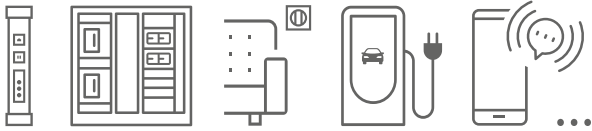


# TOGETHER IMPROVING LIVES

**2022** Integrated  
report





# Summary

---

<b>Message from Benoît Coquart, Chief Executive Officer of Legrand</b>	<b>2</b>
<b>Group profile</b>	<b>4</b>
Our purpose	4
Our values	4
Our history	5
Legrand today	6
Exemplary governance model serving a long-term vision	8
Our value creation model	12
<b>Our strategy</b>	<b>14</b>
A specialist in a growing industry	14
Our strengths in this promising market	16
Growth strategy based on a unique development model	20
Corporate Social Responsibility at Legrand	22
Our HR policy incorporated into the Company's strategy	23
<b>Our medium-term goals</b>	<b>24</b>
<b>Our Integrated performance</b>	<b>25</b>
Our historical performance	25
Our 2022 financial and non-financial performance	26
Recognition of our non-financial performance	28
<b>Our Risk management strategy</b>	<b>29</b>
With a dedicated governance	30
<b>About this report</b>	<b>30</b>

# Message from Benoît Coquart, Chief Executive Officer of Legrand

“ Legrand turned in another outstanding financial and non-financial performance in 2022, in line with our mid-term targets, despite the unprecedented challenges of what remains a very turbulent environment.”



Benoît Coquart, Chief Executive Officer

Sales topped €8.3 billion in 2022, a significant annual increase of +19.2%. This performance reflects the Group’s solid business momentum and pricing power, with very active supply chain management against the backdrop of supply disruptions. Profitability indicators remained very robust, with an adjusted operating margin of 20.4% of sales, adjusted net profit attributable to the Group<sup>(1)</sup> up +26.8% and normalized free cash flow representing 14.5% of full-year sales.

The Group also achieved a strong non-financial performance, with an achievement rate of 123% for the first year of our fifth CSR roadmap.

Significant progress was made during the year including a -15% reduction in Scope 1&2 CO<sub>2</sub>e emissions, as well as an increase in the percentage of women in management positions to 28.5%.

## **The Group’s 2022 performance confirms the relevance of its development and value creation model**

We continued to ramp up our development by launching new products, primarily in growth areas such as energy efficiency, datacenters and connected products. These three fast-growing segments currently account for one third of our business.

We also continued to increase our market share in promising markets by means of targeted acquisitions, with seven companies joining Legrand in the space of one year.

(1) For more information, see the press release of February 9, 2023.

In addition, the Group is continuing to work actively on continually improving its operating performance, in particular with the rollout of Industry 4.0, now in effect at 80% of our main sites.

In terms of non-financial performance, 2022 saw the launch of our new three-year CSR Roadmap, based on four themes and 15 priorities and responding to 10 Sustainable Development Goals. A dedicated investor day was held in March 2022 to illustrate the central role of CSR in our integrated strategy.

### **The ability to create value over the long term makes Legrand a leading name in its industry**

Over the longer term, stepping up the pace of profitable and sustainable growth at Legrand entails creating a high level of financial and non-financial value.

Since the end of 2017, we have achieved sales growth of over +50%, as a result of a clear strategy underpinned by innovation, with around 5% of sales invested in R&D and bolt-on acquisitions.

Over the same period, adjusted operating margin averaged 20% of sales, while adjusted net profit and free cash flow increased by +83% and +49% respectively.

Advances in terms of CSR were reflected by a -34% reduction in Scope 1&2 CO<sub>2</sub>e emissions and a sharp increase in the percentage of women in management roles (Hay grade 14+) of +6.4 points (standing at 28.5% in 2022), while the percentage of women in key positions (Hay grade 20+) rose +9.6 points (at 24.4%).

### **“Improving lives” to keep up with a rapidly changing world**

Our purpose published in 2020 unites internal and external stakeholders around a shared corporate project and ambition, while also supporting our strategy of focusing on profitability and sustainability.

The products we offer improve everyday life, providing greater comfort, simplicity, efficiency and durability for all our users, whether businesses or individuals.

In view of the Group’s solid positioning in a flourishing industry benefiting from positive trends and successful innovation and acquisition policies, we are confident about our ability to continue to develop our market share, particularly in our fastest-growing segments.

Improving lives also means paying close attention to our stakeholders. One of the core tenets of Legrand’s CSR policy is giving priority to employee development. For example, we support diversity, inclusion and training as factors that make us stand out and attractive to new talents, while ensuring the health and safety of people working on our sites. Our clear and consistent CSR vision has made a significant contribution to the high employee engagement rate of 80% identified in our last worldwide survey in 2021.

We are also committed to reducing our negative impacts, for example by aligning our targets for reducing CO<sub>2</sub> emissions by 2030 with the 1.5°C pathway and continuing with our philanthropic efforts under the Legrand Foundation or alongside *Électriciens sans frontières*, as well as our commitment to the United Nations Global Compact.

The goals we have set in terms of CSR, coupled with a demanding risk management approach, are particularly important in enabling Legrand to anticipate and adapt to new challenges such as climate disruption, pandemics, geopolitical instability, cybercrime, etc.

Proven strategic priorities, a clear vision of our medium-term objectives and the constant and decisive engagement of our employees represent more unique strengths than ever in ensuring our successful and sustainable development in a rapidly changing world.”

# Our purpose

Legrand's purpose statement expresses the Group's ambitions by explicitly linking our core business with our key role in equipping buildings. Backed by 150 years of history, it gives meaning to Legrand's daily work and guides our strategic choices. It captures our vision and unites all of our people around a common project. It was made public in 2020 and is set out as follows:

“Improving lives by transforming the spaces where people live, work and meet, with electrical and digital infrastructures and connected solutions that are simple, innovative and sustainable.”

# Our values

## 1 We seize the future

- By creating tomorrow's building today
- By putting sustainability at the core of our growth
- By growing the talents that will manage tomorrow's world

## 2 We embrace inclusion

- By respecting others as they are
- By seizing our workforces diversity as an opportunity to be a better business
- By taking our stakeholders diversity as a strength and a driver

## 3 We move in sync

- By continually providing added value to our entire ecosystem
- By providing the best experience to our customers
- By moving forward with our people, brands & partners, driven by a common strategy and a common purpose

## 4 We strive for simplicity

- By fostering authentic human relationships
- By promoting transparency and honesty in all that we do
- By designing products that are easy to install, use and maintain

## 5 We are dependable

- By combining quality and sustainability in the solutions we deliver
- By eliminating our negative impacts and having a positive impact everywhere we can
- By ensuring responsible business practices and meeting our commitments

# Our history

Legrand's entrepreneurial and industrial story began in 1865 in the city of Limoges, where the Group still has its head office today. The name Legrand, after one of the owners, was adopted in 1904, and to this day remains the Group's name and a well-known brand.

## ● 1<sup>st</sup> half of the 20<sup>th</sup> century → ● 2<sup>nd</sup> half of the 20<sup>th</sup> century

### From porcelain workshop to electrical equipment production

#### 1919

partnership formed between Legrand's managers and a local producer making electrical equipment in porcelain

#### 1949

Legrand specializes in electrical equipment and material

### Acquisitions and international expansion

#### 1950s

development of new production techniques and new materials such as thermosetting materials and thermoplastics

#### 1970

Legrand floats on the stock market and joins the CAC 40 in 1987

#### 1990s

the Group develops its product range to include home automation

#### 1960s and 1970s

Legrand continues to grow and opens subsidiaries outside France (Belgium, 1966) and then outside Europe (Brazil, 1977)

## ● Since 2010 ← ● 2000s

### Stepping up the pace of sustainable value creation

#### 2011

Legrand becomes No. 2 in Europe in assisted living

Legrand rejoins the CAC 40 after returning to the stock market in 2006

#### 2015

launch of the Eliot program to develop the Group's range of connected solutions and improve and simplify the connected building user experience

#### 2018

acquisition of French connected homes specialist Netatmo

#### 2020

the Group unveils its purpose "improving lives"

#### 2021

Legrand defines three fast-growing segments: connected solutions, energy efficiency and datacenters

### Return to the stock market and development of the Group's CSR commitments

#### 2000s

major social and technological trends underpin the Group's strategy, with further international expansion and a ramp-up in acquisitions

#### 2001

Schneider Electric launches a friendly Public Tender Offer for Legrand's entire share capital, but the European

Commission opposes the planned merger

#### 2004

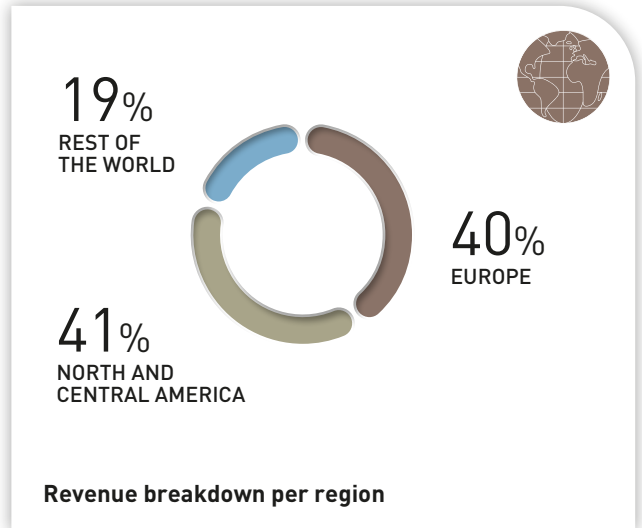
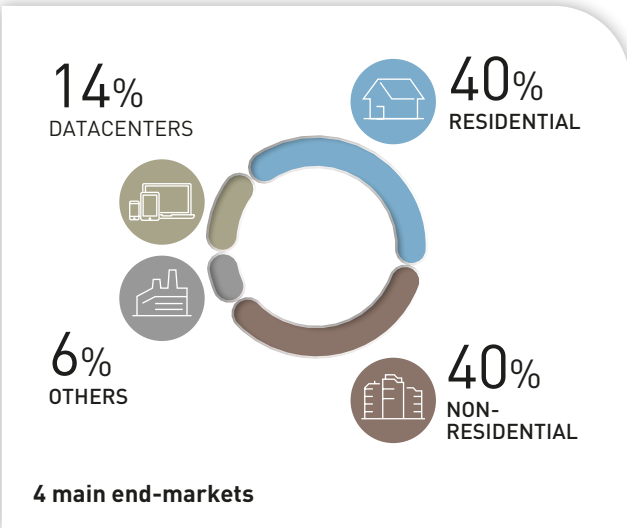
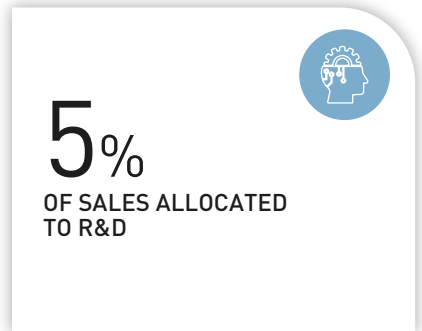
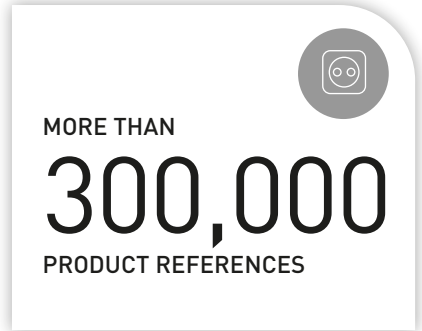
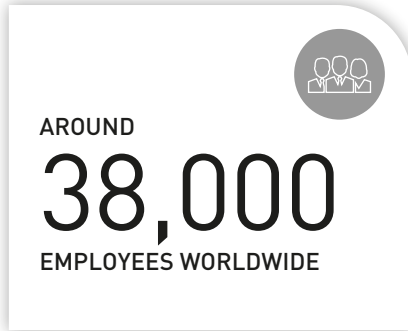
creation of Legrand's sustainable development department

#### 2007

first CSR Roadmap. In 2022, Legrand unveiled its fifth CSR Roadmap

# Legrand today

## Key figures





Legrand today

2022 events and highlights



Launch of the fifth CSR Roadmap 2022-2024.



**GEEIS-Diversity** (Gender Equality European & International Standard-Diversity) **label** for eight new areas (United Arab Emirates, Italy, Germany and Austria, India, Peru, Southeast Asia, Iberia and Hungary), giving a total of 30 or so countries obtaining the label since 2020.



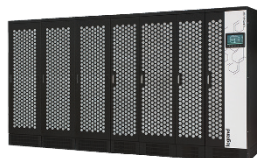
**Incara**  
The Incara series of integrated power supply solutions for workspaces responds to changing needs and the change in spaces for living and working. The range has received a Red Dot Design Award.



Named one of the “World Best Employers” by Forbes and Statista for the third year in a row.



**Commitment to reduce** the Group's energy consumption by -15% (double to previous target) by the end of 2023 while also helping customers to make savings.



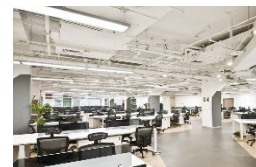
**UPSaver 600-2600kVA**  
Solution for datacenters and critical IT applications. Featuring cutting-edge technologies, UPSaver is one of the most compact, efficient and fully adaptable power protection systems.



Signed up to the UN's standards of conduct for tackling discrimination against **LGBT+ people** and obtained the “Leading Allies” award in ‘L’Autre Cercle”s fourth LGBT+ role models and allies awards.



**15 years of partnership** with *Électriciens sans frontières*. Since 2007, 265 projects to increase access to electricity and provide emergency aid in 44 countries, with over 3 million beneficiaries.



**DLM Wireless – Luminaire Level Lighting Control (LLLC)**  
Wireless lighting solutions with individual controls for large areas. The system can be configured and controlled according to users' and integrators' needs.



**7 acquisitions** strengthening Legrand's position in fast-growing segments representing annual sales of around €200m.

# Exemplary governance model serving a long-term vision

“As Chair of the Board of Directors, I am committed to our values of transparency, integrity and responsibility. Governance is one of the core pillars of our long-term success.”

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

Legrand’s Board of Directors comprises 14 directors, who provide their varied and complementary expertise to promote value creation, while taking social and environmental considerations into account.

The Board of Directors relies on the work and recommendations of its four committees to make decisions. Each committee is chaired by an independent director.

Legrand pays particular attention to its governance, ensuring that it meets the highest standards, not only to comply with legal requirements and apply best practices, but also to act in the interests of all its stakeholders. The Company applies the principles of corporate governance for listed companies set out in the Afep-Medef Code of Corporate Governance, which can be found on the Medef website at [www.medef.com](http://www.medef.com).

Recognized for its performance and governance, Legrand is listed on Euronext Paris and is a component stock of the CAC 40, the CAC 40 ESG and the CAC SBT 1.5<sup>(1)</sup>.

## 2022 key figures



**5** NATIONALITIES REPRESENTED ON THE BOARD OF DIRECTORS

**83%** OF DIRECTORS ARE INDEPENDENT DIRECTORS<sup>(2)</sup>

**8** MEETINGS OF THE BOARD OF DIRECTORS

**94%** DIRECTOR ATTENDANCE RATE AT BOARD MEETINGS

**1** ANNUAL ASSESSMENT OF THE OPERATING PROCEDURES OF THE BOARD OF DIRECTORS AND ITS COMMITTEES

**2** DIRECTORS’ MEETING NOT ATTENDED BY INTERNAL AND EXECUTIVE DIRECTORS

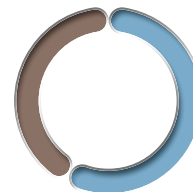
(1) At the filing date of the Universal Registration Document.

(2) These figures do not include either of the 2 directors representing employees.

## Gender balance on the Board of Directors<sup>(2)</sup>



**42%**  
WOMEN



**58%**  
MEN

**3 of the 4** BOARD COMMITTEES ARE CHAIRED BY WOMEN

## Exemplary governance model serving a long-term vision

Board of Directors<sup>(1)</sup>**Angeles GARCIA-POVEDA**

Independent Chairwoman of the Board of Directors  
*Spanish national*  
Member of the Commitments and CSR Committee

**Olivier BAZIL**

Director  
*French national*  
Member of the Nomination and Governance Committee and the Commitments and CSR Committee

**Isabelle BOCCON-GIBOD**

Independent director  
*French national*  
Member of the Commitments and CSR Committee and the Audit Committee

**Christel BORIES**

Independent director  
*French national*  
Chairwoman of the Commitments and CSR Committee and Member of the Audit Committee

**Sophie BOURDAIS**

Director representing employees  
*French national*  
Member of the Compensation Committee

**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*  
Member of the Commitments and CSR Committee

**Patrick KOLLER**

Independent director  
*French-German national*  
Member of the Nomination and Governance Committee and the Compensation Committee

**Michel LANDEL**

Lead director  
*French national*  
Chairman of the Nomination and Governance Committee and Member of the Compensation Committee

**Annalisa LOUSTAU ELIA**

Independent director  
*Italian national*  
Chairwoman of the Compensation Committee

**Florent MENEGAUX**

Independent director  
*French national*

**Éliane ROUYER-CHEVALIER**

Independent director  
*French national*  
Chairwoman of the Audit Committee and Member of the Compensation Committee

(1) Composition of the Board of Directors at the filing date of this Universal Registration Document.

Exemplary governance model serving a long-term vision

## Roles and responsibilities of Committees<sup>(1)</sup>



**98.5%** DIRECTOR ATTENDANCE RATE AT BOARD COMMITTEE MEETINGS

### ■ Nomination and Governance Committee

This Committee is responsible for making proposals to the Board of Directors concerning the composition of the Board and the Board Committees

Its duties also include:

- carrying out periodical assessments, under the supervision of the Lead Director, of the operation of the Board and its Committees;
- examining changes in corporate governance rules and monitoring the Company's implementation of these rules;
- establishing the succession plan for executive officers.

3 Meetings of the Nomination and Governance Committee

Attendance rate: 100%

### ■ Compensation Committee

This Committee gives an opinion on compensation paid to the Company's executive officers. It also ensures that the Company fulfills its obligations regarding the transparency of compensation. Executive officers may not join the Compensation Committee.

4 Meetings of the Compensation Committee

Attendance rate: 100%

### ■ Commitments and CSR Committee

This Committee assists the Board of Directors with the Group's main commitments (annual budget, acquisitions) and the CSR strategy, including:

- examining all significant projects concerning the Group's development, in particular projects for strategic partnerships and significant investments or divestments;
- examining proposed annual budgets submitted to the Board of Directors;
- checking that the Group's strategy and CSR approach are consistent and take into account CSR issues, in particular climate-related risks and opportunities;
- evaluating the adequacy of the resources available to the Group for successful implementation of its CSR strategy, in view of the objectives pursued.

3 Meetings of the Commitments and CSR Committee

Attendance rate: 94.4%

### ■ Audit Committee

This 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 responsible for with monitoring issues relating to the establishment and control of accounting and financial information, as well as the statutory audit.

6 Meetings of the Audit Committee

Attendance rate: 100%

## Executive compensation policy

### Compensation paid to the Chief Executive Officer in 2022

#### Allocation of fixed and variable portions

**25%**

ANNUAL FIXED COMPENSATION

**25%**

ANNUAL VARIABLE COMPENSATION (TARGET)

● **75%** Quantifiable

- Organic sales growth
- Adjusted operating margin before acquisitions
- Acquisitions
- CSR Roadmap achievement rate

● **25%** qualitative

- Innovation and competitive position
- Quality of acquisitions
- Sustainable development and efforts to combat global warming
- General criteria



**50%**

LONG-TERM VARIABLE COMPENSATION (TARGET)

● **25%** average organic sales growth over 3 years

● **25%** average adjusted operating margin before acquisitions over 3 years

● **25%** Group CSR Roadmap achievement rate

● **25%** Legrand's share price performance relative to the performance of the CAC 40 index

### Manager compensation

Managers' compensation is in line with the Group's objectives. Around 20% of managers qualify for long-term incentive plans (LTIs). In addition, 20% of the annual country director bonus is linked to their business unit's performance in rolling out the CSR Roadmap.

**1/3**

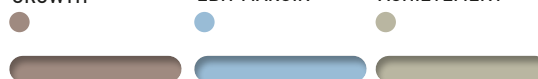
ORGANIC GROWTH

**1/3**

ADJUSTED EBIT MARGIN

**1/3**

CSR ROADMAP ACHIEVEMENT



### Structure of the long-term incentive plan (LTI) for the Group's key positions

(1) 2022 data.

## Exemplary governance model serving a long-term vision

### Executive Committee

#### Role and composition of the Executive Committee

Within the Company, the Executive Committee is responsible for defining and steering Legrand's strategy within the framework set out by the Board of Directors. It is a close-knit team of nine members with

complementary and varied skills. In addition to French, two other nationalities are represented: American and German. It brings together operational departments and support functions.



**Benoît COQUART (1)**

Chief Executive Officer  
joined the Group in 1997

**Bénédicte BAHIER (2)**

Executive VP Human Resources  
joined the Group in 2007

**Antoine BUREL (3)**

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

**Jean-Luc CARTET (4)**

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

**Virginie Gatin (5)**

Executive VP Corporate  
Social Responsibility  
joined the Group in 2021

**Gloria GLANG (6)**

Executive VP Strategy  
and Development  
joined the Group in 2019

**Franck LEMERY (7)**

Executive VP Chief Financial Officer  
joined the Group in 1994

**John SELLDORFF (8)**

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

**Frédéric XERRI (9)**

Executive VP Europe  
joined the Group in 1993

# Our value creation model

## Our resources



### Our human capital

- Around 38,000 employees (38% of women)
- Around 2,700 people working in R&D in more than 20 countries
- Committed teams: employee engagement rate at 80% (2021)



### Our industrial and intellectual capital

- Extensive Product offer: over 300,000 product references
- 115 manufacturing sites in 32 countries
- 86% of sites ISO 9001-certified
- 87.5% of sites ISO 14001-certified
- Around 3,700 patents
- Almost 80 trademarks
- Close to 19% of R&D teams dedicated to software and firmware



### Our financial capital

- 69.1% of the share capital held by long-only investors
- Net debt equal to 1.2x EBITDA



### Our societal capital

- Customers in more than 170 countries
- 68% of purchases from suppliers that have embraced Global Compact principles
- Philanthropic partnerships (*Électriciens sans frontières*, *Fondation Agir Contre l'Exclusion*), technological alliances, commercial partnerships



### Our natural and environmental capital

- Low energy intensive business that provides energy efficiency solutions for buildings
- Limited use of water

## Our purpose

“Improving lives by transforming the spaces where people live, work and meet, with electrical and digital infrastructures and connected solutions that are simple, innovative and sustainable.”

## Our balanced positioning

### ■ Low-risk industry

More resilient to economic cycles with strong barriers to entry

### ■ Strategic business sector

Strategic, low energy intensive industry supported by authorities under global and regional stimulus plans

### ■ Balanced sales mix



Sales by end market

- 40% Residential
- 40% Non-residential
- 14% Datacenters
- 6% Others



Sales per region

- 40% Europe
- 41% North and Central America
- 19% Rest of the World

## Our structurally favorable trends



### ■ Secular trends

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



### ■ New trends

Energy efficiency and sobriety, digitalization, assisted living, working from home, well-being

## Our value creation model

### Our strategy

- **Pure player** in the building sector
- **Two thirds of sales** generated by leading market positions
- **Two growth drivers:**
  - **Organic growth:** ~ 5% of sales invested in R&D between 2010 and 2022 leading to many product innovations
  - **External growth:** 60 acquisitions between 2010 and early 2023
- **Acceleration in faster expanding segments**
- **Continuation of our CSR policy:** 5<sup>th</sup> CSR Roadmap launched in 2022
- **Efficient organization,** with performance-focused teams
- **Serving our customers:**
  - **Distributors:** generalists, specialists, home improvement, retail, internet pure players
  - **Contractors:** installers, systems integrators, panel builders
  - **Product specifiers:** architects, opinion leaders, design & engineering offices, investors
  - **End users:** individuals, businesses, building managers

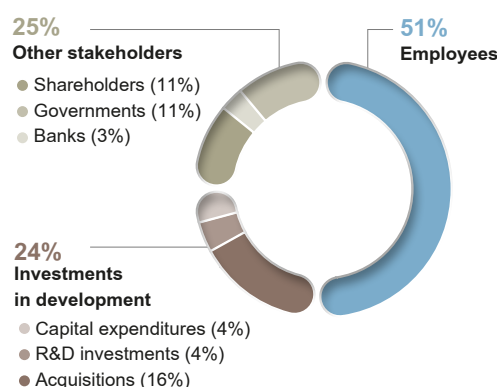
### Our mid-term targets

- **Annual average sales growth**, excluding exchange-rate effects, between +5% and +10%
- **Average adjusted operating margin** of approximately 20% of sales
- **Continued expansion** of faster expanding segments: medium-term target of 50% of sales
- **2030**
  - **80% of sales** derived from **eco-responsible solutions**
  - **50% reduction in carbon emissions** related to our own business operations (Scope 1&2) and 15% reduction in those arising from our value chain (Scope 3) - unadjusted data, 2019 baseline
  - **One third of women in key positions** and **gender parity** across the workforce

### Our value creation in 2022

- **€8.3 billion** of sales
- **20.4%** adjusted operating margin
- **€1.2 billion** normalized free cash flow

#### Balanced split of value added for stakeholders (2022)



- **15% reduction** in our Scope 1&2 emissions in 2022 versus 2021
- **55% of renewable energy** used by the Group
- **4.5 GWh produced at our sites** by our renewable energy installations
- **4.2 million tons of CO<sub>2</sub> avoided** by our customers through our energy efficient solutions
- **111 suppliers committed** in 2022 to reducing their emissions by 127,284 metric tons of CO<sub>2</sub>e by 2030
- **90% of sales** made to satisfied customers
- **28.5% of management positions** (Hay14+) held by women
- **96% of Legrand employees** received at least 5 hours of training
- **54% reduction** in the frequency of workplace accidents (FR2) from 2018 to 2022
- **77% of Legrand employees** covered by the extended "Serenity On" program
- **Legrand named** among the "World Best Employers" by Forbes and Statista

# A specialist in a growing industry

Legrand is the global specialist in electrical and digital building infrastructures, within an industry that is both strategic and fast-growing, with

- a huge accessible market worth around €120bn;
- a low-risk area as it is more resilient to economic cycles, particularly due to renovation works (more than 40% of business);
- more than 300,000 product references covering all regions and types of buildings.

## Secular 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



OUR STRATEGY

A specialist in a growing industry

Top-of-the-agenda trends



**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 (customer and regulatory expectations, in particular with stimulus plans)



**Health and well-being**

Societies are putting greater emphasis on well-being and assisted-living systems

Changing uses



**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**

Offices are being designed to be increasingly modular in terms of connectivity (offices able to become meeting rooms, videoconferencing)



**Online business**

Digitalization is driving more online purchases, plus an increased need for digital infrastructure in buildings

# Our strengths in this promising market

## Our comprehensive range of products for all buildings

Legrand offers an unparalleled range of more than 300,000 products suitable for all buildings. The Group is also supporting building digitalization and helping to reduce buildings' carbon footprint with its energy efficiency products and services.

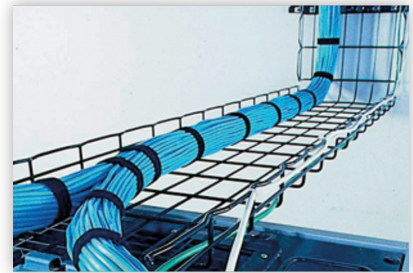
The Group's solutions are installed in living environments (individual homes and collective housing, hotels, etc.), working environments (offices, datacenters, industrial sites, etc.) and meeting environments (shops, hospitals, schools and universities, etc.).



Electrical installation control



Making power available



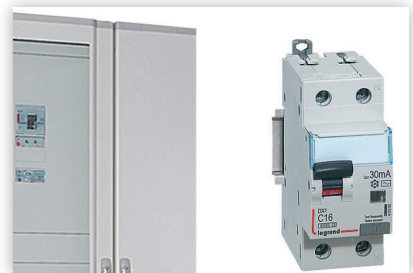
Electricity distribution



Remote monitoring and management of all kinds of infrastructures



Providing a secure, stable and optimized power supply



Protecting electrical installations

OUR STRATEGY

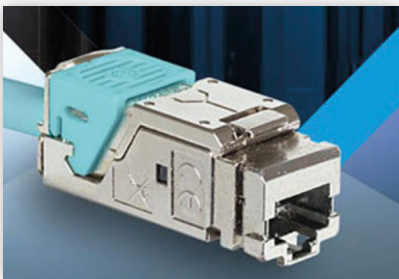
Our strengths in this promising market



Electric vehicle charging



Measure and control energy consumption



Structured cabling systems installation



Distributing audio and video signals



Datacenter "white space" infrastructure organization



Supplying power to workstations



Lighting management and optimization



Temperature regulation and monitoring sunlight



Ensuring that people can move around buildings and exit them safely

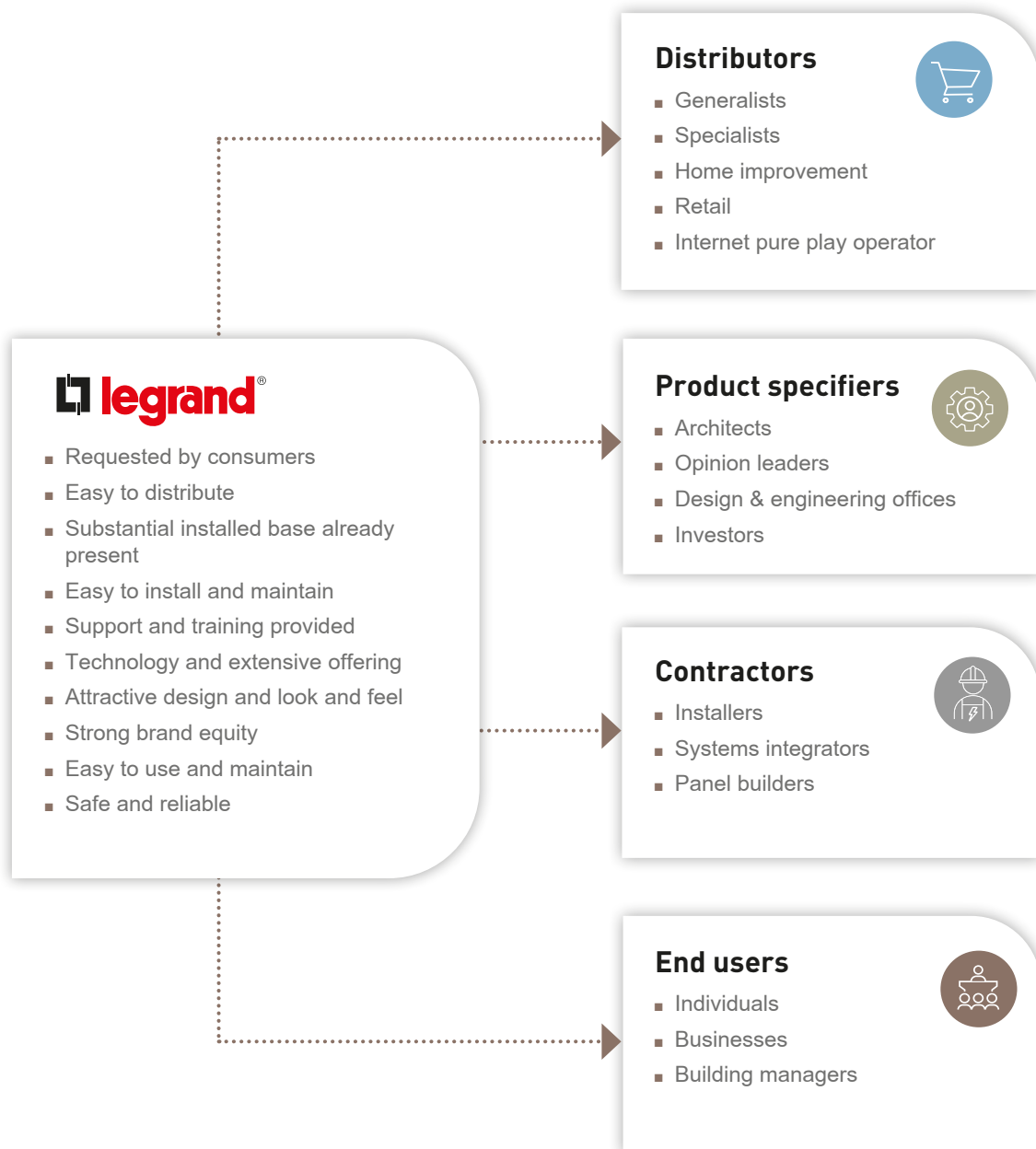


Welcoming and screening visitors

Our strengths in this promising market

Close ties with our value chain

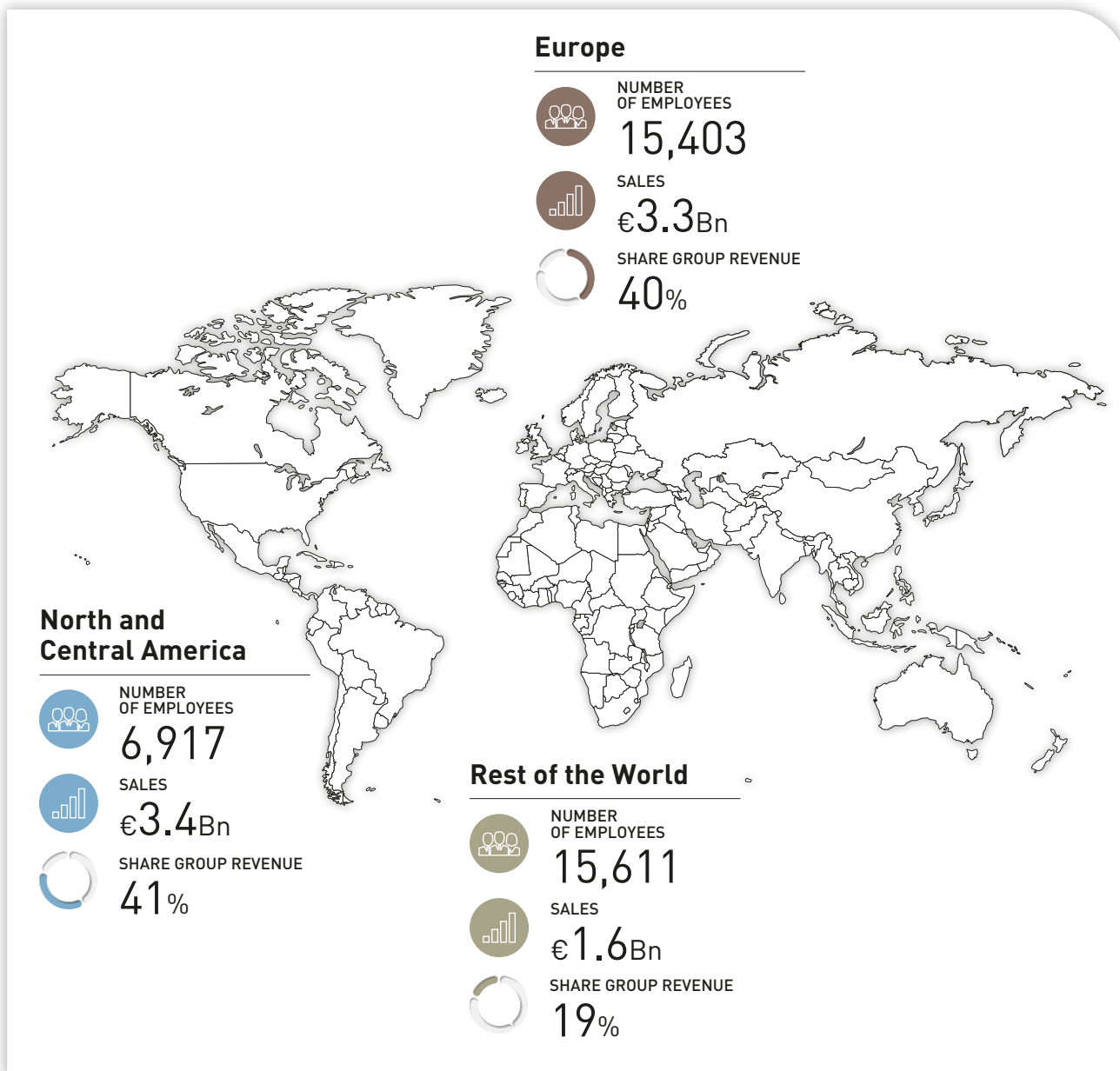
Thanks to its very wide product range, Legrand provides its customers with simple solutions. Legrand's products are specified, sold and installed by the various participants in its economic chain, and so the Group interacts with all parts of its ecosystem, including professional distributors and installers,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



Our strengths in this promising market

## Our presence in 90 countries<sup>(1)</sup>

(1) 2022 data.



## 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.

Operating on the basis of efficient, performance-driven processes and spearheaded by employees that are engaged and focused on customer service, this organization is a key part of the Group's success.

# Growth strategy based on a unique development model

Legrand's strategy is based on two main growth drivers: organic growth, fueled by innovation thanks to ongoing investments in R&D, and growth through targeted acquisitions.

This strategy aims to develop both essential infrastructure products and services and faster-growing segments such as datacenters, connected products and services and energy efficiency solutions. Our aim for all these

segments is to continue to strengthen the Group's market-leading positions. Coupled with a policy of operational excellence, this strategy results in outstanding profitability and cash flow generation. This unique development model is also based on a strong commitment to sustainability, which forms an integral part of the Group's strategy.

## Organic growth driven by innovation and by sales and marketing initiatives

Innovation is central to Legrand's culture and is one of the Group's growth drivers.

It draws on the Group's longstanding technology and design expertise to ensure safety, reliability and comfort. The Group's dedication to innovation is supported by all employees and reflected by regular launches of new products and permanent sales and marketing initiatives.

AROUND **5%** OF SALES  
ALLOCATED TO R&D EACH YEAR

AROUND **3,700** ACTIVE  
PATENTS IN MORE THAN 60 COUNTRIES

CLOSE TO **2,700**  
PEOPLE WORKING IN R&D

## External growth based on a targeted acquisition strategy

Acquisitions enable Legrand to continue to increase its market share. The Group's targeted acquisitions concern companies benefiting from market-leading positions.

The companies it acquires operate in Legrand's traditional business lines as well as additional areas and the most promising areas of technology, in particular those relating to the faster expanding segments. These segments represented more than 40% of full-year sales from acquisitions between 2010 and 2022.

Legrand fosters close relationships with around 300 companies representing substantial potential for the Group and offers an effective integration process for newly acquired companies.

**60** ACQUISITIONS  
FROM 2010 TO EARLY 2023

€**5,6**Bn  
INVESTED BETWEEN 2010 AND 2022

**+4%** PER YEAR:  
AVERAGE INORGANIC GROWTH  
BETWEEN 2010 AND 2022

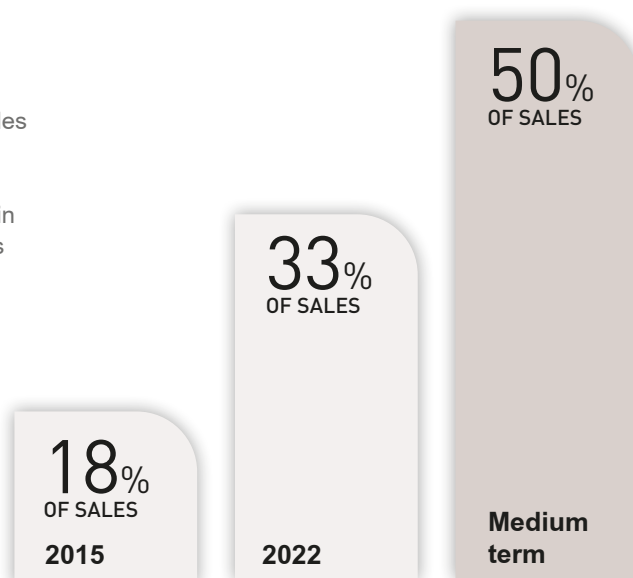
OUR STRATEGY

Growth strategy based on a unique development model

**Focus on the faster expanding segments**

The Group focuses a large proportion of its investment on the faster expanding segments (connected products, datacenters and energy efficiency).

These offers accounted for around 33% of the Group's sales in 2022, providing a response to the growing need for connectivity, the climate emergency, people's desire for comfort and the desire of more vulnerable people to remain independent for longer. In the medium term, Legrand aims to generate half of its sales in these segments.



**Datacenters**



**x2**  
SALES HAVE DOUBLED  
SINCE 2017

AROUND **14%**  
OF SALES IN 2022

**Connected products:  
Eliot program**



**MORE THAN 40**  
CATEGORIES OF CONNECTED  
PRODUCTS OUT OF MORE THAN  
100 CATEGORIES

AROUND **14%**  
OF SALES IN 2022

**Energy efficiency**



**4.2 MILLION**  
TONS OF CO<sub>2</sub>E AVOIDED  
BY CUSTOMERS IN 2022

AROUND **22%**  
OF SALES IN 2022

# Corporate Social Responsibility at Legrand

Corporate Social Responsibility is central to Legrand’s strategy, helping the company achieve profitable and sustainable growth, with the aim of benefiting all stakeholders.

The CSR Department was created in 2004 and since 2007, Legrand has defined and coordinated its CSR strategy through multi-year roadmaps, summarizing

the key priorities and performance indicators. In 2022, Legrand launched its fifth CSR Roadmap for 2022 to 2024.

This approach has enabled the Group to deliver concrete results over the long term thanks to the work done by its operational and local teams on major CSR issues<sup>(1)</sup> :



## Environment

	2011	2022		variation
Direct energy consumption (GWh):	253	<b>190</b>	↓	-25%
Scope 1&2 CO <sub>2</sub> emissions (in thousands of metric tons of CO <sub>2</sub> equivalent)	187,000	<b>118,072</b>	↓	-37%
Product environmental information for customers: Product Environmental Profiles (PEP)	30%	<b>69%</b>	↑	+130%



## Social

	2011	2018	2022		variation
Management positions (Hay grade 14+) held by women	–	22.6%	<b>28.5%</b>	↑	+26%
Key positions (Hay grade 20+) held by women	–	14.8%	<b>24.4%</b>	↑	+65%
Frequency rate of lost-time work accidents (FR1)	8.64	–	<b>1.92</b>	↓	-78%
Frequency rate of work accidents with or without lost time (FR2)	–	6.54 <sup>(2)</sup>	<b>2.99</b>	↓	-54%

**87% increase in the Group’s total sales between 2011 and 2022**



### Solid governance

In 2018, the roles of Chair of the Board of Directors and Chief Executive Officer were separated.

Within the Board of Directors, the Commitments and CSR Committee oversees the results of the CSR strategy, ensuring that it reflects the company’s overall strategy and takes into account internal and external factors relating to CSR.

Legrand’s annual non-financial report has been audited by an independent third-party organization since 2015.

(1) Figures based on current scope.

(2) The 2018 FR2 rate has been recalculated. As of 2022, published FR1 and FR2 figures include a cut-off adjustment – see section 4.5.2.2 of the Universal Registration Document.



# Our HR policy incorporated into the Company's strategy

“In keeping with the Group's values, our HR priorities - developing employee well-being, promoting diversity and inclusion and identifying and retaining talent - all contribute to the Group's success. Developing our human capital is therefore one of the key aspects of the company's strategy and is reflected in the CSR Roadmaps.”

**Bénédicte Bahier**, Executive VP Human Resources

## Our priorities

- Legrand's ability to attract, develop and retain talent;
- promoting diversity and inclusion, in particular by increasing the proportion of female employees;
- employee development, by means of training and implementing tailored strategies for identifying and supporting talent and for recognizing performance;
- employee engagement and ensuring their well-being, health and safety.

## Significant initiatives

**GEEIS-Diversity label** (Gender Equality European and International Standard)

The GEEIS label was created in 2010 to give companies effective ways to oversee their gender balance and enable them to ensure equal opportunities.

Legrand has obtained the GEEIS-Diversity label to acknowledge 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.

At the end of 2022, 44.5% of employees worked for entities with the GEEIS-Diversity label.

## Serenity On program

Serenity On, launched in 2017, aims to guarantee welfare benefits for Legrand employees in all countries in which the Group operates. The program sets targets in three areas: parenthood, health and personal protection.

At the end of 2021, 97% of Legrand employees were covered by the Serenity On program:

### → PARENTHOOD

To promote a better work/life balance, Serenity On sets minimum standards for maternity leave and paternity leave.

### → HEALTH

To protect its employees, Legrand ensures that each employee is covered for health and care costs relating to hospitalization in the event of a serious incident.

### → PERSONAL PROTECTION

In the event of death or total and permanent disability of an 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 program was extended in 2022 to include:

- high quality medical cover for employees' families;
- access to targeted physical and psychological well-being programs to foster a prevention-based approach and incorporate the growing issues relating to mental health at work.

At the end of 2022, 77% of Legrand employees were covered by the extension to the Serenity On program.

## Engagement survey

In 2021, Legrand conducted its second worldwide employee engagement survey among all employees. The participation rate was 79% with an engagement score of 80%. In addition, 87% of respondents said that they were proud to work for Legrand.

- 82% of employees would recommend Legrand as a good place to work;
- 86% of respondents believe that the company is concerned about health and safety at work;
- 80% of respondents think that the training they have received is appropriate for their job;
- 83% believe that the company provides an inclusive working environment that accepts personal differences.

Following the survey, more than 1,000 action plans have been launched in countries to respond to the expectations expressed by employees.

# Our medium-term goals

## Between **5%** and **10%** annual average sales growth, 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 2022 to 50% in the medium term
- Bolt-on acquisitions strategy to be pursued with 3 to 6 deals per year

## Approximately **20%** of average adjusted operating margin of sales



- Supported by robust management of selling prices and constant operating productivity
- Full absorption of:
  - Investments in organic growth
  - Dilutive impact of new acquisitions (-10 to -50 basis points per year)
  - Financing of restructuring initiatives

## Continued expansion of high-growth segments: medium-term target of **50%** of sales



- Balanced capital allocation
  - More than half of free cash flow invested in bolt-on acquisitions, while preserving a solid balance sheet
  - Average dividend payout ratio of around 50%
  - Share buybacks to compensate for the dilution linked to LTI programs

### Our 2030 targets



#### Diversity

Strengthen women's role within the Group:

- achieve gender parity
- at least one third of top management roles (Hay grade 20+) held by women



#### Climate

Continue to reduce the Group's greenhouse gas emissions in line with the most ambitious Paris Agreement target, aiming to limit the global increase in temperatures to 1.5°C above pre-industrial levels:

- -50% reduction in carbon emissions related to our own business operations (Scope 1&2)
- -15% reduction in emissions arising from our value chain (Scope 3)



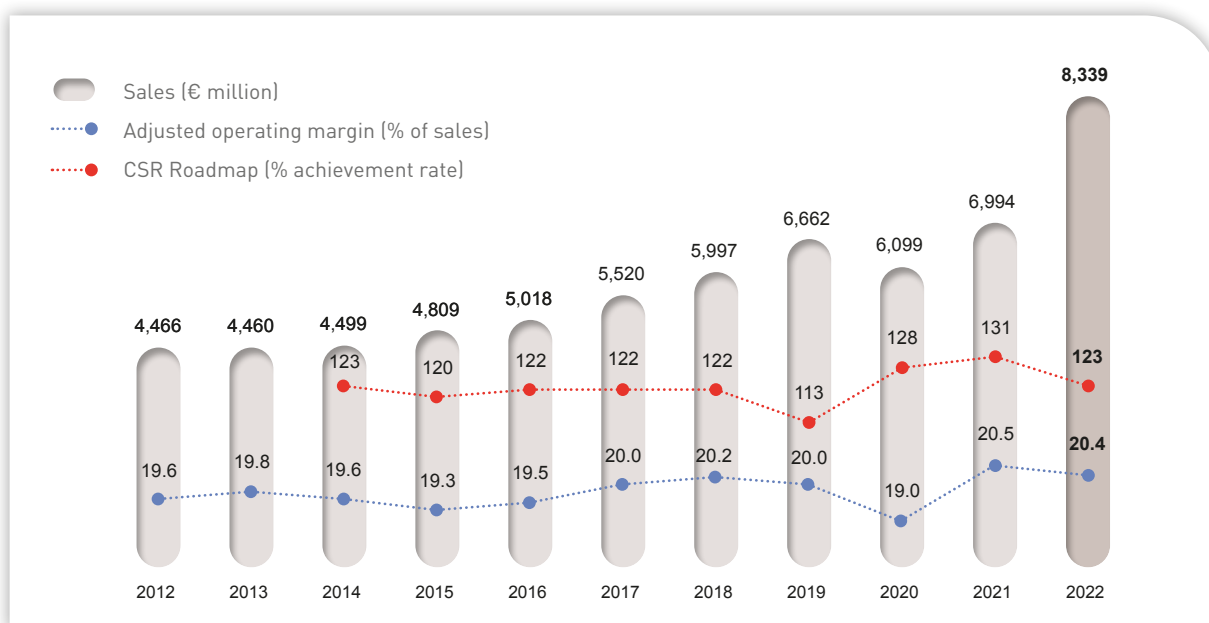
#### Eco-responsible revenues

80% of sales derived from eco-responsible solutions:

- solutions to make buildings more energy efficient
- inform customers of the environmental impact of our products and services by means of PEPs (Product Environmental Profiles)

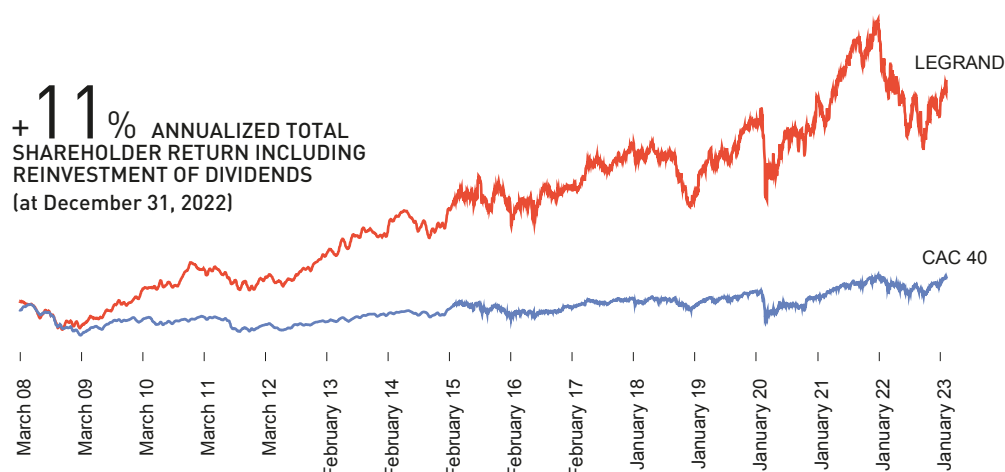
# Our historical performance

## 2012-2022 historical financial and non-financial performance



### Share price development

Between April 6, 2008, and February 10, 2023 (rebased 100 in 2006)



# Our 2022 financial and non-financial performance

## Very solid integrated performance in 2022

**+19.2%**  
SALES GROWTH

**20.4%** OF SALES  
ADJUSTED OPERATING MARGIN

**+26.8%**  
GROWTH IN ADJUSTED NET PROFIT  
ATTRIBUTABLE TO THE GROUP

**€1,036 million**  
OF FREE CASH FLOW



### Promote diversity and inclusion

■ 2022 results and targets

Achievement rate 2022    References to URD sections

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



**102.9%**

4.5.5.1

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



**148.2%**

4.5.5.2

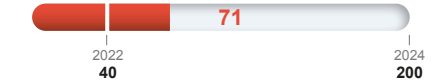
Offer **4,000** new opportunities to early-in-careers each year



**96.9%**

4.5.5.2

Develop **200** additional businesses with suppliers qualified as "Diversity & Inclusion" by 2024



**177.5%**

4.7.3



### Reduce our carbon footprint

■ 2022 results and targets

Achievement rate 2022    References to URD sections

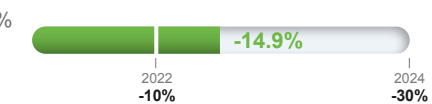
Thanks to the Group's Energy Efficiency solutions, enable customers to avoid the emission of **12 million tons of CO<sub>2</sub>**



**104.3%**

4.3.4

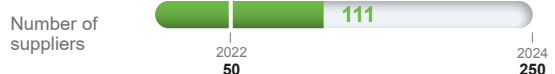
Reduce the Group's Scope 1&2 CO<sub>2</sub> emissions by **10%** each year through energy efficiency improvements at our manufacturing sites and renewable energy deployment



**148.9%**

4.3.2

Encourage at least **250** key suppliers to have an official CO<sub>2</sub> emission reduction target of 30% on average by 2030



**222%**

4.3.3



**159.1%**

OUR INTEGRATED PERFORMANCE

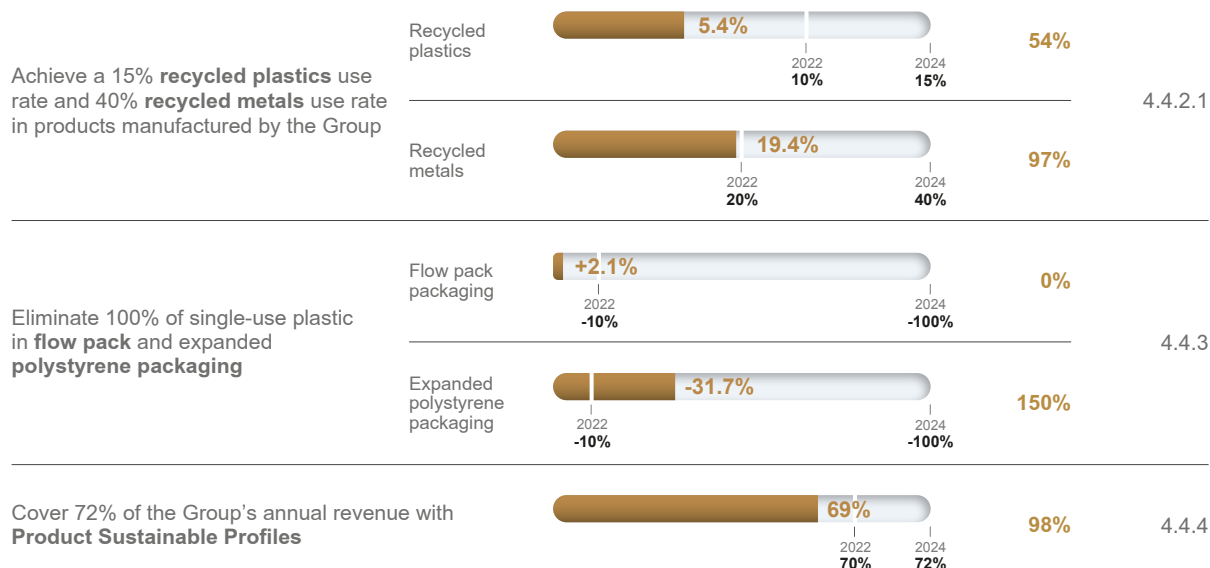
Our 2022 financial and non-financial performance



**Develop a circular economy**

■ 2022 results and targets

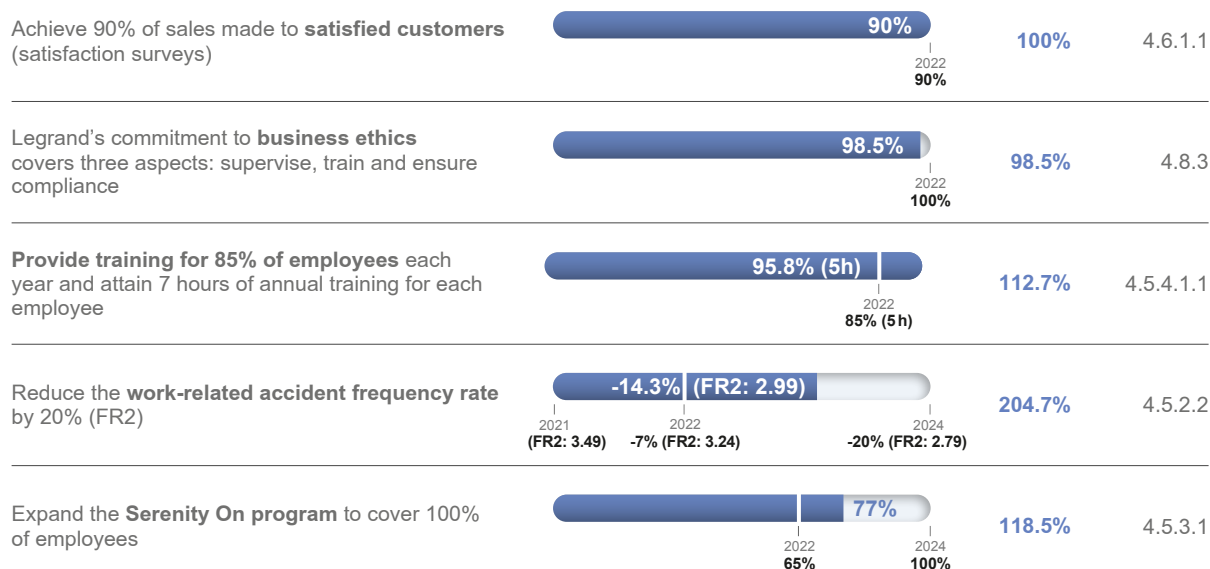
Achievement rate 2022    References to URD sections



**Be a responsible business**








■ 2022 results and targets

Achievement rate 2022    References to URD sections





# Recognition of our non-financial performance

In 2022, Legrand achieved the following ratings:

 <p>CDP Climate Change B list</p>	 <p>MSCI AA CSR rating</p>	 <p>Sustainalytics Low risk</p>	 <p>DJSI Score of 81</p>
 <p>EcoVadis Platinum status</p>	 <p>ISS Oekom Corporate rating Prime status</p>	 <p>Moody's Vigeo Eiris 67/100 Eurozone 120, Europe 120</p>	

The Group was included in the following indexes at the filing date of the Universal Registration Document:

 <p>EURONEXT CAC 40 ESG – CAC SBT 1.5 Euronext Equileap Gender Equality Eurozone 100 and France 40</p>	 <p>FTSE4Good FTSE4Good</p>
---	--

## Contribution to the United Nations Sustainable Development Goals

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



# Our risk management strategy

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.

## Our Group risk mapping

Legrand identifies risks and opportunities that are likely to significantly impact its strategy, operations, financial position or reputation.

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.

The chart below summarizes Legrand's main risks at the end of 2022, divided into three categories.

- 1) Strategic and operational risks;
- 2) External risks;
- 3) Non-financial risk and interconnections between financial and non-financial factors.

### External risks

- Inflation
- Volatility and availability of raw materials
- Regulatory changes
- Construction sector crisis in some countries

### Strategic and operational risks

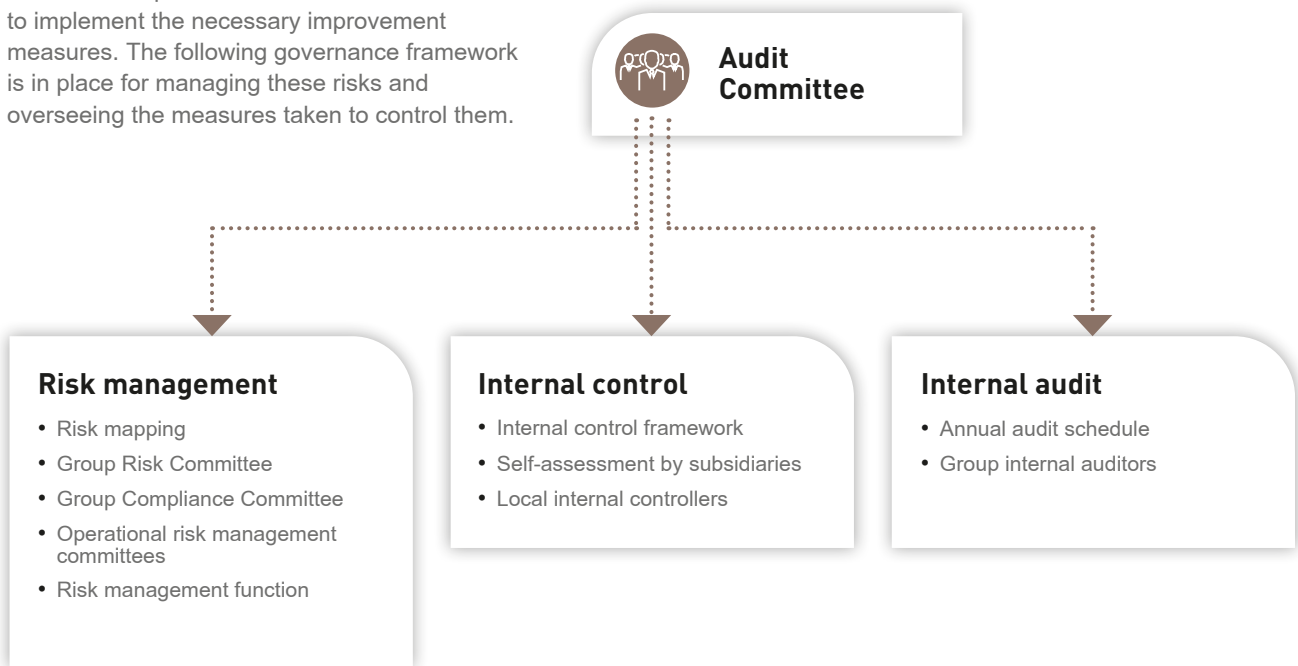
- Digital acceleration
- Products and solutions that do not reflect changing market expectations
- Brand positioning
- Cybersecurity and personal data protection
- Alignment of information systems with the company's requirements
- Overall competitiveness of operations
- Human resources policy adequacy
- Product quality

### Non-financial risks

- Environmental impacts and risks related to climate change
- Business ethics
- Customer experience
- Products and services helping to make buildings more energy efficient
- Health, safety and well-being at work
- Human rights
- Personal data protection

# With a dedicated governance

To manage our risks, we identify them, and assess the impact and current levels of control to implement the necessary improvement measures. The following governance framework is in place for managing these risks and overseeing the measures taken to control them.



## About this report

This integrated report gives a summary overview of Legrand and its operations. It has been prepared in accordance with the international standards set by the International Integrated Reporting Council (IIRC). It illustrates the implementation of a strategy centered around growth, CSR and governance, and sets out the Group’s short- and long-term ambitions for improving the lives of all its stakeholders. The report also describes how Legrand is adapting to economic and social conditions and ever-changing requirements. It highlights the contribution of its CSR approach to the United Nations Sustainable Development Goals.

Preparation of this integrated report is overseen by Legrand’s CSR department. It is the result of a collaborative effort with the Human Resources, Investor Relations and Legal departments and part of the Executive Management team.





Photo credits: © Legrand

Designed & published by  +33 (0)1 40 55 16 66



### **Company Headquarters**

128, avenue de Lattre de Tassigny

87045 Limoges Cedex, France

+33 (0) 5 55 06 87 87

@ [www.legrandgroup.com](http://www.legrandgroup.com)

🐦 @legrand

