

INTEGRATED REPORT

2016

www.legrand.com

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Editorial/Message from the Chairman



Gilles Schnepf,
Chairman and Chief Executive Officer

Legrand's history is closely linked to the technological and social changes experienced by the building industry over the past several decades.

Over the past years, each one of us has seen the formidable acceleration of these changes, which have made recent societal and technological megatrends — environmental protection, increased life expectancy, rapid increase in the flow of data and more generally digitalization — major levers for the transformation of the relationship between people and their environment.

These developments continue to change the relationship users have with our products. Thus, the new technologies, especially digital ones, significantly increase the value-in-use of our products for users. This is why we are continuing to fast track our investments in this area: innovation, acquisitions, signing of strategic partnerships and numerous technological alliances.

This positioning of Legrand, responsive to the major global developments, makes not only legitimate, but natural the Group's social responsibility approach, initiated many years ago within our teams across the world.


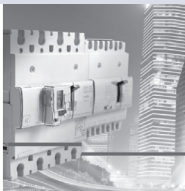





Given that Legrand's development can only be sustainable if it respects all of our stakeholders and occurs within a broader definition of the business, we are convinced that the full value-creating ability of our operations results from a combination of financial and non-financial performance.

In line with the first edition, this second integrated report aims first of all at presenting, in summary form, our strategy, our governance and our performance, as well as the environment in which we operate, with a view to creating value in the short, medium and long term. Prepared in a spirit of continual improvement, this integrated report draws on the template designed by the International Integrated Reporting Council (IIRC).

Our wish is that this document, as a complement to our other publications, provides information on our Group's ability to fully seize opportunities to create value, in a sustainable, responsible and profitable manner.

1 - A self-financed business model creating value over the long term

Legrand is the global specialist in electrical and digital building infrastructure and provides a range of several hundred thousand catalog items subdivided into 7 major product categories, each under the responsibility (product marketing, research and development, manufacturing) of one of 7 Strategic Business Units (SBUs):

						
USER INTERFACE	ENERGY DISTRIBUTION	BUILDING SYSTEMS	CABLE MANAGEMENT	DIGITAL INFRA-STRUCTURES	UPS	INSTALLATION COMPONENTS
<ul style="list-style-type: none"> • Switches • Socket outlets • Scenario switches etc. 	<ul style="list-style-type: none"> • Distribution panels • Circuit breakers etc. 	<ul style="list-style-type: none"> • Lighting management • Safety & Security systems etc. 	<ul style="list-style-type: none"> • Trunking • Floor boxes etc. 	<ul style="list-style-type: none"> • Enclosures • Patching racks • RJ45 connectors etc. 	<ul style="list-style-type: none"> • Uninterruptible Power Supply 	<ul style="list-style-type: none"> • Tubes • Ducts • Extensions etc.

The depth of this offer, tailored to the low voltage market for the commercial, industrial and residential segments makes Legrand a global standard among all actors in its economic chain: the distributors to whom Legrand sells its products; electrical contractors who install Legrand's solutions in buildings; product specifiers (architects, engineering firms); and end-users (individuals, companies, building managers).

In 2016 Legrand generated sales of more than €5 billion, 68% of which with products that rank number 1 or number 2 in their respective markets. Close to its markets and focused on its entire economic chain, Legrand has nearly 36,000 employees, and commercial and industrial operations in more than 90 countries.

Sales in € million

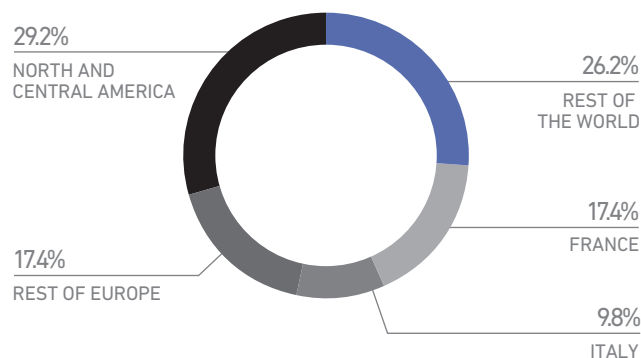


Adjusted operating profit* in € million



* Operating profit adjusted for amortization of revaluation of intangible assets at the time of acquisitions and for expense/profit relating to acquisitions, and, where applicable, to impairment of goodwill.

2016 net sales by geographic region



1 - A SELF-FINANCED BUSINESS MODEL CREATING VALUE OVER THE LONG TERM

ORGANIZATION AND GROWTH DRIVER

The Group's organizational structure is based on two distinct roles:

- first: sales and operational marketing (Front Office) organized by country to meet the specific needs of each market; and
- second: activities linked to strategy, industrial operations (innovation, R&D, manufacturing, purchasing and logistics), and general administration (Back Office), organized globally.

The Group benefits from solid, long-term growth levers. Geographically, more than 80% of its sales are generated outside France, of which 25% are in the United States, the Group's leading country in terms of sales.

With regard to Legrand's business, social megatrends (aging population, increasing willingness to reduce energy consumption, the development of new economies, etc.) and technological megatrends (in particular digital with the Internet of Things), offer the Group long-term growth prospects.



At the heart of these developments – in particular those linked to the emergence of the Internet of Things – lies the electrical and digital infrastructure of buildings, an area in which Legrand specializes. More generally, Legrand is convinced that new, and particularly digital, technologies, significantly increase the value-in-use of its products and systems for users. The Group has therefore decided to step up its investments in this area: innovation with the launch of the Eliot program in July 2015,

followed by its rollout in numerous countries; acquisitions, with the purchase of Raritan, QMotion, Luxul and Solarfective; the signing of various technological partnerships; and taking a stake in Netatmo. It is within this framework that Legrand has set ambitious targets, such as achieving double-digit average total annual growth in sales for connected products between 2014 and 2020. At year-end 2016, the Group's achievements were well ahead of schedule with this development plan.



Eliot is a program launched in 2015 by Legrand to speed up deployment of the Internet of Things in its offering. A result of the group's innovation strategy, Eliot aims to develop connected and interoperable solutions that deliver lasting benefits to private individual users and professionals.

http://www.legrand.com/EN/eliot-program_13238.html

GROWTH DRIVERS AND DEVELOPMENT MODEL

Legrand's business model relies on **two growth drivers** to strengthen its leadership positions worldwide, year after year.

Innovation, particularly technological innovation, as described earlier, which is aimed at fueling organic growth with the regular launch of new offerings – including Eliot connected products that enhance value-in-use – and numerous marketing and sales initiatives.

Among its new technology-linked initiatives, Legrand is also initiating collaborative agreements and technological partnerships with leading players, including Samsung, La Poste and TCL.

The second growth driver for the Group is **external growth**, with self-financed bolt-on⁽¹⁾ acquisitions of companies with leading positions in their markets or proven technological expertise.

Innovation

R&D
4.9%
of 2016 sales

Over
3,800
active patents
in 2016

External growth

Nearly
160
companies acquired
since 1954

Of which
51
acquisitions announced
since 2004

The other feature of Legrand's business model is that it is self-financed, thanks to the high level of free cash flow generation. As initiatives linked to new technologies expand, Legrand is at the same time actively pursuing its initiatives targeting productivity – notably those linked to the “digitalization” of certain processes – and optimal use of capital employed, thanks to the new industrial organization implemented in 2014. Overall, the profits from this industrial transformation are used to finance growth initiatives in new technologies.

Thanks to the soundness of its business model and ongoing efforts to improve that model, and in keeping with the Group's four values (customer focus, innovation, ethical behavior and

resource optimization), Legrand intends to continue to strengthen its sustainable, profitable and highly cash-generative growth profile in order to self-finance its development and thus create value for all of its stakeholders, while continuing to offer products that help to protect the environment.

The Group is listed on Euronext Paris. At the time the 2016 Registration Document was filed, it was included in the CAC 40, FTSE4Good, MSCI World, Corporate Oekom Rating, DJSI World, Euronext Vigeo Eurozone 120, Europe 120, France 20 and World 120 indices, as well as the Ethibel Sustainability Index Excellence.

[FOR MORE INFORMATION]

2016 Registration Document – Chapter 2

(1) Small- to mid-size acquisitions that complement Legrand's activities.



2 - A CSR STRATEGY (CORPORATE SOCIAL RESPONSIBILITY) THAT DRIVES THE GROUP'S LONG-TERM GROWTH

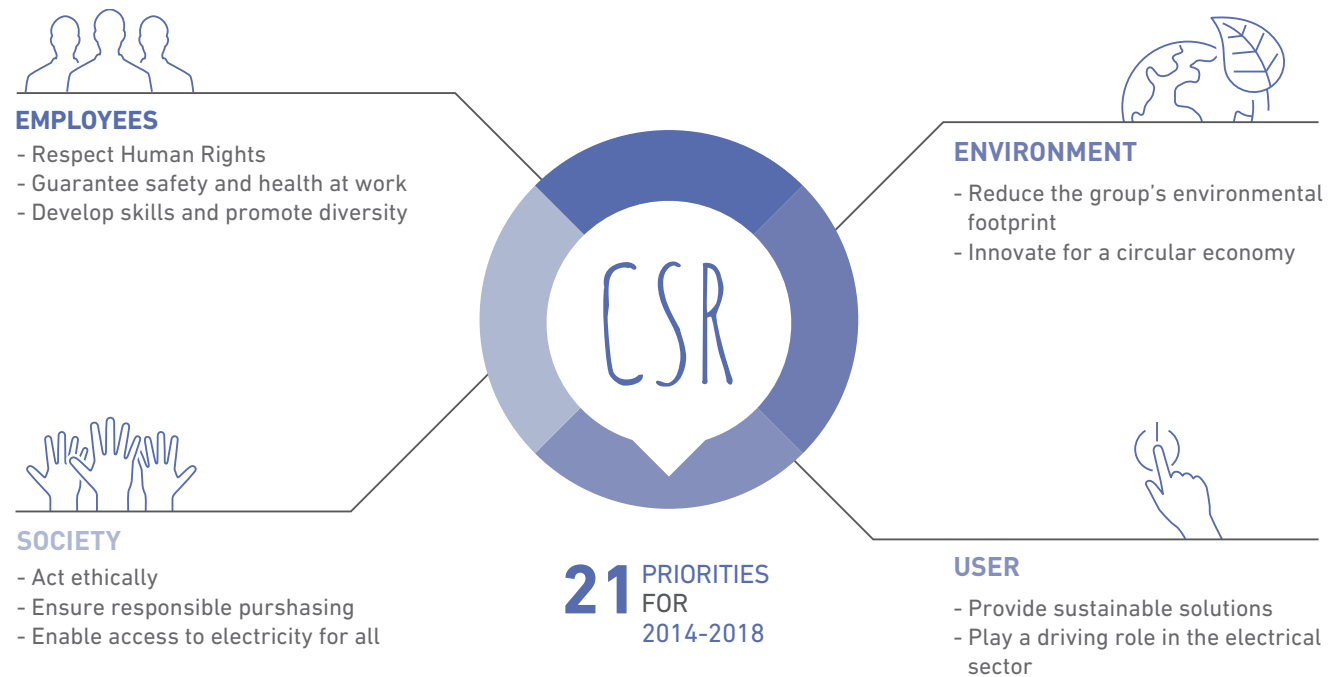
2 - A CSR strategy (Corporate Social Responsibility) that drives the Group's long-term growth

CSR is an integral part of Legrand's development strategy. In particular, its aim is to enable sustainable use of electricity and access to new technologies for everyone, driving improvements for all stakeholders involved in Legrand's activities.

In 2013, Legrand defined a matrix of its issues in the environmental, social and societal areas ("materiality matrix"). The matrix was established based on ISO 26000 recommendations (determining priority action areas) and helped identify the 10 priority issues facing Legrand and its stakeholders and which the Group must

address as a priority as part of its CSR strategy. These issues notably place users and their needs at the center of Legrand's concerns.

Legrand produces its CSR strategy in the form of a roadmap covering a period of several years. In 2014, Legrand published its third roadmap for the period 2014-2018 expressed around four priorities: user, society, employees and the environment.



The deployment and management of the roadmap are handled jointly by the CSR Department with the countries, the Strategic Business Units (SBUs) and the managers of the Group, and by the functional departments (Human Resources, Purchasing, Health and Safety, Environment, etc.) with local representatives concerned. The Group's annual CSR performance is measured by monitoring indicators relating to these 21 priorities. For each priority, the Group undertakes to publish an annual progress report based on the indicator(s) identified, which helps monitor the Group's integrated performance.

The evaluation of the progress of the roadmap's 21 priorities is measured using indicators deployed at two levels: local (at each Group entity) and consolidated (Group-wide).

It is worth noting that the entire approach described above is reviewed annually by one of the two Statutory Auditors (hereinafter referred to as the "Independent Third Party Entity"), in order to check its soundness and report as transparently as possible to all the Group's stakeholders.

Short-term compensation, as well as the Long-Term Incentive plan (LTI) for the Executive Officer and for the key managers of the Group are partly indexed to the achievement of the targets established in the CSR roadmap and from Legrand's presence in the main CSR indexes.

[FOR MORE INFORMATION]

2016 Registration Document- Chapter 4.

3 - Risk management for performance

Risk management is key to the management of the Group's operations and contributes to the achievement of targets.

It involves managing internal and external environments linked to the Group's businesses in accordance with an acceptable risk limit. Risks are by definition dynamic and can change depending on the Group's context or operations.

Risk management is therefore a permanent exercise under the responsibility of all Group managers. A dedicated governance framework has been put in place, with a risk committee chaired by the Chairman and Chief Executive Officer, and with operational risk committees in some departments. The Audit committee is charged with assessing the organization and effectiveness of the mechanism.

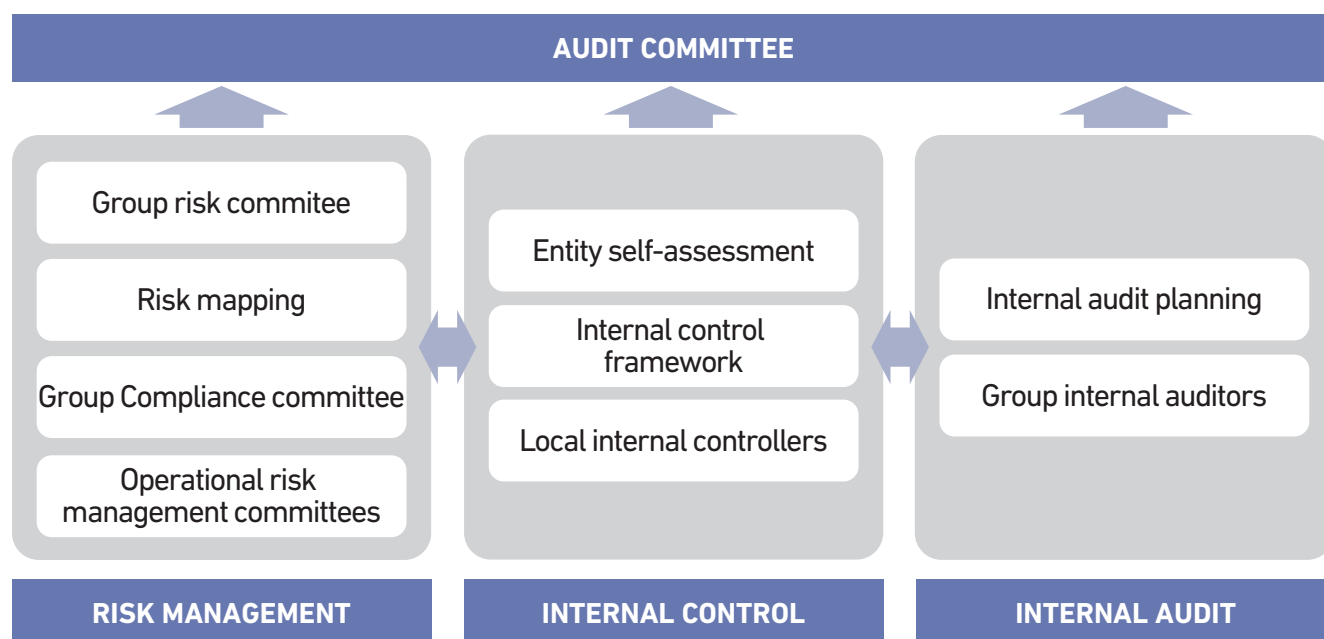
The approach is based on identifying and ranking risks, then defining and managing risk mitigation mechanisms. The probability or impact of the occurrence of risks can be reduced

either actively through prevention or risk treatment or passively in case of a natural or structural drop in the risk associated with the Group's operations.

The risk control mechanisms put in place notably include organizational components (a manager appointed for each risk, dedicated teams for certain topics), training, outsourcing or risk coverage solutions (sub-contracting, insurance), specific governance (committees or dedicated bodies, reporting, indicators) and processes for managing risks in daily operations as well as regular monitoring (audits).

[FOR MORE INFORMATION]

2016 Registration Document - Chapter 3



RISKS MAPPED FOR BETTER MONITORING

Major risks identified through mapping are those that are likely to significantly impact strategy, operations, financial position or reputation and are analyzed around these four topics.

Risk factors are diverse and can be external (competition, technological developments, market turmoil, natural disaster) or internal (equipment or human failure, fraud, bad decisions, non-compliance with regulations and so on).

All risks identified via the Group's risk mapping have a "risk owner" and are the subject of specific mitigating actions, the progress of which is reviewed at the Group risk committee meeting among others.

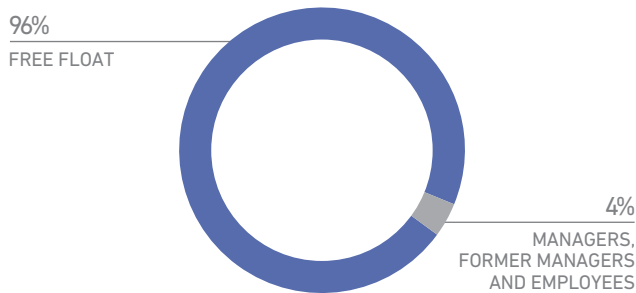
A summary table with the main risks and the related management policies is provided in the 2016 Registration Document.

[FOR MORE INFORMATION]

2016 Registration Document - Chapter 3 - Heading.

4 - Governance at the center of efforts to strike a balance between different challenges

Share ownership structure at December 31, 2016



[FOR MORE INFORMATION]

2016 Registration Document – Chapter 7 – Paragraph 7.1.1.

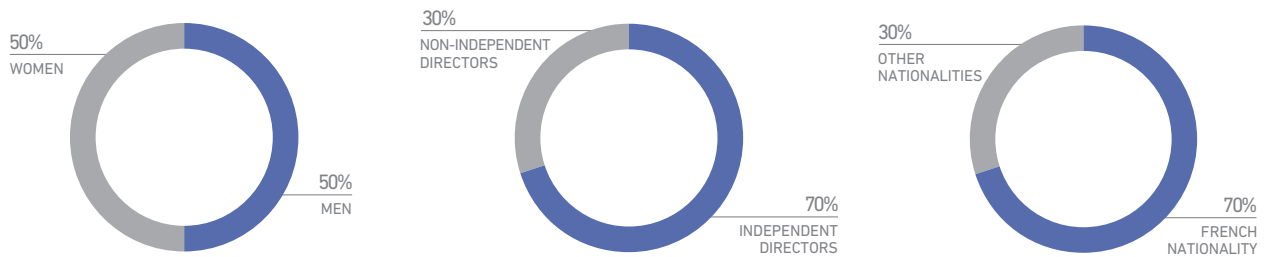
The Company refers to the principles of corporate governance for listed companies set out in the Afep-Medef Code of Corporate Governance, which can be consulted on Medef’s website at: www.medef.com.

BOARD OF DIRECTORS: INDEPENDENCE, DIVERSE AND VARIED SKILLS

The Board of Directors determines the directions of the Group’s operations and ensures their implementation. Subject to powers expressly assigned to shareholders’ meetings and in accordance with the corporate purpose, it handles all issues that relate to the proper operation of the Company and resolves by discussion the matters that concern it. The Board’s decisions are made within the context of the Group’s sustainable development approach.

Varied and complementary profiles are thus present with strategic, financial and specific skills such as financial communication, CSR, talent management and marketing.

The Board of Directors is constituted as follows:



In 2016, the Board of Directors met six times. Over the past 5 years, Directors’ attendance rate at Board meetings was 86%.

At least once a year, the Board of Directors debates its operation (this involves a corresponding review of the Board’s specialized committees). This is relayed in the Company’s annual report so that shareholders can be informed each year of the assessment carried out and, if applicable, any steps taken as a result. The Lead Director supervises the assessment of the Board’s operations and those of its specialized committees.

In order to facilitate the work of the Board of Directors and the preparation of deliberations, the Board can form specialized Committees that examine topics within their respective areas of competence and submit opinions, proposals and recommendations to the Board of Directors.

There are four permanent specialized committees:

- the Audit Committee;
- the Nominating and Governance Committee;
- the Compensation Committee; and
- the Strategy and Social Responsibility Committee.

4 – GOVERNANCE AT THE CENTER OF EFFORTS TO STRIKE A BALANCE BETWEEN DIFFERENT CHALLENGES

<i>Audit Committee</i>	<i>Nominating and Governance Committee</i>	<i>Compensation Committee</i>	<i>Strategy and Social Responsibility Committee</i>
<ul style="list-style-type: none"> ■ 3 members. ■ 100% independent members. 	<ul style="list-style-type: none"> ■ 3 members. ■ 66% of independent members. 	<ul style="list-style-type: none"> ■ 3 members. ■ 100% of independent members. 	<ul style="list-style-type: none"> ■ 4 members. ■ 50% of independent members.
<ul style="list-style-type: none"> ■ 4 meetings during the year. 	<ul style="list-style-type: none"> ■ 3 meetings during the year. 	<ul style="list-style-type: none"> ■ 3 meetings during the year. 	<ul style="list-style-type: none"> ■ 5 meetings during the year.
<p>Main tasks:</p> <ul style="list-style-type: none"> ■ Review and monitor the internal control mechanism; ■ Review risk mapping; ■ Carry out a prior examination of the statutory and consolidated financial statements; ■ Ensure the examination of financial statements by auditors. 	<p>Main tasks:</p> <ul style="list-style-type: none"> ■ Make proposals regarding the composition of the Board and its Committees; ■ Periodically assess the proper operation of the Board; ■ Monitor changes in corporate governance and their enforcement by the Company; ■ Establish a succession plan for executives. 	<p>Main tasks:</p> <ul style="list-style-type: none"> ■ Make proposals regarding the compensation components of executives and directors; ■ Ensure that the Company fulfills its obligations regarding the transparency of compensation. 	<p>Main tasks:</p> <ul style="list-style-type: none"> ■ Examine major projects concerning the Group's development and strategic positioning; ■ Examine the draft annual budgets submitted to the Board; ■ Assess the balance between the Group's strategy and CSR principles; ■ Review the main findings of the independent third-party body.

In 2016, the rate of Directors' attendance at meetings of the specialized committees was 100%.

THE EXECUTIVE COMMITTEE: A MULTI-DISCIPLINARY AND EXPERIENCED TEAM

The Executive Committee is made up of a select ten-member team with diverse and complementary expertise. All members of the Committee understand the core business of the Group and its development stakes. This Committee gathers together countries

General Management but also operational departments support of these countries. Several nationalities are present in this body (French, American and Italian), reflecting the history and geographic distribution of Legrand's business.

As of the date of filing of the 2016 Registration Document, the Executive Committee is made up of as following:

Name	Functions	Date of joining the Group
Mr. Gilles Schnepf	Chairman and Chief Executive Officer	1989
Ms. Karine Alquier-Caro	Executive VP Purchasing	2001
Ms. Bénédicte Bahier	Executive VP Legal Affairs	2007
Mr. Antoine Burel	Chief Financial Officer	1993
Mr. Benoît Coquart	Executive VP France	1997
Mr. Xavier Couturier	Executive VP Human Resources	1988
Mr. Paolo Perino	Chairman of Bticino and Executive VP Strategy and Development	1989
Mr. John Selldorff	President and Chief Executive Officer of Legrand North & Central America	2002
Mr. Patrice Soudan	Deputy Chief Executive Officer, Executive VP Group Operations	1990
Mr. Frédéric Xerri	Executive VP Export	1993

[FOR MORE INFORMATION]

2016 Registration Document – Chapter 6 – Paragraph 6.1

5 - A SOLID 2016 INTEGRATED PERFORMANCE, IN LINE WITH TARGETS

5 - A solid 2016 integrated performance, in line with targets

Legrand recorded a solid integrated performance in 2016 and fully met its targets:

- the development initiatives in the past few quarters succeeded in accelerating the Group's sustainable growth, spurred on by its two growth drivers, namely organic growth and growth through acquisitions. Thus, total growth, excluding foreign currency effects, was +6.5% in 2016, compared with +2.1% in 2015;

- organic growth of sales came to +1.8%, near the high end of the annual target (+2%);

- the adjusted operating margin before acquisitions (at 2015 scope of operations) stood at 19.7%, exceeded the high end of the raised target (19.6%); and

- CSR roadmap achievement rate reached 122%.

More generally, these positive achievements demonstrate again the Group's ability to create value for all its stakeholders.

FINANCIAL PERFORMANCE

(in millions of euros except %)	2016	2015	2014
Sales	5,018.9	4,809.9	4,499.1
total sales growth	+4.3%	+6.9%	+0.9%
sales growth at constant scope of consolidation and exchange rates	+1.8%	+0.5%	+0.5%
EBITDA⁽¹⁾	1,109.0	1,056.4	1,013.0
Maintainable EBITDA ⁽²⁾	1,134.1	1,084.4	1,034.7
Adjusted operating profit⁽³⁾	978.5	930.4	880.4
as a percentage of sales	19.5%	19.3%	19.6%
Maintainable adjusted operating profit ⁽²⁾	1,003.6	958.4	902.1
Net income⁽⁴⁾	630.2⁽⁸⁾	552.0	533.3
as a percentage of sales	12.6%	11.5%	11.9%
Free cash flow⁽⁵⁾	673.0	666.0	607.4
as a percentage of sales	13.4%	13.8%	13.5%
Normalized free cash flow⁽⁶⁾	623.9	617.2	607.5
as a percentage of sales	12.4%	12.8%	13.5%
Net financial debt at December 31⁽⁷⁾	957.0	802.7	855.6

(1), (2), (3), (4), (5), (6) and (7): Please refer to chapter 5.15 of the 2016 Registration Document for a full reminder of all definitions.

(8) For full-year 2016, net income shall be read €569.0 million, once adjusted for the favorable non-recurring accounting impact representing a €61.2 million tax income, that resulted from the announcement of reductions in the corporate income tax rate, mainly in France. This tax income is adjusted as it has no cash impact, and bears no relationship to the Group's performance.

2016 CONSOLIDATED SALES

Sales totaled slightly more than €5 billion in 2016, up +4.3% from 2015. The impact of the broader scope of consolidation that resulted from acquisitions was +4.7%. At constant scope of consolidation and exchange rates, sales were up +1.8%, near the high end of the 2016 target, reflecting a +2.8% increase in mature countries and an -0.1% decline in new economies. The exchange-rate effect was -2.1%.

Changes in sales at constant scope of consolidation and exchange rates are analyzed below by geographical region:

- France** (17.4% of Group sales): the organic change in sales in France was -2.7% in 2016, with the fourth quarter hit, as announced, by an unfavorable calendar effect. Excluding this calendar effect, the change in sales in the fourth quarter alone would only be down very slightly. As observed in 2016, the improvement in leading indicators for new residential construction, which accounts for between 15% and 20% of sales in France, should be reflected in Legrand's business over the next few quarters.

■ **Italy** (9.8% of Group sales): organic growth in sales for full-year 2016 was a solid +3.4%, buoyed by the success of new Classe 300X connected door entry systems, and more particularly, in the first half alone, by one-off projects in energy distribution. Excluding these two one-offs, organic growth in sales in Italy would come to around +2%, in line with the estimated market trend.

■ **Rest of Europe** (17.4% of Group sales): sales rose +5.2% from 2015 at constant scope of consolidation and exchange rates. Countries in Eastern Europe turned in good showings for the year as a whole. Sales also rose sharply in several mature countries in the region, more particularly in Southern Europe⁽¹⁾, as well as in the United Kingdom (around 2.4% of total Group sales⁽²⁾), Germany, Austria and Belgium.

Finally, sales in Turkey were down due to the political situation in the country.

■ **North and Central America** (29.2% of Group sales): sales rose +5.8% in 2016 at constant scope of consolidation and exchange rates.

ADJUSTED OPERATING PROFIT AND MARGIN

Adjusted operating profit was up +5.2% in 2016 and stood at €978.5m, reflecting the Group's capacity to create value.

Thanks to a good operating performance against a backdrop of rising sales, adjusted operating margin before acquisitions (at

This rise was driven by good performances in the United States, where organic growth reached +5.6%, buoyed notably by the success of the Digital Lighting Management offering and good showings in non-residential segment. In the second half more particularly, one-off load-in in the retail business also contributed to strong growth. Excluding one-offs, full-year organic growth in the United States was around +3%.

Other countries in the region, including Mexico, also reported a good rise in sales.

■ **Rest of the world** (26.2% of Group sales): sales were down -2.1% from 2015 at constant scope of consolidation and exchange rates. A number of countries including India, Chile and Colombia reported strong showings for the year as a whole. Sales in North Africa⁽³⁾ were also up in 2016. These good results could not offset declines in activity in some other countries, including Brazil and certain countries in Asia and the Middle East. In China, full-year sales were steady compared with 2015, sustained by one-off government measures in the first quarter.

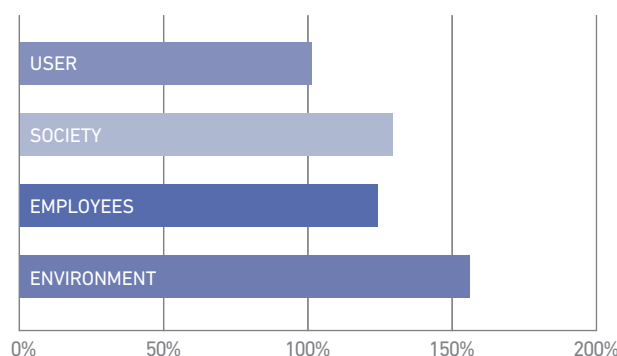
2015 scope of consolidation) came to 19.7% of sales, 0.4 point higher than the 2015 figure of 19.3%.

Taking acquisitions into account, the Group's adjusted operating margin stood at 19.5% of sales in 2016.

NON-FINANCIAL PERFORMANCE

With a 122% global achievement rate for targets set for the end of 2016 (as a reminder, the 2014-2018 roadmap comprises 21 targets with annual milestones), the Group was ahead of planned schedule. This performance reflects Legrand's capacity to push ahead on all fronts in meeting the 4 focus points of its CSR roadmap.

2016 objectives achievement rates



(1) Southern Europe = Spain + Greece + Portugal.

(2) Based on average exchange rates for 2016 and the annual sales of the last acquisitions.

(3) North Africa = Algeria + Egypt + Morocco + Tunisia.



6 - 2017 OUTLOOK

■ **User:** Users of the Legrand Group's products and their needs are the Group's main focus and concern. It relies on innovation to offer users sustainable solutions and to drive progress in the electrical sector. In 2016, for example, the Group continued to develop its business in the assisted living market, while its energy efficiency solutions resulted in the avoidance of the equivalent of 835,000 metric tons of CO₂ emissions. It continued to deploy its communication policy on the environmental impacts of its products, with 60% of its sales achieved with products with a Product Environmental Profile (PEP). A total of 715,000 counterfeit products were seized and destroyed in 2016. In addition, seven major new partnerships and collaborative research projects were initiated during the year. More than 437,000 customers have received training since 2014, while 89% of Group sales are covered by a Customer Relationship Management (CRM) system.

■ **Society:** Social responsibility applies to all partners with which the Legrand Group interacts. This interaction takes place with the utmost respect for ethical principles, particularly in terms of business practices and purchasing policy. In 2016, more than 500 additional people were trained in business ethics, taking the number of people trained on these topics to almost 2,300 since 2014. The compliance program continued to be rolled out to over 50 countries. 253 suppliers exposed to CSR risks have been detected, 166 action plans have been started in 10 countries covering 66% of exposed suppliers. As a socially responsible organization, the Group is also committed to helping as many people as possible gain sustainable access to electricity. In 2016, joint action with *Électriciens sans frontières* led to 200,000⁽¹⁾ people benefiting directly or indirectly from access to power. The Legrand Foundation has supported 23 projects since it was created.

■ **Employees:** Legrand pays particular attention to the working conditions of its employees and its responsibilities towards them. The Group seeks to ensure respect for Human Rights all over the world. It is also committed to health and safety for all. It strives to develop the skills of each individual and to foster diversity. In 2016, an assessment of the risks of Human Rights violations was carried out on all of the Group's workforce considered as being exposed to these risks. The occupational risk management plan and the health and safety monitoring and improvement process covers 90% of the workforce, while the workplace accident frequency rate has dropped by 37% between 2016 and 2013. In all, 87% of employees attended one or more training courses and 88% of managers had an individual appraisal review.

■ **Environment:** Legrand has long been committed to safeguarding the environment. This responsibility applies not only to the Group's sites but also the design of its products. The challenge is to innovate in order to limit the environmental impact of Legrand's operations. This includes promoting the development of a circular economy. In 2016, 91% of the main industrial and logistics sites were ISO 14001 certified. The Group's average energy intensity dropped by 15% between 2013 and 2016 (at current scope). 88% of waste was sent to recycling units, and 89% of the Group's sales⁽²⁾ comply with the requirements of the RoHS regulation.

[FOR MORE INFORMATION]

[2016 Registration Document - Chapter 4](#)

6 - 2017 Outlook⁽³⁾

Macroeconomic projections for 2017 call for a gradual improvement in the economic environment. Against this backdrop but taking into account high bases for comparison for business in the United States and Italy, the Group intends to pursue its strategy of growth and sets 2017 targets for:

■ organic growth in sales of between 0% and +3%; and

■ adjusted operating margin before acquisitions (at 2016 scope of consolidation) of between 19.3% and 20.1% of sales.

Legrand will also pursue its strategy of value-creating acquisitions. Furthermore, Legrand continues with its efforts to achieve the 2017 targets set for the 21 priorities in the Group's CSR roadmap.

(1) Figures provided by *Électriciens sans frontières* indicating the number of people potentially affected by projects supported by Legrand.

(2) Including Group products outside the scope of RoHS regulation.

(3) 2017 targets announced on February 9, 2017 when the 2016 full-year results were released.



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