

Combined Meeting of Shareholders, May 25, 2022**Answers to shareholders' written questions**

The Board of Directors received 11 questions from two shareholders.

The present document, made available on the company's website on May 25, 2022 in accordance with the law, contains the responses to these questions.

**Written questions from the *Forum pour l'Investissement Responsable* of April 27, 2022
(reproduced in full below, without modification)**

Environment

1. Have you explicitly undertaken to align your revenues and investments (CAPEX/OPEX/R&D/mergers and acquisitions etc.) with the Paris Agreement target, which aims to limit global warming to 1.5°C? How do you ensure that these revenues and investments are aligned with that target? Please describe the methods used. What are the main action plans and the amounts of any related investment being undertaken to hit the target in the short, medium and long terms?

Legrand is aligned with the Paris Agreement's most ambitious targets in terms of reducing greenhouse gas emissions, in order to limit global warming to 1.5°C above pre-industrial levels. Our 2030 commitments have been validated by the SBTi. To fulfill these commitments, Legrand has adopted the following targets for reducing CO₂ emissions:

- a 50% cut in Scopes 1 & 2 between 2019 (177 thousand metric tons of CO₂ equivalent) and 2030 (88 thousand metric tons of CO₂ equivalent); and
- a 15% cut in Scope 3 between 2019 (2.71 million metric tons of CO₂ equivalent) and 2030 (2.30 million metric tons of CO₂ equivalent)¹.

The roadmap for achieving these targets includes the following initiatives:

- Scopes 1 & 2:
 - deployment of energy efficiency solutions;
 - building refurbishment (athermic glazing, double-flow ventilation, presence detectors and LED lighting);
 - best industrial techniques, including electrical rather than hydraulic injection machines;
 - changeover to hybrid and electric vehicles within Legrand's fleet and installation of EV charging points at several Group sites;
 - use of renewable energy sources, including numerous projects to install photovoltaic panels.
- Scope 3:
 - commitment by key suppliers to reduce CO₂ emissions by at least 30% by 2030;
 - reduction in the amount of materials used and inclusion of recycled materials in products (eco-design) and packaging – for example aiming for 100% of packaging to be recyclable by 2030 and eliminating single-use plastics from packaging;

¹ This target is based on a scope representing 81% of Legrand's total Scope 3 in 2019.



- involvement of entities in the upstream and downstream parts of the Group's value chain (suppliers encouraged to make commitments consistent with limiting global warming to 1.5°C, benefits linked to reduced product mass, favoring the transport of goods by sea instead of by air).

The 2030 targets validated by the SBTi are supplemented by intermediate commitments, intended to help the Group remain on its defined trajectory:

- For 2022, Legrand is aiming to be carbon-neutral in Scopes 1 & 2 and in terms of staff commuting (part of Scope 3) by taking part in voluntary projects to offset residual CO₂ emissions;
- In 2022-2024, as part of its fifth CSR roadmap, the Group has set the following targets:
 - reduce Scope 1 & 2 emissions by 10% every year;
 - encourage at least 250 key suppliers to commit to reducing their CO₂ emissions by 30% on average by 2030, thereby helping to reduce the Group's Scope 3 emissions.

Finally, on a longer-term view beyond 2030, the Group is aiming to be carbon-neutral by 2050 by sharply reducing CO₂ emissions across its entire value chain (Scopes 1, 2 & 3) and by neutralizing residual emissions.

Within the framework of the objectives set, particularly those validated by the SBTi, Legrand is organized in order to follow the compliance of the achievements. They are intended to be made public annually, Legrand has, for example, published changes in Scope 1, 2 and 3 emissions on page 121 of its 2021 Universal Registration Document, available on the Legrand website (https://www.legrandgroup.com/sites/default/files/Documents_PDF_Legrand/Finance/2022/autres/Legrand_URD_2021_VDEF_1651227025.pdf), and details of its 2021 carbon footprint on page 122 of the same document. This information is also certified every year by an independent third party.

Within the CSR Department, a Head of Carbon has also been appointed to monitor and drive the Group's performance in this area.

For more information about the Group's carbon roadmap within the context of the SBTi targets for 2030, please also refer to the "Sustainability-Linked Financing Framework", accessible on the [legrandgroup.com](https://www.legrandgroup.com) website

(https://www.legrandgroup.com/sites/default/files/Documents_PDF_Legrand/Finance/2021/autres/LEG-RAND-Sustainable_Framework_1632736158.pdf).

The financial impact of CSR-related targets is fully factored into the Group's medium-term financial targets, which were reiterated in particular in the September 22, 2021 Capital Markets Day, a playback of which can be viewed on the [legrandgroup.com](https://www.legrandgroup.com) website. These targets include:

- Adjusted operating margin (including restructuring costs) equal to around 20% of sales on average per year;
- Normalized free cash flow of between 13% and 15% of sales on average per year, with a long-term capex target of between 3% and 3.5% of sales on average per year and R&D expenses¹ maintained at around 5% of sales per year.

As well as the reduction in its own CO₂ emissions and those of the upstream and downstream parts of its value chain (suppliers and transportation), Legrand also helps its customers avoid CO₂ emissions through its range of energy efficiency solutions.

Between 2014 and the end of 2021, the Group estimates that it enabled customers to avoid more than 13 million metric tons of CO₂ emissions, and through its fifth CSR roadmap it is aiming to avoid a further 12 million metric tons of CO₂ emissions between 2022 and 2024.

¹ R&D expenses (including capitalized costs) before purchase accounting charges relating to the acquisition of Legrand France.

2. What percentage of your business (expressed in revenues, net banking income etc.) depends directly on biodiversity? How much do you spend on supporting biodiversity?

Legrand's product catalog is focused on electrical and digital infrastructure in buildings and related or neighboring spaces, i.e. not located in natural habitats.

As regards its industrial footprint and the materials and components that make up its products, Legrand does not exploit soils directly and its activities have limited impact on biodiversity.

More specifically, the majority of the Group's production sites are located inside business or industrial zones that are subject to regulations. The Group is aware of soil pollution risks and has taken prevention measures.

Through its new CSR roadmap, Legrand has made a commitment to a circular economy approach, aiming to reduce further its use of virgin raw materials and therefore cut its indirect use of soils and fossil resources. In this context, for the 2022-2024 period, Legrand is aiming to:

- increase the proportion of recycled plastic to 15% and the proportion of recycled metal to 40% in products manufactured by the Group;
- eliminate 100% of single-use plastics from its flow-pack and expanded polystyrene packaging;
- have 72% of the Group's annual revenue coming from products with Product Sustainable Profiles, which include PEPs (Product Environmental Profiles).

3. Please list the strategic natural resources needed to pursue your business activities and/or those of your customers (water, energy, materials etc.). How do you evaluate and calculate how greater scarcity of those resources would affect your business models? What action are you taking to combat sourcing difficulties and seize opportunities to develop circular business models? What are your targets in this area?

Raw materials and component purchases (€2.4 billion in 2021) are presented below (as percentages of total raw materials and component purchases):

(% 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%

Materials shortages and scarcity represent one of the Group's operational risks that are monitored by the Group Purchasing Department as part of its risk management policy. Legrand has historically had a multi-sourcing procurement policy, particularly for strategic resources. We identify and estimate potential risks and the timeframe of any shortages. We work with R&D centers and materials laboratories to find ways of substituting materials. The Group 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.

To manage procurement effectively in a difficult global context, the Purchasing Department has taken the following elements:

- it has established sustainable and balanced partnerships with its strategic suppliers, featuring longer-term commitments, to encourage them to increase capacity and improve delivery times; it holds very frequent meetings with its main partners in order to prioritize requirements;
- it makes redesign-to-cost efforts and manages cost inflation in conjunction with the Front Office in order to control costs and maintain the profitability of its business activities;
- it deploys digital technology (Supplier Relationship Management, Robotic Process Automation, Data Analytics) and rapidly realizes synergies with acquired companies in order to ensure the reliability of supplies;
- it promotes sustainability and responsibility as part of its efforts to implement sustainable purchasing (through lower-carbon 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.

It should also be noted that Legrand considers that it is not exposed to any risk related to the resources mentioned in the question (water, energy and other resources that are becoming increasingly scarce).

Social

4. What is the proportion of your corporate officers and employees (broken down by type) concerned by the integration of the environmental and social (E&S) criteria in terms of calculating their variable remuneration (bonus, long-term remuneration, profit sharing, etc.)? Which governance bodies are responsible for selecting and validating these E&S criteria? How do they ensure that E&S criteria are relevant, provide sufficient incentives and are correlated to targets to ensure that the Group's social and environmental strategy is properly implemented? (Please specify the non-financial criteria selected for corporate officers and employees).

Environmental and social criteria are present at many levels in the evaluation of compensation within the Group and have been present in the compensation systems since 2016.

In 2021, variable compensation was structured as follows:

- On 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 Chief Executive Officer's variable compensation is subject to a qualitative assessment relating to efforts to combat climate change and promote sustainability.
- On long-term incentive plans
 - Of the LTI criteria for the CEO and all Executive Committee members, 25% are linked to CSR performance;
 - For the 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.

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.

As regards to the variable annual compensation of the Chief Executive Officer and the long-term incentive plans applicable to the Chief Executive Officer and members of the Executive Committee as well as to all beneficiaries, the Board of Directors determines the performance conditions, and in particular the condition relating to the rate of achievement of the Group's CSR roadmap. This rate is audited by independent third-party organizations.

5. What conclusions do you draw from the new ways of working adopted in relation to the COVID-19 pandemic (remote working, digitalization of communication methods, increased flexibility etc.) within your company in terms of their impact on working conditions? How does your Human Resources strategy now accommodate those new ways of working? What dialogue has taken place between management and employees on this matter (agreements, joint discussions on future ways of working etc.) across all your business lines and regions?

The Covid-19 pandemic forced Legrand to change its organizational methods as a matter of urgency, while ensuring that its staff members were protected. Flexible working became the norm and digital communication was essential, although this came with a risk of weakening social links.

In this context, Legrand showed its resilience, extending remote working to all possible functions and ensuring that its employees had the equipment they needed. We prepared a remote working guide, containing examples of best practice and recommendations, and distributed it to all Group subsidiaries, ensuring that these organizational methods were rolled out in a controlled way.

In France, the Group adjusted its remote working agreement in March 2022 to take into account employees' increasing demands in terms of work/life balance, trust and autonomy. This has also improved Legrand's employer brand and employee engagement. Our efforts in this area fit with a broader aim of improving quality of life at work.

For example, the Group has launched its global "Serenity On 2" program, which aims to develop practical initiatives to improve the physical and mental wellbeing of its staff members.

For example, in Egypt we have developed a program, delivered by a psychologist, called "Mental well-being: How to take care of your mental health during stressful times?"

6. To enable us to assess changes from one year to the next, we are asking again the question we asked in 2021, for which answers did not reach a level deemed satisfactory. Do you have a definition of a "decent salary" that is not limited to the statutory local minimum wage? If so, what is it? How does your company ensure that its employees and its suppliers' employees receive a decent salary?

Compensation paid to the Group's employees around the world is regularly assessed by comparison with local markets. Based on this analysis, we adjust staff compensation where necessary. In the current context of high inflation in many countries, we have decided to raise pay levels substantially for our least qualified staff members, since they are the ones most directly affected by inflation.

Since 2017, we have also been rolling out a global benefits program called "Serenity On", offering parents 14 weeks of maternity leave and one week of paternity leave, and covering staff members' main risks in relation to hospitalization, invalidity and death. By the end of 2021, the program's implementation rate among Group subsidiaries was over 97%.

As part of our new CSR roadmap for 2022-2024, we have updated the "Serenity On" program, adding minimum levels of coverage regarding the day-to-day health of employees and their families (consultations and medicines) and a physical and mental wellbeing dimension.

As regards suppliers, we refer to [ILO convention no. 100](#) concerning equal remuneration for men and women (one of the ILO's eight fundamental conventions) in our various documents, including purchasing specifications, general terms and conditions, and our CSR scorecard questionnaire.

7. In France, aside from investments in your company's own shares, what proportion of the employee savings funds offered to your employees have responsibility labels (ISR, Greenfin, CIES or Finansol labels)? How do you explain the continuing presence of non-responsible funds in the absence of any difference in returns and given that the Paris financial center is a leader in this area? In your other countries, do your savings arrangements for your staff members (retirement savings or other) also factor in ESG criteria? How does the board of directors or supervisory board encourage staff members to subscribe to these types of employee savings funds?

The range of funds offered to employees in France was reviewed in 2021, with the aim of increasing exposure to the responsible investing theme.

Legrand offers French employees nine funds as part of its Group savings plan (PEG) and retirement savings plan (PERECO), including two Legrand-specific funds (investing in Legrand shares and bonds).

Of the seven non-Legrand-specific funds, three core funds (with risk levels of 3, 4 and 5) have been awarded the ISR, CIES and FINANSOL responsible investing labels.

Finally, employees who decide to invest some of their savings in Legrand-specific funds are thereby supporting the Group's CSR policy.

Governance

8. Do you publish a charter detailing your commitment to tax responsibility? If so, is tax responsibility integrated more broadly into your approach to social responsibility? Does your Board review and approve this charter? Do you report annually on the application of this charter's principles through a tax responsibility report? Does the report give details of tax paid in each country?

The Group does not publish a tax responsibility charter. However, the Group's tax policy is rigorous and based on the values of fairness, transparency and compliance with all tax obligations in the countries in which it operates.

Legrand's tax policy is consistent with the approach set out in the GRI 207 standard. Section 4.2.3.4 of Legrand's 2021 Universal Registration Document, entitled "Commit to responsible taxation", includes information about tax policy, tax governance, risk control and management, and the involvement of stakeholders.

The 2021 Universal Registration Document also states that the Group Tax Department and local experts are committed to refraining from using aggressive tax strategies disconnected from operational reality or artificial tax arrangements. The Group does not have any subsidiaries or permanent establishments in countries on the European Union blacklist, i.e. countries listed as tax havens that facilitate tax avoidance.

Each year the Group carries out country-by-country reporting in accordance with international recommendations. That reporting, which contains very detailed financial information – revenue, pre-tax income, income tax paid and payable etc. – is sent to the French tax authorities, which can then exchange that information with foreign tax authorities.

The Group files tax returns and pays taxes in every country in which it operates. The Group's tax expense in 2021 amounted to €351.9 million, equating to a consolidated income tax rate of 28%. This is fairly close to the standard rate in France, which is one of the highest of any OECD country.

The Audit Committee oversees Legrand's parent-company and consolidated financial statements. Tax matters are an integral part of this audit work, such as the presentation of the geographical breakdown of tax.

This key information shows that the Group does not engage in aggressive tax planning, and is committed to contributing to the economies of countries in which it operates.

9. Do you publish a responsible lobbying* charter? Are you a member of professional associations that adopt positions on some matters that are controversial in regard to the public interest? If so, what action are you taking to make those associations change their position? Across your entire geographical scope, what human and financial resources do you allocate to lobbying?

* "Lobbying is playing a growing role in public decision-making. The organizations concerned (companies, professional organizations, non-profits, public-sector bodies etc.) spend a lot of time and money on lobbying. When conducted with integrity and when its use is made clear and transparent,

lobbying can play a positive role and help give public-sector decision-makers information that is useful for them to consider. However, unregulated lobbying can give rise to abuses, the effect of which is that decisions are taken more in response to specific private-sector interests than the public interest.” (Transparency International)

The Group has put in place a “Guide to Good Business Practice” for its staff members, covering 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).

Legrand is a member of several trade associations, and takes part in joint initiatives with other major market players within these organizations (GIMELEC, IGNES, ASEC, ORGALIM etc.). None of these professional associations have been involved in any controversies in regard to the public interest.

The Group’s experts also contribute to technical standard-setting committees, for example within the IEC (International ElectroTechnical Commission).

Legrand does not allocate any human resources to lobbying.

10. France’s duty of care act provides for a duty of care plan to be prepared in conjunction with the company’s stakeholders, including staff representative bodies. In addition, one of the plan’s measures must include setting up a whistleblowing system for raising and receiving alerts about the existence or realization of risks, established in conjunction with representative unions. Unions have grass-roots knowledge, along with the ability to alert the company and pass on useful information to help the company fulfill its duty of care. How does your Group include its staff representative bodies – at the local and global levels – in the various stages of preparing, updating and implementing its duty of care plan? What resources does the Group provide to them to fulfill that task? How are staff representative bodies involved in reporting on the duty of care plan’s effective implementation?

Legrand has had a duty of care plan since 2017, in accordance with France’s 2017 act on the duty of care of parent companies and ordering companies.

The plan, led by the CSR Department and a multi-discipline team, includes:

- A risk map covering human rights and fundamental freedoms, health and safety at work and the environment, for Legrand, its staff members and Group suppliers;
- Regular assessment procedures for Legrand and its suppliers;
- Action to prevent serious breaches and mitigate risks;
- Alert and whistleblowing mechanisms;
- Methods for monitoring measures taken and assessing their effectiveness.

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 the Group’s charters and guidelines.

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. 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.

As regards representative unions, the duty of care plan has been presented to union representatives at the French and European levels. As regards future developments in the duty of care plan, it has been noted that staff representative bodies outside of Europe should be consulted more broadly. This consultation should take place in 2022 or 2023.

Written questions from Mr. Christophe Zeller of May 18, 2022 (extract from the mail received)

Would it not be possible for Netatmo to publish periodically the brands of boiler that are compatible with its technology, and for that list to become longer every year? This would be an additional step forward with your CSR approach.

The Legrand Group's approach to its connected objects is to ensure that they can communicate with as many ecosystems as possible in the market (an "open source" approach). This is not possible with "proprietary" ecosystems, in which manufacturers adopt closed communication protocols.

Netatmo regularly updates its compatibility tool <https://check.netatmo.com/>, which lists the brands and models of boilers that are compatible and not compatible with its thermostat offering.

We find all the major brands including those with which the Netatmo thermostat is not compatible with because of their "closed" proprietary communication systems, which only work with interfaces of the same brand.

Legrand and Netatmo are constantly developing partnerships with all of the market's major players.

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KEY FINANCIAL DATES:

- Ex-dividend date: **May 30, 2022**
- Dividend payment: **June 1, 2022**
- 2022 first-half results: **July 29, 2022**
"Quiet period¹" starts June 29, 2022
- 2022 nine-month results: **November 3, 2022**
"Quiet period¹" starts October 4, 2022

¹ Period of time when all communication is suspended in the run-up to publication of results.

ABOUT LEGRAND

Legrand is the global specialist in electrical and digital building infrastructures. Its comprehensive offering of solutions for commercial, industrial and residential markets makes it a benchmark for customers worldwide. The Group harnesses technological and societal trends with lasting impacts on buildings with the purpose of improving life by transforming the spaces where people live, work and meet with electrical, digital infrastructures and connected solutions that are simple, innovative and sustainable. Drawing on an approach that involves all teams and stakeholders, Legrand is pursuing its strategy of profitable and responsible growth driven by acquisitions and innovation, with a steady flow of new offerings—including products with enhanced value in use (faster expanding segments: datacenters, connected offerings and energy efficiency programs). Legrand reported sales of €7.0 billion in 2021. The company is listed on Euronext Paris and is notably a component stock of the CAC 40 and CAC 40 ESG indexes. (code ISIN FR0010307819).

<https://www.legrandgroup.com>

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