chief Financial Officer	1994
John Selldorff	President and Chief Executive Officer of Legrand North & Central America	2002
Frédéric Xerri	Executive VP Europe	1993

6.1.4.5 Gender balance in senior management

As stated in section 4.4.3.3 of this Universal Registration Document, the Group is actively committed to combating discrimination and promoting diversity. The Group encourages the hiring of more female managers and intends to ensure that working conditions are the same for women as for men. Promoting women to the Group's key roles is part of an ongoing action plan that follows on from measures already implemented by the Group in recent years. Please refer to section 4.4.3.3 of this Universal Registration Document for further information.

Efforts to appoint more women to the Executive Committee made steady progress to year-end 2021, as women accounted for 40% of its members, an improvement relative to 2020 (33%) and 2018 (25%).

In addition, the Group had set a year-end 2030 objective of having women in one third of key management positions, which are defined as grade 20 or above according to Hay Job Evaluation methodology. At year-end 2021, the percentage stood at 20%. That compares to 17.5% at year-end 2020 and 15.2% at year-end 2018.

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 2021, the rate rose from 22.6% to 26.7%. Under its 2022–2024 CSR Roadmap, the Group has set itself the target of 30% of Executive Committee members being women.

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 2022

Pursuant to article L. 22-10-8 of the French Commercial Code, the current compensation policy for company officers in respect of 2022 was established by the Board of Directors on the recommendation of the Compensation Committee.

It forms part of the corporate governance's report 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,
- clarity of the rules, and
- proportionality.

The Board of Directors ensures that the compensation policy is aligned with the Company's corporate interest and 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 corporate social responsibilities.

The principles applicable to the compensation policy for company officers in 2022 remain unchanged compared to 2021. 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 achievement of the Company's profitable, sustainable and responsible growth;
- performance criteria should be stringent and correspond to the key drivers of the Company's profitable, sustainable and responsible growth, and more generally be aligned with the Company's short- and long-term objectives;
- a significant proportion of variable compensation is based on the Company's performance relating to corporate social responsibility;
- lastly, in keeping with its corporate interest, the compensation policy is simple and transparent and ensures a certain level of attractiveness for company officers without going beyond what is fair and acceptable to stakeholders.

The compensation policy thereby helps to underpin the Company's business strategy and future viability, while upholding its corporate interests.

Decision-making process for determining, adjusting and implementing the compensation policy

Determination of the compensation policy

The Compensation Committee examines and makes recommendations to the Board of Directors on all components of executive officer compensation, including the variable portion. The Compensation Committee lays down the rules for setting this variable portion. It ensures that these rules are consistent with annual assessments of executive officers' performance and the medium-term strategy of the Company.

As regards directors' compensation, the Compensation Committee issues a recommendation on the overall allocation and method of apportionment for this compensation. That apportionment reflects directors' actual contribution to the Board of Directors and its committees, in accordance with the Code of Corporate Governance. 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).

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 included in the criteria for the qualitative part of the Chief Executive Officer's annual variable compensation elements relating to the employment conditions of Group employees. Thus, the general criteria for the qualitative part of the Chief Executive Officer's annual variable compensation include:

- 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 Board of Directors. They are shown in section 6.2.2.3 of this Universal Registration Document.

Adjustments to the compensation policy

In accordance with the Code of Corporate Governance, executive officers' fixed compensation is reviewed only at relatively infrequent intervals and takes into consideration the pay and employment conditions of the Company's employees.

The fixed compensation policy for the company officers may still be reviewed by the Board of Directors earlier than anticipated. This may take place in the event of significant changes in the scope of the company officers' responsibilities or a shift in the positioning of company officers' compensation with regard to that of other comparable companies.

The last adjustment of the compensation policy for the Chief Executive Officer and the Directors was carried out in 2021 to put their compensation at a level that is consistent and reasonable relative to the market.

The last adjustment of the compensation policy for the Chairman of the Board of Directors was carried out when the functions of Chairman and Chief Executive Officer were separated in 2018.

Change in the compensation policy

The Board of Directors decided on the recommendation of the Compensation Committee to leave the compensation policy applicable to the Chair of the Board of Directors, to the Chief Executive Officer and to the directors unchanged for 2022.

On March 15, 2022, the Board of Directors, decided, on the recommendation of the Compensation Committee, to make adjustments to certain elements of the qualitative portion of the Chief Executive Officer's annual variable compensation to align the compensation policy with the Group's medium-term strategy. These adjustments are presented in section 6.2.1.3 "Compensation policy for the Chief Executive Officer in respect of 2022" in this Universal Registration Document. The other components of the Chief Executive Officer's compensation remain unchanged compared to 2021.

The Board of Directors decided on the recommendation of the Compensation Committee to leave the compensation policy applicable to the directors unchanged for 2022.

Implementation of the compensation policy

The compensation policy is implemented by the Board of Directors in accordance with the resolutions passed by the Shareholders' Meeting. Every year the Board of Directors sets the targets for the variable compensation (annual and long-term) performance criteria.

Management of conflicts of interest

In accordance with the Code of Corporate Governance and the internal rules 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 part** of annual variable compensation are:

- organic sales growth, and
- adjusted operating margin before acquisitions.

They are aligned with the Company's public targets. These targets are usually announced to the market in February each year. The criteria are therefore transparent and measurable.

The third criterion for the quantifiable portion of annual variable compensation is related to Legrand's external growth. It is measured on the basis of sales growth resulting from changes in scope.

The fourth criterion for the quantifiable portion of annual variable compensation is related to the rate of achievement of the Group's CSR Roadmap. That rate is audited by independent third parties.

The criteria for the **qualitative part** of annual variable compensation are as follows:

- innovation and market positions;
- quality of external growth;
- sustainable development & efforts to fight against global warming;
- general criteria.

Achievement of the criteria for the qualitative part of annual variable compensation is assessed by the Board of Directors, 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, which are usually announced to the market every year in February. 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 transparent and measurable.

Criteria for apportioning the annual fixed compensation for directors

The criteria for apportioning compensation between directors are presented in section 6.2.1.4 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 2022, the principles and components of compensation laid down in the compensation policy applicable for 2022 would also apply to the new office holder. The Board of Directors, on the recommendation of the Compensation Committee, reserves the right to adjust the level and structure of compensation (in particular the fixed compensation) to the position of the relevant new executive officer and the responsibilities entrusted with the role.

Arrangements for applying the compensation policy in the event of exceptional circumstances

In the event of exceptional circumstances, in accordance with article L. 22-10-8 III, para. 2 of the French Commercial Code, the Board of Directors may depart from the application of the components of the compensation policy if certain conditions are met. This is possible provided that such deviation is temporary, in keeping with the Company's interests and necessary to safeguard its continued operation or viability. It could notably apply in the event of a material change in the Group's scope, the acquisition or establishment of a significant new business or the discontinuation of a significant business or a major external event affecting (i) achievement of one or more performance criteria, or (ii) Legrand's markets and/or major competitors.

The Board of Directors 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' Meeting. Adjustments will have to be duly explained by the Board of Directors (after soliciting, where appropriate, the opinion of an independent consulting firm).

6.2.1.2 Compensation policy for the Chairman of the Board of Directors in respect of 2022

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. The Chairman of the Board of Directors may resign from his duties at any time, without giving any notice.

The Board of Directors may dismiss the Chairman at any time without giving any notice. The term of office of the Chairman of the Board of Directors is equivalent to his term of office as a director, 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 2022

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 held on March 15, 2022, upon the recommendation of the Compensation Committee, considered that, as for 2021, the compensation structure of the Chairman of the Board of Directors in respect of 2022 would involve fixed compensation as the one and only compensation component. That decision was made taking into account market practices and in accordance with the recommendations of the Code of Corporate Governance. The Board of Directors held on March 15, 2022 decided that the annual fixed compensation of the Chairman of the Board of Directors would amount to €625,000 for 2022.

6.2.1.3 Compensation policy for the Chief Executive Officer in respect of 2022

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 the term of office of the Chief Executive Officer's duties. The Chief Executive Officer must always be an individual below the age of 65 upon appointment. The Chief Executive Officer may resign from his duties at any time without giving any notice. The Board of Directors may dismiss the Chief Executive Officer at any time without giving any notice.

Benoît Coquart was appointed Chief Executive Officer effective February 8, 2018 for an indefinite term. He was also appointed as a director of the Company at the Shareholders' Meeting of May 27, 2020. 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 2022

The Board of Directors, on the recommendation of the Compensation Committee, defines the compensation policy applicable to the Chief Executive Officer based on all the criteria and principles stated in section 6.2.1.1 of this chapter.

To ensure that the Chief Executive Officer's compensation is competitive, the main elements considered in determining the overall structure of that compensation 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 has three components:

- annual fixed compensation;
- annual variable compensation, linked to annual financial and extra-financial performance; and
- long-term compensation, linked to financial and extra-financial performance over the long term. Depending on the year, this can take the form of one or more of the following financial instruments (including but not limited to):
  - performance shares,
  - stock options,
  - cash-settled future performance units.

The Chief Executive Officer's annual fixed compensation is determined in line with his responsibilities and duties.

In accordance with the Code of Corporate Governance, the Board of Directors ensures that the long-term compensation mechanisms should aim to encourage executives to act from a long-term perspective. The Board of Directors also ensures that the mechanisms aim also to retain executives and bring their interests into line with the corporate interest of the company and all stakeholders' interests.

The Board of Directors therefore wishes to promote annual variable compensation and long-term compensation to help foster retention and to provide an incentive for financial and extra-financial performance.

The Board of Directors has therefore established the following compensation structure for the Chief Executive Officer in 2022:

Component	Purpose and link with strategy	Operation	Amount/Percentage weighting of fixed compensation
Fixed	**Provide compensation for the scope and level of responsibility**	Determined by the Board of Directors, fairly and competitively, upon a recommendation from the Compensation Committee, in consideration of: ■ level of responsibility; ■ experience; ■ market practices of CAC 40 companies.	€900,000
Annual variable	**Provide an incentive to achieve the Company's financial and extra-financial annual targets**	Determined by the Board of Directors, upon a recommendation from the Compensation Committee, according to strategic priorities and based on: ■ order of magnitude of variable compensation relative to fixed compensation; ■ annual objectives to be achieved; ■ type and weighting of performance criteria; ■ relative size of quantifiable and qualitative components. ***of which quantifiable (75%):*** structured to encourage the achievement of specific and ambitious performance criteria: ■ financial (organic growth, adjusted operating margin before acquisitions, external growth); ■ extra-financial (rate of achievement of the Group's CSR Roadmap). ***of which qualitative (25%):*** structured to take account of the year's initiatives deployed to support growth, efforts to fight against global warming and risk 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 continuing service requirement and four demanding performance criteria (each counting for a quarter) measured over three years: ■ organic sales growth target; (3-year average of achievement rates); ■ target for adjusted operating margin before acquisitions (3-year average of achievement rates); ■ rate of achievement of the Group's CSR Roadmap (3-year average of achievement rates); ■ Legrand's share price performance relative to the performance of the CAC 40 index (performance gap measured over a 3-year period).	Minimum value: 0% Awarded value (target value): 200% of fixed compensation Maximum value: 150% of the number of shares initially awarded depending on the achievement of future performance criteria

Implementation of the compensation policy for the Chief Executive Officer with respect to 2022

The Board of Directors, on the recommendation of the Compensation Committee, decided the following principles regarding the compensation policy for the Chief Executive Officer in respect of 2022.

- **Annual fixed compensation amounting to €900,000.**

This amount, identical to the 2021 level, was decided upon by the Board of Directors at its meeting on March 15, 2022.

- **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 range between 0% and 150% of fixed compensation, depending on the level of achievement of the quantifiable and qualitative criteria presented in the "Quantifiable performance criteria selected for annual variable compensation and target-setting method" in section 6.2.1.3 C of this chapter.

- **Long-term compensation in the form of performance share plans, the target value of which has been set at 200% of the annual fixed compensation.**

It will entitle, as the case may be, the recipient to an award of shares. The number of shares may range thereafter between 0% and 150% of the initial award based on the level of achievement of four financial and extra-financial criteria measured on the basis of a three-year average. These criteria are detailed in the "Performance criteria selected for long-term variable compensation and target-setting method" in section 6.2.1.3, C of this chapter.

C – Determination of the calculation principles, criteria and weightings applicable to the annual and long-term variable compensation components attributable to the Chief Executive Officer in respect of 2022

Annual variable compensation of the Chief Executive Officer in respect of 2022

The principles for calculating the annual variable compensation in respect of 2022 including the criteria applicable and their weighting, are set out in the table below. They were determined by the Board of Directors of March 15, 2022, upon proposal of the Compensation Committee.

Under article L. 22-10-34 II. of the French Commercial Code, payment of the annual variable compensation is subject to prior approval by the Shareholders' Meeting (*ex-post* vote). The compensation policy does not provide for any possibility for the Company to claw back variable compensation once it has been paid.

The Board of Directors of March 15, 2022 decided to leave unchanged the nature and weightings of quantifiable and qualitative criteria relating to annual variable compensation established for the 2021 financial year, as well as their target value and their maximum value.

The qualitative criteria for annual variable compensation remain unchanged. To align the compensation policy with the Group's medium-term strategy, the following adjustments were made:

- Within the "Innovation and market positions" criterion, "Trend in sales generated by products under the Eliot program" has been replaced by "Trend in sales generated by products in faster expending segments (*i.e.*, datacenters, connected offers, and energy efficiency programs);
- Within the "Sustainable development & efforts to fight against global warming" criterion, "Trend in sales generated by energy-saving solutions" has been replaced by "Initiatives under energy efficiency programs".

Quantifiable performance criteria selected for annual variable compensation and target-setting method

Performance criterion	Reason for selection of the criterion	Target-setting method
Organic sales growth	Alignment with annual public targets	The range bounds for the performance targets 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 public targets	
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 2022

				Min	Target	Max
Quantifiable: 3/4 of annual variable, *i.e.* target of 75% of fixed compensation	Organic sales growth	2022 organic sales growth	As a % of fixed compensation	0%	**15%**	22.5%
			Indicator value	3%	5%	7%
	Operating margin	2022 adjusted operating margin (at 2021 scope)	As a % of fixed compensation	0%	**40%**	60%
			Indicator value	19.9%	20.3%	20.7%
	Acquisitions	2022 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 QUANTIFIABLE			**0%**	**75%**	**112.5%**
Qualitative: 1/4 of annual variable, *i.e.* target of 25% of fixed compensation	Innovation and market positions	■ Innovation and Research & Development (new products and manufacturing processes). ■ Trend in sales generated by products in faster expending segments. ■ Changes in relative market share trends.		0%	**10%**	15%
	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 fight against global warming	■ Initiatives to cut CO_2 emissions. ■ Initiatives under energy efficiency programs. ■ Legrand's inclusion in benchmark CSR indices. ■ New initiatives related to sustainable development.		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 2022

In respect of 2022, the Chief Executive Officer is benefiting from a performance share plan (the "**2022 Performance Share Plan**").

The initial allocation will be converted into at the meeting of the Board of Directors to be held on May 25, 2022, following the Shareholders' Meeting. It corresponds to 200% of the target amount of the annual fixed compensation, with a possible variation between 0% and 150% of the initial allocation based on future performance criteria.

The nature of performance criteria has remained unchanged compared to the 2021 compensation policy.

Performance criteria selected for long-term variable compensation and target-setting method

The first two performance criteria are aligned with the Company's targets disclosed in February. These are annual targets concerning organic sales growth and adjusted operating margin before acquisitions, which are central to Legrand's profitable growth-based business model.

The third criterion is of an extra-financial nature, based on the fulfillment of the Group's corporate social responsibility commitments under its CSR Roadmap. It is central to Legrand's model and aims to deliver 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. If the share price underperforms the CAC 40 index (as described in point 4 below), no payment is made in relation to this criterion.

The proposed performance criteria thus reflect the Company's model based on profitable, sustainable and responsible growth aligned with the interests of all stakeholders. They are transparent.

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	Less than (LB(2) - 2 points)	Between (LB(2) - 2 points) and LB(2)	Equal to LB(2)	Between LB(2) and UB(3)	Equal to UB(3)	Between UB(3) and (UB(3) + 2 points)	Above (UB(3) + 2 points)

(1) For any point between the bounds stated in the table above, the payment rate is calculated on a straight-line basis.

(2) LB (Lower Bound) corresponding to the 3-year average of the lower bounds of the annual target ranges announced to the market.

(3) UB (Upper Bound) corresponding to the 3-year average of the upper bounds of the annual target ranges announced to the market.

Illustration of the determination of the 3-year target based on the 2022 Performance Share Plan

	Lower bound of the annual target	Upper bound of the annual target
Year 1: 2022	Equal to 3%	Equal to 7%
Year 2: 2023	Announced to the market in February 2023	Announced to the market in February 2023
Year 3: 2024	Announced to the market in February 2024	Announced to the market in February 2024
3-year target: Average of annual targets	LB(1)	UB(2)

(1) LB corresponds to the 3-year average of the lower bounds of the annual target disclosed to the market.

(2) UB corresponds to the 3-year average of the upper bounds 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	Below (LB[2] - 50 bps)	Between (LB[2] - 50 bps) and LB[2]	Equal to LB[2]	Between LB[2] and UB[3]	Equal to UB[3]	Between UB[3] and (UB[3] + 50 bps)	Above (UB[3] + 50 bps)

(1) For any point between the bounds stated in the table above, the payment rate is calculated on a straight-line basis.

(2) LB corresponds to the 3-year average of the lower bounds of the annual target disclosed to the market.

(3) UB corresponds to the 3-year average of the upper bounds of the annual target disclosed to the market.

Illustration of the determination of the 3-year target based on the 2022 Performance Share Plan

	Lower bound of the annual target	Upper bound of the annual target
Year 1: 2022	Equal to 19.9%	Equal to 20.7%
Year 2: 2023	Announced to the market in February 2023	Announced to the market in February 2023
Year 3: 2024	Announced to the market in February 2024	Announced to the market in February 2024
3-year target: Average of annual targets	LB[1]	UB[2]

(1) LB corresponds to the 3-year average of the lower bounds of the annual target disclosed to the market.

(2) UB corresponds to the 3-year average of the upper bounds of the annual target disclosed to the market.

3) Annual Group's CSR Roadmap achievement rate

Payment rate[1]	0%	Between 70% and 100%	Between 100% and 105%	Between 105% and 150%	150%
Arithmetic mean over a 3-year period of the annual CSR Roadmap achievement rates	Below 70%	Between 70% and 100%	Between 100% and 125%	Between 125% and 200%	Over 200%

(1) For any point between the bounds stated 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%
Performance gap between Legrand's share price and the CAC 40 index[2]	Below 0 points	Equal to 0 points	Between 0 points and 15 points	Above 15 points

(1) For any point between the bounds stated in the table above, the payment rate is calculated on a straight-line basis.

(2) For the 2022 Performance Share Plan, the three-year performance will be measured over the 2022–2024 period with the following calculation method:

- *Legrand's share price performance: comparison of the average daily closing prices in the second half of the third year of the plan (second half of 2024) to the average daily closing market prices in the second half of the year preceding the first year of the plan (second half of 2021), i.e., €95.67;*
- *performance of the CAC 40 index: comparison of the average CAC 40 daily closing indices of the second half of the third year of the plan (second half of 2024) 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 2021), i.e. 6,763.5 points.*

The performance gap is measured by the difference, in percentage points, between the change in Legrand's share price and the change in the CAC 40 index.

Vesting period and fate of performance shares in the event of the departure of the Chief Executive Officer before the end of the vesting period

The vesting period for the Chief Executive Officer is three years. The (additional) holding period is two years. At the end of the vesting period of the performance shares allocated in 2022, the performance criteria and the condition of continuing service will be verified. For the latter, the following rules are applicable:

- should the Chief Executive Officer resign during the vesting period, the shares initially allocated by the Board of Directors will not vest;
- should the Chief Executive Officer be dismissed, not be reappointed or retire during the vesting period, only part of the shares would vest, subject to the performance criteria on the date the vesting period ends, calculated in proportion to his length of service at the Company during the vesting period;
- in the event of death during the vesting period, the Chief Executive Officer's heirs may request that ownership of all shares that the Board of Directors initially allocated to the deceased Chief Executive Officer be transferred to them, in accordance with legal provisions, without waiting until the end of the vesting period;

- in the event that the Chief Executive Officer becomes permanently disabled, within the meaning of French law or that of his country of residence, the Chief Executive Officer may, under French law, request that ownership of all shares that the Board of Directors initially allocated be transferred to the Chief Executive Officer without waiting until the end of the vesting period.

Holding obligation

Pursuant to article L. 22-10-59 of the French Commercial Code, as specified in the Code of Corporate Governance, the Chief Executive Officer must retain in registered form a certain percentage of the shares allocated until his term of office ends. The Board of Directors decided that the Chief Executive Officer will be required to hold at least 30% of all performance shares acquired under performance share plans until his term of office ends.

Undertaking not to put in place any hedging transactions

The Company has not put in place any hedging instruments for performance shares. Furthermore, the Chief Executive Officer has formally undertaken to refrain from using any hedging instruments in relation to the performance shares allocated to him.

D – Other compensation components

Compensation for duties as a director of the Company and for directorships at other Group companies

No compensation is awarded to the Chief Executive Officer for duties as a director of the Company.

Exceptional compensation

The principle of exceptional compensation is not provided for.

Undertakings governed by article L. 22-10-9, I, para. 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 of this amount (0.75%) and the beneficiaries pay the other half (0.75%).

For 2022, 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 that 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 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 in the event of or subsequent to the termination of his term of office or assignment to a different position ("golden parachutes"). No such undertaking covers him 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 Board of Directors, on March 20, 2018 authorized a non-compete agreement between the Company and the Chief Executive Officer. Under that agreement, the Chief Executive Officer undertakes not to carry out any activity that will compete with Legrand's business for a one-year period starting from the date his term of office ends.

The Company's Board of Directors will decide, when the Chief Executive Officer's term of office ends, whether or not to apply this non-compete clause. He may unilaterally decide to waive the application of this clause.

If applied the Chief Executive Officer's fulfillment of this undertaking would result, for a one-year period after the end of his term of office, in the payment by the Company of monthly compensation. The latter would be equal to the monthly average of the reference salary received during the last 12 months of employment by the Company. The reference salary includes the fixed salary and annual variable compensation excluding sums received as long-term variable compensation. Its amount is lower than the cap recommended by the Code of Corporate Governance.

In accordance with article R. 22-10-14, III. of the French Commercial Code, no compensation under this non-compete clause would be payable should the Chief Executive Officer decide to retire.

The Company's shareholders approved that commitment made to the Chief Executive Officer at the Shareholders' Meeting of May 30, 2018 (seventh resolution), in accordance with the procedure for approving related-party agreements and undertakings in force at that time.

Incentive and profit-sharing plans

The Company has for many years implemented an exceptional incentive and profit-sharing plan covering all its employees and those of its main French subsidiaries. The Chief Executive Officer has not enjoyed the benefit of this plan since he was appointed as Chief Executive Officer on February 8, 2018.

Other non-monetary compensation components (company car, pension plan, supplementary health insurance coverage, etc.)

The Chief Executive Officer has the use of an executive car. The benefit in kind that this represents would amount to €6,134 for 2022. 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 2022, 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 at that time.

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 2022

A – Directors' term of office

Directors are appointed by the Shareholders' Meeting for a term of office of three years, subject to the provisions of the Articles of Association concerning the age limit and the provisions of law and of the Code of Corporate Governance on multiple directorships. They may be reappointed without limitation subject to fulfilling the same requirements.

Directors may resign from their office at any time without giving any notice. Directors may be dismissed at any time by the Shareholders' Meeting without any notice. The duties of the directors representing employees come to an end prematurely as a matter of course should their contract of employment be terminated.

B – Compensation applicable to the directors in respect of 2022

The Board of Directors apportions directors' compensation upon proposal of the Compensation Committee and based 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 neither the Chairwoman of the Board of Directors nor the Chief Executive Officer receives any compensation for their duties as a director of the Company.

Accordingly, the compensation is apportioned between the other directors including the two directors representing employees.

The apportionment of compensation between directors takes into account directors' actual attendance at meetings of the Board of Directors and of its Board committees. Additional compensation may be awarded, or exceptional compensation paid for specific duties, such as those of the Lead Director.

Based on a proposal from the Compensation Committee, the Board of Directors decided on March 15, 2022 to apply the same rules used to apportion the compensation in 2021 again in 2022, that is:

- €25,000 a year in respect of the fixed portion of directors' compensation. For each director, this sum increases by €5,000 with every meeting of the Board of Directors they attend;
- €3,000 for each director who is also a member of a Board committee for each Board committee meeting they attend; and
- an additional €20,000 is paid to the Chairman of the Audit Committee and an additional €10,000 paid 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.

Should the Board of Directors decide to entrust any director with specific duties or a specific assignment, they may be awarded exceptional compensation. Its amount will be proportionate for such duties or assignment and in line with market practices.

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 of €20,000. Information regarding the Lead Director's duties is provided in section 6.1.2 of this Universal Registration Document.

In accordance with the Directors' Charter, which forms part of the internal rules 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 a personal capacity.

The minimum number of shares that a director must hold in a personal capacity and retain throughout their term of office is 500 shares.

Lastly, each director is entitled to the reimbursement of travel expenses incurred in performing their duties, subject to the upper limits laid down in the policy applicable within the Company and provided the expense claims are supported by receipts.

6.2.2 - Total compensation and benefits paid in 2021 or awarded in respect of the same year to the company officers

6.2.2.1 Angeles Garcia-Poveda's total compensation and benefits paid in 2021 or awarded in respect of the same year

The tables summarizing the components of compensation and benefits of any kind paid in respect of the financial year ended December 31, 2021, or awarded in respect of the same year to Angeles Garcia-Poveda, Chairwoman of the Board of Directors, are shown below.

Summary of compensation, stock options and shares awarded to Angeles Garcia-Poveda in her capacity as Chairwoman of the Board of Directors in 2021 *(Table 1 of the Code of Corporate Governance)*

Angeles Garcia-Poveda, Chairwoman of the Board of Directors	2020	2021
Compensation awarded in respect of the year (see table 2 below for details)		
(in euros)	312,500[(1)]	625,000
Value of the options awarded during the year (see table 4 below for details)		
Number of options	None	None
(in euros)		
Value of performance shares awarded during the year (see table 6 below for details)		
Number of shares	None	None
Value *(in euros)*		
Value of long-term variable compensation awarded during the year		
Number of shares	None	None
Value *(in euros)*		
TOTAL *(in euros)*	**312,500**	**625,000**

(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.

Summary of compensation awarded to Angeles Garcia-Poveda in her capacity as Chairwoman of the Board of Directors in 2021
(Table 2 of the Code of Corporate Governance)

(in euros)	2020 Amounts awarded	2020 Amounts paid	2021 Amounts awarded	2021 Amounts paid
Angeles Garcia-Poveda, Chairwoman of the Board of Directors from July 1, 2020				
Fixed compensation	312,500	312,500	625,000	625,000
Annual variable compensation				
Long-term variable compensation				
Exceptional compensation				
Compensation awarded for duties as a director				
Benefits in kind(1)				
TOTAL	**312,500**	**312,500**	**625,000**	**625,000**

(1) The Group did not fund any benefit.

Fixed compensation

For the 2021 financial year, the fixed compensation paid to Angeles Garcia-Poveda was €625,000.

Annual variable compensation

Angeles Garcia-Poveda does not receive any annual variable compensation.

Long-term compensation

Angeles Garcia-Poveda does not receive any long-term compensation. That is in accordance with the recommendations of the Code of Corporate Governance.

Stock options awarded to Angeles Garcia-Poveda by the Company or by any Group company in 2021 *(Table 4 of the Code of Corporate Governance)*

In 2021, neither the Company nor any other Group company awarded any stock options to Angeles Garcia-Poveda.

Free shares allocated by the Shareholders' Meeting to Angeles Garcia-Poveda by the Company and by any Group company in 2021
(Table 6 of the Code of Corporate Governance)

Name of executive officer	Date of plan	Number of shares awarded during the year	Value of the shares according to the method used for the consolidated financial statements	Vesting date	End of lock-up period	Performance criterion
Angeles Garcia-Poveda	n/a	None	n/a	n/a	n/a	n/a

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Compensation and benefits due as a result of the termination of Angeles Garcia-Poveda's role as Chairwoman of the Board of Directors
(Table 11 of the Code of Corporate Governance)

	Employment contract		Supplementary pension plan		Payments or benefits due or potentially due in the event of termination or change of office		Non-compete compensation	
Executive officer	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**
Angeles Garcia-Poveda								
Chairwoman of the Board of Directors		X		X		X		X
Start of term of office: July 1, 2020								

Other compensation components

Compensation for duties as a director

Angeles Garcia-Poveda has not received any compensation for her duties as a director of the Company.

Exceptional compensation

The principle of exceptional compensation is not provided for.

Undertakings governed by article L. 22-10-9, I, para. 4 of the French Commercial Code

Pension plans

No commitments have been made under 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 commitment relating to components of compensation, indemnities or other benefits due or likely to be due in the event of the termination of her term of office or change in her duties, or subsequent thereto ("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 6.2.2.3 of this chapter.

Comparison between changes in Angeles Garcia-Poveda's compensation, the Company's performance and the compensation of the Company's employees, in accordance with article L. 22-10-9 of the French Commercial Code

This information is presented in section 6.2.2.3 of this chapter.

Conformity of the total compensation paid in 2021 or awarded in respect of the same year to Angeles Garcia-Poveda, Chairwoman of the Board of Directors, with the compensation policy approved by the Shareholders' Meeting of May 26, 2021 and how this vote was taken into account

The total compensation paid to Angeles Garcia-Poveda in respect of 2021 amounted to €625,000. This compensation is in line with the compensation policy for the Chairwoman of the Board of Directors, which was the subject of the eighth resolution of the Shareholders' Meeting of May 26, 2021. That resolution stated that the most suitable compensation structure for the Chairwoman of the Board of Directors in respect of 2021 was to pay her an annual fixed amount of €625,000 and no other components of compensation. Please refer to section 6.2.1.2 on page 223 of the Company's 2020 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 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 eighth resolution at the Shareholders' Meeting of May 26, 2021, concerning the 2021 compensation policy applicable to the Chair of the Board of Directors.

6.2.2.2 Total compensation and benefits paid in 2021 or awarded in respect of the same year to Benoît Coquart

The tables summarizing the components of compensation and benefits of any kind paid in the financial year ended December 31, 2021 or awarded in respect of the same year to Benoît Coquart, Chief Executive Officer, are shown below.

Summary of compensation, stock options and shares awarded to Benoît Coquart in 2021 *(Table 1 of the Code of Corporate Governance)*

	2020	2021
Benoît Coquart, Chief Executive Officer		
Compensation due in respect of the year (see table 2 below for details)		
(in euros)	1,120,332	2,173,397
Value of 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	11,544	20,544
Value (*in euros*)	620,490 (1)	1,575,519 (2)
Value of long-term variable compensation awarded during the year		
Number of shares		
Value (*in euros*)		
TOTAL ***(in euros)***	**1,740,822**	**3,748,916**

(1) 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.

(2) Value of performance shares awarded in 2021, as determined by an independent expert pursuant to IFRS 2, subject to the future performance conditions presented in the section on "Existing performance share plans" in the Company's Universal Registration Document.

Summary of compensation awarded to Benoît Coquart in 2021 *(Table 2 of the Code of Corporate Governance)*

	2020		2021	
(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	900,000	900,000
Annual variable compensation	415,800	845,600	1,269,000	415,800
Long-term variable compensation				
Exceptional compensation				
Compensation awarded for duties as a director				
Benefits in kind[1]	4,532	4,532	4,397	4,397
TOTAL	**1,120,332**	**1,550,132**	**2,173,397**	**1,320,197**

(1) At the filing date of this Universal Registration Document, the Chief Executive Officer had the use of an executive car.

Fixed compensation in respect of 2020 and 2021

The fixed compensation paid to Benoît Coquart for the 2020 financial year amounted to €700,000 and was determined by the Board of Directors on April 10, 2020. As a reminder, in 2020, given the global health emergency and economic crisis related to Covid-19, the Board of Directors decided to cancel in 2020 the originally planned increase in annual fixed compensation (from €700,000 to €900,000), based on a proposal by the Chief Executive Officer and then a recommendation from the Compensation Committee.

In respect of 2021, the amount of Benoît Coquart's fixed compensation is €900,000.

Annual variable compensation in respect of 2020 and 2021

Benoît Coquart's variable compensation for the 2020 financial year was determined by the Board of Directors on March 17, 2021, based on the recommendation of the Compensation Committee.

In respect of 2020, the achievement rate of quantifiable and qualitative targets applied to maximum annual variable compensation was 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 on an annual basis.

As a reminder in 2020, although the full-year guidance initially published in 2020, was suspended by the Company, because of the global health emergency and economic crisis related to Covid-19, the Board of Directors, based on a recommendation by the Compensation Committee, decided not to alter the 2020 targets for annual variable and variable long-term compensation. As a result, performance in 2020 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.

This amount was approved by the Company's shareholders at the Combined Shareholders' Meeting of May 26, 2021 (seventh resolution).

Benoît Coquart's variable compensation for the 2021 financial year was determined by the Board of Directors held on March 15, 2022, upon proposal of the Compensation Committee. It was determined after applying the criteria set by the Compensation Committee and subsequently approved by the Board of Directors. Those criteria are presented in the table below.

				Min	Target	Max	Actual
Quantifiable: 3/4 of annual variable *i.e.* 75% of fixed compensation	Organic sales growth	2021 organic sales growth	As a % of fixed compensation	0%	**15%**	22.5%	22.5%
			Indicator value	1%	3.5%	6%	13.6%
	Operating margin	2021 adjusted operating margin (at 2020 scope)	As a % of fixed compensation	0%	**40%**	60%	60%
			Indicator value	19.2%	19.7%	20.2%	20.8%
	External growth	2021 sales growth resulting from changes in scope	As a % of fixed compensation	0%	**10%**	15%	6%
			Indicator value	0%	5%	10%	3%
	Corporate Social Responsibility (CSR)	Rate of achievement of the Group's CSR Roadmap	As a % of fixed compensation	0%	**10%**	15%	15%
			Indicator value	70%	100%	130%	131%
	TOTAL QUANTIFIABLE			**0%**	**75%**	**112.5%**	**103.5%**
Qualitative: 1/4 of annual variable *i.e.* 25% of 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 relative 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 fight against 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%	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%**	**141%**

In respect of 2021, the achievement rate of quantifiable and qualitative targets applied to maximum annual variable compensation was therefore 94% (equal to 141% divided by 150%). The achievement rate was 141% (equal to 141% divided by 100%) of the target, giving an amount of €1,269,000.

The principles and achievement of the annual variable portion of Benoît Coquart's 2021 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 2021 achievement rate for this quantifiable portion came to 103.5% 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 +3.5%. The compensation rate can vary between 0% and 22.5% of fixed compensation for organic sales growth between +1% and +6% (annual target disclosed to the market at the beginning of 2021). The performance achieved in 2021 was +13.6%, giving an entitlement equal to 22.5% of fixed compensation,

– 40% of the fixed compensation as a target value based on a reported 2021 adjusted operating margin of 19.7% (based on the 2020 scope). The compensation rate can vary between 0% and 60% of fixed compensation for an adjusted operating margin (based on the 2020 scope) between 19.2% and 20.2% (annual target announced to the market at the beginning of 2021). The performance achieved in 2021 was 20.8%, giving an entitlement equal to 60% of fixed compensation,

– 10% of the fixed compensation as a target value based on the achievement of 2021 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 +15.0%. The performance achieved in 2021 was +3%, giving an entitlement equal to 6% of fixed compensation,

– 10% of fixed compensation as a target value for an achievement rate of the Group's CSR Roadmap set at 100%. The compensation awarded varies between 0% and 15% of fixed compensation for a roadmap achievement rate of between 70% and 130%. The performance achieved in 2021 was 131%, giving an entitlement equal to 15% of fixed compensation;

- the target value of the qualitative portion was set at 25% of the fixed compensation and may vary between 0% and 37.5% of said fixed compensation.

The 2021 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 market 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 market 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 2021,

– 7.5% of fixed compensation (5% target value) related to sustainability and efforts to fight against climate change, including initiatives to cut CO_2 emissions, the change in sales derived from energy-saving solutions, the Group's inclusion in CSR indices and new sustainability initiatives. The Committee found that the Group's performance was highly satisfactory in 2021 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 targets maintained in 2021, 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 in respect of 2020 and 2021

As a reminder in 2020, in the light of the global health emergency and economic crisis caused by Covid-19, the Board decided in 2020 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) in respect of the 2020 compensation policy, based on a proposal made by Benoît Coquart, subsequently recommended by the Compensation Committee. The criteria for long-term compensation remained unchanged. As a result, performance in 2020 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.

This amount was approved by the Company's shareholders at the Shareholders' Meeting of May 26, 2021 (seventh resolution).

Future Performance Units

In 2021, no award of future performance Units was made in respect of the previous financial year.

Stock options

In 2021, no options to purchase or subscribe for shares were awarded.

Performance shares

As regards the award of performance shares in 2021, Benoît Coquart was awarded 20,544 performance shares. They are subject to the future performance criteria presented in the "Ongoing performance share plans" section of this Universal Registration Document. Their value was determined by an independent expert pursuant to IFRS 2 and amounts to €1,575,519.

The vesting period of the performance shares awarded in 2021 will end on June 14, 2024. On that date, the continuing service and performance criteria will be reviewed. As regards the condition of continuing service, the following rules are applicable:

- should the Chief Executive Officer resign during the vesting period, the shares initially awarded by the Board of Directors will not vest;
- should the Chief Executive Officer be dismissed, not be reappointed or retire during the vesting period, only part of the shares 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, the Chief Executive Officer may, under French law, request that ownership of all shares that the Board of Directors initially awarded be transferred to the Chief Executive Officer without waiting until the end of the vesting period.

Shares awarded free of charge by the Shareholders' Meeting to Benoît Coquart by the Company and by any Group company in 2021
(Table 6 of the Code of Corporate Governance)

Name of executive officer	Date of plan	Number of shares awarded during the year	Value of the shares according to the method used for the consolidated financial statements	Vesting date	End of lock-up period	Performance criterion
Benoît Coquart	2021 Performance Share Plan (May 26, 2021)	20,544	1,575,519 (1)	June 14, 2024	May 27, 2026	For a description of the applicable performance criteria, please refer to the "Ongoing performance share plans" section of this Universal Registration Document

(1) The value of the 20,544 shares allocated to Benoît Coquart was determined by an independent expert pursuant to IFRS 2.

Ongoing performance share plans

On the recommendation of the Compensation Committee, the Board of Directors, at its meetings of May 29, 2019, May 26, 2020 and May 26, 2021, approved the creation of performance share plans (the "**2019 Performance Share Plan**", the "**2020 Performance Share Plan**" and the "**2021 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	Less than (LB(2) - 2 points)	Between (LB(2) - 2 points) and LB(2)	Equal to LB(2)	Between LB(2) and UB(3)	Equal to UB(3)	Between UB(3) and (UB(3) + 2 points)	Above (UB(3) + 2 points)

(1) For any point between the bounds stated in the table above, the payment rate is calculated on a straight-line basis.

(2) LB corresponds to the 3-year average of the lower bounds of the annual target disclosed to the market.

(3) UB corresponds to the 3-year average of the upper bounds of the annual target disclosed to the market.

Illustration of the determination of the 3-year target based on the 2021 Performance Share Plan

	Lower bound of the annual target range	Upper bound of the annual target range
Year 1: 2021	Equal to +1.0%	Equal to +6.0%
Year 2: 2022	Equal to +3.0%	Equal to +7.0%
Year 3: 2023	Announced to the market in February 2023	Announced to the market in February 2023
3-year target: Average of annual targets	LB(1)	UB(2)

(1) LB corresponds to the 3-year average of the lower bounds of the annual target disclosed to the market.

(2) UB corresponds to the 3-year average of the upper bounds 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	Below (LB(2) - 50 bps)	Between (LB(2) - 50 bps) and LB(2)	Equal to LB(2)	Between LB(2) and UB(3)	Equal to UB(3)	Between UB(3) and (UB(3)+ 50 bps)	Above (UB(3) + 50 bps)

(1) For any point between the bounds stated in the table above, the payment rate is calculated on a straight-line basis.

(2) LB corresponds to the 3-year average of the lower bounds of the annual target disclosed to the market.

(3) UB corresponds to the 3-year average of the upper bounds of the annual target disclosed to the market.

Illustration of the determination of the 3-year target based on the 2021 Performance Share Plan

	Lower bound of the annual target range	Upper bound of the annual target range
Year 1: 2021	Equal to 19.2%	Equal to 20.2%
Year 2: 2022	Equal to 19.9%	Equal to 20.7%
Year 3: 2023	Announced to the market in February 2023	Announced to the market in February 2023
3-year target: Average of annual targets	LB(1)	UB(2)

(1) LB corresponds to the 3-year average of the lower bounds of the annual target disclosed to the market.

(2) UB corresponds to the 3-year average of the upper ranges of the annual target disclosed to the market.

3) Achievement rate of the Group's CSR Roadmap

Payment rate(1)	0%	Between 70% and 100%	Between 100% and 105%	Between 105% and 150%	150%
Arithmetic mean over a 3-year period of the annual CSR Roadmap achievement rates	Below 70%	Between 70% and 100%	Between 100% and 125%	Between 125% and 200%	Over 200%

(1) For any point between the bounds stated 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%
Performance gap between Legrand's share price and the CAC 40 index[2]	Below 0 points	Equal to 0 points	Between 0 points and 15 points	Above 15 points

(1) For any point between the bounds stated 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's share price performance: comparison of the average daily closing prices in the second half of the third year of the plan (second half of 2023) to the average daily closing market prices in 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. 5,102.90 points.*

The performance gap is measured by the difference, in percentage points, between the change in Legrand's share price and the change in the CAC 40 index.

Achievement rate of performance criteria under the 2018 plan

Criteria	2018		2019		2020		3-year average		
	Objective[1]	Actual	Objective[1]	Actual	Objective[1]	Actual	Objective[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) Objective to reach a 100% performance on this criterion.

(2) The adjusted operating margin before acquisitions corresponds to the adjusted operating income (see key figures).

For more details on the achievement rates of the performance criteria, please refer to note 4.2 to the financial statements in chapter 8 of this Universal Registration Document.

Shares awarded to Benoît Coquart free of charge subject to a lock-up period that ended in 2021 *(Table 7 of the Code of Corporate Governance)*

Name of executive officer	Date of plan	Number of shares subject to a lock-up period that ended during the year	Vesting condition
Benoît Coquart	May 31, 2017	8,719[1]	n/a
Benoît Coquart	May 30, 2018	20,914	n/a

(1) Shares awarded in respect of duties prior to Benoît Coquart's appointment as Chief Executive Officer.

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Compensation and benefits due as a result of the termination of Benoît Coquart's role as Chief Executive Officer

(Table 11 of the Code of Corporate Governance)

	Employment contract		Supplementary pension plan		Payments or benefits due or potentially due in the event of termination or change of office		Non-compete compensation	
Executive officer	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**
Benoît Coquart								
Chief Executive Officer		X	X			X	X	
Start of term of office: Feb. 8, 2018								

Other compensation components

Compensation for duties as a director

Benoît Coquart does not receive any compensation for his duties as a director of any of the Group companies.

Compensation paid or awarded by a company within the scope of consolidation as defined in article L. 233-16 of the French Commercial Code

No compensation was paid or awarded by a company within the scope of consolidation as defined in article L. 233-16 of the French Commercial Code to Benoît Coquart.

Exceptional compensation

There are no plans to award exceptional compensation.

Undertakings governed by article L. 22-10-9, I, para. 4 of the French Commercial Code

Benoît Coquart does not benefit from any undertaking covering components of compensation, indemnities or other benefits that are or may be due in the event of or subsequent to the termination of his term of office or assignment to a different position ("golden parachutes"). No such undertaking covers him, including if control of the Company changes.

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 joined that plan before his appointment as Chief Executive Officer, and he continues to benefit from it under the same terms as all other relevant employees.

The defined contribution pension plan benefits all of the Group's French executives. 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.

In accordance with the procedure relating to related-party agreements and undertakings in force at that 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 in place between the Benoît Coquart and the Company.

On the recommendation of the Nomination and Governance Committee, the Board of Directors decided at its meeting on February 7, 2018, that the Chief Executive Officer's term of office would be indefinite.

Other non-monetary compensation components (executive car, pension plan, supplementary health insurance coverage, etc.)

Benoît Coquart has the use of a company car. The benefit in kind that this represents amounted to €4,397 for 2021.

Furthermore, the Board of Directors, on February 7, 2018, 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 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 at that time.

Equity ratio of Benoît Coquart's compensation to that of the Company's employees, in accordance with article L. 22-10-9 of the French Commercial Code

This information is presented in section 6.2.2.3 of this chapter.

Comparison between changes in Benoît Coquart's compensation, the Company's performance and the compensation of the Company's employees, in accordance with article L. 22-10-9 of the French Commercial Code

This information is presented in section 6.2.2.3 of this chapter.

Conformity of the total compensation paid in 2021 to Benoît Coquart, Chief Executive Officer, with the compensation policy approved by the Shareholders' Meeting of May 26, 2021, and how this vote was taken into account

The total compensation paid or awarded to Benoît Coquart in respect of 2021 amounted to €3,748,916. It consisted of fixed compensation of €900,000, annual variable compensation of €1,269,000, benefits in kind of €4,397 and long-term compensation valued at €1,575,519. This compensation is in line with the compensation policy for the Chief Executive Officer, which was the subject of the ninth resolution of the Shareholders' Meeting of May 26, 2021.

Please refer to section 6.2.1.3 on pages 224 to 232 of the Company's 2020 Universal Registration Document for more information on this subject.

This compensation contributes to the Company's long-term performance. Indeed, the proportion of variable compensation in total compensation is predominant, and thus serves as an incentive to deliver a stronger financial and extra-financial performance over the medium and long term.

The Board of Directors took the view that this policy was suitable given the high level of approval of the ninth resolution at the Shareholders' Meeting of May 26, 2021, concerning the 2021 compensation policy applicable to the Chief Executive Officer.

6.2.2.3 Compensation equity ratios and comparison of annual changes in compensation and the Company's performance

Equity ratios concerning the Chairman and Chief Executive Officer

Table of ratios required by I., paras. 6 and 7 of article L. 22-10-9 of the French Commercial Code[(1)]

	2017	2018	2019	2020	2021
Change (as a %) in Gilles Schnepp's compensation - Chairman and Chief Executive Officer[(2)]	0.5%				
Information concerning the Legrand SA scope[(3)]					
Change (as a %) in employees' average pay	7.8%	2.0%	-27.6%	5.6%	24.6%
Ratio to employees' average pay	8.4				
Change in ratio (as a %) compared to previous year	-7%				
Ratio to employees' median pay	21.8				
Change in ratio (as a %) compared to previous year	-4%				
Additional information concerning the Legrand France ESU scope[(4)]					
Change (as a %) in employees' average pay	3.2%	-1.1%	1.1%	0.8%	8.2%
Ratio to employees' average pay	34.2				
Change in ratio (as a %) compared to previous year	-3%				
Ratio to employees' median pay	43.7				
Change in ratio (as a %) compared to previous year	-2%				
Company's performance					
Sales (€ m)	5,520.8	5,997.2	6,622.3	6,099.5	6,994.2
change	*10.0%*	*8.6%*	*10.4%*	*-7.9%*	*14.7%*
Adjusted operating income (€ m)	1,104.9	1,212.1	1,326.1	1,156.0	1,434.0
change	*12.9%*	*9.7%*	*9.4%*	*-12.8%*	*24.0%*
Achievement rate of the CSR roadmap targets	122%	122%	113%	128%	131%
Share price at Dec. 31 (€)	64.2	49.3	72.6	73.0	102.9
change	*19.0%*	*-23.2%*	*47.3%*	*0.5%*	*41.0%*

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) *Information presented based on the legal scope.*

(4) *Additional information presented based on a broader scope – Legrand France ESU – considered to be more representative. Legrand SA, the listed company, had less than 40 employees during the period under consideration, whereas the Legrand France ESU houses around 90% of the workforce in France.*

Equity ratios concerning the Chair of the Board of Directors

Table of ratios required by I., paras. 6 and 7 of article L. 22-10-9 of the French Commercial Code[1]

	2017	2018 [2]	2019	2020 [4]	2021
Change (as a %) in Angeles Garcia Poveda's compensation - Chairwoman of the Board of Directors[3]		n/a	0.0%	0.0%	0.0%
Information concerning the Legrand SA scope[5]					
Change (as a %) in employees' average pay	7.8%	2.0%	-27.6%	5.6%	24.6%
Ratio to employees' average pay		2.8	3.9	3.7	2.9
Change in ratio (as a %) compared to previous year		*n/a*	*39%*	*-5%*	*-22%*
Ratio to employees' median pay		7.4	7.5	7.3	6.6
Change in ratio (as a %) compared to previous year		*n/a*	*1%*	*-3%*	*-10%*
Additional information concerning the Legrand France ESU scope[6]					
Change (as a %) in employees' average pay	3.2%	-1.1%	1.1%	0.8%	8.2%
Ratio to employees' average pay		11.8	11.7	11.6	10.7
Change in ratio (as a %) compared to previous year		*n/a*	*-1%*	*-1%*	*-8%*
Ratio to employees' median pay		14.7	14.2	14.0	13.1
Change in ratio (as a %) compared to previous year		*n/a*	*-3%*	*-1%*	*-6%*
Company's performance					
Sales (€ m)	5,520.8	5,997.2	6,622.3	6,099.5	6,994.2
change	*10.0%*	*8.6%*	*10.4%*	*-7.9%*	*14.7%*
Adjusted operating income (€ m)	1,104.9	1,212.1	1,326.1	1,156.0	1,434.0
change	*12.9%*	*9.7%*	*9.4%*	*-12.8%*	*24.0%*
Achievement rate of the CSR Roadmap targets	122%	122%	113%	128%	131%
Share price at Dec. 31 (€)	64.2	49.3	72.6	73.0	102.9
change	*19.0%*	*-23.2%*	*47.3%*	*0.5%*	*41.0%*

Methodological notes

(1) Gross total compensation paid or awarded during the year. Presentation in line with AFEP guidelines as updated in February 2021.

(2) Based solely on the fixed compensation of the Chairman of the Board of Directors in respect of 2018, not taking account of the short-term variable compensation paid in 2018 in respect of 2017.

(3) Angeles Garcia-Poveda has been Chairwoman of the Board of Directors since July 1, 2020. The disclosures in this section are shown on an annualized basis for the Chairwoman of the Board of Directors. The office was previously held by Gilles Schnepp from February 9, 2018 to June 30, 2020.

(4) In 2020, Gilles Schnepp received 50% of the annual compensation of the Chair of the Board of Directors corresponding to the first half of 2020, while Angeles Garcia-Poveda received the other 50% for the second half of 2020.

(5) Information presented based on the legal scope.

(6) Additional information presented based on a broader scope – Legrand France ESU – considered to be more representative. Legrand SA, the listed company, had less than 40 employees during the period under consideration, whereas the Legrand France ESU houses around 90% of the workforce in France.

Equity ratios concerning the Chief Executive Officer

Table of ratios required by I., paras. 6 and 7 of article L. 22-10-9 of the French Commercial Code[1]

	2017	2018[2]	2019	2020	2021
Change (as a %) in Benoît Coquart's compensation - Chief Executive Officer[3]		n/a	3.9%	-15.3%	33.4%
Information concerning the Legrand SA scope[4]					
Change (as a %) in employees' average pay	7.8%	2.0%	-27.6%	5.6%	24.6%
Ratio to employees' average pay		11.0	15.9	12.7	13.6
Change in ratio (as a %) compared to previous year		n/a	45%	-20%	7%
Ratio to employees' median pay		29.1	30.8	25.5	30.7
Change in ratio (as a %) compared to previous year		n/a	6%	-17%	20%
Additional information concerning the Legrand France ESU scope[5]					
Change (as a %) in employees' average pay	3.2%	-1.1%	1.1%	0.8%	8.2%
Ratio to employees' average pay		46.7	48.0	40.3	49.7
Change in ratio (as a %) compared to previous year		n/a	3%	-16%	23%
Ratio to employees' median pay		57.9	58.1	48.5	60.6
Change in ratio (as a %) compared to previous year		n/a	0%	-17%	25%
Company's performance					
Sales (€ m)	5,520.8	5,997.2	6,622.3	6,099.5	6,994.2
change	*10.0%*	*8.6%*	*10.4%*	*-7.9%*	*14.7%*
Adjusted operating income (€ m)	1,104.9	1,212.1	1,326.1	1,156.0	1,434.0
change	*12.9%*	*9.7%*	*9.4%*	*-12.8%*	*24.0%*
Achievement rate of the CSR Roadmap targets	122%	122%	113%	128%	131%
Share price at Dec. 31 (€)	64.2	49.3	72.6	73.0	102.9
change	*19.0%*	*-23.2%*	*47.3%*	*0.5%*	*41.0%*

Methodological notes

(1) *Gross total compensation paid or awarded during the year. Presentation in line with AFEP guidelines as updated in February 2021.*

(2) *Based on the Chief Executive Officer's annual compensation (12 months) in respect of 2018, including in this pro forma figure the short-term variable compensation paid in 2018 in respect of 2017 to the former Chairman and Chief Executive Officer (who subsequently became the Chairman of the Board of Directors).*

(3) *Benoît Coquart was appointed as Chief Executive Officer on February 8, 2018.*

(4) *Information presented based on the legal scope.*

(5) *Additional information presented based on a broader scope – Legrand France ESU – considered to be more representative. Legrand SA, the listed company, had less than 40 employees during the period under consideration, whereas the Legrand France ESU houses around 90% of the workforce in France.*

6.2.2.4 Compensation paid in the 2021 financial year or awarded in respect of that period 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 2021 financial year onwards, to apportion the compensation paid to directors as follows:

- €25,000 a year paid to each director as the fixed portion of compensation.

For each director, this sum increases by €5,000 with every meeting of the Board of Directors they attend. Since the Board of Directors met seven times in 2021, the maximum variable portion of compensation allotted to each director amounted to €35,000. 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.

- €3,000 is also paid to each director who is also a member of a Board committee for each Board committee meeting they attend.
- An additional €20,000 is paid to the Chairman of the Audit Committee and an additional €10,000 paid to the Chairmen of the other Board committees.

Summary of amounts paid to the directors during the 2020, 2021 and 2022 financial years

As a reminder, between 2018 and 2020, the Board of Directors apportioned the compensation paid to directors as follows:

- €20,000 a year was paid to each director as the fixed portion of compensation. For each director, this sum was increased by €5,000 for every meeting of the Board of Directors attended.
- €2,000 was also paid to each director who was also a member of a Board committee for each Board committee meeting they attend.

The amounts paid to the Chairman of the Audit Committee and of the other Board committees remained unchanged.

The table below presents the amounts of compensation awarded to the directors for performing their duties during the 2020, 2021 and 2022 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.

Compensation received by non-executive company officers
(Table 3 of the Code of Corporate Governance)

Non-executive company officers	Gross amounts paid during 2020 in respect of 2019 (*in euros*)	Gross amounts paid during 2021 in respect of 2020 (*in euros*)	Gross amounts paid during 2022 in respect of 2021 (*in euros*)
Olivier Bazil			
Compensation for duties as a director	78,000	82,000	96,000
Other payments	0	0	0
Isabelle Boccon-Gibod			
Compensation for duties as a director	79,000	76,000	99,000
Other payments	0	0	
Sophie Bourdais(1)			
Compensation for duties as a director	0	12,000	69,000
Other payments	0	0	0
Christel Bories			
Compensation for duties as a director	84,000	91,000	99,000
Other payments	0	0	0
Daniel Buisson(2)			
Compensation for duties as a director	n/a	n/a	15,000
Other payments	n/a	n/a	0

Non-executive company officers	Gross amounts paid during 2020 in respect of 2019 (*in euros*)	Gross amounts paid during 2021 in respect of 2020 (*in euros*)	Gross amounts paid during 2022 in respect of 2021 (*in euros*)
Jean-Marc Chéry(3)			
Compensation for duties as a director	n/a	n/a	35,000
Other payments	n/a	n/a	0
Benoît Coquart(4)			
Compensation for duties as a director	n/a	0	0
Other payments	n/a	0	0
Angeles Garcia-Poveda(5)			
Compensation for duties as a director	110,000	78,000	0
Other payments	0	0	0
E.A Gilhuly			
Compensation for duties as a director	53,000	59,000	68,000
Other payments	0	0	0
Philippe Jeulin(6)			
Compensation for duties as a director	67,000	72,000	60,000
Other payments	0	0	0
Patrick Koller			
Compensation for duties as a director	65,000	82,000	84,000
Other payments	0	0	0
Michel Landel			
Compensation for duties as a director	38,083	85,000	114,000
Other payments	0	0	0
Annalisa Loustau Elia			
Compensation for duties as a director	61,000	79,000	79,000
Other payments	0	0	0
Éliane Rouyer-Chevalier			
Compensation for duties as a director	101,000	106,000	102,000
Other payments	0	0	0
Gilles Schnepp(7)			
Compensation for duties as a director	0	32,000	78,000
Other payments	0	0	0
TOTAL	**736,083**	**854,000**	**998,000**

(1) The above table does not include compensation paid to the director representing employees under their employment contract.

(2) Director whose appointment was in effect at September 30, 2021, the above table does not include compensation paid to the director representing employees under their employment contract.

(3) Director appointed by the Shareholders' Meeting of May 26, 2021.

(4) Benoît Coquart does not receive any compensation for his duties as a director.

(5) Angeles Garcia-Poveda has not received compensation for her duties as director since July 1, 2020.

(6) Director whose duties ended on September 30, 2021, the above table does not include compensation paid to the director representing employees under his employment contract.

(7) Gilles Schnepp received compensation for his duties as a director from July 1, 2020.

The Board of Directors' meeting of March 15, 2022 approved the payment of €998,000 in compensation granted to the directors in respect of 2021.

6.2.3 - Company officers' shareholdings in the Company

Please see appendix 3 to the management report in this Universal Registration Document.

6.2.4 - Components of company officers' compensation subject to shareholders' approval

6.2.4.1 Compensation and benefits paid during 2021 or awarded in respect of that same financial year to Angeles Garcia-Poveda for her duties as Chairwoman of the Board of Directors

Compensation components paid or awarded in respect of 2021	Amounts paid during the financial year now ended	Amounts awarded in respect of the financial year now ended or accounting value	Details
Fixed compensation	€625,000		Gross annual fixed compensation approved by the Board of Directors on March 17, 2021, on the recommendation of the Compensation Committee and approved by the Shareholders' Meeting of May 26, 2021. This amount of annual fixed compensation for the Chairman of the Board of Directors was approved by the Board of Directors 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 considered in determining this compensation were (i) the key role of the Chairman of the Board of Directors in connection with the organization and leadership of the work performed by the Board of Directors, (ii) the benchmarking study analyzing the compensation awarded to the 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, Angeles Garcia-Poveda, would be identical to the compensation received by Gilles Schnepp, that is, fixed compensation of €625,000.
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 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 variable compensation (LTI) in cash	Not applicable	Not applicable	There are no plans to award any long-term variable compensation in cash. The Chairman of the Board of Directors is excluded from the benefit of all variable compensation systems in accordance with the recommendations of the Code of Corporate Governance.

Compensation components paid or awarded in respect of 2021	Amounts paid during the financial year now ended	Amounts awarded in respect of the financial year now ended or accounting value	Details
Stock options, performance shares or any other long-term compensation component	Stock-options: not applicable	Stock-options: not applicable	There are no plans to award any stock options. 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: not applicable	Performance shares: not applicable	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 duties as a director	Not applicable	Not applicable	The Chairman of the Board of Directors does not receive any compensation in respect of her offices within the Company or its subsidiaries.
Value of benefits of any 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.

6.2.4.2 Compensation and benefits paid during 2021 or awarded in respect of that same period to Benoît Coquart for his duties as Chief Executive Officer

Compensation components paid or awarded in respect of 2021	Amounts paid during the financial year now ended	Amounts awarded in respect of the financial year now ended or accounting value	Details
Fixed compensation	€900,000		Gross annual fixed compensation determined by the Board of Directors on March 17, 2021 and approved by the Shareholders' Meeting of May 26, 2021.
Annual variable compensation[1]	Annual amount awarded in respect of 2020 and paid in 2021: €415,800	Amount awarded in respect of 2021 and payable in 2022: €1,269,000	The Board of Directors decided at its meeting of March 17, 2021 that the variable compensation paid to Benoît Coquart in respect of 2021 may vary between 0% and 150% of annual fixed compensation (with a target value set at 100% of annual fixed compensation) and would be determined as follows: ■ a quantifiable portion representing 3/4 of this annual variable compensation, varying from 0% to 112.5% of the annual fixed compensation (with a target value set at 75%) and calculated based on criteria relating to (i) 2021 organic sales growth, (ii) the 2021 adjusted operating margin before acquisitions, (iii) 2021 sales growth resulting from acquisitions (scope effect) and (iv) the rate of achievement of the Group CSR Roadmap; ■ a qualitative portion representing 1/4 of this variable compensation, which may vary from 0% to 37.5% of the annual fixed compensation (with a target value set at 25%) calculated based on criteria relating to (i) innovation and market position (Innovation, Research & Development - new product and manufacturing process, trend in sales generated by products under the Eliot program, relative market share trends), (ii) quality of acquisitions (strategic fit of acquisitions completed, quality of acquisition pipeline, emphasis on multiples paid, quality of integration of acquisitions already completed), (iii) sustainable development and efforts to fight against global warming (initiatives to cut CO_2 emissions, trend in sales generated by energy savings solutions, Legrand's inclusion in benchmark CSR indices, new initiatives related to sustainable development), (iv) other general criteria (diversity and gender balance, risk management, workforce-related initiatives and dialog). Based on the Compensation Committee's recommendations, the Board, at its meeting on March 15, 2022, set: – the variable portion of 2021 compensation resulting from the achievement of quantifiable targets at 103.5% of the annual fixed compensation, – the variable portion of 2021 compensation resulting from the achievement of qualitative targets at 37.5% of the annual fixed compensation. That reflects an achievement rate of 94% (141% divided by 150%) of the maximum annual variable compensation and 141% (141% divided by 100%) of the target, *i.e.*, €1,269,000 (full details of the rate of achievement of quantifiable and qualitative criteria are provided in section 6.2.2.2 of the Universal Registration Document).
Deferred variable compensation	Not applicable	Not applicable	There are no plans to award any deferred variable compensation.
Long-term variable compensation (LTI) in cash	Not applicable	Not applicable	There are no plans to award any long-term variable compensation in cash.

Compensation components paid or awarded in respect of 2021	Amounts paid during the financial year now ended	Amounts awarded in respect of the financial year now ended or accounting value	Details
Stock options, performance shares or any other long-term compensation component	Stock options: not applicable	Stock-options: not applicable	There are no plans to award any stock options.
		Performance shares: value: €1,575,519	On the recommendation of the Compensation Committee, the Board of Directors decided on May 26, 2021 to establish the 2021 Performance Share Plan. This plan (including the performance criteria applicable to the awarded shares) is presented in section 6.2.2.2 and section 7.3 of the Company's Universal Registration Document. The award under the 2021 Performance Share Plan to Benoît Coquart corresponds to 4.2% of the overall award. A total of 20,544 performance shares were awarded to Benoît Coquart (target). This number of shares to vest definitively may subsequently vary between 0% and 150% of the number of shares initially awarded, according to the level of achievement of future performance criteria. As a reminder, the Board of Directors on May 26, 2021 was acting under the authorization granted by the Shareholders' Meeting of May 26, 2021 (15th resolution).
		Other awards of securities: Not applicable	There are no plans to make other awards of securities.
Exceptional compensation	Not applicable	Not applicable	There are no plans to award any exceptional compensation.
Compensation for duties as a director	Not applicable	Not applicable	Benoît Coquart does not receive any compensation for appointments held at subsidiaries of the Company.
Value of benefits of any kind		€4,397	An executive company car classified as a benefit in kind was made available to the Chief Executive Officer in 2021.
Termination benefit	Not applicable	Not applicable	There is no undertaking in this regard.
Non-compete compensation	1 year's reference salary (annual fixed + variable) solely at the Company's initiative	1 year's reference salary (annual fixed + variable) solely at the Company's 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 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 invoked, 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 that time, this agreement was authorized by the Board of Directors on March 20, 2018 and approved by the Combined Shareholders' Meeting of May 30, 2018 (seventh resolution).

Compensation components paid or awarded in respect of 2021	Amounts paid during the financial year now ended	Amounts awarded in respect of the financial year now ended or accounting value	Details
Supplementary pension plan	€2,468		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, applicable to the Group's French executives, which he joined before his appointment as Chief Executive Officer, under the same terms as all other relevant employees. All 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 (ARRCO-AGIRC). Entitlements accrue through the payment of annual contributions equal to 1.5% of the A, B and C Tranches. The Company pays half this amount (0.75%) and the beneficiaries pay the other half (0.75%). 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 and 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) Payment of this compensation component is contingent upon the approval of the Combined Shareholders' Meeting of May 25, 2022, pursuant to II of article L. 22-10-34 II of the French Commercial Code.

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07

Share ownership

7.1 - Share capital ownership structure

Unless otherwise stated, the information presented in this chapter is accurate as of December 31, 2021.

7.1.1 - Shareholder structure as of December 31, 2021 and changes to the shareholder structure in 2021

7.1.1.1 Shareholder structure as of December 31, 2021

	Shares comprising the share capital		Theoretical voting rights		Voting rights exercisable in Shareholders' Meetings	
Shareholders	**Number**	**%**	**Number**	**%**	**Number**	**%**
Employees and persons of equivalent status [(1)]	10,002,230	3.74	10,002,230	3.74	10,002,230	3.75
Treasury stock [(2)]	678,176	0.25	678,176	0.25	0	0
Free float	256,767,340	96.01	256,767,340	96.01	256,767,340	96.25
TOTAL	**267,447,746**	**100**	**267,447,746**	**100**	**266,769,570**	**100**

(1) Relates to shares held in registered form by current and former employees and executive officers of the Group, and to shares held by current and former employees through and employee savings investment fund (FCPE).

(2) Voting rights not exercisable in Shareholders' Meetings.

7.1.1.2 Change in the shareholder structure during the 2021 financial year and information on crossing of legal thresholds

During financial year 2021, the Company was notified of the following crossing of legal thresholds:

Company	Declaration date	Date threshold crossed	Legal threshold	Increase / decrease	% of share capital	% of voting rights
BlackRock	04/30/2021	04/29/2021	5% of the share capital	Increase	5.08	5.08
BlackRock	05/05/2021	05/04/2021	5% of the share capital	Decrease	4.80	4.80
MFS Company	09/27/2021	23/09/2021	10% of the share capital	Decrease	9.99	9.99

Between the end of the 2021 financial year and February 28, 2022, the Company was notified of the following crossing of legal thresholds:

Company	Declaration date	Date threshold crossed	Legal threshold	Increase / decrease	% of share capital	% of voting rights
BlackRock	02/09/2022	02/08/2022	5% of the share capital	Increase	5.15	5.15

To the Company's knowledge, there is no shareholder holding, directly or indirectly, more than 5% of the Company's share capital or voting rights as of February 28, 2022, other than:

- Massachusetts Financial Services (MFS) Company;
- BlackRock.

7.1.2 - Shareholder structure as of December 31, 2020 and changes to the shareholder structure in 2020

The Company's shareholder structure as of December 31, 2020 was as follows:

	Shares comprising the share capital		Theoretical voting rights		Voting rights exercisable in Shareholders' Meetings	
Shareholders	Number	%	Number	%	Number	%
Employees and persons of equivalent status[(1)]	10,022,779	3.75	10,022,779	3.75	10,022,779	3.75
Treasury stock[(2)]	125,407	0.05	125,407	0.05	0	0
Free float	257,299,560	96.21	257,299,560	96.21	257,299,560	96.25
TOTAL	**267,447,746**	**100**	**267,447,746**	**100**	**267,322,339**	**100**

(1) Relates to shares held in registered form by current and former employees and executive officers of the Group, and to shares held by current and former employees through and employee savings investment fund (FCPE).

(2) Voting rights not exercisable in Shareholders' Meetings.

Information on crossing legal thresholds and changes to the shareholders structure during the 2020 financial year can be found in section 7.1.1 of the 2020 Universal Registration Document filed with the AMF under no. D.21-0292.

7.1.3 - 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	Shareholders	Number	%
Employees and persons of equivalent status[(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 and employee savings investment fund (FCPE).

(2) Voting rights not exercisable in Shareholders' Meetings.

Information on legal crossing thresholds and changes to the shareholders 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.

7.1.4 - Shareholders' agreement and specific agreements

To the Company's knowledge, there is no shareholders' agreement in effect at the date of this Universal Registration Document that governs relations between its shareholders, nor any shareholders acting in concert.

7.2 - Stock options

Historical stock options allocations

No stock option has been granted since the 2010 Plan. As the 2010 Plan expired on March 4, 2020, no additional stock option will be created for this reason.

Options granted to and exercised by the top ten employees who are not company officers

Nil

7.3 - Performance shares

Historical free shares allocations
(Table 10 of the Code of Corporate Governance)

2017, 2018, 2019, 2020 and 2021 performance share plans

The implementation of the following performance share plans was also approved by the Board of Directors:

	2017 Plan	2018 Plans	2019 Plans	2020 Plans	2021 Plans
Date approved by shareholders	May 27, 2016	May 30, 2018	May 30, 2018	May 30, 2018	May 26,2021
Grant date	May 31, 2017	May 30, 2018	May 29, 2019	May 26, 2020	May 26, 2021
Total number of performance share rights initially granted	492,254 [1]	524,123 [1]	617,818	461,861	491,477
o/w to Executive Officer	*12,503* [1]	*19,546* [1]	*22,954*	*11,544*	*20,544*
– *Gilles Schnepp*	*12,503*	*0*	*0*	*0*	*0*
– *Benoît Coquart*	*N/A*	*19,546*	*22,954*	*11,544*	*20,544*
Total IFRS 2 expense *(in € millions)*	24.8 [2]	28.5 [2]	31.0 [2]	22.8 [2]	35.2 [2]
	June 17, 2021	June 16, 2021 [3]	June 16, 2022 [3]	June 16, 2023 [3]	June 14, 2024 [3]
End date of vesting period		June 16, 2022 [4]	June 16, 2023 [4]	June 14, 2024 [4]	June 12, 2025 [4]
	June 17, 2021	May 31, 2023 [3]	May 31, 2024 [3]	May 28, 2025 [3]	May 27, 2026 [3]
End date of lock-up period		June 16, 2022 [4]	June 16, 2023 [4]	June 14, 2024 [4]	June 12, 2025 [4]
Number of performance shares adjusted for the achievement of performance criteria	46,750 [5]	(37,046) [5]	(2,656) [6]		
Number of performance share rights cancelled or forfeited	(52,848)	(49,088)	(56,821)	(10,822)	(4,706)
Number of performance shares subscribed as of December 31, 2021	(486,156)	(94,679)	(1,231)	(866)	
PERFORMANCE SHARE RIGHTS OUTSTANDING AS OF DECEMBER 31, 2021	**0**	**343,310**	**557,110**	**450,173**	**486,771**

(1) Given the dividend distribution features approved at the General Meetings of Shareholders 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.

(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 2018 to 2021 plans were granted (*i.e.* 1,837,364 shares) and if those shares were transferred following share capital increases, the Company's share capital would be diluted by 0.7% as of December 31, 2021.

Under the 2021 Plan, in respect of the 2021 financial year, 66,135 performance shares were awarded free of charge to the top 10 non-executives employees of the Company. That number is calculated before applying the performance and continuing service requirement conditions attached to said shares.

Information on the shares allocated to the corporate officer or vested during the financial year ended on December 31, 2021 is included in section 6.2.2.2 of this Universal Registration Document.

The Chief Executive Officer is subject to the requirement to hold at least 30% of all shares acquired (including performance shares) until the termination of his duties.

7.4 - Regulated agreements

7.4.1 - Description and qualification

The Company adopted an Internal Charter on the qualification of agreements, which can be consulted on the Company's website www.legrandgroup.com, under the section "INVESTORS AND SHAREHOLDERS / Corporate governance / Home".

7.4.2 - Statutory Auditors' special report on regulated agreements

Annual General Meeting held to approve the financial statements for the year ended December 31, 2021

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, March 25, 2022

The Statutory Auditors

French original signed by

PricewaterhouseCoopers Audit	**Deloitte & Associés**
Camille PHELIZON	Olivier BROISSAND

08

Consolidated financial information concerning the Group's assets, liabilities, financial position and results

8.1 - Consolidated financial statements in accordance with IFRS for the years ended December 31, 2021 and December 31, 2020

8.1.1 - Consolidated statement of income

	12 months ended	
(in € millions)	December 31, 2021	December 31, 2020
Net sales (Notes 2.1 and 2.2)	**6,994.2**	**6,099.5**
Operating expenses (Note 2.3)		
Cost of sales	(3,439.2)	(2,915.7)
Administrative and selling expenses	(1,765.0)	(1,666.5)
Research and development costs	(329.1)	(319.4)
Other operating income (expenses)	(116.8)	(132.5)
Operating profit	**1,344.1**	**1,065.4**
Financial expenses	(92.4)	(99.3)
Financial income	6.8	6.1
Exchange gains (losses)	(1.5)	(10.3)
Financial profit (loss)	**(87.1)**	**(103.5)**
Profit before tax	**1,257.0**	**961.9**
Income tax expense (Note 2.4)	(351.9)	(279.2)
Share of profits (losses) of equity-accounted entities	0.0	(0.7)
Profit for the period	905.1	682.0
Of which:		
– **Net profit attributable to the Group**	**904.5**	**681.2**
– **Minority interests**	**0.6**	**0.8**
Basic earnings per share *(euros)* (Note 4.1.3)	3.389	2.550
Diluted earnings per share *(euros)* (Note 4.1.3)	3.366	2.531

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, 2021	12 months ended December 31, 2020
Profit for the period	905.1	682.0
Items that may be reclassified subsequently to profit or loss		
Translation reserves	340.7	(508.9)
Other (Note 5.1.1.1)	5.0	0.0
Income tax relating to components of other comprehensive income	7.9	(11.9)
Items that will not be reclassified to profit or loss		
Actuarial gains and losses (Note 4.5.1.1)	32.4	(4.5)
Deferred taxes on actuarial gains and losses	(7.1)	0.8
Other (Note 5.1.1.1)	0.0	0.0
Comprehensive income for the period	**1,284.0**	**157.5**
Of which:		
– **Comprehensive income attributable to the Group**	**1,283.2**	**156.8**
– **Minority interests**	**0.8**	**0.7**

The accompanying Notes are an integral part of these consolidated financial statements.

8.1.3 - Consolidated balance sheet

ASSETS

(in € millions)	December 31, 2021	December 31, 2020
Non-current assets		
Intangible assets (Note 3.1)	2,485.3	2,441.6
Goodwill (Note 3.2)	5,241.2	4,803.7
Property, plant and equipment (Note 3.3)	719.2	680.9
Right-of-use assets (Note 3.4)	268.4	268.3
Investments in equity-accounted entities	0.0	0.0
Other investments	2.4	1.5
Other non-current assets	62.6	49.4
Deferred tax assets (Note 4.7)	116.3	112.4
TOTAL NON CURRENT ASSETS	**8,895.4**	**8,357.8**
Current assets		
Inventories (Note 3.5)	1,252.7	837.3
Trade receivables (Note 3.6)	728.5	644.5
Income tax receivables	115.1	70.1
Other current assets (Note 3.7)	240.4	204.8
Other current financial assets	6.4	1.5
Cash and cash equivalents (Note 3.8)	2,788.3	2,791.7
TOTAL CURRENT ASSETS	**5,131.4**	**4,549.9**
TOTAL ASSETS	**14,026.8**	**12,907.7**

The accompanying Notes are an integral part of these consolidated financial statements.

EQUITY AND LIABILITIES

(in € millions)	December 31, 2021	December 31, 2020
Equity		
Share capital (Note 4.1)	1,069.8	1,069.8
Retained earnings (Notes 4.2 and 4.3.1)	5,268.5	4,788.3
Translation reserves (Note 4.3.2)	(621.8)	(962.3)
Equity attributable to equity holders of Legrand	5,716.5	4,895.8
Minority interests	3.8	10.2
TOTAL EQUITY	**5,720.3**	**4,906.0**
Non-current liabilities		
Long-term provisions (Notes 4.4 and 4.5.2)	196.6	200.2
Provisions for post-employment benefits (Note 4.5.1)	170.7	181.8
Long-term borrowings (Note 4.6.1)	4,485.9	4,073.8
Deferred tax liabilities (Note 4.7)	866.5	791.2
TOTAL NON-CURRENT LIABILITIES	**5,719.7**	**5,247.0**
Current liabilities		
Trade payables	810.5	612.9
Income tax payables	39.6	30.3
Short-term provisions (Note 4.4)	135.8	127.9
Other current liabilities (Note 4.8)	774.3	661.8
Short-term borrowings (Note 4.6.2)	826.6	1,320.7
Other current financial liabilities	0.0	1.1
TOTAL CURRENT LIABILITIES	**2,586.8**	**2,754.7**
TOTAL EQUITY AND LIABILITIES	**14,026.8**	**12,907.7**

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, 2021	December 31, 2020
Profit for the period	**905.1**	**682.0**
Adjustments for non-cash movements in assets and liabilities:		
– Depreciation and impairment of tangible assets (Note 2.3)	111.6	115.3
– Amortization and impairment of intangible assets (Note 2.3)	98.7	117.3
– Amortization and impairment of capitalized development costs (Note 2.3)	28.3	29.6
– Amortization and impairment of right-of-use assets (Note 3.4)	67.8	72.1
– Amortization of financial expenses	3.7	3.4
– Impairment of goodwill (Note 3.2)	0.0	0.0
– Changes in long-term deferred taxes	44.5	61.2
– Changes in other non-current assets and liabilities (Notes 4.4 and 4.5)	46.0	58.0
– Unrealized exchange (gains)/losses	11.5	(1.5)
– Share of (profits) losses of equity-accounted entities	0.0	0.7
– Other adjustments	0.2	(17.8)
– Net (gains)/losses on sales of assets	0.7	(11.6)
Changes in working capital requirement:		
– Inventories (Note 3.5)	(351.3)	(22.5)
– Trade receivables (Note 3.6)	3.0	77.4
– Trade payables	140.1	(14.7)
– Other operating assets and liabilities (Notes 3.7 and 4.8)	2.8	13.0
Net cash from operating activities	**1,112.7**	**1,161.9**
– Net proceeds from sales of fixed and financial assets	10.2	22.3
– Capital expenditure (Notes 3.1 and 3.3)	(139.9)	(126.8)
– Capitalized development costs	(30.6)	(28.3)
– Changes in non-current financial assets and liabilities	(10.4)	3.6
– Acquisitions of subsidiaries, net of cash acquired (Note 1.3.2)	(296.2)	(721.2)
Net cash from investing activities	**(466.9)**	**(850.4)**
– Proceeds from issues of share capital and premium (Note 4.1.1)	0.0	9.2
– Net sales / (buybacks) of treasury shares and transactions under the liquidity contract (Note 4.1.2)	(91.7)	(32.4)
– Dividends paid to equity holders of Legrand (Note 4.1.3)	(377.9)	(357.4)
– Dividends paid by Legrand subsidiaries	0.0	(1.2)
– Proceeds from long-term financing (Note 4.6)	794.9	600.4
– Repayment of long-term financing* (Note 4.6)	(74.2)	(84.2)
– Debt issuance costs	(3.0)	(4.2)
– Increase / (reduction) in short-term financing (Note 4.6)	(886.6)	694.1
– Acquisitions of ownership interests with no gain of control (Note 1.3.2)	(48.6)	(0.6)
Net cash from financing activities	**(687.1)**	**823.7**
Translation net change in cash and cash equivalents	37.9	(54.4)
Increase / (decrease) in cash and cash equivalents	**(3.4)**	**1,080.8**
Cash and cash equivalents at the beginning of the period	2,791.7	1,710.9
Cash and cash equivalents at the end of the period (Note 3.8)	**2,788.3**	**2,791.7**
Items included in cash flows:		
– Interest paid during the period**	76.9	78.9
– Income taxes paid during the period	300.9	240.0

* *Of which €67.5 million corresponding to lease financial liabilities repayment for the 12 months ended December 31, 2021 (€66.8 million for the 12 months ended December 31, 2020).*

** *Interest paid is included in the net cash from operating activities; of which €6.9 million interests on lease financial liabilities for the 12 months ended December 31, 2021 (€8.0 million for the 12 months ended December 31, 2020).*

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, 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	1.7	7.5			9.2		9.2
Cancellation of shares held in treasury	(1.0)	(15.2)			(16.2)		(16.2)
Net sales / (buybacks) of treasury shares and transactions under the liquidity contract		(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		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**
Profit for the period		904.5			904.5	0.6	905.1
Other comprehensive income		12.9	340.5	25.3	378.7	0.2	378.9
Total comprehensive income		917.4	340.5	25.3	1,283.2	0.8	1,284.0
Dividends paid		(377.9)			(377.9)	0.0	(377.9)
Issues of share capital and premium (Note 4.1.1)	0.0	0.0			0.0		0.0
Cancellation of shares held in treasury (Note 4.1.1)	0.0	0.0			0.0		0.0
Net sales / (buybacks) of treasury shares and transactions under the liquidity contract (Note 4.1.2)		(91.7)			(91.7)		(91.7)
Change in scope of consolidation**		(22.8)			(22.8)	(7.2)	(30.0)
Current taxes on share buybacks		(0.6)			(0.6)		(0.6)
Share-based payments (Note 4.2)		30.5			30.5		30.5
As of December 31, 2021	**1,069.8**	**5,336.1**	**(621.8)**	**(67.6)**	**5,716.5**	**3.8**	**5,720.3**

* *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

(in € millions)	2021	2020
Net sales	**6,994.2**	**6,099.5**
Adjusted operating profit	1,434.0	1,156.0
As % of net sales	20.5%	19.0%
	20.8 % before acquisitions [(1)]	
Operating profit	1,344.1	1,065.4
As % of net sales	19.2%	17.5%
Net profit attributable to the Group	**904.5**	681.2
As % of net sales	12.9%	11.2%
Normalized free cash flow	**1,074.1**	1,034.2
As % of net sales	15.4%	17.0%
Free cash flow	**952.4**	1,029.1
As % of net sales	13.6%	16.9%
Net financial debt at December 31	**2,524.2**	**2,602.8**

(1) At 2020 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.

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 2020 Universal Registration Document was filed with the AMF (French Financial Markets Authority) on April 12, 2021 under no. D. 21-0292.

The consolidated financial statements were approved by the Board of Directors on February 9, 2022.

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, 2021. 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, 2021.

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, 2021 that have an impact on the Group's 2021 financial statements

Amendment to IAS 19 – Employee benefits

In its June 2021 decision, the IFRS Interpretations Committee questioned the method commonly used by issuers to attribute benefit to periods of service in the particular case of a defined benefit plan under which the benefit is capped after a certain number of years of service. This decision is effective as from December 31, 2021.

Pension liabilities at December 31, 2021 amounted to €390.3 million. This amount takes into account a decrease of €5.5 million, linked to the application of this amendment and is not recognized in consolidated statement of income.

1.2.1.2. New standards, amendments and interpretations with mandatory application from January 1, 2021 that have no impact on the Group's 2021 financial statements

Amendment to IFRS 16 – Leases

In May 2020, the IASB issued an amendment to IFRS 16 which specifies that reductions in lease payments need not be considered as lease modifications, provided such reductions do not include a change to the other terms and conditions of the lease. Therefore, such lease payment reductions can be treated as variable payments.

In March 2021, the IASB extended the applicable period of the May 2020 amendment by one year.

No material impact on the Group is expected from this amendment in 2021.

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.

Amendment to IAS 12 – Income Taxes

This amendment reduces the scope of application of the exemption from initial recognition of deferred tax on transactions such as decommissioning obligations and leases.

Not yet adopted by the European Union, this amendment should be effective for annual periods beginning on or after January 1, 2023 at the latest.

The amendment is not expected to have a material impact on the Group.

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 224 subsidiaries.

The main operating subsidiaries as of December 31, 2021, all of which being 100% owned and fully consolidated, are as follows:

Europe		
Legrand Group Belgium	Belgium	Diegem
Ensto Building Systems	Finland	Porvoo
Legrand France	France	Limoges
Legrand SNC	France	Limoges
Legrand ZRT	Hungary	Szentes
Bticino SpA	Italy	Varese
Legrand Nederland B.V.	Netherlands	Boxtel
Legrand Polska	Poland	Zabkowice
Legrand LLC	Russia	Moscow
Legrand Group España	Spain	Madrid
Inform Elektronik	Turkey	Pelitli
Legrand Elektrik	Turkey	Gebze
Legrand Electric	United Kingdom	Birmingham
Netatmo	France	Boulogne-Billancourt

North and Central America		
Approved Network LLC	United States	Westlake Village
Bticino de Mexico SA de CV	Mexico	Querétaro
Finelite Inc.	United States	Union City
Focal Point LLC	United States	Chicago
Kenall Manufacturing Co.	United States	Kenosha
Legrand AV Inc.	United States	Eden Prairie
Ortronics Inc.	United States	New London
Pass & Seymour Inc.	United States	Syracuse
Pinnacle Architectural Lighting Inc.	United States	Denver
Raritan Inc.	United States	Somerset
Server Technology Inc.	United States	Reno
Starline Holdings LLC	United States	Canonsburg
The WattStopper Inc.	United States	Santa Clara
The Wiremold Company	United States	West Hartford

Rest of the world		
Legrand Group Pty Ltd	Australia	Sydney
GL Eletro-Eletronicos Ltda	Brazil	São Paulo
HDL Da Amazonia Industria Eletronica Ltda	Brazil	Manaus
Electro Andina Ltda	Chile	Santiago
DongGuan Rocom Electric	China	Dongguan
TCL International Electrical	China	Huizhou
TCL Wuxi	China	Wuxi
Legrand Colombia	Colombia	Bogota
Novateur Electrical and Digital Systems	India	Mumbai

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 2019 were as follows:

2020	March 31	June 30	September 30	December 31
Full consolidation method				
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
Borri				Balance sheet only
Champion One				Balance sheet only
Compose				Balance sheet only

2021	March 31	June 30	September 30	December 31
Full consolidation method				
Jobo Smartech	3 months' profit	6 months' profit	9 months' profit	12 months' profit
Focal Point	3 months' profit	6 months' profit	9 months' profit	12 months' profit
Borri	3 months' profit	6 months' profit	9 months' profit	12 months' profit
Champion One	Balance sheet only	6 months' profit	9 months' profit	12 months' profit
Compose	Balance sheet only	6 months' profit	9 months' profit	12 months' profit
Ecotap			Balance sheet only	6 months' profit
Ensto Building Systems				2 months' profit
Geiger				Balance sheet only

The main acquisitions completed in 2021 were as follows:

- Ecotap, a front-running Dutch player, specialist in alternating and direct-current charging stations for electric vehicles, offers for homes, businesses and public charging points. Ecotap business represents annual sales of roughly €40 million;
- Ensto Building Systems, a Finnish leader in low-voltage. Ensto Building Systems reports an annual sales of about €120 million;
- Geiger, a German specialist in structured cabling for data centers. Geiger has an annual sales of around €5 million.

Acquisitions of subsidiaries (net of cash acquired) came to a total of €296.2 million in 2021.

As of December 31, 2021, these acquisitions led to the recognition of €59.1 million in intangible assets excluding goodwill, €51.7 million in other acquired assets net of liabilities, and €185.4 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.

12 months ended December 31, 2021

(in € millions)	Europe	North and Central America	Rest of the world	Total
Net sales to third parties	**2,993.3** (1)	**2,747.8** (2)	**1,253.1**	**6,994.2**
Cost of sales	(1,357.3)	(1,358.7)	(723.2)	(3,439.2)
Administrative and selling expenses, R&D costs	(907.3)	(886.1)	(300.7)	(2,094.1)
Other operating income (expenses)	(59.0)	(38.8)	(19.0)	(116.8)
Operating profit	**669.7**	**464.2**	**210.2**	**1,344.1**
– of which acquisition-related amortization, expenses and income				
accounted for in administrative and selling expenses, R&D costs	(15.4)	(71.8)	(5.5)	(92.7)
accounted for in other operating income (expenses)	0.0	2.8	0.0	2.8
– of which goodwill impairment				0.0
Adjusted operating profit	**685.1**	**533.2**	**215.7**	**1,434.0**
– of which depreciation and impairment expense	(63.9)	(25.6)	(21.7)	(111.2)
– of which amortization and impairment expense	(8.5)	(2.2)	(1.1)	(11.8)
– of which amortization and impairment of development costs	(27.4)	0.0	(0.9)	(28.3)
– of which amortization and impairment of right-of-use assets	(26.3)	(22.4)	(19.1)	(67.8)
– of which restructuring costs	(24.7)	(11.6)	1.5	(34.8)
Capital expenditure	(87.9)	(21.4)	(30.6)	(139.9)
Capitalized development costs	(29.3)	0.0	(1.3)	(30.6)
Net tangible assets	442.3	146.8	130.1	719.2
Total current assets	3,395.2	869.4	866.8	5,131.4
Total current liabilities	1,638.3	475.7	472.8	2,586.8

(1) Of which France: €1,200.1 million.

(2) Of which United States: €2,551.0 million.

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.

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 2021. The Group estimates that no other distributor accounted for more than 5% of consolidated net sales.

Contracts with distributors are signed for a one-year period. As a general rule, there is only one performance obligation in these contracts, which is to sell and deliver products to the customer (the performance obligation related to delivery is not material within the context of customer contracts).

Within the context of these contracts, the Group owns the main risks and benefits resulting from the product sales, and therefore acts as the principal (and not as an agent).

Net sales are generally recognized at one point in time, corresponding to the date on which the control of the asset (products or, more rarely, services) is transferred to the customer, usually the date of shipment in the case of product sales. In the specific case of service sales where the customer consumes the service benefits over the period in which they are provided, net sales are recognized over time, *i.e.* spread over the period in which the services are provided to the customer.

Contracts with customers generally include variable payments in their favor, primarily deferred discounts and rebates, and occasionally commercial returns. These variable payments to customers are estimated at their most likely amount and accounted for when net sales are recognized. By default, variable payments to customers are accounted for as a deduction from net sales. Only payments made to customers in exchange for the transfer of products or services by these customers are accounted for as selling expenses, for the portion of these payments corresponding to the transferred products' or services' fair value.

In 2021, the Group's consolidated net sales came to €6,994.2 million, up (+14.7%) in total compared with 2020 due to an organic growth (+13.6%), an increase in scope of consolidation (+3.0%) and the unfavorable impact of exchange rates (-2.0%).

Changes in net sales by destination are as follows:

	12 months ended December 31,					
Net sales (in € million, except %)	2021	2020	Total change	Change in scope of consolidation	Organic growth(1)	Exchange-rate effect
Europe	2,859.7	2,396.0	19.4%	3.0%	17.1%	(1.0%)
North and Central America	2,700.7	2,485.4	8.7%	3.4%	8.7%	(3.3%)
Rest of the world	1,433.8	1,218.1	17.7%	2.3%	16.9%	(1.6%)
Consolidated total	**6,994.2**	**6,099.5**	**14.7%**	**3.0%**	**13.6%**	**(2.0%)**

(1) At constant scope of consolidation and exchange rates.

The Group sells its products in mature countries as well as many new economies (Eastern Europe and Turkey in the Europe operating segment, Central America and Mexico in the North and Central America operating segment, Asia excluding South Korea, South America, Africa and the Middle East in the Rest of the world operating segment).

Net sales by destination in these two geographical areas are as follows:

	12 months ended	
(in € millions)	December 31, 2021	December 31, 2020
Mature countries	5,169.2	4,560.5
New economies	1,825.0	1,539.0
TOTAL	**6,994.2**	**6,099.5**

2.3 Operating expenses

Operating expenses include the following main categories of costs:

(in € millions)	12 months ended December 31, 2021	12 months ended December 31, 2020
Raw materials and component costs	(2,418.1)	(1,959.0)
Personnel costs	(1,695.0)	(1,597.9)
Other external costs	(1,113.8)	(1,016.5)
Amortization of right-of-use assets	(67.8)	(69.4)
Depreciation of tangible assets	(111.6)	(113.6)
Amortization of intangible assets	(127.0)	(145.2)
Restructuring costs	(34.8)	(64.0) (1)
Goodwill impairment	0.0	0.0
Other	(82.0)	(68.5)
OPERATING EXPENSES	**(5,650.1)**	**(5,034.1)**

(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 38,207 employees in 2021 (versus 36,726 in 2020), of which 30,965 back-office employees and 7,242 front-office employees (versus 29,556 and 7,170, respectively, in 2020).

2.4 Income tax expense

Income tax expense consists of the following:

(in € millions)	12 months ended December 31, 2021	12 months ended December 31, 2020
Current taxes	(298.6)	(228.7)
Deferred taxes	(53.3)	(50.5)
TOTAL INCOME TAX EXPENSE	**(351.9)**	**(279.2)**

The reconciliation of total income tax expense for the period to income tax calculated at the standard tax rate in France is as follows, based on profit before tax of €1,257.0 million in 2021 (versus €961.9 million in 2020):

(Tax rate)	12 months ended December 31, 2021	12 months ended December 31, 2020
Standard French income tax rate	**28.41%**	**32.02%**
Increases (reductions):		
- Effect of foreign income tax rates	(4.37%)	(8.49%)
- Non-taxable items	(0.48%)	0.23%
- Income taxable at specific rates	(0.28%)	(0.36%)
- Other	4.31%	4.64%
	27.59%	**28.04%**
Impact on deferred taxes of:		
– Changes in tax rates	0.10%	0.23%
– Recognition or non-recognition of deferred tax assets	0.31%	0.80%
EFFECTIVE TAX RATE	**28.00%**	**29.07%**

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NOTE 3 - Details on non-current and current assets

3.1 Intangible assets

(in € millions)	December 31, 2021	December 31, 2020
Trademarks	1,849.6	1,834.9
Patents	125.5	129.3
Customer relationships	358.3	327.3
Other intangible assets	151.9	150.1
NET VALUE AT THE END OF THE PERIOD	2,485.3	2,441.6

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, 2021	December 31, 2020
Gross value at the beginning of the period	2,185.4	2,186.8
– Acquisitions	21.8	69.5
– Disposals	0.0	0.0
– Translation adjustments	57.0	(70.9)
Gross value at the end of the period	**2,264.2**	**2,185.4**
Accumulated amortization and impairment at the beginning of the period	(350.5)	(318.6)
– Amortization expense	(39.9)	(59.7)
– Reversals	0.0	0.0
– Translation adjustments	(24.2)	27.8
Accumulated amortization and impairment at the end of the period	**(414.6)**	**(350.5)**
NET VALUE AT THE END OF THE PERIOD	1,849.6	1,834.9

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, 2021:

(in € millions)	Recoverable amount	Carrying amount of trademarks with indefinite useful lives	Value in use	
			Discount rate (before tax)	Growth rate to perpetuity
	Value in use	**1,408.0**	**9.6 to 10.5%**	**2.8 to 3.2%**

No impairment was recognized in the period ended December 31, 2021.

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 50-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, 2020:

(in € millions)	Recoverable amount	Carrying amount of trademarks with indefinite useful lives	Value in use	
			Discount rate (before tax)	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.

3.1.2 Patents

Patents can be analyzed as follows:

(in € millions)	December 31, 2021	December 31, 2020
Gross value at the beginning of the period	758.7	772.4
– Acquisitions	5.1	5.1
– Disposals	0.0	0.0
– Translation adjustments	16.4	(18.8)
Gross value at the end of the period	**780.2**	**758.7**
Accumulated amortization and impairment at the beginning of the period	(629.4)	(622.6)
– Amortization expense	(16.7)	(16.6)
– Reversals	0.0	0.0
– Translation adjustments	(8.6)	9.8
Accumulated amortization and impairment at the end of the period	**(654.7)**	**(629.4)**
NET VALUE AT THE END OF THE PERIOD	**125.5**	**129.3**

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, 2021	December 31, 2020
Gross value at the beginning of the period	458.5	419.1
– Acquisitions	32.2	80.5
– Adjustments	0.0	0.0
– Disposals	0.0	0.0
– Translation adjustments	40.9	(41.1)
Gross value at the end of the period	**531.6**	**458.5**
Accumulated amortization and impairment at the beginning of the period	(131.3)	(114.1)
– Amortization expense	(29.8)	(27.8)
– Reversals	0.0	0.0
– Translation adjustments	(12.3)	10.7
Accumulated amortization and impairment at the end of the period	**(173.3)**	**(131.2)**
NET VALUE AT THE END OF THE PERIOD	**358.3**	**327.3**

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, 2021	December 31, 2020
Capitalized development costs	459.3	431.7
Software	159.8	149.2
Other	32.0	27.8
Gross value at the end of the period	**651.1**	**608.7**
Accumulated amortization and impairment at the end of the period	(499.2)	(458.6)
NET VALUE AT THE END OF THE PERIOD	**151.9**	**150.1**

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, 2021	December 31, 2020
Europe	1,833.8	1,599.3
Of which France	*819.9*	*819.9*
North and Central America	2,750.6	2,591.4
Rest of the world	656.8	613.0
NET VALUE AT THE END OF THE PERIOD	**5,241.2**	**4,803.7**

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, 2021	December 31, 2020
Gross value at the beginning of the period	4,840.4	4,603.1
– Acquisitions	271.5	716.5
– Adjustments*	(86.1)	(166.9)
– Translation adjustments	252.1	(312.3)
Gross value at the end of the period	**5,277.9**	**4,840.4**
Impairment value at the beginning of the period	(36.7)	(36.9)
– Impairment losses	0.0	0.0
– Translation adjustments	0.0	0.2
Impairment value at the end of the period	**(36.7)**	**(36.7)**
NET VALUE AT THE END OF THE PERIOD	**5,241.2**	**4,803.7**

* *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):

(in € millions)	12 months ended December 31, 2021	12 months ended December 31, 2020
– Trademarks	21.8	69.5
– Deferred taxes on trademarks	(1.0)	(0.4)
– Patents	5.1	5.1
– Deferred taxes on patents	(1.4)	(0.2)
– Other intangible assets	32.2	82.3
– Deferred taxes on other intangible assets	0.0	0.0

The following impairment testing parameters were used in the period ended December 31, 2021:

	Recoverable amount	Carrying amount of goodwill	Value in use: Discount rate (before tax)	Value in use: Growth rate to perpetuity
Europe	Value in use	1,833.8	7.7 to 22.9%	2.0 to 5.0%
Of which France	Value in use	*819.9*	*7.7%*	*2.0%*
North and Central America	Value in use	2,750.6	8.7%	3.1%
Rest of the world	Value in use	656.8	9.4 to 14.6%	2.0 to 5.0%
NET VALUE AT THE END OF THE PERIOD		**5,241.2**		

No goodwill impairment losses were identified in the period ended December 31, 2021.

Sensitivity tests performed on the discount rates, long-term growth rates and operating margin rates showed that a 50-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, 2020:

	Recoverable amount	Carrying amount of goodwill	Value in use: Discount rate (before tax)	Value in use: Growth rate to perpetuity
Europe	Value in use	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	Value in use	2,591.4	9.3%	3.1%
Rest of the world	Value in use	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.

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 2021 are analyzed as follows:

	December 31, 2021				
(in € millions)	Land	Buildings	Machinery and equipment	Assets under construction and other	Total
Gross value					
At the beginning of the period	47.0	618.8	1,819.6	343.2	2,828.6
– Acquisitions	0.1	2.3	32.6	96.7	131.7
– Disposals	(0.7)	(18.8)	(51.9)	(15.7)	(87.1)
– Transfers and changes in scope of consolidation	0.8	16.9	87.3	(67.0)	38.0
– Translation adjustments	2.2	11.7	30.4	11.6	55.9
At the end of the period	**49.4**	**630.9**	**1,918.0**	**368.8**	**2,967.1**
Depreciation and impairment					
At the beginning of the period	(0.2)	(424.7)	(1,532.7)	(190.1)	(2,147.7)
– Depreciation expense	0.0	(17.3)	(77.5)	(16.8)	(111.6)
– Reversals	0.4	15.5	50.7	11.1	77.7
– Transfers and changes in scope of consolidation	(0.4)	(2.4)	(25.2)	(0.4)	(28.4)
– Translation adjustments	0.0	(6.3)	(23.1)	(8.5)	(37.9)
At the end of the period	**(0.2)**	**(435.2)**	**(1,607.8)**	**(204.7)**	**(2,247.9)**
Net value					
At the beginning of the period	46.8	194.1	286.9	153.1	680.9
– Acquisitions/Depreciation	0.1	(15.0)	(44.9)	79.9	20.1
– Disposals/Reversals	(0.3)	(3.3)	(1.2)	(4.6)	(9.4)
– Transfers and changes in scope of consolidation	0.4	14.5	62.1	(67.4)	9.6
– Translation adjustments	2.2	5.4	7.3	3.1	18.0
At the end of the period	**49.2**	**195.7**	**310.2**	**164.1**	**719.2**

Changes in property, plant and equipment in 2020 were 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**

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 2021 are analyzed as follows:

	December 31, 2021			
(in € millions)	Buildings	Machinery and equipment	Other	Total
Gross value				
At the beginning of the period	460.7	6.7	64.5	531.9
– Increases	53.7	0.5	6.2	60.4
– Decreases	(42.2)	(1.9)	(13.2)	(57.3)
– Transfers and changes in scope of consolidation	12.8	0.0	0.3	13.1
– Translation adjustments	19.5	0.2	2.2	21.9
At the end of the period	**504.5**	**5.5**	**60.0**	**570.0**
Depreciation and impairment				
At the beginning of the period	(222.1)	(3.9)	(37.6)	(263.6)
– Depreciation expense	(61.0)	(0.6)	(6.2)	(67.8)
– Reversals	29.7	1.3	12.3	43.3
– Transfers and changes in scope of consolidation	(1.2)	0.0	(0.1)	(1.3)
– Translation adjustments	(11.1)	(0.1)	(1.0)	(12.2)
At the end of the period	**(265.7)**	**(3.3)**	**(32.6)**	**(301.6)**
Net value				
At the beginning of the period	238.6	2.8	26.9	268.3
– Increases/Depreciation	(7.3)	(0.1)	0.0	(7.4)
– Decreases/Reversals	(12.5)	(0.6)	(0.9)	(14.0)
– Transfers and changes in scope of consolidation	11.6	0.0	0.2	11.8
– Translation adjustments	8.4	0.1	1.2	9.7
At the end of the period	**238.8**	**2.2**	**27.4**	**268.4**

“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, 2021 represent a discounted value of roughly €67 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 2020 were 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)
– 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
– 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)
– 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**

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, 2021	December 31, 2020
Purchased raw materials and components	529.3	340.4
Sub-assemblies, work in progress	145.7	101.0
Finished products	727.4	530.3
Gross value at the end of the period	**1,402.4**	**971.7**
Impairment	(149.7)	(134.4)
NET VALUE AT THE END OF THE PERIOD	1,252.7	837.3

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, 2021	December 31, 2020
Trade receivables	826.6	722.5
Impairment	(98.1)	(78.0)
NET VALUE AT THE END OF THE PERIOD	**728.5**	**644.5**

The Group uses factoring contracts to reduce the risk of late payments.

During 2021, a total of €861.7 million in receivables were transferred under the terms of the factoring contracts. The resulting costs were recognized in financial profit (loss) for an amount of about €1 million.

As of December 31, 2021, these factoring contracts allowed the Group to derecognize trade receivables for an amount of €79.6 million (€98.8 million as of December 31, 2020), 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, 2021	December 31, 2020
Less than 3 months past due receivables	151.7	131.0
From 3 to 12 months past due receivables	40.4	31.5
More than 12 months past due receivables	35.3	36.2
TOTAL	**227.4**	**198.7**

Provisions for impairment of past-due trade receivables amounted to €76.4 million as of December 31, 2021 (€69.2 million as of December 31, 2020). These provisions break down as follows:

(in € millions)	December 31, 2021	December 31, 2020
Provisions for less than 3 months past due receivables	13.6	12.0
Provisions for 3 to 12 months past due receivables	27.5	21.0
Provisions for more than 12 months past due receivables	35.3	36.2
TOTAL	**76.4**	**69.2**

3.7 Other current assets

Other current assets can be analyzed as follows:

(in € millions)	December 31, 2021	December 31, 2020
Employee advances	2.6	2.9
Prepayments	80.8	54.8
Taxes other than income tax	121.4	104.9
Other receivables	35.6	42.2
NET VALUE AT THE END OF THE PERIOD	**240.4**	**204.8**

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. Some of these other financial assets may have an initial maturity of one year or more, while being very easily convertible.

Cash and cash equivalents that are unavailable in the short term for the Group correspond to the bank accounts of certain subsidiaries facing complex, short-term fund repatriation conditions due mainly to regulatory reasons.

Cash and cash equivalents totaled €2,788.3 million as of December 31, 2021 (versus €2,791.7 million as of December 31, 2020). Of this amount, €7.3 million was not available to the Group in the short term as of December 31, 2021 (versus €0.4 million as of December 31, 2020).

NOTE 4 - Details on non-current and current liabilities

4.1 Share capital and earnings per share

Share capital as of December 31, 2021 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 266,769,570 exercisable voting rights (after subtracting shares held in treasury by the Group as of this date).

As of December 31, 2021, the Group held 678,176 shares in treasury, versus 125,407 shares as of December 31, 2020, *i.e.* 552,769 additional shares corresponding to:

- the net acquisition of 1,200,000 shares outside of the liquidity contract;
- the transfer of 582,450 shares to employees under performance share plans;
- the net sale of 64,781 shares under the liquidity contract (Note 4.1.2.2).

As of December 31, 2021, among the 678,176 shares held in treasury by the Group, 645,230 shares have been allocated according to the allocation objectives described in Note 4.1.2.1, and 32,946 shares are held under the liquidity contract.

4.1.1 Changes in share capital

Changes in share capital in 2021 were as follows:

	Number of shares	Par value	Share capital *(euros)*	Premiums *(euros)*
As of December 31, 2020	267,447,746	4	1,069,790,984	539,064,770
As of December 31, 2021	**267,447,746**	**4**	**1,069,790,984**	**539,064,770**

4.1.2 Share buybacks and transactions under the liquidity contract

As of December 31, 2021, the Group held 678,176 shares in treasury (125,407 as of December 31, 2020, of which 27,680 under the share buyback program and 97,727 under the liquidity contract) which can be analyzed as follows:

4.1.2.1. Share buybacks

During 2021, the Group acquired 1,200,000 shares, at a cost of €97.7 million.

As of December 31, 2021, the Group held 645,230 shares, acquired at a total cost of €51.3 million. These shares are being held for the following purposes:

- for allocation, upon exercise of performance share plans, of 15,230 shares purchased at a cost of €1.3 million; and
- for cancellation of 630,000 shares acquired at a cost of €50.0 million.

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, 2021, the Group held 32,946 shares under this contract, purchased at a total cost of €3.3 million.

During 2021, transactions under the liquidity contract led to a cash inflow of €6.0 million corresponding to the net sales of 64,781 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 (excluding shares held in treasury) during the period.

Diluted earnings per share are calculated according to the treasury stock method, by dividing profit attributable to the Group by the weighted average number of ordinary shares outstanding (excluding shares held in treasury) during the period, plus the number of dilutive potential ordinary shares. The weighted average number of ordinary shares outstanding used in these calculations is adjusted for the share buybacks and sales carried out during the period.

Basic and diluted earnings per share, calculated on the basis of the average number of ordinary shares outstanding during the period, are as follows:

		12 months ended	
		December 31, 2021	December 31, 2020
Net profit attributable to the Group *(in € millions)*	A	904.5	681.2
Average number of shares (excluding shares held in treasury)	B	266,896,342	267,172,454
Average dilution from:			
– *Performance shares*		*1,788,044*	*1,859,370*
– *Stock options*		*0*	*78,031*
Average number of shares after dilution (excluding shares held in treasury)	C	268,684,386	269,109,855
Number of stock options and performance share grants outstanding at the period end		1,837,364	1,984,308
Sales (buybacks) of shares and transactions under the liquidity contract (net during the period)		(1,135,219)	(573,114)
Shares transferred during the period under performance share plans		582,450	496,113
Basic earnings per share *(in euros)*	A/B	3.389	2.550
Diluted earnings per share *(in euros)*	A/C	3.366	2.531
Dividend per share *(in euros)*		1.420	1.340

As mentioned above, during 2021, the Group:

- transferred 582,450 shares under performance share plans, out of the 554,770 shares bought back in the year and 27,680 shares bought back from previous years for this purpose; and
- sold a net 64,781 shares under the liquidity contract.

These movements were taken into account on an accruals basis in 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, 2021, earnings per share and diluted earnings per share would have amounted to €3.391 and €3.364 respectively for the 12 months ended December 31, 2021.

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 the year and the 8,793 shares bought back in previous years for this purpose; and
- acquired a net 58,114 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, 2020, basic 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.

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:

	2017 Plan	2018 Plans	2019 Plans	2020 Plans	2021 Plans
Date approved by shareholders	May 27, 2016	May 30, 2018	May 30, 2018	May 30, 2018	May 26,2021
Grant date	May 31, 2017	May 30, 2018	May 29, 2019	May 26, 2020	May 26, 2021
Total number of performance share rights initially granted	492,254 [1]	524,123 [1]	617,818	461,861	491,477
o/w to Executive Officer	*12,503* [1]	*19,546* [1]	*22,954*	*11,544*	*20,544*
– *Gilles Schnepp*	*12,503*	*0*	*0*	*0*	*0*
– *Benoît Coquart*	*N/A*	*19,546*	*22,954*	*11,544*	*20,544*
Total IFRS 2 expense *(in € millions)*	24.8 [2]	28.5 [2]	31.0 [2]	22.8 [2]	35.2 [2]
	June 17, 2021	June 16, 2021 [3]	June 16, 2022 [3]	June 16, 2023 [3]	June 14, 2024 [3]
End of vesting period		June 16, 2022 [4]	June 16, 2023 [4]	June 14, 2024 [4]	June 12, 2025 [4]
	June 17, 2021	May 31, 2023 [3]	May 31, 2024 [3]	May 28, 2025 [3]	May 27, 2026 [3]
End of lock-up period		June 16, 2022 [4]	June 16, 2023 [4]	June 14, 2024 [4]	June 12, 2025 [4]
Number of performance shares adjusted for the performance criteria fulfillment	46,750 [5]	(37,046) [5]	(2,656) [6]		
Number of performance share rights cancelled or forfeited	(52,848)	(49,088)	(56,821)	(10,822)	(4,706)
Number of performance shares acquired as of December 31, 2021	(486,156)	(94,679)	(1,231)	(866)	
PERFORMANCE SHARE RIGHTS OUTSTANDING AS OF DECEMBER 31, 2021	**0**	**343,310**	**557,110**	**450,173**	**486,771**

(1) Given the dividend distribution features approved at the General Meetings of Shareholders 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.

(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. 2017 performance share plan

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 and 2021 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 2018 to 2021 plans were to vest according to the target allocation (*i.e.,* 1,837,364 shares) and if those shares were transferred following capital increases, the Company's capital would be diluted by 0.7% as of December 31, 2021.

4.2.1.3. Monitoring of performance criteria performance share plans

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			
Criteria	**Target[1]**	**Actual**	**Performance**	**Target[1]**	**Actual**	**Performance**	**Target[1]**	**Actual**	**Performance**	**Performance by criterion**
Organic sales growth	2.5%	4.9%	**128.0%**	2.0%	2.6%	**103.0%**	1.0%	(8.7%)	**0.0%**	**77.0%**
Adjusted operating margin before acquisitions[2]	20.3%	20.2%	**98.0%**	20.3%	20.4%	**102.5%**	20.0%	19.1%	**50.0%**	**83.5%**
Annual rates of achievement of the Group's CSR roadmap	100.0%	122.0%	**104.4%**	100.0%	113.0%	**102.6%**	100.0%	128.0%	**106.8%**	**104.6%**
Performance by year			**110.1%**			**102.7%**			**52.3%**	**88.4%**

(1) 100% achievement target for the criterion.

(2) The adjusted operating margin before acquisitions corresponds to the adjusted operating income (see key figures).

The monitoring of the performance criteria under the 2019 plan applicable to the Executive Officer and members of the Executive Committee can be detailed as follows:

	2019		2020		2021		3-year average		
Criteria	Target[1]	Actual	Target[1]	Actual	Target[1]	Actual	Target[1]	Actual	Performance
Organic sales growth	2.0%	2.6%	1.0%	(8.7%)	3.5%	13.6%	2.2%	2.5%	**101.5%**
Adjusted operating margin before acquisitions[2]	20.3%	20.4%	20.0%	19.1%	19.7%	20.8%	20.0%	20.1%	**102.3%**
Annual rates of achievement of the Group's CSR roadmap	100.0%	113.0%	100.0%	128.0%	100.0%	131.0%	100.0%	123.7%	**104.7%**
Legrand's share price performance relative to the performance of the CAC 40 index							**8.8%**	**32.6%**	**150.0%**
Performance									**114.6%**

(1) 100% achievement target for the criterion.

(2) The adjusted operating margin before acquisitions corresponds to the adjusted operating income (see key figures).

The monitoring of the performance criteria under the 2019 plan applicable to beneficiaries other than the Executive Officer and members of the Executive Committee can be detailed as follows:

	2019			2020			2021			
Criteria	Target[1]	Actual	Performance	Target[1]	Actual	Performance	Target[1]	Actual	Performance	Performance by criterion
Organic sales growth	2.0%	2.6%	**103.0%**	1.0%	(8.7%)	**0.0%**	3.5%	13.6%	150.0%	**84.3%**
Adjusted operating margin before acquisitions[2]	20.3%	20.4%	**102.5%**	20.0%	19.1%	**50.0%**	19.7%	20.8%	150.0%	**100.8%**
Annual rates of achievement of the Group's CSR roadmap	100.0%	113.0%	**102.6%**	100.0%	128.0%	**106.8%**	100.0%	131.0%	108.0%	**105.8%**
Performance by year			**102.7%**			**52.3%**			**136.0%**	**97.0%**

(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.

4.2.3 Share-based payments (IFRS 2 expense)

In accordance with IFRS 2, an expense of €30.5 million was recorded in 2021 (€22.3 million in 2020) 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, 2021 amounted to €5,268.5 million.

As of the same date, the Company had retained earnings including profit for the period of €1,065.6 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, 2021	December 31, 2020
US dollar	(13.7)	(320.2)
Other currencies	(608.1)	(642.1)
TOTAL	**(621.8)**	**(962.3)**

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.

The counterpart of the Yankee debt increase amounting to €24.5 million in 2021, was recorded as a decrease in conversion reserves. As of December 31, 2021, a total balance of €63.7 million was recorded as a decrease in conversion reserves, under the Yankee loan.

Finally, in accordance with IAS 21, translation gains and losses on receivables or payables considered as part of a net investment in a foreign Group entity are recognized in translation reserves. Gains recognized in translation reserves in 2021 amounted to €4.6 million, resulting in a net positive balance of €11.2 million as of December 31, 2021.

4.4 Provisions

Changes in provisions in 2021 are as follows:

	December 31, 2021					
(in € millions)	Product warranties	Claims and litigation	Tax and employee risks	Restructuring	Other	Total
At the beginning of the period	52.0	127.4	40.8	36.6	71.3	328.1
Changes in scope of consolidation	(0.1)	0.2	(1.5)	-	1.9	0.5
Increases	15.3	25.9	8.3	20.9	25.4	95.8
Utilizations	(7.9)	(16.5)	(5.3)	(19.3)	(23.4)	(72.4)
Reversals of surplus provisions	(8.0)	(12.7)	-	(1.3)	(5.3)	(27.3)
Reclassifications	-	-	(0.3)	-	-	(0.3)
Translation adjustments	1.1	1.8	1.6	1.1	2.4	8.0
AT THE END OF THE PERIOD	**52.4**	**126.1**	**43.6**	**38.0**	**72.3**	**332.4**
Of which non-current portion	*31.8*	*85.3*	*13.2*	*3.7*	*62.6*	*196.6*

Changes in provisions in 2020 were 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*

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, 2021	December 31, 2020
France (Note 4.5.1.2)	103.6	100.4
Italy (Note 4.5.1.3)	33.9	34.5
United Kingdom (Note 4.5.1.4)	123.4	125.9
United States (Note 4.5.1.5)	75.7	76.4
Other countries	53.7	49.6
TOTAL PENSION AND OTHER POST-EMPLOYMENT DEFINED BENEFIT OBLIGATIONS	**390.3**	**386.8**

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, 2021	December 31, 2020
Defined benefit obligation		
Projected benefit obligation at the beginning of the period	386.8	391.6
Service cost	10.0	8.8
Interest cost	5.6	7.1
Benefits paid or unused	(19.6)	(24.9)
Employee contributions	0.4	0.6
Actuarial losses/(gains)	(24.8)	16.5
Curtailments, settlements, special termination benefits	(0.8)	(0.3)
Translation adjustments	15.1	(16.9)
Other	17.6	4.3
PROJECTED BENEFIT OBLIGATION AT THE END OF THE PERIOD	**390.3**	**386.8**
Fair value of plan assets		
Fair value of plan assets at the beginning of the period	207.8	206.8
Expected return on plan assets	3.8	4.8
Employer contributions	8.5	8.8
Employee contributions	0.4	1.3
Benefits paid	(11.6)	(14.8)
Actuarial (losses)/gains	7.6	12.0
Translation adjustments	14.7	(13.9)
Other	0.0	2.8
FAIR VALUE OF PLAN ASSETS AT END OF THE PERIOD	**231.2**	**207.8**
PROVISION RECOGNIZED IN THE BALANCE SHEET	**175.7**	**187.6**
Current liability	5.0	5.8
Non-current liability	170.7	181.8
Non-current asset	16.6	8.6

Actuarial gains recognized in equity in 2021 amounted to €32.4 million.

These €32.4 million actuarial gains resulted from:

- €13.5 million in gains from changes in financial assumptions;
- €3.9 million in gains from changes in demographic assumptions; and
- €15.0 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 €31.1 million and would increase the provision as of December 31, 2021 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 €10.9 million and would increase the provision as of December 31, 2021 by the same amount.

Discounted future payments for the Group's pension and other post-employment benefit plans are as follows:

(in € millions)	
2022	16.1
2023	15.4
2024	19.1
2025	16.6
2026 and beyond	323.1
TOTAL	**390.3**

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, 2021	December 31, 2020
Service cost	(10.0)	(8.8)
Net interest cost*	(1.8)	(2.3)
TOTAL	**(11.8)**	**(11.1)**

* *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, 2021:

(as a percentage)	United Kingdom	United States
Equity instruments	48.9	26.1
Debt instruments	40.4	62.0
Insurance funds	10.7	11.9
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 €103.6 million as of December 31, 2021 (€100.4 million as of December 31, 2020) corresponding to the difference between the projected benefit obligation of €103.6 million as of December 31, 2021 (€100.4 million as of December 31, 2020), and the fair value of the related plan assets of €0.0 million as of December 31, 2021 (€0.0 million as of December 31, 2020).

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 2021 was based on a salary increase rate of 2.8% and a discount rate of 1.2% (respectively 2.8% and 0.6% in 2020).

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 €33.9 million as of December 31, 2021 (€34.5 million as of December 31, 2020).

The calculation in 2021 was based on a discount rate of 0.4% (0.0% in 2020).

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 37.6% and retired participants for 60.9%.

The provisions recorded in the consolidated balance sheet amounted to €13.3 million as of December 31, 2021 (€29.4 million as of December 31, 2020) corresponding to the difference between the projected benefit obligation of €123.4 million as of December 31, 2021 (€125.9 million as of December 31, 2020) and the fair value of the related plan assets of €110.1 million as of December 31, 2021 (€96.5 million as of December 31, 2020).

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 2021 was based on a salary increase rate of 4.7% and a discount rate and an expected return on plan assets of 1.7% (respectively 4.2% and 1.4% in 2020).

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, 2021 (€0.0 million as of December 31, 2020) reflecting the fact that the fair value of the plan assets is higher than the value of the projected benefit obligation.

The calculation in 2021 was based on a discount rate and an expected return on plan assets of 2.5% (2.2% in 2020).

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.

Negotiable commercial paper

Legrand France has a short-term marketable securities program (NEU CP) whose package was increased from €700.0 million to €1,200.0 million on March 25, 2020.

A medium-term marketable securities program (NEU MTN) was opened on March 18, 2021 with a package of €1,200.0 million.

Bonds

In April 2012, the Group carried out a €400.0 million 3.375% ten-year bond issue. The bonds 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.

In October 2021, the Group carried out its first sustainability-linked bond issue indexed to its carbon neutrality metrics. The 0.375% ten-year bonds were issued for a total amount of €600 million and will be redeemable at maturity on October 6, 2031.

The issue is indexed to the Group's carbon trajectory by applying a potential additional coupon of 0.50% over the only last year in which the bond reaches maturity, in the event that the related objectives are not achieved.

Yankee bonds

On February 14, 1995, Legrand France issued $400.0 million worth of 8.5% debentures due February 15, 2025, through a public placement in the United States. Interest on Yankee bonds is payable semi-annually on February 15 and August 15 of each year, beginning August 15, 1995.

A number of Yankee bondholders offered to sell their securities to the Group. Acting on this offer, the Group decided to acquire Yankee bonds:

- in 2013, with an aggregate face value of $6.5 million,
- in 2020, with an aggregate face value of $18.6 million,
- In 2021, with an aggregate face value of $27.5 million,

The acquired debentures were subsequently cancelled.

2011 Credit Facility

In October 2011, the Group signed a Credit Facility with six banks to set up a €900.0 million revolving multicurrency credit line for a five-year period with two successive one-year period renewal options. As per this contract, the margin applied to market rates is determined on the basis of the Group's credit rating.

In July 2014, the Group signed an agreement that amends and extends this Credit Facility with all banks party to this contract. This agreement extends the maximum maturity of the €900.0 million revolving credit line by three years, *i.e.,* up to July 2021, including two successive one-year period extension options, and at improved financing terms compared with October 2011.

In December 2019, the Group signed a new agreement that amends and extends this Credit Facility with all banks party to this contract.

Following this agreement, the maturity of the €900.0 million revolving credit line is extended up to December 2026. The margin applied to market rates is still determined on the basis of the Group's credit rating, but it 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 of December 31, 2021, 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, 2021	December 31, 2020
Negotiable commercial paper	220.0	0.0
Bonds	3,700.0	3,500.0
Yankee bonds	304.1	302.7
Lease financial liabilities	217.0	219.3
Other borrowings	64.1	71.7
Long-term borrowings excluding debt issuance costs	**4,505.2**	**4,093.7**
Debt issuance costs	(19.3)	(19.9)
TOTAL	**4,485.9**	**4,073.8**

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, 2021	December 31, 2020
Euro	4,026.2	3,428.9
US dollar	416.7	506.4
Other currencies	62.3	158.4
LONG-TERM BORROWINGS EXCLUDING DEBT ISSUANCE COSTS	**4,505.2**	**4,093.7**

Long-term borrowings (excluding debt issuance costs) as of December 31, 2021 can be analyzed by maturity as follows:

(in € millions)	Negotiable commercial paper	Bonds	Yankee bonds	Lease financial liabilities	Other borrowings
Due in one to two years	155.0	400.0	0.0	51.2	10.7
Due in two to three years	65.0	500.0	0.0	39.0	37.4
Due in three to four years	0.0	0.0	304.1	30.0	9.0
Due in four to five years	0.0	400.0	0.0	23.3	7.0
Due beyond five years	0.0	2,400.0	0.0	73.5	0.0
LONG-TERM BORROWINGS EXCLUDING DEBT ISSUANCE COSTS	**220.0**	**3,700.0**	**304.1**	**217.0**	**64.1**

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**

Average interest rates on borrowings are as follows:

	12 months ended	
	December 31, 2021	December 31, 2020
Negotiable commercial paper	(0.20%)	N/A
Bonds	1.15%	1.43%
Yankee bonds	8.50%	8.50%
Lease financial liabilities	2.49%	2.59%
Other borrowings	3.04%	2.74%

4.6.2 Short-term borrowings

Short-term borrowings can be analyzed as follows:

(in € millions)	December 31, 2021	December 31, 2020
Negotiable commercial paper	320.0	1,200.0
Bonds	400.0	0.0
Lease financial liabilities	62.2	59.0
Other borrowings	44.4	61.7
TOTAL	**826.6**	**1,320.7**

4.6.3 Changes in long-term and short-term borrowings

Changes in long-term and short-term borrowings can be analyzed as follows:

			Variations not impacting cash flows				
(in € millions)	December 31, 2021	Cash flows	Acquisitions	Reclassifications	Translation adjustments	Other	December 31, 2020
Long-term borrowings	4,485.9	799.0	2.7	(491.4)	32.9	68.9	4,073.8
Short-term borrowings	826.6	(981.4)	6.0	491.4	4.3	(14.4)	1,320.7
Gross financial debt	**5,312.5**	**(182.4)**	**8.7**	**0.0**	**37.2**	**54.5**	**5,394.5**

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, 2021	December 31, 2020
Deferred taxes recorded by French companies	(297.9)	(261.2)
Deferred taxes recorded by foreign companies	(452.3)	(417.6)
TOTAL	(750.2)	(678.8)
Origin of deferred taxes:		
– Impairment losses on inventories and receivables	55.0	50.8
– Margin on inventories	26.4	21.5
– Recognized operating losses carried forward	3.5	6.6
– Leases	6.6	3.0
– Fixed assets	(263.3)	(222.0)
– Trademarks	(430.7)	(431.9)
– Patents	(15.5)	(15.7)
– Other provisions	(110.9)	(70.2)
– Pensions and other post-employment benefits	38.7	36.5
– Fair value adjustments to derivative instruments	(0.5)	(0.6)
– Other	(59.5)	(56.8)
TOTAL	(750.2)	(678.8)
– Of which deferred tax assets	116.3	112.4
– Of which deferred tax liabilities	(866.5)	(791.2)

The timing of expected reversal of deferred taxes can be analyzed as follows:

(in € millions)	December 31, 2021	December 31, 2020
Deferred tax assets (liabilities) reversing in the short term	90.8	92.8
Deferred tax assets (liabilities) reversing in the long term	(841.0)	(771.6)
TOTAL	(750.2)	(678.8)

Tax losses carried forward break down as follows:

(in € millions)	December 31, 2021	December 31, 2020
Recognized operating losses carried forward	**14.4**	**25.1**
Recognized deferred tax assets	3.5	6.6
Unrecognized operating losses carried forward	**125.6**	**107.7**
Unrecognized deferred tax assets	27.0	23.7
Total net operating losses carried forward	**140.0**	**132.8**

4.8 Other current liabilities

Other current liabilities can be analyzed as follows:

(in € millions)	December 31, 2021	December 31, 2020
Taxes other than income tax	89.9	71.0
Accrued employee benefits expense	345.4	311.0
Statutory and discretionary profit-sharing reserve	38.0	27.0
Payables related to fixed asset purchases	29.5	27.7
Accrued expenses	164.1	128.3
Accrued interest	36.5	35.9
Deferred revenue	33.7	28.9
Other current liabilities	37.2	32.0
TOTAL	**774.3**	**661.8**

NOTE 5 - Other information

5.1 Financial instruments and management of risks

5.1.1 Financial instruments

5.1.1.1. Impact of financial instruments

	12 months ended				
	December 31, 2021			December 31, 2020	
		Impact on equity			
(in € millions)	Impact on financial profit (loss)	Fair value	Translation adjustment	Impact on financial profit (loss)	Impact on equity
Other investments				0.0	0.0
Trade receivables	(1.2)			(1.4)	0.0
Cash and cash equivalents	5.8		37.9	5.3	(54.4)
Trade payables	0.0			0.0	0.0
Borrowings	(71.1)		(24.5)	(78.9)	28.5
Derivatives	15.9	5.0	(5.5)	(2.3)	6.0
TOTAL	**(50.6)**	**5.0**	**7.9**	**(77.3)**	**(19.9)**

In accordance with IFRS 9, other investments are valued at fair value through equity. Therefore, changes in the fair value of other investments only impact the consolidated balance sheet and the consolidated statement of comprehensive income.

Yankee bonds denominated in US dollars are treated as net investment hedges (see Note 4.3.2).

Over the period, the Group subscribed to a rate hedging instrument for future financing. As of December 31, 2021, this instrument with a fair value of €5.0 million was recognized as other financial assets through equity as counterpart (cash flow hedge recognition).

5.1.1.2. Breakdown of balance sheet items by type of financial instrument

	December 31, 2021						December 31, 2020
				Levels of valuation			
(in € millions)	Carrying amount	Amortized cost	Fair value	Level 1[(1)]	Level 2[(2)]	Level 3[(3)]	Carrying amount
ASSETS							
Non-current assets							
Other investments	2.4		2.4			2.4	1.5
Other non-current assets	62.6	46.0	16.6		62.6		49.4
TOTAL NON-CURRENT ASSETS	**65.0**	**46.0**	**19.0**	**0.0**	**62.6**	**2.4**	**50.9**
Current assets							
Trade receivables	728.5	728.5			728.5		644.5
Other current financial assets	6.4		6.4		6.4		1.5
Cash and cash equivalents	2,788.3		2,788.3		2,788.3		2,791.7
TOTAL CURRENT ASSETS	**3,523.2**	**728.5**	**2,794.7**	**0.0**	**3,523.2**	**0.0**	**3,437.7**
EQUITY AND LIABILITIES							
Non-current liabilities							
Long-term borrowings	4,485.9	455.5	4,219.8	4,219.8	455.5	26.3	4,073.8
TOTAL NON-CURRENT LIABILITIES	**4,485.9**	**455.5**	**4,219.8**	**4,219.8**	**455.5**	**26.3**	**4,073.8**
Current liabilities							
Short-term borrowings	826.6	426.6	404.6	404.6	426.6		1,320.7
Trade payables	810.5	810.5			810.5		612.9
Other current financial liabilities	0.0		0.0		0.0		1.1
TOTAL CURRENT LIABILITIES	**1,637.1**	**1,237.1**	**404.6**	**404.6**	**1,237.1**	**0.0**	**1,934.7**

(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. The Group may be required to subscribe to use hedging instruments for its future funding.

Net debt (excluding debt issuance costs) breaks down as follows between fixed and variable interest rates before the effect of hedging instruments:

	December 31, 2021							December 31, 2020
(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	2,788.3	0.0	0.0	0.0	0.0	0.0	2,788.3	2,791.7
Financial liabilities**								
Fixed rate	(469.8)	(616.7)	(641.4)	(343.1)	(430.3)	(2,473.5)	(4,974.8)	(4,158.5)
Variable rate	(356.8)	(0.2)	0.0	0.0	0.0	0.0	(357.0)	(1,255.9)
Net exposure								
Fixed rate	(469.8)	(616.7)	(641.4)	(343.1)	(430.3)	(2,473.5)	(4,974.8)	(4,158.5)
Variable rate	2,431.5	(0.2)	0.0	0.0	0.0	0.0	2,431.3	1,535.8

* *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, 2021		December 31, 2020	
(in € millions)	Impact on profit before tax	Impact on equity before tax	Impact on profit before tax	Impact on equity before tax
Impact of a 100-bps increase in interest rates	18.3	42.3	14.1	14.1
Impact of a 100-bps decrease in interest rates	(18.3)	(42.3)	(14.3)	(14.3)

The impact on profit before tax of a 100-basis point increase in interest rates would result in a gain of €18.3 million due to a net positive variable-rate exposure. Conversely, the impact on profit before tax of a 100-basis point decrease in interest rates would result in a loss of €18.3 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, 2021, the Group has set up forward contracts in Australian dollars, Canadian dollars, US dollars, Singaporean dollars, Hungarian florint, 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, 2021					December 31, 2020
(in € millions)	Financial assets*	Financial liabilities**	Net exposure before hedging	Hedging	Net exposure after hedging	Net exposure after hedging
Euro	2,211.1	(4,798.8)	(2,587.7)	(129.5)	(2,717.2)	(2,526.1)
US dollar	281.2	(424.9)	(143.7)	(24.7)	(168.4)	(338.7)
Other currencies	296.0	(108.1)	187.9	154.2	342.1	242.1
TOTAL	**2,788.3**	**(5,331.8)**	**(2,543.5)**	**0.0**	**(2,543.5)**	**(2,622.7)**

* *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, 2021		December 31, 2020	
	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	0.3	42.3	0.5	42.7
Other currencies	0.0	10.8	(0.3)	9.7

	December 31, 2021		December 31, 2020	
	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	(0.3)	(38.5)	(0.4)	(38.8)
Other currencies	0.0	(9.8)	0.2	(8.8)

Operating assets and liabilities break down as follows by reporting currency:

	December 31, 2021			December 31, 2020
(in € millions)	Current operating assets excluding taxes	Current operating liabilities excluding taxes	Net exposure	Net exposure
Euro	685.2	787.1	(101.9)	(142.3)
US dollar	729.9	443.2	286.7	203.2
Other currencies	806.5	490.3	316.2	223.1
TOTAL	**2,221.6**	**1,720.6**	**501.0**	**284.0**

The table below presents the breakdown of net sales and operating expenses by reporting currency as of December 31, 2021:

(in € millions)	Net sales		Operating expenses	
Euro	2,424.3	34.7%	1,895.5	33.5%
US dollar	2,666.9	38.1%	2,204.0	39.0%
Other currencies	1,903.0	27.2%	1,550.6	27.4%
Total	**6,994.2**	**100.0%**	**5,650.1**	**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 2021 in a decrease in net sales of approximately €415 million (€373 million in 2020) and a decrease in operating profit of approximately €74 million (€64 million in 2020), while a 10% decrease would have resulted in 2021 in an increase in net sales of approximately €457 million (€410 million in 2020) and an increase in operating profit of approximately €81 million (€71 million in 2020).

5.1.2.3. Commodity risk

The Group is exposed to commodity risk arising from changes in the price of raw materials, mainly plastics and metals (steel, copper, brass, aluminum). Raw materials consumption (except components) amounted to around €694 million in 2021.

A 10% increase in the price of the above-mentioned consumption would theoretically feed through to around a €69 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 2021.

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 (€2,524.2 million as of December 31, 2021) is fully financed by financing facilities expiring at the earliest in 2022 and at the latest in 2032. The average maturity of gross debt is 5.0 years.

Legrand is rated “A-” with a stable outlook by Standard & Poor’s.

Rating agency	Long-term debt	Outlook
S&P	A-	Stable

5.1.3 Climate risk management

The Group considered the challenges of climate change in the preparation of its financial statements.

Thus, as part of the management of climate-related risks and opportunities, the Group has set up a specific governance and has assessed the risks and opportunities related to climate issues, in particular through the realization of a risk mapping in 2020 in partnership with the expert firm EcoAct.

During this mapping:

- a systematic review of Legrand's activities and value chain in relation to climate risks was carried out taking into account the direct and indirect impacts of physical and transition risks;
- a prioritization of risks and opportunities has been carried out according to the financial impact and the probability of occurrence, in accordance with the Group's risk management framework. The financial impact was estimated on the basis of Legrand's activity, financial data and forward-looking reports and scenarios of the likely impact of climate change (ILO, IEA or sector reports).

Thus, 19 risks and opportunities were identified:

- 9 transition risks and significant opportunities have been identified; and
- 10 moderate or minor risks & opportunities have been identified.

A detailed analysis of the physical risks associated with climate change was carried out. This analysis shows a low sensitivity of the Group.

Based on these analyses, no material impact related to climate change issues is expected in the short or medium term. In particular, these climate issues are not likely to modify the Group's various business plans.

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:

	12 months ended	
(in € millions)	December 31, 2021	December 31, 2020
Compensation (amounts paid during the period)	**8.2**	**7.7**
out of which fixed compensation	5.2	4.6
out of which variable compensation	2.9	3.0
out of which other short-term benefits (1)	0.1	0.1
Long-term compensation (charge for the period) (2)	**4.9**	**4 5**
Termination benefits (charge for the period)	**0.0**	**0.0**
Pension and other post-employment benefits (charge for the period) (3)	**0.3**	**0.1**

(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, 2021	December 31, 2020
Guarantees given to banks	115.6	119.0
Guarantees given to other organizations	45.1	42.5
TOTAL	**160.7**	**161.5**

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, 2021, 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, 2021.

5.3.2.3. Commitments to purchase property, plant and equipment

Commitments to purchase property, plant and equipment amounted to €21.4 million as of December 31, 2021.

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 2021 can be detailed as follows:

(in euros excluding taxes)	PricewaterhouseCoopers Audit SAS		Deloitte & Associés	
Statutory audit and related services	590,212	94%	621,521	84%
Non-audit services	36,500	6%	116,420	16%
TOTAL	**626,712**	**100%**	**737,941**	**100%**

5.5 Subsequent events

In February 2022, the Group announced the acquisition of Emos (subject to standard conditions precedent), the leader in Central and Eastern Europe in electrical installation components.

Based in the Czech Republic, Emos has annual sales of around €85 million.

5.6 Key figures reconciliation

Reconciliation of adjusted operating profit with profit for the period:

	12 months ended	
(in € millions)	December 31, 2021	December 31, 2020
Profit for the period	**905.1**	**682.0**
Share of profits (losses) of equity-accounted entities	0.0	0.7
Income tax expense	351.9	279.2
Exchange (gains) / losses	1.5	10.3
Financial income	(6.8)	(6.1)
Financial expense	92.4	99.3
Operating profit	**1,344.1**	**1,065.4**
Amortization & depreciation of revaluation of assets at the time of acquisitions and other P&L impacts relating to acquisitions	89.9	90.6
Impairment of goodwill	0.0	0.0
Adjusted operating profit	**1,434.0**	**1,156.0**

Reconciliation of cash flow from operations, free cash flow and normalized free cash flow with profit for the period:

(in € millions)	12 months ended December 31, 2021	12 months ended December 31, 2020
Profit for the period	**905.1**	**682.0**
Adjustments for non-cash movements in assets and liabilities:		
Depreciation, amortization and impairment	310.1	337.7
Changes in other non-current assets and liabilities and long-term deferred taxes	90.5	119.2
Unrealized exchange (gains)/losses	11.5	(1.5)
(Gains)/losses on sales of assets, net	0.7	(11.6)
Other adjustments	0.2	(17.1)
Cash flow from operations	**1,318.1**	**1,108.7**
Decrease (Increase) in working capital requirement	(205.4)	53.2
Net cash provided from operating activities	**1,112.7**	**1,161.9**
Capital expenditure (including capitalized development costs)	(170.5)	(155.1)
Net proceeds from sales of fixed and financial assets	10.2	22.3
Free cash flow	**952.4**	**1,029.1**
Increase (Decrease) in working capital requirement	205.4	(53.2)
(Increase) Decrease in normalized working capital requirement	(83.7)	58.3
Normalized free cash flow	**1,074.1**	**1,034.2**

Reconciliation of EBITDA with profit for the period:

(in € millions)	12 months ended December 31, 2021	12 months ended December 31, 2020
Profit for the period	**905.1**	**682.0**
Share of profits (losses) of equity-accounted entities	0.0	0.7
Income tax expense	351.9	279.2
Exchange (gains) / losses	1.5	10.3
Financial income	(6.8)	(6.1)
Financial expense	92.4	99.3
Operating profit	**1,344.1**	**1,065.4**
Depreciation and impairment of tangible assets	179.4	187.4
Amortization and impairment of intangible assets (including capitalized development costs) and reversal of Milestone inventory step-up	127.0	146.9
Impairment of goodwill	0.0	0.0
EBITDA	**1,650.5**	**1,399.7**

Calculation of net financial debt:

(in € millions)	12 months ended December 31, 2021	December 31, 2020
Short-term borrowings	826.6	1,320.7
Long-term borrowings	4,485.9	4,073.8
Cash and cash equivalents	(2,788.3)	(2,791.7)
Net financial debt	**2,524.2**	**2,602.8**

Calculation of working capital requirement:

(in € millions)	December 31, 2021	December 31, 2020
Trade receivables	728.5	644.5
Inventories	1,252.7	837.3
Other current assets	240.4	204.8
Income tax receivables	115.1	70.1
Deferred tax assets / (liabilities) reversing in the short term	90.8	92.8
Trade payables	(810.5)	(612.9)
Other current liabilities	(774.3)	(661.8)
Income tax payables	(39.6)	(30.3)
Short-term provisions	(135.8)	(127.9)
Working capital required	**667.3**	**416.6**

8.2 - Statutory Auditors' report on the consolidated financial statements for the year ended December 31, 2021

This is a translation into English of the statutory auditors’ report on the consolidated 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 the Annual General Meeting of Legrand,

OPINION

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of Legrand for the year ended December 31, 2021.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as of December 31, 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 those standards are further described in the "Statutory Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements" section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules provided for in the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for statutory auditors, for the period from January 1, 2021 to the date of our report, and, in particular, we did not provide any non-audit services prohibited by Article 5(1) of Regulation (EU) No. 537/2014.

Furthermore, we provided the following non-audit services to your Company and its controlled undertakings during the financial year that are not disclosed in the management report or in the notes to the consolidated financial statements:

- Both audit firms: comfort letters provided in the context of private placement bond issues;
- PricewaterhouseCoopers Audit: issue of two attestations on financial data;
- Deloitte & Associés: verification of the consolidated non-financial performance statement referred to in 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 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 consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Recoverable amount of goodwill and trademarks with indefinite useful lives

Risk identified

At December 31, 2021, the net carrying amount of Group's intangible assets was chiefly composed of trademarks with indefinite useful lives (€1,408 million) and goodwill allocated by geographical area (€5,241 million).

There is a risk of impairment for certain assets due to changes in internal or external factors 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 of impairment, as well as the main assumptions used, are described in Notes 3.1.1 and 3.2 to the consolidated financial statements.

These tests are sensitive to the assumptions used, especially those relating to:

- future revenue trends, both in terms of volume and amount, the royalty rate for the trademarks and, more generally, the operating cash flows relating to the assets; and,
- the discount rate applied to future cash flows.

The method for grouping the CGUs in order to perform impairment tests also requires judgment from management.

In the context 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 with regard 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.

Our response

We examined the process implemented by the Group to carry out impairment tests.

We also assessed the consistency of the approach taken by management in terms of grouping the CGUs for impairment testing purposes with the management monitoring system set up by the Group. We adjusted our audit strategy to take into account the level of the risk of impairment, which varies depending on the group of CGUs.

Our valuation experts carried out an independent analysis of certain key assumptions used by management to perform the tests, in particular those pertaining to the discount rate, the royalty rate and the perpetual growth rate for future cash flows, referring both to external market data and analyses of comparable companies.

We analyzed the consistency of the projected future cash flows with historical data, the budgets drawn up by the Group's management, and our knowledge of the Group's business, supported by interviews with the Group's management control department.

We also tested the mathematical accuracy of the Group's calculations, on a sample basis.

SPECIFIC VERIFICATIONS

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information presented in the Group management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the Group management report includes the consolidated non-financial performance statement required under Article L.225-102-1 of the French Commercial Code. However, in accordance with Article L.823-10 of the French Commercial Code, we have not verified the fair presentation and consistency with the consolidated financial statements of the information given in that statement, which will be the subject of a report by an independent third party.

OTHER LEGAL AND REGULATORY VERIFICATIONS OR INFORMATION

Format of presentation of the consolidated financial statements to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the consolidated financial statements to be included in the annual financial report mentioned in Article L.451-1-2, I of the French Monetary and Financial Code (*Code monétaire et financier*), prepared under the responsibility of the Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of December 17, 2018. As it relates to consolidated financial statements, our work includes verifying that the tagging of these consolidated financial statements complies with the format defined in the above delegated regulation.

Based on the work we have performed, we conclude that the presentation of the consolidated financial statements to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the consolidated financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Legrand by the Annual General Meetings held on December 21, 2005 for Deloitte & Associés and on June 6, 2003 for PricewaterhouseCoopers Audit.

As at December 31, 2021, Deloitte & Associés and PricewaterhouseCoopers Audit were in the 17th year and 19th year of total uninterrupted engagement, respectively. For both firms, this is the 16th year since the securities of the Company were admitted to trading on a regulated market.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

STATUTORY AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code, our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements;
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;

- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of Ethics for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Neuilly-sur-Seine and Paris-La Défense, February 21, 2022

The Statutory Auditors

PricewaterhouseCoopers Audit	**Deloitte & Associés**
Camille PHELIZON	Olivier BROISSAND

8.3 - Statutory Auditors' fees

	PricewaterhouseCoopers				Deloitte			
	Amount in euros excluding taxes		*%*		*Amount in euros excluding taxes*		*%*	
	2021	2020	2021	2020	2021	2020	2021	2020
AUDIT SERVICES								
Statutory audit, certification and review of the parent company and consolidated financial statements	2,050,209	1,970,771	89%	94%	2,531,278	2,433,277	88%	95%
Of which								
■ Issuer	340,876	332,151	15%	16%	356,876	332,951	12%	13%
■ Fully consolidated subsidiaries	1,709,333	1,638,620	74%	78%	2,174,402	2,100,326	76%	82%
Services other than certification of financial statements required by law and additional services*	40,974	28,105	1%	1%	116,420	89,800	4%	4%
Of which								
■ Issuer	33,000	24,000	1%	1%	116,420	89,800	4%	4%
■ Fully consolidated subsidiaries	7,974	4,105	0%	0%	0	0	0%	0%
SUB-TOTAL, AUDIT	**2,091,183**	**1,998,876**	**90%**	**95%**	**2,647,698**	**2,523,077**	**92%**	**99%**
Non audit services other than the certification of financial statements								
Legal, tax, social security	73,845	99,187	3%	5%	214,420	25,634	7%	1%
Other	150,213	0	6%	0%	3,968	0	0%	0%
SUB-TOTAL, OTHER	**224,057**	**99,187**	**10%**	**5%**	**218,387**	**25,634**	**8%**	**1%**
TOTAL	**2,315,240**	**2,098,063**	**100%**	**100%**	**2,866,085**	**2,548,711**	**100%**	**100%**

* *These services mainly concern work conducted in connection with comfort letter for bond issues and assignments to certify information relating in particular to CSR in concordance with article L. 225-102-1 of the French Commercial Code.*

8.4 - Dividend distribution policy

The Company may decide to distribute dividends on the recommendation of the Board of Directors and following a decision of its shareholders in a Shareholders' Meeting. However, the Company has no obligation to distribute dividends and the decision on whether or not to recommend the distribution of a dividend and the amount of that dividend will depend on:

- the Company's results and cash flows;
- the Company's financial situation;
- the Company's forecasts;
- the interests of the Company's shareholders;
- the general conditions of the Company's operations; and
- any other factor that the Company's Board of Directors deems relevant.

Notwithstanding the factors listed above, there is no formula for determining the amount of dividend to be distributed. In addition, the French Commercial Code and the Company's Articles of Association limit the Company's right to distribute dividends under certain circumstances.

Dividends distributed in respect of 2018, 2019 and 2020 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**
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
2020	266,157,780 shares with a par value of €4 each	€1.42	€1.42	€0.00

* *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 25, 2022, the Company would distribute a dividend of €1.65 per share[1] for the 2021 financial year, on June 1, 2022.

8.5 - Legal and arbitration proceedings

Legrand is involved in various legal proceedings related to the day-to-day running of its operations. The Group does not expect the outcome of these proceedings to have a material adverse impact on its business, financial position or cash flows, either individually or in aggregate.

With regard to environmental matters and mainly as a result of previous operations of the Group or of companies acquired by the Group, Legrand is the subject of a number of disputes, including complaints and legal action concerning pollution of groundwater and soil caused by emissions and discharges of hazardous substances and waste. New information or future developments, such as changes in the law (or in its interpretation), environmental conditions or Legrand's operations could, however, result in increased environmental costs and liabilities that could have a material impact on Legrand's results or financial position.

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 2021 annual financial statements.

(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 2022 Combined Ordinary and Extraordinary General Meeting.*

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 €170.5 million in 2021 (€155.1 million in 2020 and €202.2 million in 2019), representing 2.4% of the Group's consolidated sales (2.5% in 2020 and 3.1% in 2019). 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 2021

Legrand continued its acquisitions strategy at a steady pace in 2021, completing the following acquisitions:

- Ecotap, a front-running Dutch player, specialist in alternating and direct-current charging stations for electric vehicles, offers for homes, businesses and public charging points. Ecotap business represents annual sales of roughly €40 million;
- Ensto Building Systems, a Finnish leader in low voltage. Ensto Building Systems reports an annual sales of about €120 million;
- Geiger, a German specialist in structured cabling for data centers. Geiger has an annual sales of around €5 million.

8.8.2.2 The Group's primary acquisitions in 2020 and 2019

During the 2020 financial year, Legrand made 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.

During the 2019 financial year, Legrand announced 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.

8.8.3 - The Group's primary acquisitions in 2022 and principal investments in process

In 2022, the Group plans to pursue its strategy of targeted, value-creating acquisitions, with a total impact of the broader scope of consolidation on sales between +2% and +4%.

In February 2022, the Group announced the acquisition of Emos(1), a Central and Eastern European leader in electrical installation components, with particularly strong ties to DIY distributors and local e-commerce players. Based in the Czech Republic, Emos has annual sales of around €85 million.

(1) Subject to standard conditions precedent.

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09

Additional information

9.1 - Information about the Company

9.1.1 - Company name

The Company's name is "Legrand".

The trade name and corporate name are identical.

9.1.2 - Place of registration and registration number

The Company is registered in the *Registre du commerce et des sociétés* (Trade and Companies Register) of Limoges (France) under number 421 259 615. Its Legal Entity Identifier is 969500XXRPGD7HCAFA90.

9.1.3 - Date and duration of incorporation

The Company was initially incorporated on December 22, 1998, under the form of a *société anonyme* (public limited company). It was converted into a *société par actions simplifiée* (simplified joint-stock company) by an Extraordinary Shareholders' Meeting held on December 5, 2001.

The Company was converted again into a *société anonyme* by unanimous decision of the shareholders on November 4, 2002.

The Company's life has been extended until February 24, 2105, unless the Company is dissolved early or a further extension takes place.

9.1.4 - Registered office

The Company's registered office is located at 128, avenue du Maréchal de Lattre de Tassigny – 87000 Limoges, France.

The telephone number of the registered office is + 33 (0)5 55 06 87 87.

9.1.5 - Legal form and applicable law

The Company is a société anonyme with a Board of Directors. Its Legal Entity Form number is K65D. The Company is mainly governed by the provisions of Book II of the French Commercial Code.

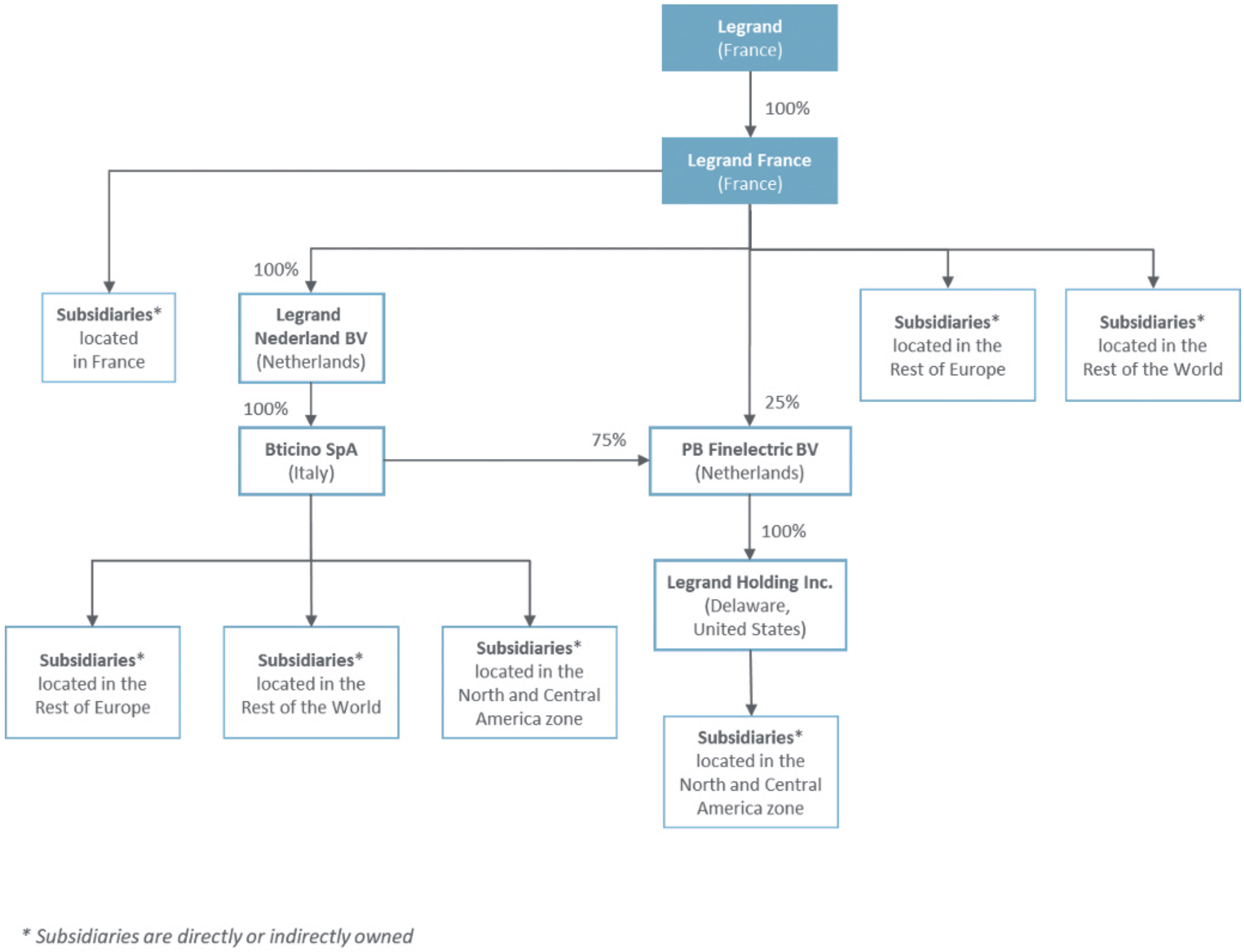
9.1.6 - Website and regulated information

The Company's website address is https://legrandgroup.com.

It is specified that information available on this website is not part of this Universal Registration Document.

The regulated information published during the last 12 months is available on the Company's website https://legrandgroup.com, in the section "INVESTORS AND SHAREHOLDERS / Regulated information / 2021".

9.1.7 - Simplified organizational chart



9.1.8 - Subsidiaries

The Group comprises the Company and the 224 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. The Group consolidates all its main subsidiaries using the full consolidation method.

Legrand (the "**Company**") and its subsidiaries (collectively "**Legrand**" or the "**Group**") are the global specialist in electrical and digital building infrastructure**s**.

The Company is the parent company of the Group. Its business consists in providing general management and financial management services, allowing the management of the Group's operations. Please refer to:

- section 7.4 of this Universal Registration Document for a description of related-party transactions, and
- the management report on the annual financial statements for the year ended December 31, 2021, in Appendix 2 of this Universal Registration Document for the list of directorships held by the Chief Executive Officer in the Group's subsidiaries.

The payment of dividends by Legrand's main subsidiaries is decided by their respective shareholders' general meetings and is subject to the applicable local laws and regulations. At the date of this Universal Registration Document, the Company had not identified any restrictions that would significantly limit its access to its subsidiaries' cash flows or to the dividends distributed by those subsidiaries.

The main subsidiaries that hold equity interests in the Group are:

BTICINO SPA (ITALY)

Bticino SpA is a public limited company incorporated under the laws of Italy, which registered office is located at Viale Borri 231, 21100 Varese. Bticino SpA's main activity is designing, manufacturing and marketing electrical products and systems. Bticino SpA joined the Group on July 1, 1989, and is wholly owned by Legrand Nederland BV.

LEGRAND FRANCE (FRANCE)

Formerly known as Legrand SA, Legrand France is the Group's main operating subsidiary in France. Legrand France is a *société anonyme* (public limited company) incorporated under the laws of France, registered with the Limoges Trade and Companies Register under number 758 501 001. Its registered office is located at 128 avenue du Maréchal de Lattre de Tassigny, 87000 Limoges. Legrand France's main activity is designing and manufacturing products and systems for electrical installations and their components. Legrand France was incorporated on July 21, 1953, and is wholly owned by the Company. Legrand France holds interests in some of the Group's other operating companies, located in France, the rest of Europe and the rest of the world.

LEGRAND HOLDING INC. (UNITED STATES)

Legrand Holding Inc. is a company incorporated under the laws of the United States, registered in Delaware. Its registered office is located at 60 Woodlawn Street, West Hartford, CT 06110. Legrand Holding Inc.'s main activity is the acquisitions of shareholdings in other companies. Legrand Holding Inc. was incorporated on July 18, 1984, and joined the Group on October 31, 1984. It is wholly owned by PB Finelectric BV.

LEGRAND NEDERLAND BV (NETHERLANDS)

Legrand Nederland BV is a simplified joint-stock company incorporated under the laws of Netherlands, which registered office is located at Van Salmstraat 76, 5281 RS Boxtel. Legrand Nederland BV's main activity is manufacturing and marketing metal cable trays. It was incorporated and joined the Group on December 27, 1972. Legrand Nederland BV is wholly owned by Legrand France.

PB FINELECTRIC BV (NETHERLANDS)

PB Finelectric BV is a simplified joint stock company incorporated in the Netherlands, which registered office is located at Van Salmstraat 76, 5281 RS Boxtel. PB Finelectric BV's main activity is taking shareholdings in other companies. It was formed and joined the Group on December 19, 1991. PB Finelectric BV is owned by Bticino SpA at 75% and by Legrand France at 25%.

9.2 - Share capital

Unless otherwise indicated, the information presented in this section is accurate as of December 31, 2021.

9.2.1 - Subscribed share capital and share capital authorized but not issued

Taking into account the number of shares as of December 31, 2021, the Company's share capital amounted to €1,069,790,984, divided into 267,447,746 shares with a nominal value of €4 each. At the date of this Universal Registration Document, the Company's share capital amounted to €1,067,270,984, divided into 266,817,746 shares with a nominal value of €4 each.

The Company's shares are fully paid up and all of the same class. The shares may be held in registered or bearer form, at the option of the shareholder. They may be registered in individual shareholder accounts in accordance with applicable laws and regulations.

9.2.1.1 Current financial delegations of authority and financial authorizations

At the date of this Universal Registration Document, the Company's board of Directors held the following financial authorizations granted by shareholders in General Meetings.

Authorizations and delegation of authority granted by Shareholders' Meeting	Duration of the delegation of authority Expiry date	Terms and conditions of the delegation of authority	Use of the delegation of authority during the 2021 financial year
Shareholders' Meeting of May 27, 2020			
Issuances 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 delegation of authority: may not exceed €200 million (this amount is to be included in the overall nominal limit of €200 million for capital increases through the issuance of shares or securities convertible to equities (the "**Overall Capital Increase Limit**")). Overall nominal amount of bonds and other debt securities that may be issued pursuant to this delegation of authority: may not exceed €2 billion (this amount is to be included in the overall nominal limit for debt securities of €2 billion (the "**Overall Debt Securities Limit**")).	Nil
Issuances, by public offering other than those referred to in article L.411-2, 1° of the French Monetary and Financial Code, of shares or complex securities, without preferred subscription rights (resolution 23)	26 months July 27, 2022	Total nominal amount of capital increases pursuant to this delegation of authority: may not exceed €100 million (this amount is to be included in the nominal limit of €100 million set by resolution 20 and in the Overall Capital Increase Limit). Total nominal amount of debt securities (including bonds) issued pursuant to this delegation of authority: may not exceed €1 billion (this amount is to be included in the limit of €1 billion set by resolution 24 and in the Overall Debt Securities Limit).	Nil
Issuances, by public offering referred to in article L.411-2, 1 of the French Monetary and Financial Code (ex-private placement), of shares or complex securities, without preferred subscription rights (resolution 24)	26 months July 27, 2022	Total nominal amount of capital increases pursuant to this delegation of authority: may not exceed €100 million and the legal limit *i.e.* 20% of the Company's share capital (this nominal amount is to be included in the nominal limit of €100 million set by resolution 23 and in the Overall Capital Increase Limit. Total nominal amount of debt securities (including bonds) issued pursuant to this delegation of authority: may not exceed €1 billion (this total nominal amount is included in the limit of €1 billion set by resolution 23 and in the Overall Debt Securities Limit.	Nil
Increase in the amount of issuances made with or without preferred subscription rights in the event of excess demand (resolution 25)	26 months July 27, 2022	Deadline: within thirty days of the closing date for subscriptions. Limit: 15% of initial issue. Price: same price as that determined for the initial offering. Compliance with the upper limits applicable to each type of issue decided pursuant to resolutions 22, 23 or 24.	Nil
Capital increase through incorporation of reserves, earnings, premiums or other items (resolution 26)	26 months July 27, 2022	Total nominal amount of capital increases pursuant to this delegation of authority: may not exceed €100 million, being noted that this limit is independent of any of the other limits on issuance of shares and other securities pursuant to delegation of authorities or authorizations granted by the Shareholders' Meeting of May 27, 2020.	Nil
Issuances of shares or complex securities for members of the Company or Group savings plan, without preferred subscription rights (resolution 27)	26 months July 27, 2022	Total nominal amount of capital increases pursuant to this delegation of authority: may not exceed €25 million (this amount is to be included in the nominal limit of €100 million set by resolutions 23 and 24 and in the Overall Capital Increase Limit).	Nil
Issuances of shares or complex securities as consideration for contributions in-kind to the Company without preferred subscription rights (resolution 28)	26 months July 27, 2022	5% of the share capital at the issuance date. Total nominal amount of capital increases pursuant to this delegation of authority: included in the nominal limit of €100 million set by resolutions 23 and 24 and in the Overall Capital Increase Limit. Total nominal amount of the debt securities issued pursuant to this delegation of authority: may not exceed €1 billion (this total nominal amount is included in the limit of €1 billion set by resolutions 23 and 24 and in the Overall Debt Securities Limit).	Nil
Shareholders General Meeting of May 26, 2021			
Authorization to allow the Company to trade its own shares (resolution 13)	18 months November 26, 2022	Limit: 10 % of the share capital on May 26, 2021 Maximum amount allocated: €1 billion Maximum purchase price per share: €120	€126,969,642
Authorization to reduce the share capital by cancellation of shares (resolution 14)	18 Months November 26, 2022	Limit: 10 % of the share capital on May 26, 2021	Nil*
Authorization to grant existing shares or shares to be issued free of charge to employees and/or corporate officers (resolution 17)	38 months July 26, 2024	Limit: 1.5% of the share capital at the date of the allocation decision	491,477 shares

* *Cancellation of 630,000 shares by decision of the Board of Directors of February 9, 2022.*

9.2.1.2 Financial delegations of authority and financial authorizations submitted to the Shareholders' Meeting to be held on May 25, 2022

It is proposed to the shareholders to renew the following financial authorizations and delegations of authority during the Shareholders' Meeting to be held on May 25, 2022 (see the draft resolutions on the Company's website https://legrandgroup.com/en, in the section "INVESTORS AND SHAREHOLDERS / Shareholders' meetings / 2022 General Meeting"):

Authorization/delegation of authority	Duration and expiry date	Terms and conditions of the delegation of authority/Maximum nominal amount
Authorization to allow the Company to trade its own shares (resolution 16)	18 months November 25, 2023	Limit: 10% of the share capital on May 25, 2022 Maximum amount allocated: €1,000 million Maximum purchase price per share: €120
Authorization to reduce the share capital by cancellation of shares (resolution 17)	18 months November 25, 2023	Limit: 10% of the share capital on May 25, 2022
Issuances of shares or complex securities, with preferred subscription rights maintained (resolution 18)	26 months July 25, 2024	Total nominal amount of capital increases pursuant to this delegation of authority: may not exceed €200 million (this amount is to be included in the overall nominal limit 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 delegation of authority: may not exceed €2 billion (this amount is to be included in the overall nominal limit for debt securities of €2 billion (the "**Overall Debt Securities Limit**")).
Issuances, by public offering other than those referred to in article L.411-2, 1°, of shares or complex securities, without preferred subscription rights (resolution 19)	26 months July 25, 2024	Total nominal amount of capital increases pursuant to this delegation of authority: may not exceed €100 million (this nominal amount is included in the nominal limit of €100 million set by resolution 20 and in the Overall Capital Increase Limit). Total nominal amount of debt securities (including bonds) issued pursuant to this delegation of authority: may not exceed €1 billion (this amount is included in the limit of €1 billion set by resolution 20 and in the Overall Debt Securities Limit).
Issuances, by public offering referred to in article L.411-2, 1 of the French Monetary and Financial Code (ex-private placement), of shares or complex securities, without preferred subscription rights (resolution 20)	26 months July 25, 2024	Total nominal amount of capital increases pursuant to this delegation of authority: may not exceed €100 million (this nominal amount is to be included in the nominal limit of €100 million set by resolution 19 and in the Overall Capital Increase Limit). Total nominal amount of debt securities (including bonds) issued pursuant to this delegation of authority: may not exceed €1 billion (this total nominal amount is included in the limit of €1 billion set by resolution 19 and in the Overall Debt Securities Limit).
Increase in the amount of issuances made with or without preferred subscription rights in the event of excess demand (resolution 21)	26 months July 25, 2024	Deadline: in accordance with law and regulations applicable on the issuance's date of (*i.e.* within thirty days from the closing date for subscriptions). Limit: in accordance with law and regulations applicable on the issuance's date (*i.e.* 15% of initial issuance and at the same price as at that retained for the initial issuance).
Capital increase through incorporation of reserves, earnings, premiums or other items (resolution 22)	26 months July 25, 2024	Total nominal amount of capital increases pursuant to this delegation of authority: may not exceed €100 million, 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 25, 2022.
Issuances of shares or complex securities for members of the Company or Group employee saving plans, without preferred subscription rights (resolution 23)	26 months July 25, 2024	Total nominal amount of capital increases pursuant to this delegation of authority: may not exceed €25 million (this amount is included in the nominal limit of €100 million set by resolutions 19 and 20 and in the Overall Capital Increase Limit).
Issuances of shares or complex securities as consideration for contributions in-kind to the Company without preferred subscription rights (resolution 24)	26 months July 25, 2024	5% of the share capital at the issuance date. Total nominal amount of capital increases pursuant to this delegation of authority: included in the nominal limit of €100 million set by resolutions 19 and 20 and in the Overall Capital Increase Limit. Total nominal amount of debt securities issued pursuant to this delegation of authority: 5% of the share capital at the date of issue (this amount is included in the limit of €1 billion set by resolutions 19 and in the Overall Debt Securities Limit).

9.2.2 - Acquisition by the Company of its own shares

9.2.2.1 Current share buyback program

Implementation of the authorization granted by the Combined Shareholders' Meeting dated May 26, 2021

The Shareholders' Meeting dated May 26, 2021, authorized the Board of Directors to buy back the Company's shares. Pursuant to this authorization, described below, the Company implemented a share buyback program.

Transaction	Duration of the authorization and expiry date	Maximum amount *(in millions of euros)*	Maximum number of shares
Share buyback program (resolution 13)	18 months November 26, 2022	1,000	10 % of the Company's share capital as of May 26, 2021

The Company has purchased a certain number of its shares pursuant to this share buyback program and previous programs.

The Company has entered into a liquidity agreement with a financial institution for its shares listed on the Euronext™ Paris market. This agreement complies with the AMF decision of July 2, 2018, on the introduction of liquidity agreements relating to equity securities as an accepted market practice.

During financial year 2021, the Company purchased a total of 2,402,773 shares at a total acquisition price of €210,097,681 under the share buyback program (*i.e.* 83,128,039 under the share buyback program implemented pursuant to authorization granted by the Shareholders' Meeting of May 27, 2020, and €126,969,642 under the share buyback program implemented pursuant to the authorization granted by the Shareholders' Meeting of May, 26 2021). The Company sold 2,467,554 shares for a total value of €213,768,146.

As of December 31, 2021, the balance of the liquidity agreement amounts to 32,946 shares. It is noted that an impairment loss of €27,128 was recognized in relation to the liquidity agreement.

Excluding the liquidity agreement, the Company bought back 1,200,000 shares for a total amount of €97,384,394 and at an average price of €81.15 per share, it is specified that transaction fees amounted to €293,537.73.

The Company transferred 582,450 shares to employees under performance share plans.

As of December 31, 2021, the Company held 678,176 shares with a nominal value of €4 each, *i.e.* €2,712,704, representing 0.25% of its share capital. The total value of these shares, valued at market share price at the date of the purchase is €54,403,418.

Description of the current share buyback program

The description of the current share buyback program is available on the Company's website www.legrandgroup.com/en, in the section "INVESTORS AND SHAREHOLDERS / Regulated information / 2021 / Share buy-back program".

9.2.2.2 New share buyback program to be submitted for approval at the Shareholders' Meeting

The draft resolutions adopted by the Company's Board of Directors on March 15, 2022 provide for the renewal of the authorization for the share buyback program, subject to a limit of 10% of the share capital and a total amount of €2,000 million, with a maximum purchase price of €150 per share. They will be submitted to shareholders for approval at the Shareholders' Meeting of May 25, 2022.

The draft resolutions can be consulted on the Company's website https://legrandgroup.com/en, in the section "INVESTORS AND SHAREHOLDERS / Shareholders' meetings / 2022 General Meeting".

9.2.3 - Other securities giving access to share capital

At the date of registration of this Universal Registration Document there are no securities, other than shares, giving access to the Company's share capital.

9.2.4 - Changes in share capital

In 2021, the Company's share capital was increased by a total nominal amount of €1,746,472 by the issuance of €436,618 shares following the exercise of stock options.

Changes in the share capital over the last three financial years as of the date of this Universal Registration Document are summarized in the table below:

Transaction	Date of board/ Shareholders' General Meeting	Number of shares issued/ cancelled	Nominal value *(in euros)*	Issue premium *(in euros)*	Share capital *(in euros)*	Count of shares	Nominal value *(in euros)*
Acknowledgment of capital increase through the issuance of shares resulting from the exercise of stock options	02/07/2018	778,377[(1)]	3,113,508	13,799,162	1,067,223,004	266,805,751	4
Acknowledgment of capital increase through the issuance of shares resulting from the exercise of stock options	02/13/2019	689,398[(2)]	2,757,592	10,411,795	1,069,980,596	267,495,149	4
Cancellation of shares	02/13/2019	(550,000)	(2,200,000)	(32,734,305)	1,067,780,596	266,945,149	4
Acknowledgment of capital increase through the issuance of shares resulting from the exercise of stock options	02/12/2020	330,979[(3)]	1,323,916	5,005,270	1,069,104,512	267,276,128	4
Cancellation of shares	02/12/2020	(265,000)	(1,060,000)	(15,126,920)	1,068,044,512	267,011,128	4
Acknowledgment of capital increase through the issuance of shares resulting from the exercise of stock options	02/09/2021	436,618[(4)]	1,746,472	7,474,900	1,069,790,984	267,447,746	4
Cancellation of shares	02/09/2022	630,000	2,520,000	(47,307,842)	1,067,270,984	266,817,746	4

(1) These 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

As of the date of registration of this Universal Registration Document, and to the Company's knowledge, no pledges, guarantees, or security interests had been granted on the Company's shares.

9.2.6 - Number of voting rights

As of December 31, 2021, the Company's share capital was made of 267,447,746 shares corresponding to 267,447,746 theoretical voting rights and 266,769,570 exercisable voting rights, excluding shares held in treasury, which are stripped of voting rights.

9.3 - Memorandum and Articles of Association

9.3.1 - Corporate purpose

In accordance with article 2 of the Articles of Association, the corporate purpose of the Company, directly or indirectly, in all countries, is:

- to purchase, subscribe, sell, own or transfer shares or other negotiable securities in any companies,
- to provide any services, particularly in the areas of human resources, information technology, management, communication, finance, law and marketing, and to make purchases for its subsidiaries and direct or indirect investments,
- and generally, to enter into any transactions, whether of a financial, commercial, industrial or private nature, and whether relating to real or personal property, which may be directly or indirectly associated with the corporate object set out above and with any similar or connected objects, and which are such as may directly or indirectly promote the objectives of the Company and its growth, development or corporate assets.

9.3.2 - Administration and management

For a description of the rules governing the composition, organization, and operation of the Company's administrative and management bodies, please refer to chapter 6.1 of this Universal Registration Document.

9.3.3 - Rights, privileges, and restrictions attached to shares

Shares shall be freely negotiable and may be transferred from one account to another in accordance with the legal and regulatory provisions.

Subject to the applicable legal and regulatory restrictions, each member of the General Meeting shall be entitled to a number of votes equal to the number of shares that he owns or represents. In line with the option provided for under Article L. 22-10-46 of the French Commercial Code, fully paid-up shares which have been in registered form for at least two years in the name of the same shareholder shall not enjoy double voting rights.

In the event that new shares are not fully paid-up at the time of their issue, cash calls will be made on dates determined by the Board of Directors, with 15 days' notice, by means of announcements inserted in one of the legal announcements' journals in the place where the registered office is situated, or by registered letter with proof of receipt requested. Every payment in respect of shares subscribed for will be recorded in the form of a note inserted in the registered account opened in the name of the subscriber concerned. Any late payment shall automatically incur interest payable to the Company at the legal interest rate with effect from its due date, without the necessity for any formal notice or legal claim, and without prejudice to any personal action that the Company may bring against the defaulting shareholder and any enforcement measures provided by law.

Each share shall confer rights of ownership in identical proportions in respect of the Company's assets and upon the division of profits and liquidation surpluses, subject to the creation of preference shares.

Shares shall be indivisible as regards the Company, which shall therefore recognize only one owner per share. Joint owners must be represented by a single person as regards to the Company. In the event of separation of the legal and beneficial ownership of a share, the voting right attached thereto shall belong to the beneficial owner for Ordinary General Meetings and to the legal owner for Extraordinary General Meetings.

A shareholder's heirs, creditors, agents or assigns shall not be entitled on any grounds whatever to attach the goods and assets of the Company, to apply for their distribution, or to interfere in any way whatever in the Company's administration.

In order to exercise their rights, they must rely on the Company's balance sheet and on the decisions of the General Meeting.

Whenever it is necessary to own several shares to exercise any right, and particularly in the event of the conversion or allocation of shares by way of transactions such as capital consolidations, increases or reductions, whether in cash or by the incorporation of reserves or by way of merger or in any other manner, owners of individual shares or shares whose number is lower than that required shall not have any rights against the Company. In such circumstances shareholders must make their own arrangements to purchase, sell or group together the necessary number of shares or rights.

The Company shall keep itself informed of the composition of the body of shareholders under the conditions provided by law. In this respect, the Company shall use all legal measures provided for the identification of the owners of securities conferring an immediate or future right to vote at its shareholders' meetings.

9.3.4 - Amendment of the rights attached to shares

Insofar the Company's Articles of Association do not provide specific provisions, any amendment to the rights attached to shares is subject to the provisions of applicable law.

9.3.5 - Shareholders' General Meetings

9.3.5.1 Participation in Shareholders' General Meetings

Subject to the restrictions provided by law and regulations, every shareholder shall be entitled to attend General Meetings and to take part in the deliberations whether personally or through a proxy, regardless of the number of shares that he owns.

The right to attend General Meetings, in any form whatsoever, is conditional upon the accounting registration or book-entry transfer in the name of the shareholder or the authorized intermediary registered on his behalf, under the conditions and within the time limits provided for in current legislation.

Any shareholder wishing to vote by post or by proxy must have filed a proxy voting form, postal voting form or equivalent single document at the registered office or at any other place indicated in the notice of meeting within the time limits and according to the conditions provided for in current legislation. The Board of Directors may, for any General Meeting, shorten this period by way of a general decision for the benefit of all shareholders.

In the event of a decision to this effect by the Board of Directors, mentioned in the notice of meeting, shareholders may, subject to the conditions and time limits provided by law and regulations, send their proxy form and postal voting form by any means of telecommunication, including electronic means, that allow their identification and whose nature and conditions are determined by current legislation.

9.3.5.2 Convening Shareholders' General Meetings

General Meetings are convened in the manner provided by law. Meetings are held at the registered office or at any other place in France or abroad specified in the notice of meeting.

9.3.5.3 Conduct of Shareholders' General Meetings

Shareholders' General Meetings are chaired by the Chairman of the Board of Directors, or failing that, by the Vice-Chairman, or failing that, by a member of the Board of Directors specially nominated for that purpose by the Board. In default, the General Meeting shall elect a Chairman itself.

If the Board of Directors so permits in the notice of a General Meeting, any shareholder may participate in that meeting by videoconferencing or by electronic means of telecommunication or transmission under the conditions provided by the current law and regulations, and shall then be deemed to be present at the meeting for the purposes of calculating the quorum and majority.

An attendance register shall be kept in the manner provided by law.

9.3.5.4 Deliberations and powers of Shareholders' General Meetings

Ordinary and Extraordinary General Meetings vote in the conditions as to quorum and majority provided by the provisions governing such meetings, respectively. They shall have the powers attributed to them by law.

9.3.6 - Provisions to delay, defer or prevent a change of control

The Company's Articles of Association contain no provision to delay, defer, or prevent a change of control.

9.3.7 - Crossing of ownership thresholds

In addition to the legal provisions applicable in this area, any natural person or legal entity that directly or indirectly (including through a company controlled within the meaning of Article L. 233-3 of the French Commercial Code), alone or in concert, and in any way whatever, comes to hold 2% of the share capital or voting rights (the total number of voting rights to be used as the denominator being calculated on the basis of all the equities to which voting rights are attached, including equities whose voting rights have been suspended) must inform the Company of this. Such persons must do so by registered letter with proof of receipt requested addressed to the registered office, within a period of four stock exchange days as from the date this threshold is attained, independently of the date of registration of such shares in any account. They must specify the total number of shares and securities giving access to the share capital and the number of voting rights that are owned, directly or indirectly, alone or in concert. Notice must be given in the same manner and within the same period when a holding is reduced to below this 2% threshold.

Above this threshold of 2%, any further increase or decrease in the holding by an amount of 1% of the share capital and voting rights must also be declared in the manner provided above.

In the event of non-compliance with the notice obligations referred set out above, and on the request, noted in the minutes of a General Meeting, of one or more shareholders owning at least two per cent (2%) of the share capital or voting rights, any shares in excess of the fraction that ought to have been declared shall be stripped of their voting rights. The defaulting shareholder shall not be entitled to exercise them or assign them for any General Meeting taking place until the expiry of a period of two years following the date on which such notice is properly served.

9.3.8 - Changes to the share capital

The Company's share capital may be increased or reduced in accordance with the applicable legal and regulatory provisions. The Extraordinary General Meeting may also decide to divide or consolidate the shares.

9.4 - Identity of persons responsible for the Universal Registration Document and for auditing the financial statements

9.4.1 - Persons responsible for the Universal Registration Document

9.4.1.1 Name and position of the person responsible for the Universal Registration Document

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."

Benoît Coquart

Chief Executive Officer

9.4.1.3 Historical financial information incorporated by reference

This Universal Registration Document incorporates by reference the Company's consolidated financial statements for the year ended December 31, 2020, and the related Statutory Auditors' report, as presented on pages 246 to 2999 and pages 300 to 303 of the 2019 registration document filed with the AMF on April 20, 2020, under number D.20-0320 (available online *via* https://www.legrandgroup.com/en, in the section "INVESTORS AND SHAREHOLDERS / Annual report and registration document / 2019").

This Universal Registration Document also incorporates by reference the Company's consolidated financial statements for the year ended December 31, 2021, and the related Statutory Auditors' report, as presented on pages 279 to 337 and pages 338 to 341 of the 2020 Universal Registration Document filed with the AMF on April 12, 2021, under number D.21-0292 (available online at https://legrandgroup.com/en/, in the section "INVESTORS AND SHAREHOLDERS / Annual report and registration document / 2020").

9.4.2 - Statutory Auditors

9.4.2.1 Principal Statutory Auditors

PricewaterhouseCoopers Audit

Member of the *Compagnie régionale des Commissaires aux comptes de Versailles* (Versailles Regional Body of Statutory Auditors)

Represented by Camille Phelizon
Crystal Park, 63, rue de Villiers
92208 Neuilly-sur-Seine

Appointed Deputy Statutory Auditor by the Shareholders' General Meeting of June 6, 2003, they became Principal Statutory Auditor following the merger between Pricewaterhouse and Coopers & Lybrand Audit, and were reappointed as Principal Statutory Auditors by the Shareholders' General 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. Please refer to the presentation of the agenda and draft resolutions available on the Company's website www.legrandgroup.com for more information concerning the question of the renewal of the term of office of this Principal Statutory Auditor.

Deloitte & Associés

Member of the *Compagnie régionale des Commissaires aux comptes de Versailles* (Versailles Regional Body of Statutory Auditors)

Represented by Olivier Broissand
6, place de la Pyramide
92908 Paris-La-Défense-Cedex

Appointed Principal Statutory Auditor at the Shareholders' General Meeting of December 21, 2005, and reappointed Principal Statutory Auditor by the Shareholders' General 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 to be 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. Please refer to the presentation of the agenda and draft resolutions available on the Company's website www.legrandgroup.com for more information concerning the non- renewal of the term of office of this Deputy Statutory Auditor.

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 2022 financial information to be disclosed to the public by the Company will be available on the Company's website www.legrandgroup.com/en.

As an indication only, the Company's timetable for the publication of financial information up to December 31, 2022, is expected to be as follows:

- 2022 first-quarter results: May 5, 2022
- start of the quiet period[1]: April 5, 2022
- Shareholders' General Meeting: May 25, 2022
- ex-dividend date: May 30, 2022
- dividend payment date: June 1, 2022
- first-half 2022 results: July 29, 2022
- start of the quiet period[1]: June 29, 2022
- 2022 nine-month results: November 3, 2022
- start of the quiet period[1]: October 4, 2022

(1) Period of time when all communication is suspended in the run-up to the publication of results.

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Cross-reference tables

Cross-reference table – Annual Financial Report (article 222-3 of the AMF'S General regulation)

No.	General Regulation of the French Financial Markets Authority (*Autorité des marchés financiers*) – article 222-3 Item	Annual Financial Report Reference	Page(s)
I.1	Annual financial statements	Appendix 1	332-348
I.2	Consolidated financial statements prepared in accordance with Regulation (EC) No. 1606/2002 of July 19, 2002, on the application of international accounting standards	8.1	244-297
I.3	Management Report containing at least the information referred to in articles L. 225-100-1, I, L. 22-10-35 and the second paragraph of article L. 225-211 of the French Commercial Code	Appendix 2	349-373
	Management Report containing information referred to in article L. 225-100-1, II of the French Commercial Code	Chapter 5	155-174
I.4	Statement made by the natural persons taking responsibility for the Annual Financial Report	9.4.1	318
I.5	Statutory Auditors' reports on the annual financial statements	Appendix 3	374-377
	Statutory Auditors' report on the consolidated financial statements	8.2	298-301

Cross-reference table – Delegated Regulation (UE) 2019/980 of March 14, 2019 supplementing Regulation (UE) 2017/1129 of June 14, 2017 – Appendix 1 and 2

No.	Delegated Regulation (UE) 2019/980 of March 14, 2019 supplementing Regulation (UE) 2017/1129 of June 14, 2017 – Appendix 1 and 2 Item	Universal Registration Document Reference	Page(s)
1	**Responsible persons, third-party information, experts' reports and competent authority approval**		
1.1	Persons responsible for the information in the Universal Registration Document	9.4.1	318
1.2	Statement of the responsible persons for the Universal Registration Document	9.4.1	318
1.3	Information about the persons having produced a statement or a report	9.4.1	318
1.4	Statement confirming that this information has been accurately reproduced and that no facts have been omitted which would render the reproduced information inaccurate or misleading	N/A	–
1.5	Statement that the Universal Registration Document has been filed with the AMF as competent authority		1
2	**Statutory Auditors**		
2.1	Names and addresses of the issuer's Statutory Auditors	9.4.2	319
2.2	Statutory Auditors that have resigned, been removed or not been re-appointed during the period covered by the historical financial information	N/A	–
3	**Risk factors**	Chapter 3	55-72
4	**Information about the issuer**		
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4.2	Place of registration of the issuer, registration number and legal entity identifier (LEI)	9.1.2	308

Delegated Regulation (UE) 2019/980 of March 14, 2019 supplementing Regulation (UE) 2017/1129 of June 14, 2017 – Appendix 1 and 2

		Universal Registration Document	
No.	**Item**	**Reference**	**Page(s)**
4.3	Date of incorporation and length of life of the issuer	9.1.3	308
4.4	Registered office and legal form of the issuer, legislation under which the issuer operates, country of incorporation, address and telephone number of its registered office and website of the issuer	9.1.4, 9.1.5 and 9.1.6	308
5	**Business overview**		
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5.3	Important events in the development of the issuer's business	2.1.2	41
5.4	Stategy and objectives of the issuer, both financial and non-financial	Chapter 1	6-29
5.5	Issuer's level of dependence on patents or licenses, industrial, commercial or financial contracts or new manufacturing processes	2.2.1.5 and 2.1.1..2.1	35-37
5.6	Basis for any statements made by the issuer regarding its competitive position	2.1.1.1.4	34
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5.7.3	Joint ventures and undertakings likely to have a significant effect on the assessment of the assets and liabilities, financial position or profit and losses of the issuer	2.1.1.2.2	37-38
5.7.4	Environmental issues that may affect the issuer's utilization of its tangible fixed assets	N/A	–
6	**Organizational structure**		
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6.2	List of the issuer's significant subsidiaries	9.1.7, 9.1.8 and 8.1.6 (note 1.3)	309, 310 and 255-256
7	**Operating and financial review**		
7.1	Financial condition		
7.1.1	Development and performance of the issuer's business and of its position, including both financial and, where appropriate, non-financial Key Performance Indicators, for each year and interim period for which historical financial information is required	Chapter 1	6-29
7.1.2	a) issuer's likely future development b) activities in the field of R&D	Chapter 1 and 2.1.1.2.1.	6-29 and 35-37
7.2	Operating results		
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Delegated Regulation (UE) 2019/980 of March 14, 2019 supplementing Regulation (UE) 2017/1129 of June 14, 2017 – Appendix 1 and 2		Universal Registration Document	
No.	**Item**	**Reference**	**Page(s)**
8.4	Information on any restrictions on the use of capital resources that have materially affected, or could materially affect, directly or indirectly, the issuer's operations	5.5	167-168
8.5	Information on the anticipated sources of funds needed to fulfill commitments referred to in item 5.7.2	N/A	–
9	**Regulatory environment**	**N/A**	**–**
10	**Trend information**		
10.1	a) most significant recent trends in production, sales and inventory, and costs and selling prices since the end of the last financial year to the date of the Universal Registration Documentb) significant change in the financial performance of the Group since the end of the last financial period for which financial information has been published to the date of the Universal Registration Document, or provide an appropriate negative statement	5.12	170
10.2	Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects for at least the current financial year	N/A	–
11	**Profit forecasts or estimates**		
11.1	Profit forecast or profit estimate, if any, information on whether the latter is still outstanding or no longer valid and state, if applicable, why such forecast or estimate is no longer valid	N/A	–
11.2	Statement setting out the principal assumptions upon which the issuer has based its forecast or estimate	N/A	–
11.3	Statement that the profit forecast or estimate has been compiled and prepared on a basis which is both comparable with the historical financial information and consistent with the issuer's accounting policies	N/A	–
12	**Administrative, Management and Supervisory bodies and senior management**		
12.1	Name, business address, function and main activities outside the issuing company of (a) members of the administrative, management or supervisory bodies, (b) partners with unlimited liability, in the case of a company limited by shares, (c) founders, for a company formed fewer than five years previously and (d) corporate officers whose name can be given to prove that the issuing company has sufficient expertise and the experience to manage its own affairs Nature of any family relationship between any of those persons For each member of the administrative, management or supervisory bodies and for each person mentioned in points (b) and (d), details of that person's relevant management expertise and experience **a)** the names of all companies and partnerships of which such person has been a member of the administrative, management or supervisory bodies or partner with unlimited liability at any time in the previous five years, (also indicate whether or not he/she still has this quality). It is not necessary to list all subsidiaries of the issuer in which the person is also a member of an administrative, management or supervisory body **b)** any convictions in relation to fraudulent offenses for at least the previous five years **c)** details of any bankruptcies, receiverships or liquidations for at least the previous five years **d)** detail of any criminal conviction and/or official public sanction handed down to such person by statutory or regulatory authorities and whether such person has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct the affairs of any issuer for at least the previous five years. Statement that no information should be disclosed.	6.1.1 and Appendix 3 to the Management Report	176-190 and 360-373
12.2	Conflicts of interest at the level of the administrative, management and supervisory bodies and senior management	6.1.1.1	176-183

Delegated Regulation (UE) 2019/980 of March 14, 2019 supplementing Regulation (UE) 2017/1129 of June 14, 2017 – Appendix 1 and 2

No.	Item	Universal Registration Document Reference	Page(s)
13	**Compensation and benefits**		
13.1	Amount of compensation paid and benefits in kind granted to persons identified in item 12.1 by the issuer and its subsidiaries	6.2	203-235
13.2	Total sums set aside or otherwise recognized by the issuer or its subsidiaries for the provision of pension, retirement or other benefits	8.1.6 (note 5.2)	294
14	**Board and General Management practices**		
14.1	Expiry date of the current term of office and period during which the person served in that office	6.1.1	176-190
14.2	Information about service contracts binding members of the administrative, management or supervisory bodies to the issuer or any of its subsidiaries, which provide for benefits, or an appropriate negative statement	6.1.5	202
14.3	Information about the issuer's Audit Committee and Compensation Committee	6.1.3	191-200
14.4	Statement as to whether or not the issuer complies with its country of incorporation's corporate governance regime	6.1	176-202
14.5	Potential material impacts on the corporate governance, including future changes in the Board and committees composition (insofar as this has been already decided)	6.1	176-202
15	**Employees**		
15.1	Number of employees at the end of the period or the average for each financial year over the period covered by the historical financial information and breakdown of persons employed by main category of activity and by site	4.6.2.2	142-145
15.2	Shareholdings and stock options	6.1.1, 6.2.3 and 7.2	176-190, 231 and 240
15.3	Agreement providing for employees to own a stake in the issuer's equity	7.2 and 7.3	240-241
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	238
16.2	Different voting rights, or an appropriate negative statement	9.3.3	315-316
16.3	Direct or indirect ownership or control of the issuer and measures in place to ensure that such control is not abused	7.1	238-239
16.4	Description of any arrangements, known to the issuer, which may at a subsequent date result in a change in control of the issuer	7.1.4	239
17	**Related party transactions**	**7.4 and 8.1.6 (note 5.2)**	**241-242 and 294**
18	**Financial information**		
18.1	Historical financial information		
18.1.1	Audited historical financial information covering the latest three financial years and the corresponding audit reports	8.1, 8.2 and 9.4.1	244-301 and 318
18.1.2	Change of accounting reference date	N/A	–
18.1.3	Accounting standards	8.1.6. (note 1.2)	252-254
18.1.4	Change of accounting framework	N/A	–
18.1.5	Balance sheet, income statement, changes in equity, cash flow statement, accounting policies and explanatory notes	Chapter 8	243-305
18.1.6	Consolidated financial information	8.1.1 to 8.1.5	244-249
18.1.7	Date of latest audited financial information	8.1	244-297

Delegated Regulation (UE) 2019/980 of March 14, 2019 supplementing Regulation (UE) 2017/1129 of June 14, 2017 – Appendix 1 and 2

No.	Item	Universal Registration Document Reference	Page(s)
18.2	**Interim and other financial information**		
18.2.1	Quarterly or half-yearly financial information published since the date of the last audited financial statements and, if any, audit or review report	N/A	–
18.3	**Audit of the historical financial information**		
18.3.1	Potential qualifications, modifications of opinion, disclaimers or emphasis of matter from the Statutory Auditors	8.2	298-301
18.3.2	Other information in the Universal Registration Document that has been reviewed by the Statutory Auditors	N/A	–
18.3.3	Where financial data in the Registration Document is not extracted from the issuer's audited financial statements, the source of the data and a statement that the data is unaudited	N/A	–
18.4	**Pro forma financial information**	N/A	–
18.5	**Dividend policy**		
18.5.1	Policy on dividend distributions and any restrictions thereon	8.4	
18.5.2	Dividend per share	8.1.6 (note 4.1) and 8.4	
18.6	**Legal and arbitration proceedings**	8.5	303
18.7	**Material change in the financial position of the issuer**	8.6	303
19	**Additional information**		
19.1	**Share capital**		
19.1.1	Subscribed capital, number of shares authorized, number of shares issued and fully paid and issued but not fully paid, par value per share and reconciliation of the number of shares in issue at the beginning and end of the financial year	9.2.1	310-312
19.1.2	Shares not representing capital	N/A	–
19.1.3	Number, carrying amount and par value of shares held by the issuer, on its behalf or by its subsidiaries	9.2.2	313
19.1.4	Convertible securities, exchangeable securities or securities with warrants	7.2 and 7.3	240-241
19.1.5	Information about the terms of any acquisition rights or obligations attached to capital subscribed but not paid up, or about any undertaking to increase the capital	7.2	240
19.1.6	Information about any capital of any member of the Group which is subject to an option or a conditional or unconditional agreement to put it under option	N/A	–
19.1.7	Changes in share capital over the period concerned by the historical financial information	9.2.4	314
19.2	**Memorandum and Articles of Association**		
19.2.1	Corporate purpose of the issuer	9.3.1	315
19.2.2	Rights, preferences and restrictions attached to each class of existing shares	9.3.3	315-316
19.2.3	Provisions of the Memorandum and Articles of Association and any charter or rules of the issuer that would have the effect of delaying, deferring or preventing a change in its control	9.3.6	317
20	**Material agreements**	**8.7**	**304**
21	**Documents available to the public**	**9.4.3**	**320**

Cross-reference table – Management Report (including corporate governance report)

Management Report	Reference text	Reference	Page(s)
No. Item			
Situation and business activities			
Situation of the Company during the year	L. 232-1 (II) of the French Commercial Code	Management Report, 1.1	349
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	349
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	349
Appropriation of earnings	-	Management Report 1.3	349-350
Internal control and risk management procedures relating to the preparation and processing of financial and accounting information	L. 225-100-1(I) of the French Commercial Code	Management Report, 1.4	350
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	350
Information about the Company's objectives and policy concerning hedging in each main category of transactions for which hedge accounting is used, and about its exposure to price, credit, liquidity and treasury risks	L. 225-100-1(I) of the French Commercial Code	Management Report, 1.6	350
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	350
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	350
Forecast changes in the Company's position	L. 232-1 (II) of the French Commercial Code	Management Report, 1.9	350
Description of existing branches	L. 232-1 (II) of the French Commercial Code	Management Report, 1.10	350
Research and development activities	L. 232-1 (II) of the French Commercial Code	Management Report, 1.11	350
Supplier and customer payment timeframes	D. 441-4 of the French Commercial Code	Management Report, 1.12	351
Significant new shareholdings or controlling interests acquired during the financial year in companies whose registered office is in France	L. 233-6 of the French Commercial Code	Management Report, 1.13	351
CSR information	**L. 225-102-4 of the French Commercial Code**	**Management Report, 2**	**351**
Report on corporate governance			
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	351
Start and end dates of each director's term of office	Art. 13.3 of the Afep-Medef Code	Management Report, 3.2	351
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	351
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	352
Membership of the Board of Directors and its committees	L. 22-10-10, 1° of the French Commercial Code	Management Report, 3.5	351

Management Report		Reference text	Reference	Page(s)
No.	Item			
	Preparation and organization of the work of the Board of Directors	L. 22-10-10, 1° of the French Commercial Code	Management Report, 3.6	351
	Number of meetings of the Board of Directors and the specialized committees and director attendance rates	Art. 10.1 of the Afep-Medef Code	Management Report, 3.7	351
	Assessment of the Board of Directors	Art. 9.3 of the Afep-Medef Code	Management Report, 3.8	351
	Independence of directors	Art. 8.5 of the Afep-Medef Code	Management Report, 3.9	352
	Description of the diversity policy applied to members of the Board of Directors and the Company's Executive Committee	L. 22-10-10, 2° of the French Commercial Code	Management Report, 3.10	352
	Limits that the Board of Directors imposes on the powers of the Chief Executive Officer	L. 22-10-10, 3° of the French Commercial Code	Management Report, 3.11	352
	Procedure for assessing agreements relating to ordinary transactions and formed on an arm's-length basis	L. 22-10-10, 6° of the French Commercial Code	Management Report, 3.12	352
	Reference to a Code of Corporate Governance	L. 22-10-10, 4° of the French Commercial Code	Management Report, 3.13	352
	Formalities for shareholders' participation in Shareholders' General Meetings	L. 22-10-10, 5° of the French Commercial Code	Management Report, 3.14	352
	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	352
	Information capable of affecting the outcome of a public offering	L. 22-10-11 of the French Commercial Code	Management Report, 3.16	353-354
	Description of the compensation policy for company officers	L. 22-10-8, I of the French Commercial Code	Management Report, 3.17	354
	Total compensation and benefits of any kind paid to each corporate officer during the financial year	L. 22-10-9, I of the French Commercial Code	Management Report, 3.18	354
	Presentation of the compensation of company officers compared with the mean compensation of the Company's employees and the change in that ratio over the last five financial years	L. 22-10-9 of the French Commercial Code	Management Report, 3.19	354
	Presentation of the compensation of company officers compared with the median compensation of the Company's employees and the change in that ratio over the last five financial years	L. 22-10-9 of the French Commercial Code	Management Report, 3.20	354
	Any kinds of commitment made by the Company to its company officers concerning compensation, allowances or benefits payable or likely to be payable as a result of, or subsequent to, taking up or leaving office	L. 22-10-9, I, 4° of the French Commercial Code	Management Report, 3.21	355
	Lock-in requirements for stock options and bonus shares awarded to executives	L. 225-197-1 and L. 22-10-59 of the French Commercial Code	Management Report, 3.22	355
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	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	355
	Information on acquisitions and disposals by the Company of its own shares	L. 225-211 of the French Commercial Code	Management Report, 4.3	355
	Transactions in securities by company officers and similar persons	L. 621-18-2 of the French Monetary and Financial Code	Management Report, 4.4	356
	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	356
	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	356

Management Report		Reference text	Reference	Page(s)
No.	**Item**			
	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	356
	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	356
	Share disposals to regularize cross-shareholdings	R. 233-19 of the French Commercial Code	Management Report, 4.9	356
Other legal, financial and tax information concerning the Company				
	Expenditures on luxuries	223 quater of the French General Tax Code	Management Report, 5.1	356
	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	356
	Table of the Company's results over the past five years	R. 225-102 of the French Commercial Code	Management Report, 5.3	356
	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	357
	Bonds, sureties and guarantees given and other security provided	L. 232-1(1) of the French Commercial Code	Management Report, 5.5	357
	Injunctions or fines for anti-competitive practices	L. 464-2 of the French Commercial Code	Management Report, 5.6	357
	Information on facilities categorized as upper-tier under the Seveso Directive	L. 225-102-2 of the French Commercial Code	Management Report, 5.7	357

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Appendix

APPENDIX 1 - Financial statements for the year ended December 31, 2021

Statement of income

(in € thousands)	12 months ended December 31, 2021	12 months ended December 31, 2020
Operating income		
Revenue	35,768	21,970
Other operating income	2,279	2,074
Total operating income	**38,047**	**24,044**
Operating expenses		
Purchases and external charges	(8,701)	(7,011)
Taxes other than on income	(627)	(828)
Employee benefits expense	(13,206)	(9,516)
Amortization and provision expense	(2,588)	(1,710)
Other operating expenses	(983)	(885)
Total operating expenses	**(26,105)**	**(19,950)**
Operating profit	**11,942**	**4,094**
Financial income		
Dividend income	450,007	450,007
Interest income from marketable securities and receivables, net	11,655	8,479
Provision reversals and expense transfers	29	40
Exchange gains	0	0
Other financial income	0	0
Total financial income	**461,691**	**458,526**
Financial expense		
Amortization and provision expense	(2,301)	(2,173)
Exchange losses	0	0
Other financial expense	(45,849)	(43,537)
Total financial expense	**(48,150)**	**(45,710)**
Financial income and expense, net	**413,541**	**412,816**
Recurring profit before tax	**425,483**	**416,910**
Non-recurring income and expense, net	**(10,598)**	**(5,031)**
Profit before tax and employee profit-sharing	**414,885**	**411,879**
Employee profit-sharing	(290)	(99)
Income tax benefit	15,540	15,707
Profit for the period	**430,135**	**427,487**

Balance sheet

Assets

(in € thousands)	December 31, 2021	December 31, 2020
Non-current assets		
Intangible assets	0	0
Property, plant and equipment	0	0
Investments	6,248,183	5,578,907
Total non-current assets	**6,248,183**	**5,578,907**
Current assets		
Receivables	135,682	136,914
Marketable securities	1,327	1,606
Cash	0	0
Total current assets	**137,009**	**138,520**
Other assets	**14,913**	**15,905**
TOTAL ASSETS	**6,400,105**	**5,733,332**

Equity and liabilities

(in € thousands)	December 31, 2021	December 31, 2020
Equity		
Share capital	1,069,791	1,069,791
Additional paid-in capital, reserves and retained earnings	747,116	697,477
Profit for the period	430,135	427,487
Untaxed provisions and government grants	0	0
Total equity	**2,247,042**	**2,194,755**
Provisions	**3,945**	**2,542**
Debt		
Other debt	4,124,579	3,524,042
Total debt	**4,124,579**	**3,524,042**
Other liabilities	**24,046**	**11,993**
Accruals	**493**	**0**
TOTAL EQUITY AND LIABILITIES	**6,400,105**	**5,733,332**

Statement of cash flows

(in € thousands)	12 months ended December 31, 2021	12 months ended December 31, 2020
Profit for the period	**430,135**	**427,487**
Adjustments for non-cash movements in assets and liabilities:		
– Changes in depreciation, amortization and impairment of fixed assets	11	(24)
– Amortization of deferred expense	3,474	3,235
– Changes in provisions for contingencies and charges	1,403	(196)
– Changes in untaxed provisions	0	0
– Net (gains)/losses on sales of assets	0	0
– Other non-cash items	(2,381)	(3,617)
Cash Flow	**432,642**	**426,885**
Changes in working capital requirement:		
– Trade and other receivables	(32,712)	1,819
– Trade and other payables	12,541	(5,112)
– Other operating assets and liabilities	(102)	44
Net cash from operating activities	**412,369**	**423,636**
– Net proceeds from sales of fixed and financial assets	0	0
– Decreases in financial assets	0	0
– Acquisitions of financial assets	0	0
– Acquisitions of fixed assets	0	0
Net cash from investing activities	**0**	**0**
– Proceeds from issues of share capital and premium	0	9,221
– Net sales (buybacks) of treasury shares and transactions under the liquidity contract	(91,718)	(32,411)
– Dividends paid to equity holders of Legrand	(377,944)	(357,419)
– Increase (reduction) in borrowings, including intragroup loans and borrowings	57,293	(43,514)
Net cash from financing activities	**(412,369)**	**(424,123)**
Increase (decrease) in cash and cash equivalents	**0**	**(487)**
Cash and cash equivalents at the beginning of the period	0	487
Cash and cash equivalents at the end of the period	**0**	**0**

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, 2020 and 2021 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"*. The latest agreement was signed on June 15, 2021 and applies for the calculation of the special statutory profit-sharing reserve for the 2 years from 2021 to 2022. The plan covers employees of Legrand SA and also those of Legrand France, Legrand SNC, Alpes Technologies, Cofrel, Ura, Planet-Wattohm, Intervox Systèmes, Legrand Cable Management, Legrand Énergie Solutions and Legrand Data Center Solutions.

Legrand SA also signed a 2-year discretionary profit-sharing agreement on June 15, 2021 covering the years 2021 to 2022. 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, 2021			
(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, 2021		
(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	1,798,166	623,129	2,421,295
Total	**1,798,166**	**623,129**	**2,421,295**
Other investments			
Treasury shares held for cancellation	0	0	0
Other treasury shares	7,009	46,158	53,167
Other long-term receivables	0	0	0
Deposits and guarantees	89	0	89
Total	**7,098**	**46,158**	**53,256**
Provisions for impairment			
Impairment of other treasury shares	(16)	(11)	(27)
Total	**(16)**	**(11)**	**(27)**
Total investments, net	**5,578,907**	**669,276**	**6,248,183**

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

The loan agreement has set up on July 6, 2017 by the Company with Legrand France SA for an amount of €480,632 thousand for a period of 4 years has expired.

On October 9, 2017, the Company has set up a loan agreement with Legrand France SA for an amount of €397,040 thousand for a period of 6 years, expiring on October 9, 2023. This loan is subject to an interest corresponding to the 1-month Euribor variable rate +0.63%, with capitalization of interest.

On July 1, 2019, the Company has set up a loan agreement with Legrand France SA for an amount of €400,000 thousand for a period of 9 years, expiring on July 1, 2028. This loan is subject to a floating interest rate corresponding to 1-month Euribor +0.69%, with capitalization of interest.

On October 1, 2020, the Company has set up a loan agreement with Legrand France SA for an amount of €600,000 thousand for a period of 10 years, expiring on September 30, 2030. This loan is subject to a floating interest rate corresponding to 1-month Euribor +0.69%, with capitalization of interest.

On July 6, 2021, the Company has set up a loan agreement with Legrand France SA for an amount of €500,000 thousand for a period of 5 years, expiring on July 6, 2026. This loan is subject to a floating interest rate corresponding to 1-month Euribor +0.082%, with capitalization of interest.

On October 6, 2021, the Company has set up a loan agreement with Legrand France SA for an amount of €600,000 thousand for a period of 10 years, expiring on October 6, 2031. This loan is subject to a floating interest rate corresponding to 1-month Euribor +0.743%, with capitalization of interest.

2.2.3 Other investments

This item includes shares acquired under share buyback programs, shares purchased under the liquidity agreement and cash and short-term investments held in the liquidity account (see note 1.4).

Legrand appointed a financial institution to maintain a liquid market for its shares on the Euronext™ Paris market under a liquidity contract. This contract is compliant with the AMF decision on July 2, 2018 relating to the establishment of liquidity contracts on equity securities under accepted market practice.

As of December 31, 2021, Legrand held 32,946 shares acquired under this agreement at a total cost of €3,339 thousand which are recorded under “Other treasury shares”.

Impairment of €27 thousand was recognized in relation to those shares at December 31, 2021.

During 2021, transactions under the liquidity agreement led to a positive cash flow of €5,961 thousand corresponding to the sales (net of purchases) of 64,781 shares.

This amount was financed by the cash and short-term investments held in the liquidity agreement, the balance of which was €25,339 thousand as of December 31, 2021, 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	27,475	27,475	0
Prepaid and recoverable taxes	17,359	17,359	0
Recoverable value-added tax	766	766	0
Group relief receivables	5,814	5,814	0
Other receivables	84,268	84,268	0
TOTAL AT THE END OF THE PERIOD	135,682	135,682	0
TOTAL AT THE BEGINNING OF THE PERIOD	**136,914**	**136,914**	**0**

NOTE 4 - Marketable securities

In 2021, and 2020, this item exclusively comprised Legrand shares purchased with a view of being granted to employees.

	December 31, 2021			December 31, 2020
(in € thousands)	Cost	Impairment	Net	Net
Performance share plans	1,327	0	1,327	1,606
TOTAL	1,327	0	1,327	1,606

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 26, 2021.

In 2021, the Company bought back 1,200,000 shares at a cost of €97,384,394.

A breakdown of this item is provided in note 6.1.

NOTE 5 - Other receivables

(in € thousands)	December 31, 2021	December 31, 2020
Prepaid expenses	124	22
Deferred charges	5,039	5,034
Bond redemption premium	9,750	10,849
TOTAL	14,913	15,905

NOTE 6 - Equity

6.1 Share capital

Share capital as of December 31, 2021 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 266,769,570 exercisable voting rights (after subtracting shares held in treasury by the Company at that date).

As of December 31, 2021, the Company held 678,176 shares in treasury, versus 125,407 shares as of December 31, 2020, *i.e.* an increase of 552,769 shares corresponding to:

- the net purchase of 1,200,000 shares outside of the liquidity agreement;
- the transfer 582,450 shares to employees under performance share plans;
- the net sale of 64,781 shares under the liquidity agreement (see note 2.2.3).

At December 31, 2021, the Company held 678,176 shares, acquired at a cost of €54,493,418 and allocated as follows:

- 15,230 shares purchased at a cost of €1,326,806 and available for allocation upon exercise of performance share plans;
- 32,946 shares purchased at a cost of €3,338,770 and held under the liquidity agreement (see note 2.2.3).
- 630,000 shares purchased at a cost of €49,827,842 for cancellation (see note 2.2.3).

Changes in share capital in 2021 were as follows

	Number of shares	Par value	Share capital *(in euros)*	Premiums *(in euros)*
As of December 31, 2020	267,447,746	4	1,069,790,984	530,061,010
Exercise of options under plan	0	0	0	0
Cancellation of shares	0	0	0	0
As of December 31, 2021	267,447,746	0	1,069,790,984	530,061,010

6.2 Additional paid-in capital, reserves and retained earnings

(in € thousands)	December 31, 2021	December 31, 2020
Before appropriation of profit		
Additional paid-in capital	530,062	530,062
IPO costs charged to additional paid-in capital	(33,206)	(33,206)
Legal reserve	106,979	106,910
Non-distributable reserves	8,615	3,456
Other reserves and retained earnings	134,666	90,255
TOTAL	**747,116**	**697,477**

6.3 Changes in equity

(in € thousands)	December 31, 2021
Equity at the beginning of the period before appropriation of profit	2,194,755
Movements for the year after appropriation:	0
– Share capital	0
– Additional paid-in capital	0
– Reserves and retained earnings	96
– Non distributable reserves	0
– Dividends paid	(377,944)
– Untaxed provisions and government grants	0
– Profit for the period	430,135
– Other	0
EQUITY AT THE END OF THE PERIOD BEFORE APPROPRIATION OF PROFIT	**2,247,042**

Legrand SA's General Meeting of Shareholders held on May 26, 2021 approved the payment of a total dividend of €357,944 thousand representing €1.42 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:

	2017 Plan	2018 Plans	2019 Plans	2020 Plans	2021 Plans
Date approved by shareholders	May 27, 2016	May 30, 2018	May 30, 2018	May 30, 2018	May 26,2021
Grant date	May 31, 2017	May 30, 2018	May 29, 2019	May 26, 2020	May 26, 2021
Total number of performance share rights initially granted	492,254 (1)	524,123 (1)	617,818	461,861	491,477
o/w to Executive Officer	*12,503* (1)	*19,546* (1)	*22,954*	*11,544*	*20,544*
Gilles Schnepp	*12,503*	*0*	*0*	*0*	*0*
– *Benoît Coquart*	*N/A*	*19,546*	*22,954*	*11,544*	*20,544*
Total IFRS 2 expense *(in € millions)*	24.8 (2)	28.5 (2)	31.0 (2)	22.8 (2)	35.2 (2)
End of vesting period	June 17, 2021	June 16, 2021 (3)	June 16, 2022 (3)	June 16, 2023 (3)	June 14, 2024 (3)
		June 16, 2022 (4)	June 16, 2023 (4)	June 14, 2024 (4)	June 12, 2025 (4)
End of lock-up period	June 17, 2021	May 31, 2023 (3)	May 31, 2024 (3)	May 28, 2025 (3)	May 27, 2026 (3)
		June 16, 2022 (4)	June 16, 2023 (4)	June 14, 2024 (4)	June 12, 2025 (4)
Number of performance shares adjusted for the performance criteria fulfillment	46,750 (5)	(37,046) (5)	(2,656) (6)		
Number of performance share rights cancelled or forfeited	(52,848)	(49,088)	(56,821)	(10,822)	(4,706)
Number of performance shares acquired as of December 31, 2021	(486,156)	(94,679)	(1,231)	(866)	
PERFORMANCE SHARE RIGHTS OUTSTANDING AS OF DECEMBER 31, 2021	**0**	**343,310**	**557,110**	**450,173**	**486,771**

(1) Given the dividend distribution features approved at the General Meetings of Shareholders 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.

(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 of chapter 8 of this Universal Registration Document.

(6) Adjustments estimated as at the date when the financial statements were prepared.

6.4.1.1. 2017 performance share plan

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, 2020 and 2021 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 2018 to 2021 plans were to vest according to the target allocation before application of the performance criteria (*i.e.* 1,837,364 shares), the Company's capital would be diluted by 0.7% as of December 31, 2021.

NOTE 7 - Provisions

	December 31, 2021			
(in € thousands)	At the beginning of the period	Charges for the year	Reversals for the year	At the end of the period
Pensions and other post-retirement benefit obligations	1,028	124	(1)	1,151
Other	1,514	2,353	(1,073)	2,794
Provisions	**2,542**	**2,477**	**(1,074)**	**3,945**
Impairment on investments	16	27	(16)	27
Impairment on marketable securities	0	0	0	0
Provisions for impairment	**16**	**27**	**(16)**	**27**
TOTAL	**2,558**	**2,504**	**(1,090)**	**3,972**
Charges to and reversals from provisions recorded under the following income statement captions:				
– operating income and expense		2,477	(1,074)	
– financial income and expense		27	(16)	
– non-recurring income and expense		0	0	
TOTAL		**2,504**	**(1,090)**	

Other provisions relate mainly to the *forfait social* tax (*i.e.* social charges) on performance share plans.

NOTE 8 - Debt and other liabilities

	December 31, 2021			
		Maturity		
(in € thousands)	Net value	Due within one year	Due in one to five years	Due beyond five years
Bonds	4,124,579	424,579	1,300,000	2,400,000
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	**4,124,579**	**424,579**	**1,300,000**	**2,400,000**
Trade payables	3,141	3,141	0	0
Accrued taxes and employee benefit expense	9,994	9,994	0	0
Other	11,404	11,404	0	0
TOTAL OTHER LIABILITIES	**24,539**	**24,539**	**0**	**0**
TOTAL AT THE END OF THE PERIOD	**4,149,118**	**449,118**	**1,300,000**	**2,400,000**
TOTAL AT THE BEGINNING OF THE PERIOD	**3,536,035**	**36,035**	**1,700,000**	**1,800,000**

8.1 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:

- the maturity of the €900.0 million revolving credit line is extended up to December 2026,
- the margin applied to market rates is still determined on the basis of the Group's credit rating, but it 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 of December 31, 2021, the Credit Facility had not been drawn down.

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.

In October 2021, the Group carried out its first sustainability-linked bond issue indexed to its carbon neutrality metrics. The 0.375% ten-year bonds were issued for a total amount of €600 million and will be redeemable at maturity on October 6, 2031.

The issue is indexed to the Group's carbon trajectory by applying a potential additional coupon of 0.50% over the only last year in which the bond reaches maturity, in the event that the related objectives are not achieved.

8.3 Other liabilities

Other liabilities consist of the €10,875 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 €35,768 thousand, representing intra-group services 100% located in France.

Non-recurring income and expenses are as follows:

(in € thousands)	December 31, 2021	December 31, 2020
Revenue transactions	156	0
Capital transactions	2,487	1,428
Provision reversals and expense transfers	45,506	26,500
TOTAL NON-RECURRING INCOME	**48,149**	**27,928**
Revenue transactions	(9,726)	(4,398)
Capital transactions	(47,836)	(28,561)
Amortization and provision expense	(1,185)	0
TOTAL NON-RECURRING EXPENSE	**(58,747)**	**(32,959)**
NON-RECURRING INCOME AND EXPENSE, NET	**(10,598)**	**(5,031)**

Non-recurring income and expenses correspond mainly to income and expenses generated on sales and purchases of treasury shares.

The income in connection with the liquidity agreement amounts to €2,290 thousand.

The €47,836 thousand capital transactions expenses are related to the transfer of performance shares to the employees of various Group subsidiaries in relation to the 2017 plan for other beneficiaries and 2018 plan for the Chief Executive Officer and members of the Executive Committee.

This expense is compensated by the "provision reversals and expense transfers" income €45,506 thousand, reflecting the recharging to the Group's various subsidiaries of thoses performance shares transferred to employees.

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, 2021	Increase	Decrease	Dec. 31, 2021	Jan. 1, 2021	Change	Dec. 31, 2021
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	(149)	(141)	0	(290)	42	33	75
Provisions for pensions and other post-retirement benefit costs	(1,014)	(123)	0	(1,137)	262	32	294
Other provisions	(1,514)	(1,161)	0	(2,675)	408	283	691
Taxes and other	0	0	0	0	0	0	0
TOTAL	**(2,677)**	**(1,425)**	**0**	**(4,102)**	**712**	**348**	**1,060**

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 2021, Legrand recognized a net income tax benefit of €15,540 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.

If required, the Group may enter into forward contracts to hedge its foreign currency risk. As of December 31, 2021, the Group has set up forward contracts. (see note 10.3).

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, 2021.and 2020, were as follows:

(in € thousands)	December 31, 2021	December 31, 2020
Guarantees given to banks	0	0
Guarantees given to other organizations	220,000	0
TOTAL	**220,000**	**0**

Hedge :

The Company has set up a forward contract over the period for future financing.

As of December 31, 2021, the fair value of this instrument is €5.0 million and constitutes an unrealized profit.

10.4 Employees

	December 31, 2021	December 31, 2020
Average number of employees		
Management	40	38
Administrative staff	5	5
Apprentices	0	1
TOTAL	**45**	**44**

10.5 Compensation of the Chief Executive Officer

During 2021, compensation awarded to the Chief Executive Officer is as follows:

- Angeles Garcia-Poveda amounted to €625.0 thousand; and
- Benoît Coquart amounted to €2,169.0 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.

10.7 Subsidiaries and affiliates

(in € thousands)	Share capital	Reserves and retained earnings	% interest	Carrying amount of the shares		Loan and advance	Guarantee given	Revenue	Profit (loss)	Dividends received
	euros			Cost	Net					
French companies										
Legrand France SA	54,913	764,285	100	3,773,659	3,773,659	2,505,502	0	956,181	434,890	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, 2021

Management Report of the Board of Directors of March 15, 2022 to the Annual General Meeting scheduled on May 25, 2022 of Legrand SA (the "Company")

1. Situation and business

1.1 Situation of the Company during the past financial year, business and results of the Company, each subsidiaries and the companies it controls, by business segment

Net sales amounted to €35.8 million as of December 31, 2021, compared with €22.0 million as of December 31, 2020. It represents services provided within the Group.

Other operating income amounted to €2.3 million as of December 31, 2021, compared with €2.1 million as of December 31, 2020.

Operating expenses amounted to €26.2 million as of December 31, 2021, compared with €20.0 million as of December 31, 2020.

As of December 31, 2021, operating profit was €11.9 million, compared with €4.1 million as of December 31, 2020.

Financial results for financial year 2021 amounts to €413.5 million, compared with €412.8 million as of December 31, 2020.

This change is mainly the result of an increase in interests on bonds.

Non-recurring items resulted in a loss of €10.5 million on a net basis as of December 31, 2021, compared with a loss of €5.0 million as of December, 31 2020. This change is mainly due to expenses relating to the delivery of performance share plans.

Tax income amounted to €15.5 million as of December 31, 2021, representing the net amount of the tax savings generated by the tax consolidation group, compared with €15.7 million as of December 31, 2020.

Net income amounted to €430.1 million as of December 31, 2021, compared with €427.5 million as of December 31, 2020.

1.2 Analysis of changes in the business, results and financial position of the Company and the Group

Information on the Company's and Group's business is presented in chapter 5 of this Universal Registration Document.

The Company's debt position is summarized in Appendix 1 to this Management Report. The Company's external debt is higher in 2021 than in 2020.

1.3 Appropriation of earnings and determination of dividend

We propose that the Company's earnings of €430,134,967.09 in respect of the financial year to December 31, 2021 be appropriated as follows:

- no allocation to the legal reserve is necessary, as the legal reserve is over 10 % of the share capital;
- the "unavailable reserves for treasury shares" item would be reduced to €4,665,575.82. The amount of the reduction, *i.e.* €3,949,430.72 would be allocated to "Other reserves";
- taking into account the retained earnings, the amount of distributable income would therefore amount to €564,802,663.75;
- the Board of Directors proposes (i) to pay to shareholders as a dividend €1.65 per share, and (ii) to allocate the balance of distributable profit to the item "retained earnings".

On the basis of the number of shares comprising the share capital at December 31, 2021 and after deduction of treasury shares held at that date, the appropriation of distributable income would be as follows: (i) €440,169,790.50 to dividends and (ii) a total amount of €124,632,873.25 to "retained earnings".

In the event of a change in the number of shares entitling holders to a dividend before the dividend payment date, the total dividend amount would be adjusted accordingly.

No dividends would be due on any shares held by the Company itself or canceled before the payment date. As regards the tax treatment of the dividend of €1.65 per share, the dividend paid to individual shareholders residing in France is subject to flat-rate income tax of 12.8% in accordance with Article 200 A, 1 of the French General Tax Code. However, upon express, irrevocable overall election by the shareholder, the dividend may be taxed at the sliding-scale income tax rate and eligible for the 40% tax relief provided for in Article 158-3-2° of the French General Tax Code, applicable under certain conditions. The dividend is subject to a withholding tax deducted at source (other than exceptions), as provided for in Article 117 *quater* of the French General Tax Code, which is then set off against income tax due on income received in 2021. In any event, the dividend will also be subject to social security levies totaling 17.2%.

The tax-related items of information presented here are those applicable at the time of drafting this report. As a general rule, shareholders are invited to consult their usual advisers as to applicable taxation arrangements.

1.4 Internal control and risk management procedures relating to the preparation and processing of financial and accounting information

Main characteristics of internal control and risk management procedures implemented by the Company on financial information are described in chapter 3 of this Universal Registration Document.

1.5 Description of the main risks and uncertainties faced by the Company

Risks and related Group policies are presented in chapter 3 of this Universal Registration Document.

1.6 The Company's objectives and policy concerning hedging in each main category of transactions for which hedge accounting is used, and about its exposure to price, credit, liquidity and treasury risks

All of this information is presented in chapter 8 of this Universal Registration Document.

Management of these risks is described in note 5.1.2 to the consolidated financial statements, which appear in chapter 8 of this Universal Registration Document.

1.7 Description and management of financial risks linked to the effects of climate change

Information on financial risks related to climate change effects and the presentation of measures taken by the Company to mitigate those risks by implementing a low-carbon strategy in all its business components are provided in chapter 4 of this Universal Registration Document.

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.

1.10 Existing branches

None.

1.11 Research and Development activities

None.

1.12 Due dates of accounts payable and customer receivables

In accordance with Article L. 441-14 of the French Commercial Code, the table below presents the balance of invoices received but not paid at the end of the financial year:

Days overdue relative to invoice due date (in thousands of euros)	**0 day**	**1 day or more**	**Total (1 day or more)**
Total invoices incl. VAT at December 31, 2021	726	0	0
% of total ex-VAT purchases in 2021	17.1%	0%	0%
Total invoices incl. VAT at December 31, 2020	658	0	0
% of total ex-VAT purchases in 2020	22.0%	0%	0%

In accordance with Article L. 441-14 of the French Commercial Code, the table below presents the balance of invoices raised but not paid at the end of the financial year:

Days overdue relative to invoice due date (in thousands of euros)	**0 day**	**1 day or more**	**Total (1 day or more)**
Total invoices incl.VAT at December 31, 2021	27,475	0	0
% of ex-VAT revenue in 2021	76.8%	0%	0%
Total invoices incl.VAT at December 31, 2020	4,649	0	0
% of ex-VAT revenue in 2020	21.2%	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 metings 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 applicable to members of the Board of Directors and the Company's Executive Committee

This information is provided in sections 6.1.1.1, 6.1.3.1 and 6.1.4.5 of this Universal Registration Document.

3.11 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 relating to the designation of an agreement" 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 at: 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 Securities during 2021 are presented in section 7.1.1.2 of this Universal Registration Document.
Owners of any securities conferring special rights of control and description of those securities	None.
Control procedures provided for in any employee share-ownership plan where employees do not exercise rights of control themselves	In accordance with the regulations of the “Actions Legrand” company mutual fund, the voting rights attached to the Company’s shares are exercised by the fund’s Supervisory Board.
Shareholders’ agreements of which the Company is aware and that may entail restrictions on the transfer of shares and on the exercise of voting rights	None.
Appointment and replacement of members of the Board of Directors and amendment of the Company’s Articles of Association	In accordance with its Articles of Association, the Company is managed by a Board of Directors made up of a minimum of three members and a maximum of eighteen members, except as provided by law in the event of a merger. Except as provided by law, each Director must hold (in registered form) at least 500 shares of the Company throughout his/her term as Director. In the course of his/her term of office, the internal rules of the Board of Directors recommend that each director gradually acquire a number of shares equivalent to one full year of his/her share of directors’ fees. For calculation purposes it is assumed that the director takes part, over one financial year, in all meetings of the Board and the committee(s) to which he/she belongs, and the unit value of Legrand Securities is equal to the average of Legrand share price over the previous financial year. Directors have a three-year term of office[(1)] It expires at the end of the Ordinary General Meeting of Shareholders convened to consider the financial statements for the previous financial year and held in the year in which their term of office expires. Directors may be reappointed for consecutive terms. When statutory conditions are met, the Board of Directors may appoint members to the Board on a temporary basis for the remaining term of office of their predecessor. By law, temporary appointments shall be subject to ratification by the next Ordinary General Meeting of Shareholders. No individual one over the age of 70 may be appointed as a member of the Board of Directors if such appointment means that more than a third of Board members will be over that age. If, during their term of office, members of the Board of Directors over the age of 70 make up more than one third of the Board, the oldest member of the Board of Directors will be deemed to have resigned at the end of the Ordinary General Meeting of Shareholders convened to consider the financial statements for the previous financial year and held during the year in which the age limit is reached. Where the Company’s Articles of Association do not specifically provide otherwise, their amendment shall be subject to the applicable statutory provisions. When the legal conditions are met, the Board of Directors may appoint provisional members of the Board for the remaining term of office of their predecessor. As provided by law, provisional appointments are subject to ratification at the first shareholders’ meeting after the appointment is made. No individual over the age of 70 may be appointed to the Board of Directors if his/her appointment results in more than one-third of 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.

(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.

Powers of the Board of Directors, in particular concerning shares' issuance and repurchase	This information is presented in sections 9.2.1.1 and 9.2.2.1 of this Universal Registration Document. The Company can only repurchase its own shares outside periods of public offerings involving the Company's shares.
Agreements entered into by the Company that would be amended or would lapse in the event of a change of control of the Company, except (unless disclosure is required by law) where disclosure would seriously harm its interests	The following agreements may be amended or may lapse if control of the Company changes: ▪ agreement for the issuance of bonds on the US market by the Legrand France subsidiary in an amount of $347.3 million, in the event of a change in control due to a hostile takeover; ▪ the loan contract in an amount of €900 million entered into with financial institutions on October 20, 2011 and amended on July 25, 2014 and on December 20, 2019; ▪ the bond issue completed on April 11, 2012 in a total nominal amount of €400 million; ▪ the bond issue completed on December 9, 2015 in a total nominal amount of €300 million; ▪ the bond issue completed on June 29, 2017 in a total nominal amount of €1 billion; ▪ the bond issue completed on October 4, 2017 in a total nominal amount of €400 million; ▪ the bond issue completed on March 6, 2018 in a total nominal amount of €400 million; ▪ the bond issue completed on June 17, 2019 in a total nominal amount of €400 million; ▪ the bond issue completed on May 12, 2020 in a total nominal amount of €600 million; ▪ the bond issue completed on October 6, 2021 in a total nominal amount of €600 million.
Agreements providing for payment of compensation to employees or members of the Board of Directors in the event of resignation, dismissal without real and serious cause, or termination of employment due to a takeover bid	None with respect to the company officers and members of the Board of Directors.

3.17 Description of the compensation policy for company officers

In accordance with article L. 22-10-8 of the French Commercial Code, information required under article R. 22-10-14 of the French Commercial Code is presented in section 6.2.1 of this Universal Registration Document.

3.18 Total compensation and benefits of any kind paid or awarded to each company officer during the financial year

In accordance with article L. 22-10-9 of the French Commercial Code, this information is presented in section 6.2.2 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 6.2.2.3 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 6.2.2.3 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 "D- Other compensation components" part of section 6.2.1.3, and section 6.2.2.2 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 financial year

The shareholding structure of the Company and information about the crossing of thresholds and treasury shares is presented in section 7.1 of this Universal Registration Document. For more information on shareholders and share ownership thresholds, please consult sections 7.1.1.2 to 7.1.4 of this Universal Registration Document.

4.2 Amount of dividends distributed with respect to the past three years, amount of income eligible for the 40% allowance and amount non-eligible for that allowance

In accordance with the provisions of Article 243 bis of the French General Tax Code, we inform you of the dividends paid over the past three years.

Dividends distributed in respect of the 2018, 2019 and 2020 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**
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
2020	266,157,780 shares with a par value of €4 each	€1.42	€1.42	€0.00

* *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.

During the 2021 financial year, the Company purchased a total of 2,402,773 shares at a total cost of €210,097,681 and sold 2,467,554 shares for a total of €213,768,146, under the liquidity agreement.

With respect to the liquidity agreement, the average purchase price was €87.44 per share and the average sale price was €87.56 per share. There were no trading costs associated with these transactions.

At December 31, 2021, the balance on the liquidity agreement stood at 32,946 shares.

Outside the scope of the liquidity contract, the Company repurchased 1,200,000 shares during the 2021 financial year, for a value of €97,384,394 at an average purchase price of €81.15, with trading costs amounting to €293,537.

The Company transferred 582,450 shares to employees under performance share plans.

At December 31, 2021, the Company held 678,176 shares with a nominal value of €4 each, *i.e.* a total of €2,712,704 representing 0.25% of its share capital. Valued at cost at the time of purchase, these shares amounted to €54,493,419.

Aside from the liquidity agreement, the Company held 645,230 shares at December 31, 2021, with a total purchase cost of €51,154,648 and nominal value of €2,580,920.

Please note that between the end of the 2021 financial year and March 15, 2022, the Company's Board of Directors decided at its meeting of February 9, 2022, to proceed with the cancellation of 630,000 shares.

4.4 Transactions in securities by company officers and similar persons

Transactions reported by the company officers, key executives and similar persons to the French Financial Markets Authority from March 17, 2021 until March 15, 2022 year were as follows:

Person reporting	Type of transaction	Description of the financial instrument	Count of transactions	Total amount of transactions *(in euros)*
Olivier Bazil	Sale	Shares	1	20,044
Olivier Bazil	Sale	Shares	1	1,743,308
Olivier Bazil	Sale	Shares	1	999,356
Olivier Bazil	Sale	Shares	1	999,356
Olivier Bazil	Pledge	Shares	2	12,272,200
Olivier Bazil	Sale	Shares	1	612,372
Olivier Bazil	Sale	Shares	1	611,842
Franck Lemery	Sale	Shares	2	407,629
Antoine Burel	Sale	Shares	1	336,000
Olivier Bazil	Donation	Shares	1	0
Olivier Bazil	Donation	Shares	1	0
Jean-Marc Chéry	Acquisition	Shares	1	43,401

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 25, 2022.

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 10,002,230, representing 3.74% of the share capital, including 707,359 shares held in the "Actions Legrand" investment fund, a sub-fund of the Group's employee share ownership plan. These shares represented 0.26% of the Company's share capital.

At December 31, 2021, Group employees held a total of 2,453,843 shares within the meaning of article L. 225-102 of the French Commercial Code, representing 0.18% of the Company's share capital and voting rights.

4.8 Names, business and results of controlled companies and percentage of the share capital held

For subsidiaries and equity interests, an organizational chart and a presentation of their business and results are provided in sections 9.1.7 and 9.1.8 of this Universal Registration Document, and in note 10.6 to the parent-company financial statements.

4.9 Share disposals to regularize cross-shareholdings

None.

5. Other legal, financial and tax information concerning the Company

5.1 Expenditures on luxuries

None.

5.2 Add-backs of excessive general expenditure or general expenditure that does not feature in the special statement

Non-deductible expenses for financial year 2021, excluding items carried over from prior years, came to €66,246, including €17,397 related to the tax on company's vehicles *(Taxe sur les Véhicules de Tourisme et Société)* and €53,312 related to vehicle lease payments and depreciation, with the corresponding tax in an amount of €18,820.

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, 2022, 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.

On March 15, 2022

The Board of Directors

Appendix 1 to the Management Report

Debt position

(in millions of euros)	December 31, 2021	December 31, 2020
EXTERNAL DEBT		
Debt		
Bonds	4,100.0	3,500.0
Bank borrowings	0.0	0.0
Credit Facility	0.0	0.0
TOTAL EXTERNAL DEBT	**4,100.0**	**3,500.0**
Accrued interest	**24.6**	**24.0**
Interest expense		
Bonds	45.8	43.5
Bank borrowings	0.0	0.0
Credit Facility	0.0	0.0
TOTAL INTEREST EXPENSE ON EXTERNAL DEBT	**45.8**	**43.5**
%	1.1%	1.2%
INTRA-GROUP DEBT		
Debt		
Advance from Legrand France SA	0.0	0.0
Interest expense		
Advance from Legrand France SA	0.0	0.0
%		
TOTAL DEBT	**4,124.6**	**3,524.0**
Equity	2,247.0	2,195.3
DEBT-TO-EQUITY RATIO	**184%**	**161%**

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)	2017	2018	2019	2020	2021
Capital at end of year					
Share capital	1,067,223	1,069,981	1,069,105	1,069,791	1,069,791
Number of ordinary shares	266,805,751	267,495,149	267,276,128	267,447,746	267,447,746
Total number of shares in issue	266,805,751	267,495,149	267,276,128	267,447,746	267,447,746
of which shares held in treasury*	45,128	905,347	313,406	125,407	678,176
Comprehensive income from operations					
Ex-VAT revenue	17,592	18,592	24,725	21,970	35,768
Income before tax, employee profit-sharing, depreciation, amortization and provisions	208,937	211,516	417,336	414,896	419,869
Income tax benefit/(expense)	41,459	16,630	13,944	15,707	15,540
Employee profit-sharing	(115)	(161)	(109)	(99)	(290)
Income after tax, employee profit-sharing, depreciation, amortization and provisions	247,048	227,535	431,363	427,487	430,135
Dividends paid	317,415	336,819	357,063	357,419	377,944
Income from operations per share (in euros)					
Income after tax and employee profit-sharing, but before depreciation, amortization and provisions	0.94	0.85	1.61	1.61	1.63
Income after tax, employee profit-sharing, depreciation, amortization and provisions	0.93	0.85	1.61	1.60	1.61
Dividend paid per ordinary share	1.19	1.26	1.34	1.34	1.42
Employee data					
Average number of employees	33	37	43	44	45
Total payroll	6,235	7,175	7,109	5,884	8,256
Total benefits (social security, other social benefits, etc.)	2,690	2,482	2,703	3,632	4,950

* *Treasury shares do not carry any dividend entitlement or voting rights.*

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
BENOÎT COQUART – Chief Executive Officer of Legrand* Aged 48[(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) ■ Chairman of Legrand Holding Inc.[(2)]	**Legrand** ■ Executive VP France (until 2018) ■ Roles in various subsidiaries
Education Benoît Coquart is a graduate of the Institut *d'Études Politiques de Paris* (Sciences Po Paris) and of 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 VP 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 is a Director of Legrand since 2020. He has also been Chairman of Ignes (*Industries du Génie Numérique, Énergétique et Sécuritaire)* and Vice-President building of the FIEEC (*Fédération des Industries Électriques, Électroniques et de Communication*) since 2019 and a member of the Board of ESSEC since 2022.	**Non-corporate roles** ■ Chairman of Ignes (since 2019) ■ Vice President building of the FIEEC (since 2019) ■ Member of the Board of Directors of ESSEC (since 2022)	**Non-corporate roles** ■ None
Benoît Coquart holds 75,845 Legrand shares.		

* *Listed company.*

(1) *Age as at March 15, 2022, 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.*

Executive company non-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 Aged 51(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 **Education** Angeles Garcia-Poveda is a graduate of ICADE business school in Madrid. She also attended the Business Case Study Program at Harvard University. **Professional Background** Angeles Garcia-Poveda has been the Independent Chairwoman of the Board of Directors of Legrand* since July 2020. Prior to this appointment, she was Lead Director from 2013 having been elected to the Board of the World Specialist in Electrical and Digital Building Infrastructures in 2012. Angeles Garcia-Poveda is a Senior Advisor of Spencer Stuart and a member of the governance practice. In 2008, she joined the executive search consulting firm becoming Managing Director for France in 2011 before being appointed Managing Director EMEA and member of the Global Executive Committee, then a member of the Supervisory Board from 2018 to 2021. Angeles Garcia-Poveda began her career at The Boston Consulting Group (BCG) where she has worked for 14 years as a strategy consultant and then as head of global recruitment. She is also a director of Edenred* and of Bridgepoint*. She is also a member of the Board of Directors of the IFA (*Institut Français des Administrateurs*) and of NEOMA Business School, and sits on the MEDEF Executive Council.	**Legrand** ■ Director of Legrand*: – Chairwoman of the Board of Directors (since 2020) – Member of the Commitments and CSR Committee **Companies outside the Legrand Group** ■ Director of Edenred* (since 2021) ■ Director of Bridgepoint* (since 2021) ■ Senior Advisor with Spencer Stuart (since 2021) **Non-corporate roles** ■ Director of the IFA (*Institut Français des Administrateurs)* (since 2020) ■ Director of NEOMA (since 2021) ■ Member of the Executive Council of MEDEF (since 2022)	**Legrand** ■ Lead Director ■ Chairwoman of the Compensation Committee ■ Chairwoman of the Nomination and Governance Committee **Companies outside the Legrand Group** ■ Managing Director of Spencer Stuart EMEA (until 2018) ■ Partner of Spencer Stuart (until 2021) ■ Member of the Supervisory Board of Spencer Stuart (until 2021) ■ Member of the Supervisory Board of AdVini* (until February 2022) **Non-corporate roles** ■ None
Angeles Garcia-Poveda holds 4,800 Legrand shares.		

* *Listed company.*

(1) *Age as at March 15, 2022, 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
OLIVIER BAZIL – Company Director Aged 75[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 **Education** Olivier Bazil is a graduate of the *École des Hautes Études Commerciales* (HEC) and holds an MBA (Master of Business Administration) from Harvard Business School. **Professional Background** Olivier Bazil joined Legrand in 1973 as Deputy Company Secretary responsible for financial communications and developing the Group's growth strategy. He became Chief Financial Officer of the Legrand Group in 1979, Deputy Chief Executive Officer in 1993, and then held the position of Vice-Chairman and Chief Operating Officer from 2000 until the General Meeting of Shareholders on May 26, 2011.	**Legrand** ■ Director of Legrand*: – Member of the Nomination and Governance Committee – Member of the Commitments and CSR Committee **Companies outside the Legrand Group** ■ None **Non-corporate roles** ■ None	**Legrand** ■ None **Companies outside the Legrand Group** ■ 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 2020) **Non-corporate roles** ■ None

Olivier Bazil holds 2,054,047 Legrand shares.

* *Listed company.*

(1) *Age as at March 15, 2022, 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 53(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 **Education** Isabelle Boccon-Gibod is a graduate of the *École Centrale de Paris* and Columbia University in the United States. **Professional Background** Isabelle Boccon-Gibod began her career in 1991 with the International Paper Group, 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 writer. Isabelle Boccon-Gibod is a director of Arkema*, the Paprec Group, GTT*, Arc Holdings and Constellium*. She is also Chairwoman of Observatoire Conseil. Lastly, she is, on a voluntary basis, Chairwom of Demeter, and Director of the Adie fund (*Association pour le Droit à l'Initiative Economique*).	**Legrand** ■ Director of Legrand*: – Member of the Audit Committee – Member of the Commitments and CSR Committee **Companies outside the Legrand Group** ■ Director of Arkema* (since 2014) ■ Director of Paprec (since 2014) ■ Chairwoman of Demeter (since 2018) ■ Director of GTT* (since 2020) ■ Director of Arc Holdings (since 2020) ■ Chairwoman of Observatoire Conseil (since 2020) ■ Director of Constellium* (since 2021) **Non-corporate roles** ■ Director of Adie *(Association pour le Droit à l'Initiative Économique)* (since 2018)	**Legrand** ■ None **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) ■ Director of SilMach (until 2021) **Non-corporate roles** ■ Director of *Centre Technique du Papier* (until 2020)

Isabelle Boccon-Gibod holds 1,000 Legrand shares.

* *Listed company.*

(1) *Age as at March 15, 2022, 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
CHRISTEL BORIES – Chairwoman and Chief Executive Officer of Eramet* Aged 57[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 Commitments and CSR Committee – Member of the Audit Committee **Companies outside the Legrand Group** ■ Chairwoman and Chief Executive Officer of Eramet* (since 2017) **Non-corporate roles** ■ Director of non-profit organization *France Industrie* (since 2020)	**Legrand** ■ None **Companies outside the Legrand Group** ■ Deputy Chief Executive Officer of Ipsen* (until 2016) ■ Director of Smurfit Kappa* (until 2019) **Non-corporate roles** ■ None
Education Christel Bories is a graduate of the *École des Hautes Études Commerciales* (HEC).		
Professional Background Christel Bories began her career in 1986 as a strategy consultant with Booz-Allen & Hamilton before moving to Corporate Value Associates. She then held several executive positions with Umicore and the Pechiney Group. When Pechiney became part of the Alcan Group, Christel Bories was appointed 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.		
Christel Bories holds 1,470 Legrand shares.		

* *Listed company.*

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<table>
<tr><th>Director</th><th>Directorships and other roles currently held in companies or other types of organization in France or abroad</th><th>Directorships and other roles previously held in the past five years</th></tr>
<tr><td>SOPHIE BOURDAIS – Legrand's national delegate for relations with the technical education sector
Aged 54[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

Education
Sophie Bourdais is a graduate of the École Supérieure de Gestion in Paris.

Professional Background
Sophie Bourdais joined Legrand* in 1991. Until 2019, she held various positions at Legrand*, particularly in the Sales Department. Sophie Bourdais is currently national delegate for relations with the technical education sector.
Sophie Bourdais took up her role as Director representing employees in the Legrand* Board meeting of September 30, 2020.</td><td>Legrand
■ Director representing employees of Legrand* (since 2020):
– Member of the Compensation Committee (since 2020)
■ National delegate for relations with the technical education sector

Companies outside the Legrand Group
■ None

Non-corporate roles
■ None</td><td>Legrand
■ Various positions in particular in Sales Department

Companies outside the Legrand Group
■ None

Non-corporate roles
■ None</td></tr>
<tr><td colspan="3">Sophie Bourdais holds 620 Legrand shares.</td></tr>
</table>

* *Listed company.*

(1) *Age as at March 15, 2022, 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
DANIEL BUISSON – Design Quality technician Aged 58(1) French citizen 128, avenue du Maréchal de Lattre de Tassigny, 87000 Limoges Date of first appointment: 2021 End of current term of office: 2023 **Education** Daniel Buisson holds a bachelor's degree in electrical engineering. **Professional Background** Daniel Buisson joined Legrand in 1981. Until 2002, he successively held various positions at Legrand in particular within the manufacturing area. From 2002 to 2005, he worked as a Supplier Quality coordinator. Since 2005, Daniel Buisson has been a Design Quality technician. Daniel Buisson took office as director representing employees on the Board of Directors of Legrand on September 30, 2021.	**Legrand** ■ Director representing employees of Legrand* (since 2021) ■ Design Quality technician **Corporate roles outside the Legrand Group** ■ None **Non-corporate roles** ■ None	**Legrand** ■ Various positions in particular within the manufacturing area **Corporate roles outside the Legrand Group** ■ None **Non-corporate roles** ■ None
Daniel Buisson does not hold any Legrand Shares		

* *Listed company.*

(1) *Age as at March 15, 2022, 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
JEAN-MARC CHÉRY – President of the Managing Board and Chief Executive Officer of STMicroelectronics* Aged 61(1) French citizen 128, avenue du Maréchal de Lattre de Tassigny, 87000 Limoges Date of first appointment: 2021 End of current term of office: 2024 **Education** *École Nationale Supérieure d'Arts et Métiers* (ENSAM) in Paris. **Professional Background** Jean-Marc Chéry has been President of the Managing Board and Chief Executive Officer of STMicroelectronics* since 2018. He is the sole member of the Managing Board and is Chairman of STMicroelectronics*'s Executive Committee. Jean-Marc Chéry began his career in the French group Matra. In 1986, he joined Thomson Semiconducteurs (which became STMicroelectronics*) and held various management positions, rising to lead STMicroelectronics*'s fabs. In 2008, he was promoted to Chief Technology Officer. In 2014, he was appointed as Chief Operating Officer. In july 2017, he was appointed Deputy CEO. Jean-Marc Chéry is also President of the ESIA (European Semiconductor Industry Association), President of the European Microelectronics Research and Development Program AENEAS and President of the Council of France-Malaysia Business Leaders of Medef International. In July 2019, Jean-Marc Chéry was awarded the title of *Chevalier de la Légion d'Honneur* by the Ministry of the Economy and Finance.	**Legrand** ■ Director of Legrand* (since 2021) **Corporate roles outside the Legrand Group** ■ STMicroelectronics* – President of the Managing Board – Chief Executive Officer **Non-corporate roles** ■ President of ESIA ■ President of the European Microelectronics Research and Development Program AENEAS ■ President of the Council of France-Malaysia Business Leaders of Medef International	**Legrand** ■ None **Corporate roles outside the Legrand Group** ■ STMicroelectronics* – Deputy General Manager (until May 2018) **Non-corporate roles** ■ None
Jean-Marc Chéry holds 500 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 62[(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 **Education** Edward A. Gilhuly holds a B.A. in Economics and History from Duke University and an MBA from Stanford University. **Professional Background** Edward A. Gilhuly is the Co-founder and Managing Partner of Sageview Capital, a technology-focused investment firm with over USD 1 billion in assets under management. Before founding Sageview Capital in 2006, he worked from 1986 to 2005 at Kohlberg Kravis Roberts & Co (KKR), where he became a partner in 1995, started and oversaw KKR's business in Europe from 1998 to 2005, and was a member of KKR's Investment Committee from 2000 until his departure in 2005. Edward A. Gilhuly is a director of Avalara*, DemandBase, ElasticPath Software, Exaro Energy, MetricStream Inc. and Pantheon Systems.	**Legrand** ▪ Director of Legrand*: – Member of the Commitments and CSR Committee **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) **Non-corporate roles** ▪ Trustee of Duke University ▪ Chair of the Board of Directors of Duke Management Company	**Legrand** ▪ None **Corporate roles outside the Legrand Group** ▪ Director of GoPro (until 2017) **Non-corporate roles** ▪ None

Edward A. Gilhuly holds 119,712 Legrand shares

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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 63(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 **Education** Patrick Koller is a graduate of Nancy Polytech (formerly *École Supérieure des Sciences et Technologies de l'Ingénieur de Nancy* – ESSTIN) and of the French Institute of Management (*Institut Français de Gestion* – IFG). **Professional Background** Patrick Koller has been the Chief Executive Officer of Faurecia* since July 1, 2016. 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.	**Legrand** ▪ Director of Legrand*: – Member of the Compensation Committee – Member of the Nomination and Governance Committee **Companies outside the Legrand Group** ▪ Chief Executive Officer of Faurecia* (since 2016) ▪ Director of Faurecia* (since 2017) **Non-corporate roles** ▪ Director of the *Fondation du Collège de France* (since 2017)	**Legrand** ▪ None **Companies outside the Legrand Group** ▪ Faurecia*: – Chief Operating Officer (until 2016) ▪ Roles in various Faurecia* group subsidiaries **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 70[(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 **Education** European Business School **Professional Background** Michel Landel started his career in 1977 at Chase Manhattan Bank. In 1980 he became a plant manager at Poliet. In 1984, he joined the Sodexo* group as Operations Manager for Africa. In 1989, he was appointed Chief Executive Officer for Sodexo in North America. In 2000, he became Vice-Chairman of the group's Executive Committee and, in 2003, the group's Deputy Chief Executive Officer. Between 2005 and January 2018, he was Chief Executive Officer of Sodexo and Chairman of the Executive Committee. Between 2007 and 2018 he was a director of Sodexo. Since 2018, Michel Landel has been director at Danone* and Chairman of Astrolabe Services. He is also a member of the Governance Committee and of the Engagement Committee of Danone*. Michel Landel was awarded the title of *Chevalier de la Légion d'Honneur* in 2007.	**Legrand** ■ Director of Legrand*: – Lead Director (since 2020) – Chairman of the Nomination and Governance Committee (since 2020) – Member of the Compensation Committee (since 2020) **Companies outside the Legrand Group** ■ Chairman of Astrolabe Services (since 2018) ■ Danone* – Director (since 2018) – Member of the Governance Committee – Member of the Engagement Committee **Non-corporate roles** ■ None	**Legrand** ■ None **Companies outside the Legrand Group** ■ Danone* – Lead Director (until 2021) – Chairman of the Governance Committee (until 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 2020) **Non-corporate roles** ■ None

Michel Landel holds 1,100 Legrand shares.

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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 56(1) Italian citizen 128, avenue du Maréchal de Lattre de Tassigny, 87000 Limoges Date of first appointment: 2013 End of current term of office: 2024 **Education** Annalisa Loustau Elia is a law graduate from La Sapienza University in Rome. **Professional Background** Annalisa Loustau Elia started her career at Procter & Gamble* in 1989, firstly at the Group's subsidiaries in Rome and Paris, then until 2001 at its international headquarters in Geneva, where she was in charge of global marketing for Pampers, the group's leading brand. She then joined L'Oréal* as Managing Director of several brands. In 2004, Annalisa Loustau Elia joined Cartier, where she sat on the global Executive Committee for four years as Managing Director with responsibilities including product development and marketing. From 2008 until January 2021 she was Chief Marketing and Communication Officer and member of the Executive Committee at the Printemps group. As part of that role, she worked specifically on digital transformation and the customer experience. Annalisa Loustau Elia has been a director of Campari* since 2016, of Salvatore Ferragamo SpA*, Kaufman & Broad* and Swarovski International Holdings since 2021, and a member of the Supervisory Board of Roche Bobois* since 2018.	**Legrand** ▪ Director of Legrand*: – Chairwoman of the Compensation Committee (since 2020) **Companies outside the Legrand Group** ▪ Campari* – Director (since 2016) – Member of the Board of Directors – Member of the Compensation and Nomination Committee – Member of the Control and Risks Committee ▪ Roche Bobois* – Member of the Supervisory Board (since 2018) – Member of the Audit Committee ▪ Kaufman & Broad* – Member of the Board of Directors (since 2021) ▪ Salvatore Ferragamo SpA* – Member of the Board of Directors (since 2021) – Member of the Compensation and Nominations Committee ▪ Swarovski International Holdings (since 2021) – Member of the Board of Directors – Member of the Compensation and Nominations Committee **Non-corporate roles** ▪ None	**Legrand** ▪ None **Companies outside the Legrand Group** ▪ Printemps – Member of the Executive Committee (until 2020) – Head of Marketing (until 2020) **Non-corporate roles** ▪ None

Annalisa Loustau Elia holds 1,340 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
ÉLIANE ROUYER-CHEVALIER – Company Director Aged 69[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 **Education** Éliane Rouyer-Chevalier holds a degree in economics from Université Paris II Assas. **Professional Background** Éliane Rouyer-Chevalier joined the Accor* Group in 1983, where she was in charge of international financing and foreign currency cash management before becoming Head of Investor Relations and Financial Communication in 1992. From 2010 to 2012, she was a member of the Executive Committee of Edenred*, a spin-off from the Accor* Group, with the role of Vice President of Corporate and Financial Communications & Social Responsibility. She has been Chairwoman of ERC Consulting since 2013 and consultant to the World Bank (IFC) since 2016, and was an Independent Director of Vigeo Eiris from 2018 to 2019. Since 2019, she has been a Director of Ipsos* and a member of its Audit Committee. 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.	**Legrand** ■ Director of Legrand*: – Chairwoman of the Audit Committee – Member of the Compensation Committee **Companies outside the Legrand Group** ■ Ipsos* – Independent Director (since 2019) – Member of the Audit Committee ■ Chairwoman of ERC Consulting (since 2013) **Non-corporate roles** ■ Director of F2IC (since 2014)	**Legrand** ■ None **Companies outside the Legrand Group** ■ Director of Time2Start (until 2019) ■ Independent Director of Vigeo Eiris (until 2019) **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 63[(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 **Education** Gilles Schnepp is a graduate of the *École des Hautes Études Commerciales* (HEC). **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 and Chairman of GS Conseils since 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.	**Legrand** ■ Director of Legrand*: – Member of the Commitments and CSR Committee **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 2021) ■ Clayton, Dubilier & Rice: – Operating Advisor (since 2020) ■ GS Conseils – Chairman (since 2020) **Non-corporate roles** ■ Medef: – Member of the Executive Council of Medef	**Legrand** ■ Chairman of the Board of Directors (until 2020) ■ Chairman and Chief Executive Officer (until 2018) ■ Roles in various subsidiaries **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 **Non-corporate roles** ■ Chairman of FIEEC (until 2020) ■ Joint Chairman of Medef's Ecological and Economic Transition Commission (until 2021)

Gilles Schnepp holds 2,415,082 Legrand Shares.

* *Listed company.*

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APPENDIX 3 - Statutory Auditors’ report on the financial statements for the year ended December 31, 2021

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 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 for the year ended December 31, 2021.

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, 2021 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, 2021 to the date of our report, and, in particular, we did not provide any non-audit services prohibited by Article 5(1) of Regulation (EU) No. 537/2014.

Furthermore, we mainly provided the following non-audit services to your Company and its controlled undertakings during the financial year that are not disclosed in the management report or in the notes to the financial statements:

- Both audit firms: comfort letters provided in the context of private placement bond issues;
- PricewaterhouseCoopers Audit: issue of two attestations on financial data;
- Deloitte & Associés: verification of the consolidated non-financial performance statement referred to in 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 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 value in use determined by reference to Legrand's equity in the investee's revalued net assets, as adjusted to reflect its earnings performance and growth outlook (Note 1.3 "Legrand SA financial statements").

As of December 31, 2021, 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 59% of total assets. The residual balance primarily consists of amounts receivable from this subsidiary. The correct valuation of this heading, which requires the exercise of judgement when deciding the items to be taken into consideration and the assumptions adopted, is sensitive to the economic environment and uncertainties specific to forecasts and is key to the assessment of Legrand's asset and financial position. We therefore considered the valuation of shares in subsidiaries and affiliates to be a key audit matter.

Our response

We verified, based on information communicated to us, that the valuation method and figures underlying the estimated value determined by management are appropriately substantiated.

Our work mainly consisted in verifying that the fair value estimated by management was based on enterprise values founded on identical assumptions to those used by the group for impairment testing on the activity scope of the Legrand France SA subsidiary and its directly and indirectly-held subsidiaries.

We assessed the relevance of the approach adopted by management to measure the value in use of the Legrand France SA shares.

Our valuation experts carried out an independent analysis of certain key assumptions used by management to perform the estimates, pertaining in particular to the discount rate, the royalty rate and the perpetual growth rate for future cash flows, referring both to external market data and analyses of comparable companies.

We analyzed the consistency of the projected future cash flows with historical data and our knowledge of the Group's business, supported by interviews with the Group's management control department.

We also tested the mathematical accuracy of the Group's calculation, on a sample basis.

Finally, we verified the consistency of the value in use adopted with the group's stock market capitalization.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

Information given in the management report and in the other documents provided to shareholders with respect to the financial position and the financial statements

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents provided to shareholders with respect to the financial position and the financial statements.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in Article D.441-6 of the French Commercial Code.

Report on corporate governance

We attest that the Board of Directors' report on corporate governance sets out the information required by Articles L.225-37-4, L.225-10-10 and L.22-10-9 the French Commercial Code.

Concerning the information given in accordance with the requirements of Article L.22-10-9 of the French Commercial Code relating to compensation and benefits received by or allocated to the directors and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from controlled companies included in the consolidation scope. Based on this work, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your company considered likely to have an impact in the event of a public purchase or exchange offer, provided pursuant to Article L.22-10-11 of the French Commercial Code, we have verified their compliance with the source documents communicated to us. Based on our work, we have no observations to make on this information.

Other information

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Other Legal and Regulatory Verifications or Information

Format of presentation of the financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the financial statements intended to be included in the annual financial report mentioned in Article L.451-1-2, I of the French Monetary and Financial Code (*code monétaire et financier*), prepared under the responsibility of the Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of December 17, 2018.

Based on the work we have performed, we conclude that the presentation of the financial statements included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the financial statements that will ultimately be included by your Company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Legrand by the Annual General Meetings held on December 21, 2005 for Deloitte & Associés and on June 6, 2003 for PricewaterhouseCoopers Audit.

As at December 31, 2021, Deloitte & Associés and PricewaterhouseCoopers Audit were in the 17th year and 19th year of total uninterrupted engagement, respectively. For both firms, this is the 16th year since the securities of the Company were admitted to trading on a regulated market.

Responsibilities of Management and those charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code, our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements;
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of Ethics for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Neuilly-sur-Seine and Paris-La Défense, March 25, 2022

The Statutory Auditors

PricewaterhouseCoopers Audit	**Deloitte & Associés**
Camille PHELIZON	Olivier BROISSAND

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