

HUMAN AND ENVIRONMENTAL IMPACTS

Declaration
of extra-financial
performance

2021



OUR MANIFESTO

At the heart of our communities, we are 150,000 leaders committed to home improvement.

Living in a **healthy, safe, responsible, sustainable, economical and comfortable** environment is essential for the well-being of people around the world. By creating and making accessible **home solutions that have a positive impact on the environment**, we contribute to making the world carbon neutral.

We share the WILL to take positive action.

At the heart of our companies, we are building a sustainable future for all, because home is not just about roofs and walls, it is above all a human adventure. By teaching and learning new jobs, we help everyone progress to develop their expertise and **be employable throughout their life.**

We share KNOWLEDGE, so that we can constantly evolve.

In the heart of our cities, we are local retailers, offering solutions tailored to each inhabitant, from the idea to the implementation of their project. We achieve this by **forging links with new partners**, we are solidary players in local economic development and the living environment for everyone.

We share the ABILITY to act to create value.

At the heart of ADEO, we are responsible shareholders, driven by the culture of sharing the human, economic and environmental value we create.

OWNING and growing our assets is a strong commitment from our collaborators.

At the heart of society, we are citizens in action. We are on the move to create a positive human, economic and environmental impact.

Together, we act to improve the way we live on the planet, our common home.

**WE
MAKE HOME
A POSITIVE
PLACE TO
LIVE**



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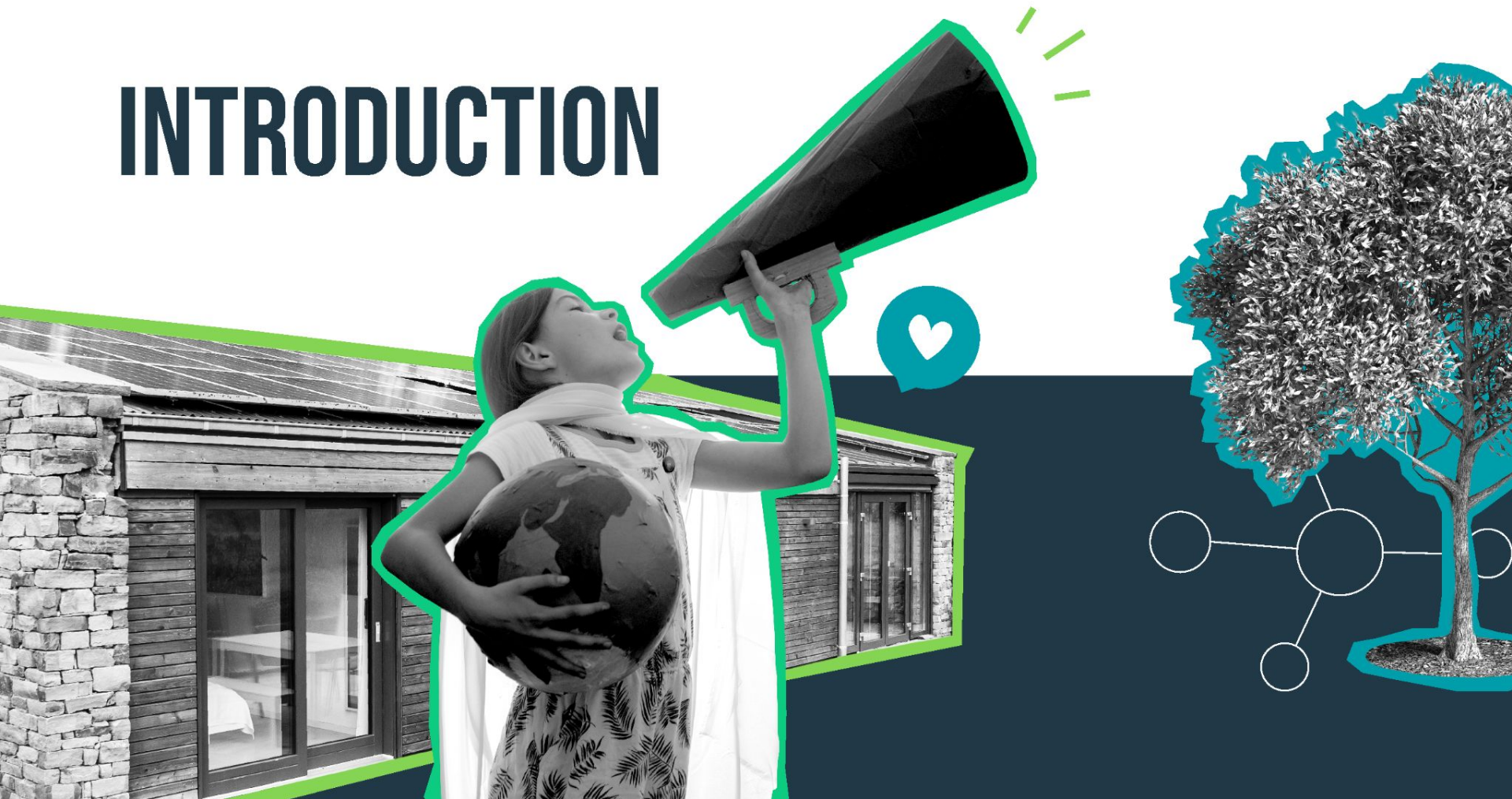
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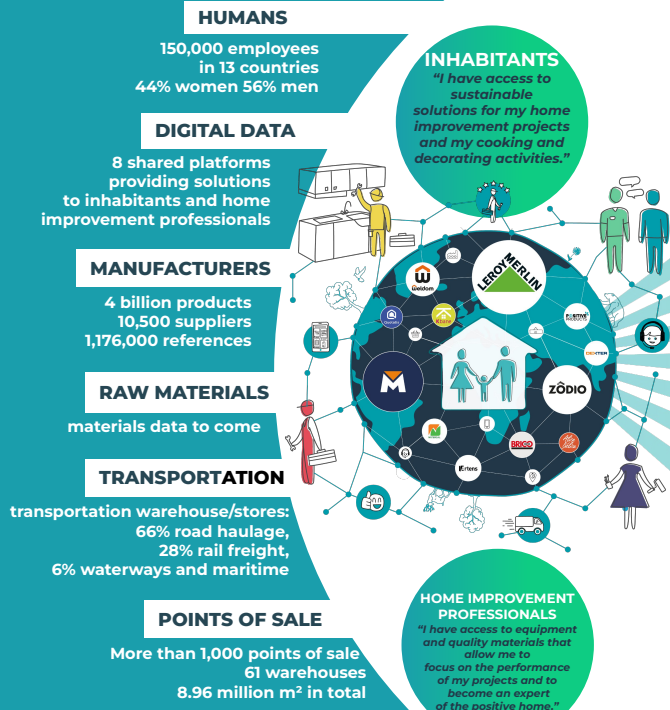
INTRODUCTION



1 BUSINESS MODEL

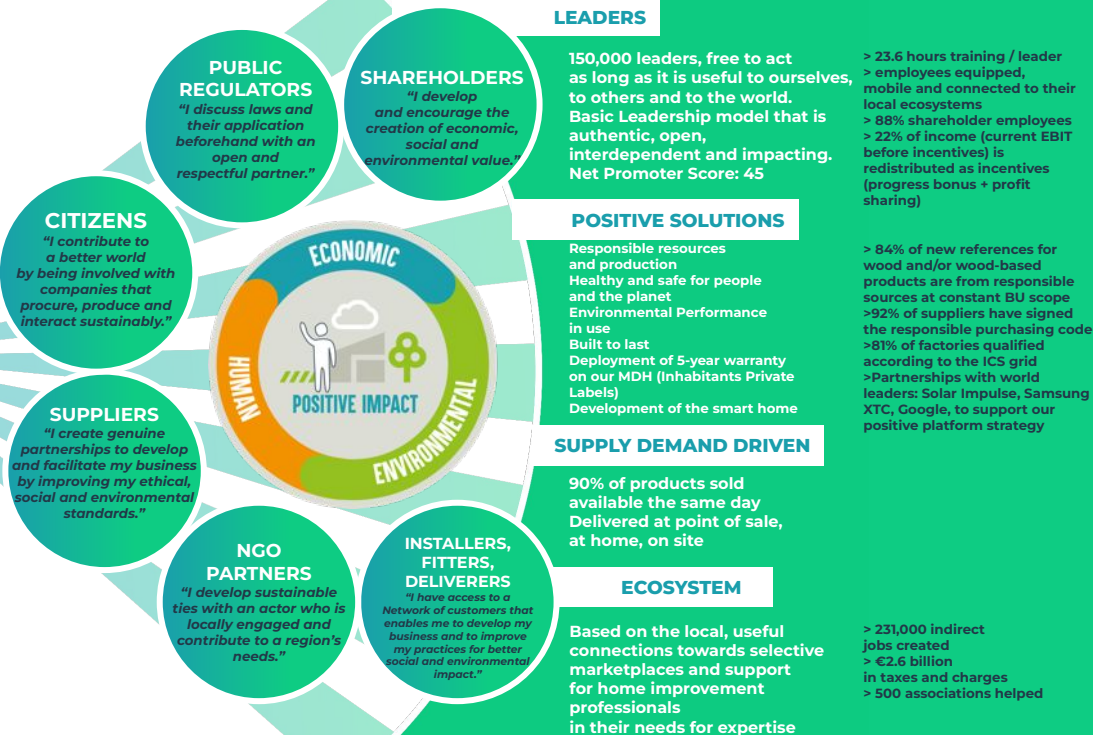
RESOURCES

OUR BUSINESS MODEL: WORLDWIDE PLATFORM FOR HOME IMPROVEMENT



VALUE CREATION

OUR MAINSPRING: WE MAKE HOME A POSITIVE PLACE TO LIVE



1 BUSINESS MODEL

ADEO is a platform of companies **offering a range of goods and services for home improvement.**

We help inhabitants bring their projects to fruition.

We offer useful and positive solutions to repair, renovate, organise, secure, sanitise, embellish, decorate and cook.

Its 8 interconnected retail brands make up an internationally unique group, present in **20 countries** over 4 continents.

With its network of **1,000 points of sale**, established in regions in close proximity to inhabitants, its e-commerce websites, its marketplaces and its partners, in 2021, ADEO generated a turnover of **€26.3 billion excl. taxes** strengthening its position as leader in Europe and **3rd player worldwide in the DIY market.**

On the home improvement market, we address 3 complementary sectors:

- Inhabitants with home improvement projects.
- Home improvement professionals.
- Cooking and decorating enthusiasts.

with a unique HUMAN FIRST approach (the human at heart), which translates in its value proposition:

- an exceptional human relationship that is personalised, benevolent and close.
- An offer that is ultra accessible and co-developed with and for inhabitants and home improvement professionals.
- Specific services provided by its ecosystems.

To reach as many people as possible, ADEO is building the worldwide platform for home improvement.

By “platform” we mean **an open and connected organisation**, where everyone can act as a leader of their communities, connected to their ecosystem in a spirit of mutual benefit. ADEO represents **150,000 leaders** who operate as a network and in partnership with the aim of offering more solutions to more customers, while doing it faster and using fewer resources (overall efficiency).

By “platform”, we also mean **a digital infrastructure** which intertwines with our network of points of sale, our e-commerce sites and marketplaces, with all the internal and external stakeholders.

**We are all motivated by a sense of sharing:
to be useful to ourselves, to others and to the world.**

2 STAKEHOLDERS AND MATERIALITY

In 2018, ADEO updated its **analysis of materiality**. “Materiality” is understood as being that which has a significant impact on a company, its activities and its capacity to create financial and extra-financial value for itself and its stakeholders.

This work was based on a selection of stakeholders classified according to two themes: **the influence that they may have on the activities and the continuity of ADEO, and the impact that ADEO’s activities may have on them** (and which also defines the degree of responsibility vis-a-vis these stakeholders).

In total, **70 people were interviewed** some of whom are external stakeholders such as suppliers, financial institutions, NGOs, health, home and environment experts, shareholders, schools and universities as well as internal stakeholders from ADEO Services and CSR professions. These various stakeholders were interviewed on a scope covering **the main countries where we are present** (France, Spain, Italy, Poland, Brazil, Russia, purchasing offices in Asia).

The update was carried out in accordance with a benchmark of existing standards (notably AA1000 Accountability principles 2018 and ISO 26000), new legal provisions relative to the statement of extra-financial performance, the UN sustainable development goals and a benchmark of CSR issues from actors in the sector.

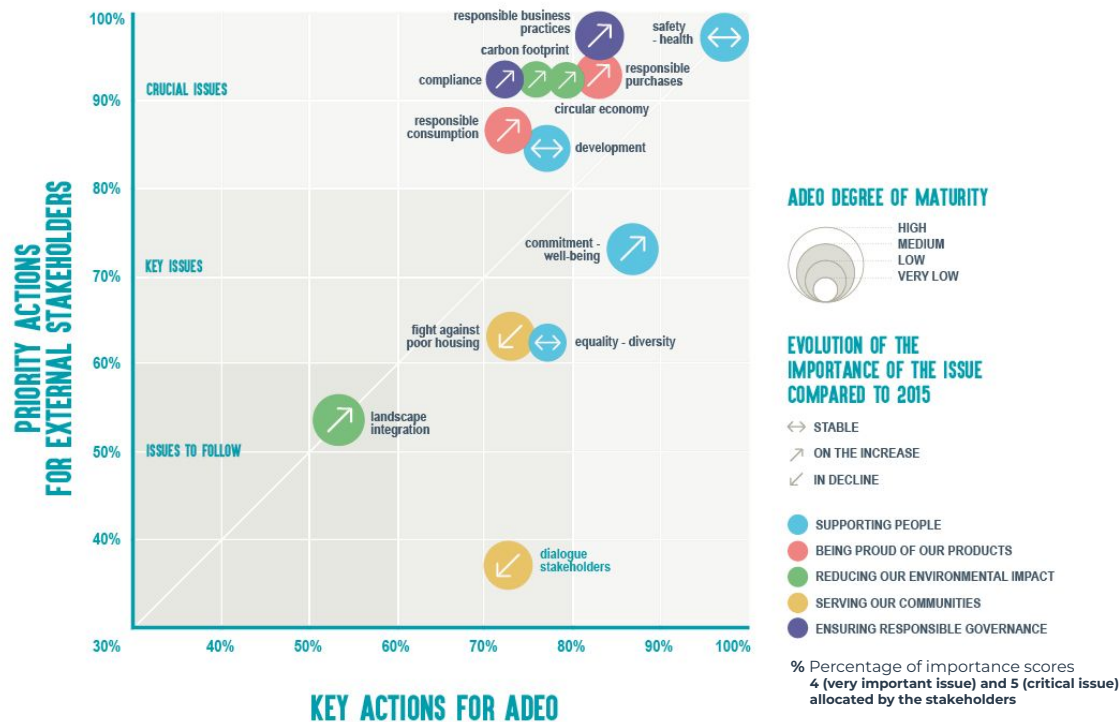
5 key themes have been identified:

- employees.
- Products.
- Environmental footprint.
- Communities.
- Responsible governance.

The stakeholders gave their view of the importance of various topics arising from these themes, as well as ADEO's degree of maturity in relation to them, according to quantitative criteria accompanied by qualitative remarks. This analysis could be added to by any other important or relevant issue that may have an impact on ADEO's CSR performance.

ADEO considers the critical views of its stakeholders as essential for its ongoing mission of usefulness to inhabitants around the world.

This materiality makes it possible to highlight that the issues identified by stakeholders, and for which ADEO has the power to implement actions, are the following: health and safety of individuals, responsible business practices, responsible purchasing, circular economy, carbon footprint, climate change, compliance, responsible consumption, development of and commitment to well-being.



3 EXTRA-FINANCIAL RISKS

The mapping of extra-financial risks was established by the risks, compliance and insurance division.

The methodology for the analysis of extra-financial risks was based on **three key structuring phases** during which **ADEO internal stakeholders were involved and consulted**:

- 1. definition of an extra-financial risks library and scenarios.** It is built based on the UN's **17 Sustainable Development Goals** in relation to **ADEO's activity and the Group's challenges** resulting from [the materiality analysis](#).
- 2. Each extra-financial risk was subject to scoring at ADEO internal services level and with the Group's main subsidiaries** (8 subsidiaries included in the exercise) by cross-referencing immediate impacts with impacts related to sustainability to obtain a gross risk and taking into account the degree of risk control for the net risk.
- 3. The risks were then ranked** by taking the higher average of the scores obtained from each subsidiary questioned.

Based on the results obtained, **the 43 risks were grouped into 9 macro-risks deemed to be important:** (before taking into account control actions) in line with the "[We Make It Positive](#)" strategy represented by the "positive impact home".

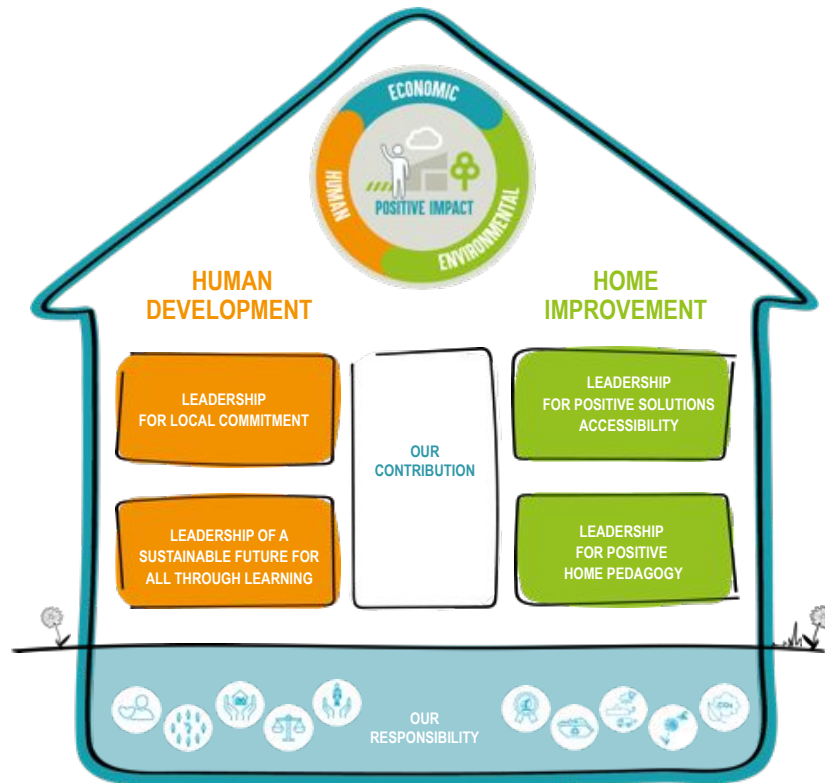
- **EMPLOYEE WELL-BEING and COMMITMENT**
- **DIVERSITY**
- **CARBON FOOTPRINT**
- **ETHICS**
- **HEALTH and SAFETY**
- **MANUFACTURING and RAW MATERIALS**
- **WASTE**
- **BUILDING, TRANSPORTATION, DIGITAL**
- **LEADERSHIP OF A SUSTAINABLE FUTURE FOR ALL THROUGH LEARNING**

4 WE MAKE IT POSITIVE

We have always been guided by financial performance and by the “human at heart”. Today, we want to go further and to become **LEADER OF THE POSITIVE HOME**, in direct contribution of our corporate project:

“We make Home a positive place to live”.

With the explosion of energy prices, with issues concerning drinking water and waste management, it is becoming vital for our societies to move towards a positive home. **Our purpose invites people everywhere to make our homes a positive place to live, our common home being the planet.** We will achieve this in combining the creation of **human, economic and environmental value** in all our business-lines and by involving all our stakeholders in our initiative.



We are committed on 2 major levels:

1. RESPONSIBILITY

The minimum level we all need to achieve, to be credible and coherent with our corporate project. It's the **"bedrock"** that must be laid for all ADEO Companies.

OUR HUMAN RESPONSIBILITY

its bedrock has 5 cornerstones:

- **HEALTH and SAFETY**
- **ETHICS**
- **DIVERSITY**
- **SOLIDARITY**
- **EMPLOYEE WELL-BEING and COMMITMENT**

OUR ENVIRONMENTAL RESPONSIBILITY

its bedrock has 5 cornerstones:

- **MANUFACTURING and RAW MATERIALS**
- **WASTE**
- **BUILDING, TRANSPORTATION, DIGITAL**
- **BIODIVERSITY**
- **CARBON FOOTPRINT**

2. CONTRIBUTION

Going beyond the control and the reduction of our impacts, to bring together all our strengths and our energy, we have chosen **4 areas of CONTRIBUTION**:

- **LOCAL COMMITMENT**
- **LEARNING and EMPLOYABILITY**
- **POSITIVE HOME PEDAGOGY**
- **ACCESSIBILITY TO POSITIVE SOLUTIONS FOR THE HOME**

These 4 areas of our **CONTRIBUTION** are the fields of possibility, of creativity and of subsidiarity that each company, each employee can explore. Everyone can suggest, test, venture, innovate, undertake to create a positive impact.

It is this combination of **RESPONSIBILITY** and **CONTRIBUTION** that will enable us to become **LEADER OF THE POSITIVE HOME**.

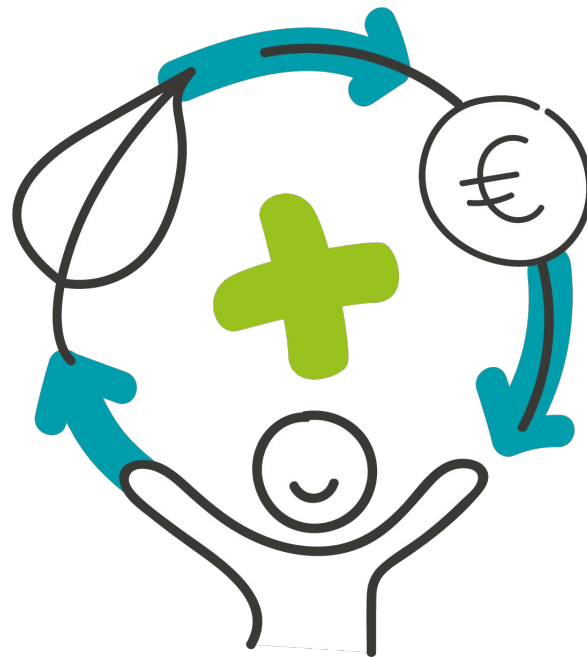
5 GOVERNANCE AND COORDINATION

To reach the greatest number of people, ADEO operates **in platform mode**. A model which allows each individual to grow their know-how and soft skills in relation to their ecosystem, while remaining agile and responsive. Our points of sale, connected to their ecosystems and genuine references for inhabitants are at the centre of our platform.

Connected to **local human, economic and environmental issues**, we better meet the needs of inhabitants and multiply our positive impact.

Therefore, ADEO's organisation begins through local adaptation, because **the home is local**. This is why each company is responsible for its social, economic and environmental choices. It organises itself in each country, in respect of local cultures, in **respect of the pooling of our assets** (digital, data, supply, technological, industrial goods) and in **respect of ADEO's fundamentals and overall meaning**.

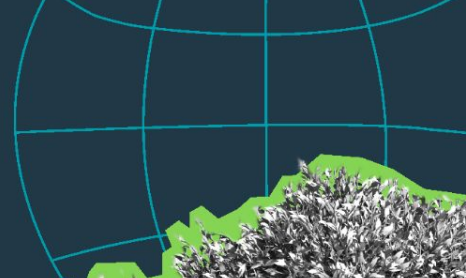
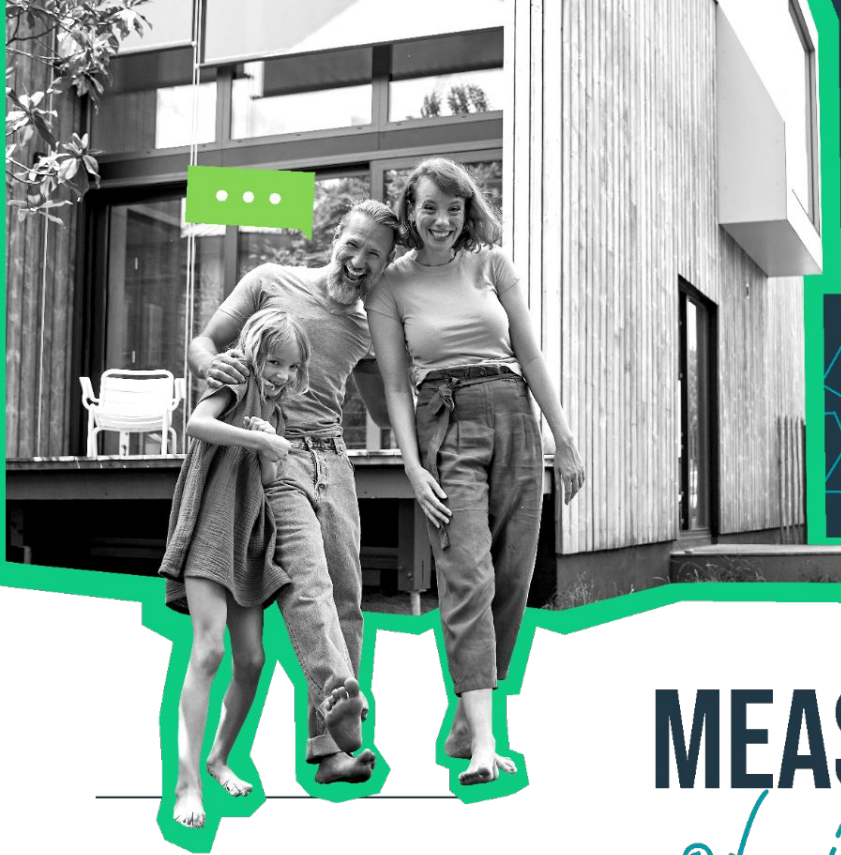
The steering of action plans relies on the network of **"Positive Impact Leaders"**. In each company in each country, they take action at a local level in relation to their stakeholders.



5 GOVERNANCE AND COORDINATION

At a global level, ADEO is organised around challenges to develop its platform





MEASUREMENT *of impacts*

OUR HUMAN *development*



HUMAN DEVELOPMENT

HUMAN AT THE HEART OF OUR COMMITMENTS

Human is at the heart of our development. In all of ADEO's companies, each individual has the opportunity **to develop their potential**, throughout their life, to decide with **autonomy and responsibility, to create and nurture the essential connections of our platform model, to be entrepreneurial and to generate a positive human, economic and environmental impact.** Machines are here to make our lives easier, but they will never replace human interactions, which are of paramount importance to us.

We learn and we grow with our teams, our customers, our partners and our suppliers. **Women and men are the drive behind all the actions that we undertake:** to work on and improve our co-built offer with our customers, to offer services in connection to our ecosystems, to experience and develop outstanding human relations in our different communities. Nobody knows what the future holds, so we have decided to build it. For ourselves, for others and for the world!

Human at heart is what **differentiates us** today, and **will do so tomorrow.**

HEALTH AND SAFETY OF INDIVIDUALS

Being “Human First” means putting the safety of our employees, but also that of our customers, at the forefront of our actions, so at the forefront of our reporting. The health and safety of all involves rigorous, managed and shared protocols, operated by each of our employees to **secure our sales floors and our warehouse and logistics areas**. Our first objective: **zero accidents at work and zero occupational illnesses**.

Our desire as a responsible employer is to create a **protective working environment** but also, as a retail brand that receives the public, **to ensure the safety** of anyone present on our premises. This is why the health and safety of our employees in stores, in warehouses, but also in internal services, as well as that of our customers in stores, are a constant concern for all our companies. It is our ambition to link **performance to the development of practices that ensure a secure and healthy working environment**. This ambition translates as much in our investments as in the programmes set up for employee training.

At the end of 2021, our new Safety First strategy mobilises all our employees and stakeholders around 4 areas of action:

- management for “100% safety first management”.
- The “Safety” posture with “150,000 actors committed for ourselves and for others”.
- The organisation where “100% of companies have an appropriate ‘safety’ structure and framework”.
- The flow of goods with “zero accidents all the way from design to delivery at our customers’ homes”.

These 4 actions are based on 5 elements of the foundation rooted in our business-line practices:

- a legal framework and written rules.
- A locally coordinated strategy. and globally data and measurement.
- Permanent control of operations.
- “Safety First” communication.

Goal:

ZERO ACCIDENTS AT WORK OR OCCUPATIONAL ILLNESSES

TRAINING

- Company leaders via "one-to-ones"
- Managers: digital module

ACTIVITIES

- Coaching is the primary management tool for Safety

IN ACTION

- Creation of the "Club des 1000"
- Safety criteria included in the Progress Bonus
- Safety criteria included in Director's remuneration
- Clarification of Regional Divisions' responsibilities and duties in terms of Safety

A SAFETY LEADER

- All Safety Leaders to be named, acknowledged and devoted to the task full-time

A SAFETY TEAM

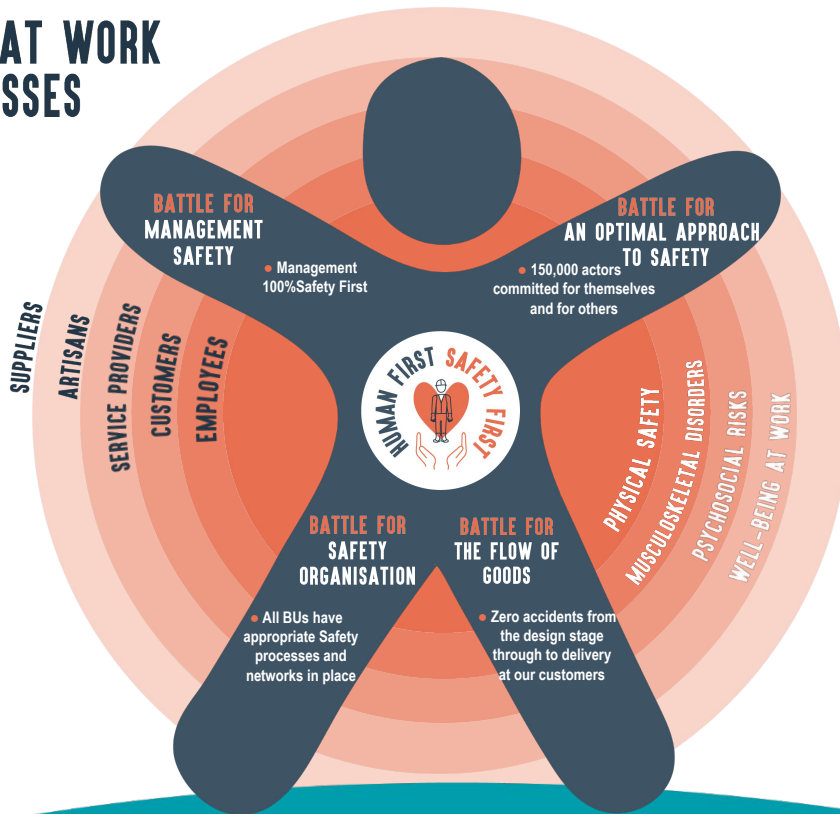
- All BUs must have a minimal safety set-up, closely present in the field and consistent with the size of the company

AN ADEO SAFETY COMMITTEE

- An international committee is set up to lend more weight and impetus to the initiative

SAFETY PROCESSES

- In every BU, there is a systematic process for the escalation and feedback of accidents at work, locally and globally



TRAINING

- 150,000 leaders trained according to our Safety standards
- Training schemes set up to professionalise the skills of Safety Leaders

ACTIVITIES

- Rituals for the following practices at all our sites: safety items at EXCOM meetings, the Safety 15', Safety visits, 'No accidents at work' signs on sites, safety tips, our commitments (battles)
- We celebrate wins with Safe Place to Work

INFORMATION

- "Standard professional safety gestures" are described for each job in the mission sheets
- Best practices are accessible and visible by all

SUPPLIER INVOLVEMENT

- Safety is integrated in Supplier calls for tender
- Our products are not dangerous for those who handle and use them (size, weight, packaging)

WAREHOUSE AND STORE INVOLVEMENT

- Strict and global rules for palletisation are implemented to protect our employees
- We commit to significantly reduce the risks from cohabitation between individuals and machines

PARTNER INVOLVEMENT

- We bring our stakeholders on board (artisans, deliverers, etc.)

LEGAL FRAMEWORK
WRITTEN RULES

GLOBALLY & LOCALLY
DRIVEN STRATEGY

DATA &
ASSESSMENT

CONSTANT
REVIEW

COMMUNICATION

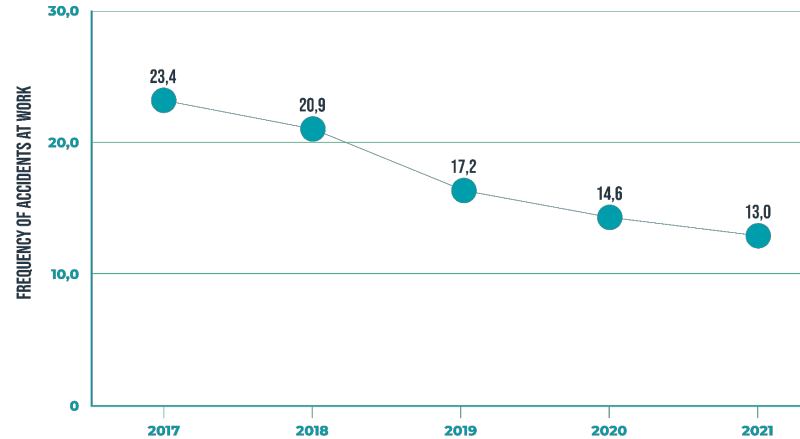
ADEO ACCIDENTS AT WORK

		2017	2018	2019	2020	2021	EVOLUTION 2020-2021
Frequency rate of accidents at work	number of accidents 10 ⁶ /h worked	23.43	20.94	17.20	14.61	13.03	-10.8%
Severity rate of accidents at work	number of days off work 10 ³ /h worked	0.80	0.75	0.69	0.60	0.55	-9.43%

THE HEALTH-SAFETY OF OUR EMPLOYEES 2021



EVOLUTION IN THE FREQUENCY RATE OF ACCIDENTS AT WORK OF OUR EMPLOYEES



The implementation of the “**Safety First**” project has made it possible to **significantly reduce the frequency rate and the severity rate of accidents in our companies** (respectively by 10.40 points and by 0.25 points in 5 years). This was achieved thanks to **the constant coordination of company leaders** on the issue, the appointment of “**Safety Leaders**” in 95% of companies and steering of all the actions. Continuing our progress in terms of safety remains a top priority in order to reach **our target of zero accidents**.



Here are some of the actions implemented in 2021:

- **(Frequency rate: 37.71) LEROY MERLIN France** launched an initiative for a circulation plan in all its stores that required one. A safety coaching tool was developed – “Onsafe” – thus improving follow-up of the safety coaching initiative. Finally, the “MSD* Pro” scheme was established at 55 sites (stores and warehouses). This is a 4-step prevention approach that helps to prevent and reduce risks for stores with significant accident rates.
- **(Frequency rate: 4.33) LEROY MERLIN Brazil** went from 12 to 17 stores with zero accidents at work. 65% of employees are trained in safety at work. The company has also set up sessions for gymnastics at work, with 17,972 sessions in 2021 and psychological counselling was set up during the Covid-19 pandemic.

* MSD: musculoskeletal disorders



➤ **(Frequency rate: 14.39) LEROY MERLIN Italy** have installed a special safety portal: “Simpledo - Wolters Clover”. The company coordinates the frequency rate and severity rate using a safety dashboard. They set up a Covid-19 protocol and a “Green Pass” protocol, i.e. a mandatory vaccination passport for every employee wanting to come to work. All the Leroy Merlin Italy stores are certified ISO 45001.

➤ **(Frequency rate: 14.30) BRICOCENTER Italy** has set up monthly reporting on the safety KPIs, an audit is carried out by a store safety leader using a digital tool every 15 days. In addition, a “THINK SAFE, WORK SAFE” campaign has been launched (best practices to be adopted based on the analysis of the causes of occupational injury) and 100% of stores have an action plan for improving work premises.

➤ **(Frequency rate: 1.51) LEROY MERLIN Russia** have organised a “safety and prevention at work” day (safe place to work). Contests have been organised between stores on safety at work. In addition, a post-Covid review has been set up. This is a comprehensive programme with consultation, analysis, diagnosis and research that aims to identify the negative consequences of infection by Covid-19.



➤ **(Frequency rate: 2.68) LEROY MERLIN Romania** has published a health and safety Guide which is used on all its sites (stores, offices, warehouses). The mandatory health and safety prevention and protection plan has been updated to take into account the biological risks associated with COVID 19.

➤ **(Frequency rate: 6.77) LEROY MERLIN Poland** has rolled out anti-Covid-19 vaccinations. Healthcare professionals vaccinate 100% of voluntary employees and also customers who so desire. In addition, the company is leading a “We help the heroes” initiative, to support doctors in need of products in the fight against Covid-19. It has helped 120 hospitals, the fire service and transport services to be more effective in the fight against the pandemic.

➤ **(Frequency rate: 21.01) LEROY MERLIN Portugal** has launched a “Zero accidents” safety campaign and has been working on a plan for the reduction of accidents at work. A well-being programme has been set up (professional gymnastics lessons, workshops on nutrition, health and emotional balance...). A psychological support service and a curative medical service have also been set up in a digital format.



**1000
MANERAS
DE PREVENIR**

La prevención depende
de todos, pero mi seguridad
depende de mí



ESTIRAMIENTOS 

“Es muy importante realizar los ejercicios de estiramientos antes de ejecutar cualquier trabajo en tienda. Recuerda que podemos evitar lesiones, tan sólo con un poco de prevención...”

Laura, logística

Escanea el código para ver todos los estiramientos






**1000
MANERAS
DE PREVENIR**

La prevención depende
de todos, pero mi seguridad
depende de mí



USO DE CARNET 

“Recuerda que está prohibido utilizar cualquier máquina sin el permiso y la formación homologada. Si necesitas realizar alguno para el uso de estas máquinas, comunícalo a tu manager o a RRHH...”

Juan Carlos, asesor materiales



➤ **(Frequency rate: 11.55) LEROY MERLIN Spain** has implemented 10 major actions that aim to ensure the 4 principles of health and safety at work: to promote a preventive culture, to integrate prevention in the company's key areas and processes, to include prevention in the daily operation of the workshop, to reduce the rate of accidents.

Evolution of the workforce

		2017	2018	2019	2020	2021	EVOLUTION 2020-2021
WORKFORCE ON DECEMBER 31ST	No.	90,465	102,563	110,868	124,922	144,321	+15%
BREAKDOWN BY AGE GROUP							
Under 25s	No.	10,265	12,678	14,316	16,713	20,080	+20%
25 to 34 year-olds included	No.	33,858	38,548	39,787	44,407	50,195	+13%
35 to 44 year-olds included	No.	28,778	31,283	33,586	37,803	43,095	+14%
45 to 54 year-olds included	No.	14,163	16,174	18,457	20,615	24,327	+18%
55 to 64 year-olds included	No.	3,401	3,880	4,534	5,213	6,455	+24%
65 year-olds and over	No.	-	-	188	171	169	-1%
BREAKDOWN BY GENDER							
Men	No.	48,978	56,705	62,291	69,235	80,139	+16%
Women	No.	41,487	45,858	48,577	55,687	64,182	+15%

		2017	2018	2019	2020	2021	EVOLUTION 2020-2021
WORKFORCE ON DECEMBER 31ST	No.	90,465	102,563	110,868	124,922	144,321	+15%
BREAKDOWN BY GEOGRAPHICAL LOCATION							
FRANCE	No.	25,893	26,610	27,730	30,047	33,927	+13%
of which Leroy Merlin France:	No.	22,893	23,636	24,848	26,913	28,618	+6%
of which Bricoman France:	No.	2,058	2,019	1,973	2,171	2,160	-1%
of which Zôdio France:	No.	942	955	909	963	974	+1%
of which Weldom Services:	No.					574	
of which Adeo Services:	No.					1,601	
RUSSIA	No.	23,038	30,383	32,345	36,592	43,693	+19%
of which Leroy Merlin Russia:	No.	23,038	30,383	32,345	36,592	43,693	+19%
SPAIN	No.	10,505	14,294	17,140	17,810	20,825	+17%
of which Leroy Merlin Spain:	No.	10,505	11,480	13,820	14,120	15,966	+13%
of which Bricomart Spain:	No.		2,814	3,320	3,690	4,859	+32%

		2017	2018	2019	2020	2021	EVOLUTION 2020-2021
WORKFORCE ON DECEMBER 31ST	No.	90,465	102,563	110,868	124,922	144,321	+15%
BREAKDOWN BY GEOGRAPHICAL LOCATION							
ITALY	No.	11,121	11,438	12,132	12,411	13,602	+10%
of which Leroy Merlin Italy:	No.	6,932	7,034	7,421	7,386	7,962	+8%
of which Bricocenter Italy:	No.	1,468	1,430	1,418	1,454	1,551	+7%
of which Bricoman Italy:	No.	2,721	2,974	3,293	3,571	4,089	+15%
POLAND	No.	10,029	10,604	11,721	12,160	13,044	+7%
of which Leroy Merlin Poland:	No.	10,029	10,604	11,721	12,160	13,044	+7%
BRAZIL	No.	9,879	9,234	9,800	10,926	10,545	-3%
of which Leroy Merlin Brazil:	No.	9,879	9,234	9,800	10,926	10,545	-3%
PORTUGAL	No.				4,976	5,661	+14%
of which Leroy Merlin Portugal:	No.				4,976	5,661	+14%
ROMANIA	No.					3,024	
of which Leroy Merlin Romania:	No.					3,024	



		2017	2018	2019	2020	2021	EVOLUTION 2020-2021
HIRES	No.	35,622	42,743	45,979	44,620*	53,019	+19%
DISMISSALS	No.	2,881	3,571	3,688	3,669	3,908	+7%

*2020 data restated 41,370

AN EMPLOYEE PATH IN CONTINUOUS IMPROVEMENT

As part of a **continuous improvement approach**, we began, in 2019, the identification of sticking points in the employee experience throughout their life cycle and the key milestones that mark their path. A new form of employee-employer relationship, more focused on an individualised response to the needs of employees, must be defined and made operational. We want to speed up the construction of an employee experience capable of **allowing each employee, individually and collectively, to develop their talent and to truly experience leadership within ADEO companies**, in connection with our environment, our planet and our ecosystems.

The context of working relations and the employee-employer relationship is changing due to the profound transformations of our societies: global warming, political crisis, health crisis, digital transformation, new working method with teleworking that creates new opportunities and new needs for our employees.

In order **to ensure the well-being of our employees and a high degree of commitment**, we take care to measure **employee satisfaction** to be sure of the relevance of our Human Resources policies and to **adjust them according to feedback from our teams, using 3 main indicators:**

1. **the Employee eXperience Index (EXI) the aim of which is to measure the satisfaction and commitment of our employees.**
2. **The evolution of staff turnover across all populations.**
3. **Absenteeism for illness.**

Knowing, understanding and developing what our teams experience in a continuous and multidimensional way is key for our companies.

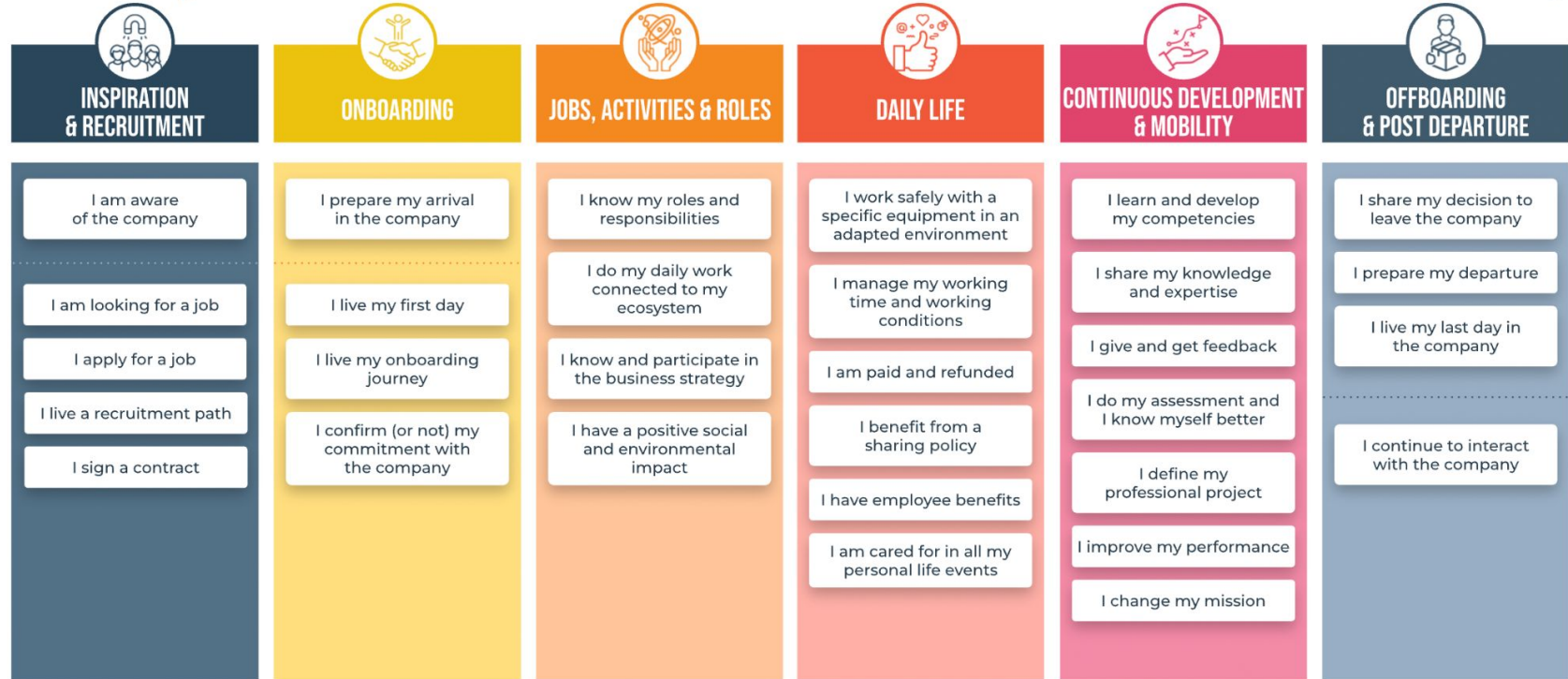
EMPLOYEE JOURNEY MAP *adeo*



AS A **CANDIDATE**

AS AN **EMPLOYEE**

AS AN **EX-EMPLOYEE**



adeo

I am supported by my manager

1. The Employee eXperience Index (EXI)

the aim of which is to measure the satisfaction and commitment of our employees

Over the last several years, **EXI makes it possible to measure the commitment of our employees thanks to the NPS.**

In 2020, we extended the EXI measure to **all employees**, and not just to a representative sample. The comprehensiveness of this survey enables us to coordinate results for each store and **to be much more targeted in our response.**

In 2021, ADEO analysed the data collected by EXI with greater mathematical and statistical rigour to identify the employee segments that were more or less satisfied with their experience. We also have the ability to automatically analyse employee verbatim accounts by using artificial intelligence and machine learning. This enables us to very quickly identify, and in a completely impartial manner, our priority actions.

This cycle of listening and regular analysis of employee experience, along with practical actions at every level of our organisations, is in the process of creating a virtuous circle where our co-workers feel more and more considered and involved as actors of what they experience at work.

As part of the continuous improvement initiative, in 2021, we strengthened the coordination of this measure by turning to a **digital solution to facilitate the communication and transparency of results with our employees, to thoroughly develop the Feedback culture and to boost the relationship of trust, a key element of our managerial proximity.**

	2017	2018	2019	2020	2021	EVOLUTION 2020-2021
EMPLOYEE NET PROMOTER SCORE (EXI)	NA*	31	33	40	45	+12%

*data unavailable in 2017

Our companies continue to coordinate the various initiatives of employee listening locally and set up actions aiming to improve the well-being of employees. Here are a few examples from 2021:

- **BRICOMAN France** sees its ambassador ratio (people who locally coordinate EXI participation) increase considerably in the EXI survey, rising from 25% in December 2018 to 53% in September 2021.
- **ZÔDIO France** revised its teleworking charter signed in 2019 revealing 3 days maximum per week of teleworking for the jobs allowing it. To accompany this change, a guide of teleworking best practices has been set up.
- **LEROY MERLIN Russia** organizes visits to stores where the EXI results are in sharp decline or very low. A team communicates regularly, a working group analyses verbatim accounts and sets up action plans. Several improvement actions have already been set up on various topics such as work clothing, food and air conditioning.
- **LEROY MERLIN Spain** has launched a survey on the social atmosphere which looks at 18 aspects that affect the daily life of employees, in parallel with EXI. Following this, a digital disconnection policy has been approved and a teleworking policy has been set up.
- **LEROY MERLIN Romania** has introduced a psychological support platform for employees experiencing difficult situations: ATLAS, telephone hotline available 24 hours a day.



Our companies continue to coordinate the various initiatives of employee listening locally and set up actions aiming to improve the well-being of employees. Here are a few examples from 2021:

- **BRICOCENTER Italy** has introduced some improvements following the results of the EXI: adjustment to the conditions for taking time off in stores and the conditions for teleworking for internal services.
- **BRICOMAN Italy** has taken into account the EXI results in order to adjust the stores' working hours to ensure a better work-life balance for its employees. Two initiatives have emerged: employees can adjust their lunch break and working hours on Sundays are flexible.
- **BRICOMART Spain** is leading a survey called "CSB" (Customer Satisfaction Barometer) with all its employees, in addition to the EXI. The "CSB" makes it possible to obtain more detailed information by team and by department.
- **LEROY MERLIN Brazil** has set up an internal survey to dig deeper on questions of diversity and inclusion, housing conditions and transport, in parallel to the traditional surveys (EXI and "Great Place To Work").
- **LEROY MERLIN Italy** has introduced anonymous psychological counselling by telephone for employees who so wish.



- **LEROY MERLIN Portugal** took part in the "Great Place To Work" ranking in 2021, maintaining its pole position from previous years. In addition to the EXI coordination, two initiatives have been created. On the one hand, the set up of specific OKR* to address the issue of the "employee journey": the 360° feedback and thoughts on work and social areas. On the other hand, a well-being programme has been introduced, based on the 3 pillars that are physical, emotional and personal well-being.

*OKR: "Objective and Key Result", the OKR method is a management method used to define and monitor objectives and results.

2. The evolution of staff turnover all populations

The stability of teams is an important factor in the building and development of skills, it is a guarantee of our performance. A low turnover is also an indication of our ability to provide an outlook for our teams and to support them during periods of organisational or professional transformation.

Several ADEO companies, in particular LEROY MERLIN Russia and Spain, BRICOMAN and ZÔDIO France have decided to set up an action plan that aims to monitor and analyse staff turnover. **The companies want to listen to their employees to improve their satisfaction, well-being at work and their commitment over the long-term.**

In 2021, we saw an increase in staff turnover. Indeed, employees are more inclined to leave their jobs than they were during the **Covid-19 crisis** and this rate is in progress at 15%. Nevertheless, the situation remains tense on the market for rare profiles.

	2017	2018	2019	2020	2021	EVOLUTION 2020-2021
TURNOVER RATE (PERMANENT EMPLOYEES ≥ HALF-TIME)	14%	16%	17%	14%*	15%	+ 1 point

*2020 data restated: 12.2%

3. Absenteeism for illness

In 2021, the Covid-19 crisis again disrupts the interpretation of absenteeism for illness.

The rate of absenteeism remains stable in relation to 2020 due to the continuation of the pandemic over the financial year.

	2017	2018	2019	2020	2021	EVOLUTION 2020-2021
Total number of hours worked	144,265,113	159,276,099	183,455,161	187,591,261	244,565,465	+20%
Number of hours absent on sick leave	5,920,776	6,658,411	7,844,592	10,461,885*	12,410,892	+19%
Rate of absenteeism for illness	4.0%	4.0%	4.1%	5.3%**	5.2%	-0.2 pt

*2020 data restated: 10,851,656

**2020 data restated: 5.5%

OUR HUMAN DEAL FOR HUMAN DEVELOPMENT

More than just a value proposition that we make **to our employees, future employees and our partners, it's a genuine "human deal"** that we offer. It is in line with concrete proof: what the company offers in terms of employees and future employee expectations and what **it commits them to in a rationale of reciprocal value creation:**

> for themselves: hybrid work, autonomy, mission, compensation and benefits, development opportunities, usefulness and meaning.

> As part of a group: collaborative experience, management and human relations, performance and company ambitions, positive strategy, connections with the ecosystems and partners, purpose and reason to do.

We commit each individual **TO BE A LEADER OF A POSITIVE FUTURE** and **together to contribute to improving our way of living on the planet, our shared home.** We move forward to **create a positive human, economic and environmental impact, by being useful to ourselves, to others and to the world.**



Our Human deal

TO CONQUER THE LEADERSHIP OF ATTRACTION

PEOPLE'S EXPECTATIONS AS INDIVIDUALS

they want to have a stunning proposal on ...



**"BE A LEADER OF
A POSITIVE FUTURE!"**

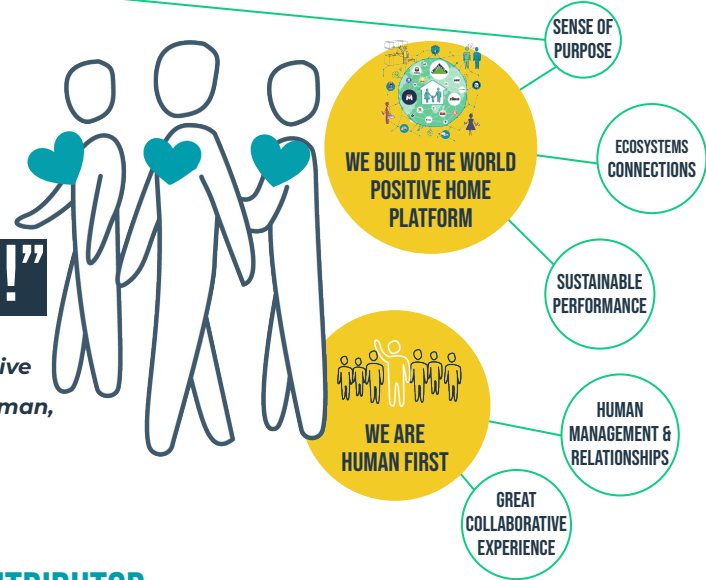
Together, we act to improve the way we live on the planet, our common home. We are on the move to create a positive human, economic and environmental impact, by being useful to ourselves, to others and to the world.

EACH ONE OF US IS **LEADER** AND **CONTRIBUTOR**



PEOPLE'S EXPECTATIONS AS BELONGING TO A GROUP

they want to have a stunning proposal on ...



Sharing at the heart of our culture

In our cultural core, sharing is the key to our success in human and managerial terms. It plays out in 4 dimensions:

To begin with, sharing the meaning of what we do, like our values, is essential.

The **WILL** to take positive action is what we share to begin with and leads us to get individually and collectively involved in the adventure of ADEO companies.

We share **KNOWLEDGE**, through training programmes for all our teams, through our collaborative methods and our leadership model.

We share the **ABILITY** to act to create human, economic and environmental value. That's what it means to be a leader. It's having the autonomy to take initiatives, make decisions and be responsible for their impact.

And finally, we share **OWNERSHIP**, the fruit of our collective performance to which we all actively contribute on a daily basis.

In 2021, 22% of ADEO profits were redistributed to employees in the form of profit-sharing.



ETHICS, DIVERSITY & INCLUSION AND SOLIDARITY

Ethics

Being “Human First” means acting with benevolence, by integrating all those who share our values. The diversity of our teams, the authenticity of each employee, make up a **strong and inclusive community, open to each personality where every individual can make their contribution and grow.**

To take care of our employees and our stakeholders and to prevent all forms of discrimination, of bullying, of corruption or to protect personal data, we set up guidelines, procedures, tools and training to ensure consistency with our values and our legal obligations. In 2021, we were able to further strengthen the deployment of our ethical code of conduct. As a result, almost 124,000 employees were able to receive ethical training through e-learning since the introduction of the initiative.

A special digital product, “Act Ethics” for the management of invitations and declarations of potential conflicts of interest has been rolled out, making it possible to clarify the application method of the principles contained in the ethical code of conduct for all employees.

Human First, also means preventing all forms of discrimination, harassment or corruption. **To this end, all our teams and suppliers have access to a free and protected alert channel, Whisppli.** This makes it possible to protect each and every one of us from any form of unethical behaviour.

In 2021, our alert channel, **Whisppli, registered 491 alerts.**

	2020	2021	EVOLUTION 2020-2021
Percentage of employees trained in the ADEO ethical code of conduct	87%	87%	stable

Our companies, **LEROY MERLIN France, Brazil, Portugal, Russia, Spain and BRICOCENTER Italy** have launched a process of coordination, awareness and training with the aim of integrating all the aspects of the ethical code.

Diversity and inclusion

In 2021, we decided to address the issue of diversity and inclusion **at a global level** in order to accelerate, to prioritize and to structure our approach inside our companies. This global strategy serves a dual purpose. On the one hand, to develop a truly inclusive culture to enable our 150,000 leaders to unlock their full potential and to make the most of the singularities of each individual. On the other hand, to increase the representation of diverse profiles at all levels of the company. As a result, we have identified universal priorities in terms of diversity: **gender equality** and **handicap**. These two subjects are relevant in all the countries where we are established and are issues identified in the UN sustainable development goals to which we subscribe.

To do this, we have determined ambitious KPIs such as: 40% of female leaders and site managers by 2024 and to reach the legal thresholds set in each country in terms of the inclusion of disabled people.

	2017	2018	2019	2020	2021	EVOLUTION 2020-2021
Percentage of female leaders and site managers	NA*	NA*	NA*	25%	26%	+1 pt

*data unavailable

For example: Globally:

➤ **ADEO subscription to the Business & Disability Network of the International Labour Office, a UN agency.** This subscription allows us to communicate regarding our commitment inside and outside the company. It also enables us to provide a common definition of handicap for all ADEO companies in all countries and to access a network of international businesses that have been working on the topic for several years and using practical self-diagnosis tools.



International
Labour
Organization

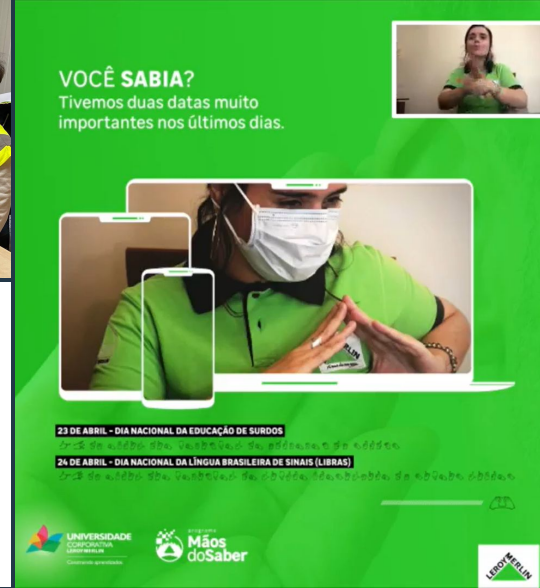
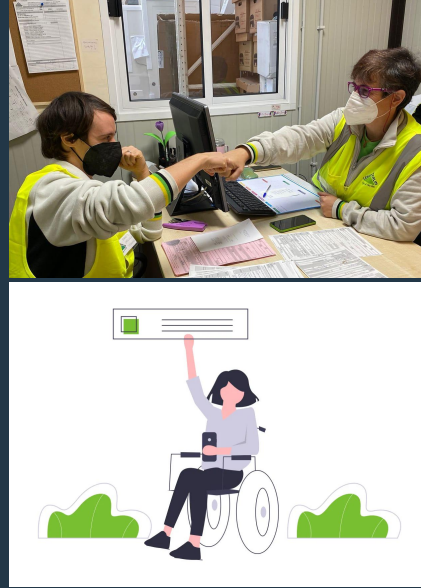
Global Business
and Disability
Network

In our companies:

- **LEROY MERLIN France and ADEO Services** have signed a “Handicap agreement”: this national agreement includes an action plan around 4 major themes: the recruitment and continued employment of people with disabilities; communication and awareness; training of all Human Resources staff, managers and employees. It enables the set up of adapted and protected partnerships with the sector and the support of a handicap task officer to supervise the deployment of this agreement.
- **LEROY MERLIN Italy** has developed the “FormidAbili” project for the integration of people with a mental disability. In total, 24 stores committed, 20 people in the process of integration and 4 people hired.

In order to develop an inclusive culture, we believe that it is essential to make our co-workers aware of the unconscious biases that have been identified as one of the primary barriers to diversity and inclusion:

- **LEROY MERLIN France and ADEO Services** have set up a diversity and inclusion workshop intended for “TOP managers”: 50 have been trained so far.
- **LEROY MERLIN Brazil** has developed a training course concerning unconscious biases, 400 directors have been trained. They have also translated all the training content into “LIBRAS”, the Brazilian sign language.



A referent officer responsible for diversity and inclusion issues has been appointed in each company in order to supervise and coordinate this strategy. To showcase the diversity that our groups are composed of and to show its impact on our performance and the pride of our teams, a global advertising campaign has been implemented by ADEO.

Some companies have already implemented a diversity and inclusion policy with different degrees of maturity:

- **LEROY MERLIN France** has implemented training on diversity: “To understand handicap in the world of business” for managers and employees. During the “European week for the employment of people with disabilities” more than 1,000 people followed this training course.
- **ZÔDIO France** took part in the recruitment fairs organised by organisations such as AGEFIPH (National association for the management of funds for the professional insertion of disabled people) and Hello Handicap. A trial was carried out with HR Hipolite, a partner who recruits over social networks based on the person's appetite and enthusiasm rather than on their experience or qualifications. ZÔDIO has rolled out training in relation to diversity and the complementarity of profiles in a team, which all the managers have followed.
- **LEROY MERLIN Portugal** has launched a survey with an external firm on the difference in pay between women and men. The company measures inclusion once a year through the “Great Place to Work” survey where, every year, the score has been at 90 in all aspects (age, sexual orientation, etc.). It has also revised its internal recruitment process in order to increase transparency and equality of access to opportunities.
- **BRICOMAN France** has strengthened its bridges between customer services and retail professions to encourage internal promotion. Remuneration surveys are systematically carried out at “store JDP” (development and progress days). Participation in “DUO DAYS” was also renewed during the “SEEPH* 2021”: disability awareness and prospects for possible work experience, fixed-term and permanent contracts.

*SEEPH: European Week for the Employment of People with Disabilities.



Some companies have already implemented a diversity and inclusion policy with different degrees of maturity:



- **LEROY MERLIN Russia** has certified the sites where it is possible to accommodate staff with disabilities. In order to carry out interviews suited to these individuals, an “academy for the accessible environment” has been set up. The purpose is to have a manager specialised in inclusion who takes into account the moral, ethical and psychological aspects of people with disabilities during interviews.
- **LEROY MERLIN Romania** began a pilot project in 2021, with the help of a non-governmental association, that focuses not only on the integration and support of people with disabilities, but also the training and support of the employees who work with them.
- **BRICOCENTER Italy** has some stores where the executive committees have taken part in training with the association “Agile job”, which aims to better understand handicap and how to deal with employees with disabilities. A diversity module (gender, culture, age, handicap) has also been included in recruitment training.
- **BRICOMART Spain** revised its equality plan in 2021. The company works with certain associations specialising in employment integration: “Juan XXIII foundation”, “Asperger association”, “Inserta”... A programme that aims to increase the visibility of internal female talents focusing on store directors has been launched.

Solidarity

We stand together: in the midst of the Covid crisis, employees created the **ADEO SOLIDARITY FUND** whose vocation it is to provide exceptional and specific financial relief to ADEO company employees. Proud and unified in this initiative, ADEO has decided to match 1 Euro for every 1 Euro donated, and it's with a little over 2 million euros that the fund was established. Several employees affected by the crisis have already benefited from aid.

Driven by a sense of urgency and motivated by the **"Human at heart"** culture, the ADEO Solidarity Fund came into existence in the form of an association.

ADEO Solidarity Fund is an association under the law 1901. Its vocation is to provide exceptional and specific financial relief to employees from ADEO companies, and their immediate families, who encounter serious difficulties due to extraordinary crisis situations.

Former employees (eligible for 5 years following retirement and 1 year following dismissal for incapacity or redundancy), and employees from franchised companies, are also concerned by this aid.

The fund enables those who do not benefit from sufficient state aid in the countries where we are present, from insurance coverage or internal company initiatives, to receive support in order to cope with an emergency situation.

Qualifying situations are: pandemics, technological / industrial or natural disasters, fire of main residence, terrorist attacks, violence.

**In 2021,
70 families
were helped thanks
to the "ADEO
Solidarity Fund"
including 3 in France
27 in Brazil and
40 in South Africa**



Sharing and taking care of our teams, of our customers and of our local communities, has always been a part of ADEO's DNA. In 2021, during the health crisis, our desire to be useful only grew.

Our companies are always keen to share their generosity by implementing different solidarity actions.



For example:

> **The association “Les Bricos du cœur**”, a historical partner of ADEO retail brands in several countries, carries out solidarity projects with the assistance of employees in favour of structures whose purpose is to help others (associations, foundations, hospitals, retirement homes*, etc.). In 2021, with the strengthening of our partnership and despite the health situation, the association the Bricos du Cœur completed 122 solidarity projects (52 of which were with our employees) and donated 66,184 products for a value of €630,674.

> **LEROY MERLIN France** carried out **3,120 housing interventions:**

- 1,340 self-help renovation projects, which involved supporting people with few DIY skills.
- 3,500 collective events including DIY courses.
- 2,200 tools lent to more than 3,700 households in vulnerable situations with the support of the association “Compagnons Bâisseurs” (Building Companions).

*retirement homes: accommodation for the dependent elderly.

At the end of December 2021, there are 130 solidary purchasing agreements signed with associations for the fight against poor housing. This represents a contribution to associations of more than €880,000. Furthermore, every employee who took part in the “Useful” workshops made it possible to make a donation of €250,000 to the association “Habitat and Humanism” to fund third places and common areas. In November 2021, the first “engaging” sales operation enabled payment of €20 per heating appliance sold in favour of the association “Stop energy exclusion”.

- **ZÔDIO France** took part in local solidarity actions: donations to associations such as “Pink October” (Breast Cancer Awareness Month), second life of products returned by our customers, platform of donations among employees, partnerships with ESAT*.
- **LEROY MERLIN Brazil** distributed 17,000 food baskets through the Sao Paulo social fund and 6,000 baskets with ObraMax, in association with G10 Favelas. This year, 38 solidarity projects have been carried out by Leroy Merlin Brazil.
- **LEROY MERLIN Spain** supports the solidary redevelopment of spaces thanks to store teams: providing products and facilities to improve areas where children and elderly and disabled people, threatened by exclusion, live. In 2021, €700,000 were assigned to donations of this nature and more than 50 projects were carried out all over Spain. An account was opened with the Red Cross in order to collect funds from employees to help the Island of La Palma. Following emergency situations, Leroy Merlin made donations of equipment and goods: flooding in Lepe and in the Spanish Levante, the La Palma volcano disaster.
- **BRICOCENTER Italy** gives unsellable electrical equipment (insufficient quantities for customers) to professional schools.

*ESAT: centres providing assistance through employment



As part of the We Make It Positive strategy, **each employee is entitled to one day off work per year to get involved in a solidarity initiative.**

For example, at LEROY MERLIN Portugal more than 1,900 days have been used mostly for solidarity projects and the “clean-up week.” LEROY MERLIN France: 600 days; LEROY MERLIN Spain: 285 days; LEROY MERLIN Russia: 690 days.

And some years ago now, two of our companies, **LEROY MERLIN France and LEROY MERLIN Poland** set up a **corporate foundation.**

- At **LEROY MERLIN France**, the purpose of the “Corporate Foundation” established in 2006, is “the redevelopment of homes for disabled or dependent people”. In 2021, work on adapting the bathroom and improvement to outside accessibility were carried out by 165 voluntary and committed employees. 74 projects were financed between January and September 2021 for the sum of €555,000.
- At **LEROY MERLIN Poland**, the foundation enabled funding of various kinds of projects. In 2021, more than 80 solidarity projects were carried out thanks to the participation of employees.



We stand together with and for others but also with and for our employees. Being present and supporting them is one of the priorities that meets our commitments in the ethical code of conduct. So we set up initiatives to support them at important times in their lives.





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For example:

- **BRICOMAN France** has set up a support initiative: Clarence, which offers support from social workers and psychologists for employees in difficulty.
- **LEROY MERLIN Russia** offers financial aid to some employees for the birth of a child, a marriage or the death of a family member.
- **LEROY MERLIN Romania** supports its employees at different times in their lives: aid for the birth of a child, a marriage or the death of a family member. In the event of the death of an employee, the company offers the family between 3 and 12 months of wages.

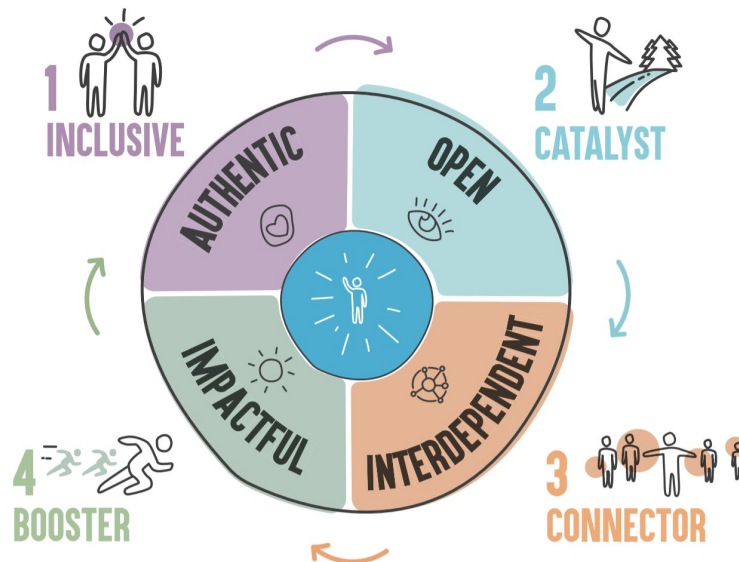
LEADERSHIP & MANAGERIAL PROXIMITY

Proximity at the core of our management

Our leadership model operates with the 150,000 leaders because managers learn every day how to develop stimulating, connecting, boosting and inclusive behaviours to become genuine coaches for their teams, by being close. Their mission is to create an environment where each of our 150,000 co-workers can act as a **leader and contributor as part of an invested, motivated and unified team!**

With an iterative and international approach, we built **our managerial model in 2019 around 4 dimensions**, coherent with our leadership model and the skills associated with it, making it possible to move forward towards a real transformation of our management practices. **The role of manager evolves towards a role of manager of leaders.**

In 2020, we fine-tuned the translation of the leadership model to a managerial level and formalised the behaviours and aptitudes in a document entitled **“managerial guidelines”** that we share with the companies and that we coordinate.



Innovation and adaptation

Our way of working together is unparalleled! From the social network used by all our co-workers worldwide to the adoption of Google Workspace, we have at our fingertips a digital collaborative platform that enables our 150,000 leaders to interact, to dialogue, to work in project mode, whenever they need to and wherever they are.

We are propelled by an **agile and data driven culture**. From our transition to Cloud solutions via the Google Cloud Platform, a broad roll out of artificial intelligence practices and the development of algorithms to **improve our efficiency** in serving our customers, this culture is supported by a vast range of training courses for all (data driven, agile method, etc.).

The collaboration between business-line and technology leaders is built into our organisation and our structures: they work in duo.

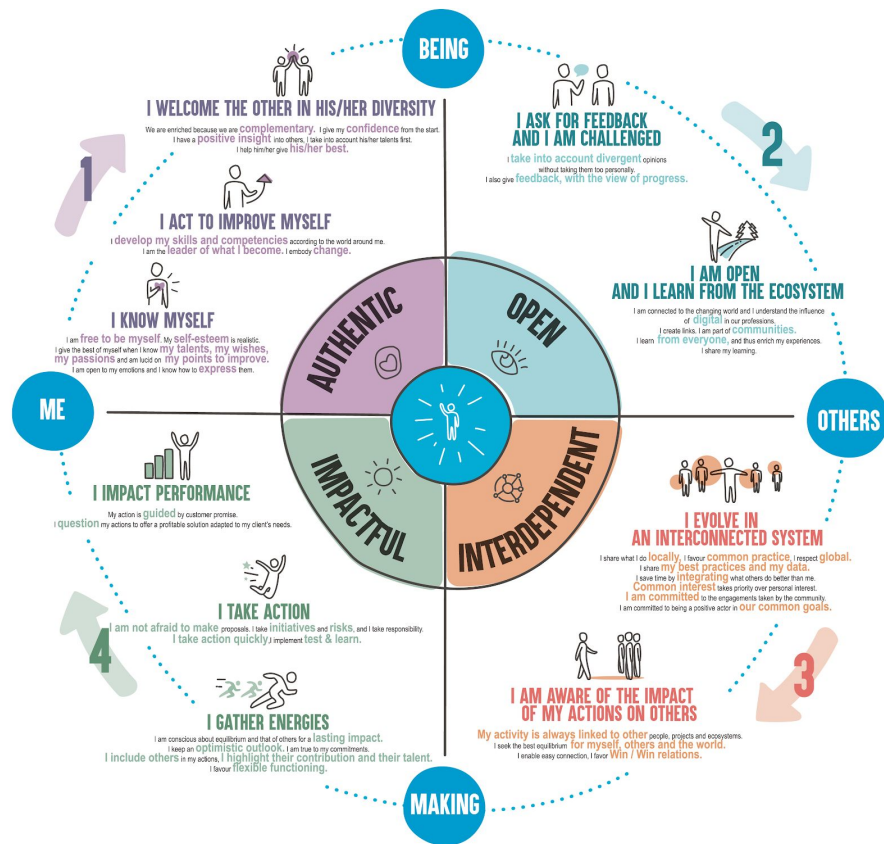


LEADERSHIP

Every one of us is a leader

We are not only 150,000 co-workers, we are **150,000 leaders** and that makes all the difference. 150,000 leaders free to act whenever it is useful to ourselves, to others and to the world. In all of ADEO's companies, each individual has the opportunity to decide with autonomy and responsibility, to create and nurture the essential connections of **our platform model, to be entrepreneurial and to generate a positive human, economic and environmental impact.**

The leadership model is a fundamental baseline in cultural development. It makes it possible to emphasize the unique and fundamental contribution of the individual and the importance of connecting with others, while addressing the postures and behaviours to be exercised. **The Leadership model is articulated around 4 essential characteristics: authentic, open, interdependent, impacting.** The goal is to stimulate value and performance by revealing the leadership qualities in each individual, as well as contributing to making the team stronger and more proficient in its operation. All our companies are assimilating this leadership model, at varying speeds.



LEARNING

A talent to be developed

Each individual has a talent. As a company it is our wish to support each co-worker in the development of this talent so that they may find fulfillment in their daily actions and can develop throughout their professional career. We pay particular attention to **detecting the potential** of each and every individual and we share the **validation and development processes**.

In a rapidly changing world, our jobs are evolving as well, and we ensure that each individual may, through **learning and training, develop the skills** necessary for new challenges. **Growing and nurturing is the key to our development.**



Employability for all

While boosting the recruitment and development of talents all over the world, ADEO intends to offer all its employees **an environment where the talent of each individual can be revealed, grow and thrive to ensure sustainable growth**. Our ambition then, is based on a vision centred around **collective performance but also the recognition of individual talent**.

One of the social impacts of our Companies' development is **the creation of jobs**. Today, we wish to focus our efforts on employability, which compels us to work more on skills development, rather than on the professions themselves, some of which will be transformed due to the automation and digitalisation of the work involved. It is our ambition that each employee becomes an **actor in their own development, by setting up the framework and tools that will enable them to build a sustainable future**.

The acceleration of digitalisation and the transformation towards a platform company model require us to rethink organisations, professions and to develop new skills.

In 2019, we introduced **an initiative for the strategic planning of resources over the long-term (SWP - Strategic Workforce Planning)** which relies on quantitative and qualitative data based on which we can write scenarios and choose action plans that are suited to our challenges: recruitment, training and learning, repositioning, internal mobility, etc. The initiative was tested at Leroy Merlin France, then in 2020, we launched the SWP on the digital data, performance/finance challenges. **In 2021, we continue the deployment of the SWP initiative on all the business-lines for the various challenges**, starting with the industrial challenge, to obtain a mapping of critical skills by profession.

		2017	2018	2019	2020	2021	EVOLUTION 2020-2021
Number of hours of training	h	1,961,011	1,933,674	2,044,382	2,180,892*	3,411,706	+56%
Number of hours of training per employee over the period	h/employee	21.9	18.9	18.4	17.5**	23.6	+35%

*2020 data restated 2,382,063

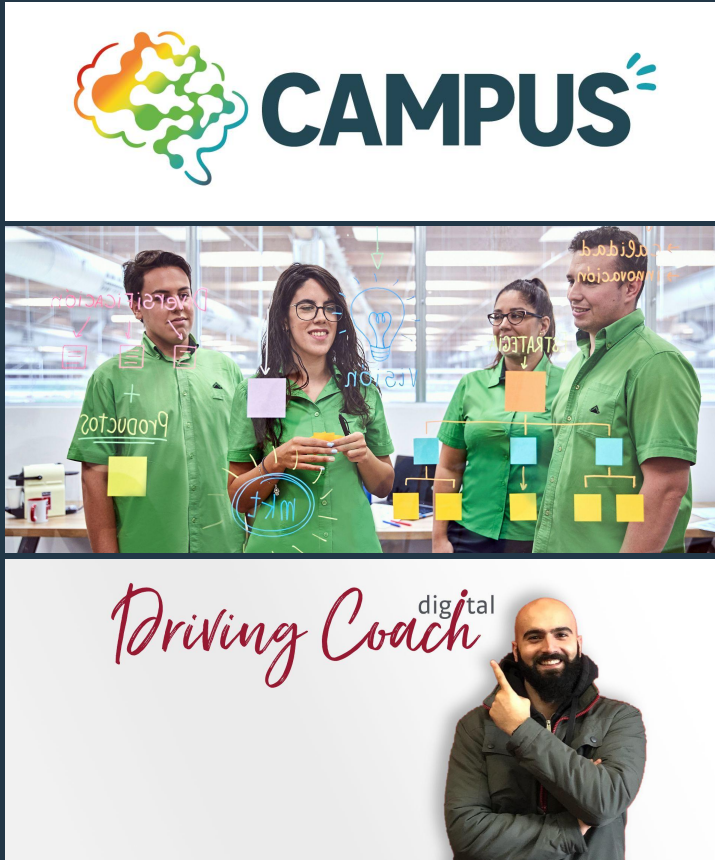
**2020 data restated 19.1

In 2021, our companies conducted the following actions:

- **BRICOMAN France** deploys, over 2021-2023, the “Being a coach for change” training course for all the managerial teams. This course alternates e-learning and face-to-face training and presents the meaning and key points of posture of a coach for change, dealing with the importance of listening and empathy as well as putting rituals into practice. The company is gradually reinforcing its training offer on product basics and on the professional customer relationship in order to ramp up employees’ skills and to be able to detect 30% of experts by 2024.
- **LEROY MERLIN France** has rolled out a “Digital passport” training course which has been followed by 100% of co-workers. This training course aims to teach employees about the digitalisation of the customer journey.
- **LEROY MERLIN Russia** has implemented a number of training initiatives as part of its 3 “business conquests”: e-commerce, BtoB, and omnicommerce stores. In addition, an express onboarding programme was launched via the application “My Way” during the Covid-19 pandemic for new supply chain recruits in store who deal with the numerous customer orders.



In 2021, our companies conducted the following actions:



- **LEROY MERLIN Spain**, the introduction of Campus in 2020 and the health crisis required a full overhaul of the training offer. Numerous training courses were launched on the product, customer services, sustainable development, digital and the supply chain.
- **BRICOCENTER Italy** launched several training courses on the topics of sustainable development, digital and the supply chain. A specific learning path was created for supply chain managers, combining e-learning, webinars, job training and one-on-one time, adaptable depending on the co-worker's skills.
- **BRICOMART Spain**, introduced an online learning path included in its "Welcome training" for all of its employees, bringing together essential knowledge using Google tools. Training courses on digital transformation were deployed.
- **LEROY MERLIN Romania** launched a new e-learning platform and created 102 new courses, for the most part around the product.

Focus on the creation of the World Home Campus:

ADEO has conceived and designed an ambitious project on the **growth of “Home improvement” skills everywhere our Companies are present.** The goal is to move towards a learning, adjustable and resilient company, recognised as the **world leader of knowledge and expertise in the Sustainable Home.**

It is the intention of this project to create **a Campus that trains our co-workers, our future employees, our partners, our customers and inhabitants all over the world.** A genuine desire to create a “home enthusiasts” community that goes beyond ADEO with a campus that qualifies, recognises, certifies, maintains employment, builds professional careers and makes proud.



In 2021, the first initiatives deployed were concentrated in France:

- 1/ Creating a company CFA*, certified Qualiopi supported by ADEO.
- 2/ Designing and implementing a work-study course in association with State Education, “Sales Advisor” job training (2 years higher education combining 2 qualifications). 3 classes for a total of 25 work-study-students were opened in September 2021.
- 3/ Supporting the “Z Academy” programme which prepares our employees for reconversion to a profession in high demand, that of Web developer (5 co-workers reconverted so far). Furthermore, this course enables the integration of young people “estranged from employment”.
- 4/ Creating an innovative course of “Assistant in energy renovation of the Home” in association with “La Solive”, a training start-up that specialises in Home Improvement. This course is already recognised in the RNCP** by “France Compétences”, thus making it possible to train within the framework of an apprenticeship and/or professional reconversion.

*CFA: apprentice training centre

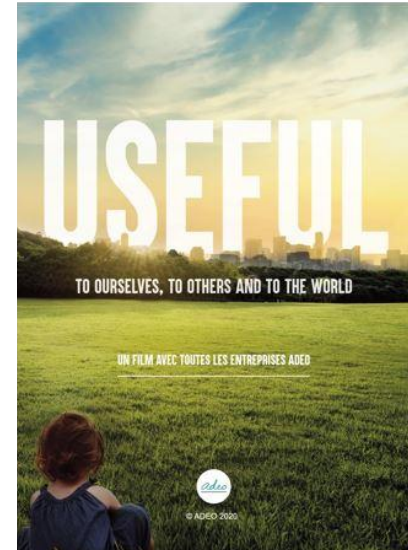
**RNCP: national repository of professional certifications



Every day **ADEO grows and becomes a more environmentally friendly company.** So to ensure optimal assimilation of our positive commitments and their implementation, we believe it is necessary to train our co-workers on these topics. In 2021, we launched workshops and trainings to progress in this direction.

In one year and across all our companies, **114,000 employees have been made aware of the “We Make It Positive” strategy and the societal and environmental commitments it entails.** A kit with the documentary film “Useful” and an interactive workshop was created in 12 languages and made available for all our companies. The ADEO teams trained local referents who in turn coordinated the workshops in their local language.

LEROY MERLIN PORTUGAL organised online workshops for the ambassadors of positive impact (86 participants) and positive products (79 participants). In order for the positive impact ambassadors to be able to train their team, we also organised a “Train the Trainers” workshop (74 participants).



HOME *improvement*



HOME IMPROVEMENT

Improving the home is an extraordinary mission. And doing so with responsibility, by contributing to better **environmental, human and economic balance**, means being truly **USEFUL to inhabitants all over the world**. We want to make **our homes, our Planet, a better place to live, because our first home is the Planet.**

So our responsibility and our contribution to a better world for everyone is not a separate matter. It is the matter **of 150,000 ADEO leaders who are building the world home improvement platform to make the solutions for the home possible and accessible to inhabitants.**

This home, in order to be useful to the world, **must be positive**, which means more frugal in energy and water, healthier, with products from sustainable resources and manufactured in respect of men and women in an environmentally friendly manner. The integration of the positive dimension in the world home improvement platform is embodied by our **“We Make It Positive”** initiative.



POSITIVE *products*



POSITIVE PRODUCTS

The product is at the very core of our mission, of our retail business and our usefulness. It represents more than 80% of our impact on the planet, from its conception through to the end of its life. Which is why making accessible **positive solutions that are more sustainable, more ethical and offering alternatives to the purchase of new products** (rental, repair, second-hand, etc.), is what **our “Positive Products” initiative**, which begun in 2020 and was deployed in 2021, is all about.



The **“Positive Products” initiative becomes the DNA for the construction of all our offers.** It is based on **6 pillars in order to improve the environmental and social footprint of our products and to contribute to a more responsible consumption:**

1. Made from sustainable resources:

the product is manufactured using sustainable, traceable resources, certified and with controlled carbon profiles.

2. Responsible production:

the product is manufactured in a way that respects women and men and is environmentally friendly.

3. Safe for people:

the product presents no danger to consumer health.

4. Safe for the Planet:

the product is not harmful to the Planet: reduction of the impact of packaging and promotion of product eco-labels.

5. Bring sustainable functions and features:

the product provides features that enable a reduction of the environmental impact related to its use (energy saving, reduction in water consumption, etc.).

6. Made to last:

the product is made to last, to be repairable and repaired.

SUSTAINABLE RESOURCES

Among the raw materials used to manufacture the products sold by ADEO companies, **wood is one of the raw materials** for which **environmental and social stakes are the highest**. This leads us to have a committed policy to **protect biodiversity, natural resources and communities**.

Since 2018, ADEO's wood purchasing policy has been integrated into the responsible purchasing code of conduct and is now a part of all our commercial agreements.

In 2019, the gradual roll out of the QMS (Quality Management System) in ADEO companies made it possible to gather the necessary documents to justify the conformity of referenced products with the wood policy.

At the end of 2021, the percentage of references that comply with our wood policy is 75% of all references sold.

In 2022, we aim to be at 100% on all active wood product references for ADEO companies that use QMS.



	2020	2021	EVOLUTION BETWEEN 2020-2021
Percentage of new wood product references and/or wood-based products, referenced and made from sustainable resources at constant BU scope*	88%	84%*	Scope: new products referenced for the following BUs: Leroy Merlin France, Russia, Spain, Italy, Poland, Portugal and ADEO Services
Percentage of wood product references and/or wood-based products referenced and made from sustainable resources*	NA	75%	Scope: all products referenced for the following BUs: Leroy Merlin Brazil, Spain, France, Greece, Italy, Poland, Portugal, Romania, Russia and ADEO Services

*this indicator was subject to an audit by the statutory auditors

To strengthen our process and the guarantee of our product compliance, **we are involved in a global partnership with the organisation Preferred by Nature, expert in wood traceability, the demonstration of legality and the FSC and PEFC certifications.** Together, we have built our due diligence procedure which is at the heart of our policy implementation process and is deployed in the Quality Management System. Preferred by Nature supports all of our quality platforms in the qualification of our suppliers on the traceability of their wood products.



RESPONSIBLE PRODUCTION

The manufacturing of our products has an impact on the life of thousands of workers and their families all over the world.

Our aim is to support our suppliers and their factories to **ensure and lastingly improve the working and living conditions** of workers while **limiting their direct impact on the environment**.

Our choice of suppliers is based on two main actions:

- building an ethical relationship
- controlling our social and environmental impacts

Deployment of an ethical relationship with our suppliers:

The **responsible purchasing code of conduct** is integrated into direct supplier agreements for market commodities and is a prerequisite in the setting up or continuation of all trade relations. The code formalises a set of individual and collective rights and duties with which our companies and suppliers comply. These rights and duties are listed under five main themes: **business ethics, social, environment, quality and protection of personal data**. One of the fundamental elements of the code is the mutual commitment between ADEO and its suppliers.

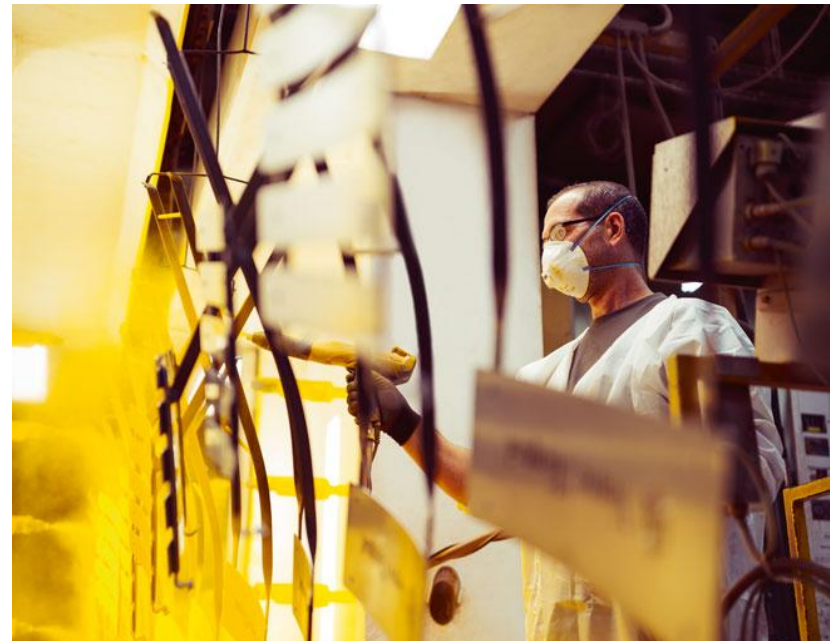
Percentage of goods suppliers who have an active agreement with the Company's Central Purchasing having signed the ethical code of conduct for sustainable purchasing

2020

76%

2021

92%



Controlling our social and environmental impacts:

The social and environmental qualification of our suppliers is a key step in ensuring the control of our impacts during product manufacturing. Our qualification process, currently being rolled out with all our suppliers, distinguishes between our role as a distributor of national brands and our role as a designer and manufacturer of our own brands, our “Inhabitants Private Labels” (MDH).

- **Suppliers of national brand products:** a quality, social and environmental self-assessment is required. The objective is to cover 100% of ADEO Group suppliers by the end of 2022. The principal goal is to assess the management system of our quality/positive impacts requirements by our suppliers. The initiative was launched in 2020 with an experimental phase. It is obligatory for all new suppliers since the beginning of 2021.
- **Factories of finished products for our own “Inhabitants Private Labels” brands (MDH):** the execution of quality and social audits with compliant results is a prerequisite for the selection of a supplier. At the end of 2021, the factories for MDH finished products had a quality audit of 94% and a social audit of 86%, both compliant and less than 3 years old. An environmental audit is also being deployed for factories with industrial processes considered as particularly high impact for the environment in terms of air pollution, water or soil contamination. Over the course of 2021, a catch-up campaign for existing factories was launched and enabled the audit of 67% of “high impact” facilities. In 2022, the environmental audit becomes a prerequisite for the selection of “high impact” factories and improvement plans are required for existing plants whose results are unsatisfactory.

	2020*		2021*	
	% of MDH finished goods factories audited**	% of compliant factories (score A, B, C)**	% of MDH finished goods factories audited**	% of compliant factories (score A, B, C)**
QUALITY AUDIT	77%	76%	94%	90%
SOCIAL AUDIT	76%	72%	86%	81%
ENVIRONMENTAL AUDIT (high impact factories only)	NA	NA	67%	63.5%

*Evolution of scopes

2020: referenced MDH finished products factories (excl. tier-2 subcontractors) for the following companies: ADEO Services, Leroy Merlin France, Leroy Merlin Italy, Leroy Merlin Poland, Leroy Merlin Romania, Leroy Merlin Spain

2021: referenced MDH finished products factories (excl. tier-2 subcontractors) for the following companies: ADEO Services, Leroy Merlin Brazil, Leroy Merlin France, Leroy Merlin Italy, Leroy Merlin Poland, Leroy Merlin Romania, Leroy Merlin Russia, Leroy Merlin Spain, Zôdio France

** based on 100% referenced factories

SAFE FOR PEOPLE

Conscious of our products' impact on health, ADEO is committed to going beyond existing regulations with a "hazardous substances" policy which focuses on indoor air pollution.

Our goal is to **reduce inhabitants' exposure to the most controversial substances** that may be found in our products. The "hazardous substances" policy is integrated into the sustainable purchasing code of conduct and is part of compliance for all our products. **A "Restricted Substances List" (RSL) has therefore been drawn up and contains the substances that will be progressively banned or restricted in our products.**

Certain substances on the RSL deemed extremely preoccupying are included in a blacklist and are subject to immediate action that can lead to the withdrawal of certain marketed products, with special attention paid, since 2020, to products that contain isocyanates and breathable crystalline silica.



Since 2021, the "hazardous substances" policy is gradually integrated into the Quality Management System, our compliance management tool. All new products must be compliant. In 2022, ADEO will ensure the traceability and measure the progress of this compliance using a KPI specific to chemical products.

The ambition is to involve all our suppliers in this continuous improvement initiative by having them sign this policy and by controlling the compliance of products using a set of tests on the hazardous substances subject to ADEO requirements.

Thus a product that is **"Safe for People" is a product that is compliant with the specific regulations regarding hazardous substances and with the general safety obligation.** This product presents no health risk for consumers as it does not contain the controversial substances known to-date above the limits determined in the ADEO RSL (Restricted Substances List).

SAFE FOR THE PLANET

We are informed and aware of the considerable impact of our packaging waste production. This waste is responsible for the pollution of our oceans and of our soils and it is our duty to reduce its quantity.

In 2020, our “packaging policy” was approved and then shared with all of our companies and our suppliers. This policy has been included in the Quality Management System (QMS) in order to ensure the absence of non-recyclable materials in our packaging. **Our packaging policy follows the zero waste principles: refuse - reduce - reuse - recycle.**

This leads us to banish certain materials such as PVC and EPS from our packaging and to reduce the use of materials that are difficult to recycle. As a result, we prefer **the integration of recycled and/or recyclable materials in our packaging.**

In this context, other eco-design initiatives for our packaging are also being examined to optimise their weight and their volume. Covering all stages of the packaging life cycle, the targets set should significantly reduce the environmental impact of our packaging.

For example, the following actions were carried out in 2021 by the pack teams at ADEO Services:

1. Furniture Remix - Sensea: replacement of cushioning elements in EPS (expanded polystyrene) with cardboard. This enabled us to reduce our quantities of EPS by 61 tonnes.
2. Cushion covers - Inspire: change in the cushion cover packaging initially in PVC (polyvinyl chloride) surmounted with an inseparable hanger, for a pliant recyclable solution in PE (polyethylene) that enabled us to generate savings of 150 tonnes in PVC and 30 tonnes of matter.
3. Spirit level - Dexter: the elimination of the plastic blister pack stuck to the level's support card allowed for a reduction of 6 tonnes per year in the quantity of plastic used in our packaging.

BEFORE



AFTER



SUSTAINABLE FUNCTIONS & FEATURES

We encourage the development of innovative solutions and products that enable our customer-inhabitants to reduce their energy and water consumption. But also to better insulate their homes or look after their gardens more naturally. In this context, the SOLAR IMPULSE Foundation supports us through a specific partnership.

ADEO and the [Solar Impulse Foundation](#) are uniting their strengths to identify **solutions for the home** with a **positive impact** on the environment. We undertake to **speed up their development and encourage their commercialisation** in ADEO stores and on their websites.

In 2021, our partnership takes practical form around 3 axes:

- The selection of products that we include in our ranges from among the 1,300 sustainable solutions on offer from the Solar Impulse Foundation.
- The search for solutions for issues not covered by our offers thanks to the Foundation's ecosystem of innovators.
- The creation of the first "Positive Home Challenge" around 8 themes involving products and services. The aim is to challenge innovators and suppliers to detect innovative solutions which have a lesser impact on the environment and are economically viable. For this first challenge, from among 300 product proposals, 53 were presented and 41 products are on trial in our companies.



Unique en son genre

Le Solutions Explorer



SUSTAINABLE FUNCTIONS & FEATURES

In collaboration with the Solar Impulse Foundation, we will be hosting the second edition of the **“POSITIVE HOME CHALLENGE”** in 2022, bringing together our community of international suppliers and innovators to present their most promising innovations that will be tested in our companies.

For this event, we are looking for innovations on products and services for inhabitants covering all sectors (bathroom, storage, electricity, etc.) and on the following scopes:

- Eco-design
- Core housing - structural work
- Savings and energy efficiency
- New building materials
- Water saving
- Circular economy and waste recycling
- Alternatives to plastic packaging
- Supply chain





We would like to join with other partners and external actors with a view to reinforcing positive innovation within ADEO.

Here are some examples of positive innovations that have been tested and marketed:

Nature Protect® Syntilor

Paint: organically sourced products for the protection and decoration of wood, replacing non-organically sourced products (fossil fuels).

Dulux Easycare+ Scuff Resist Technology

Paint: scratch-resistant technology that prevents plastic, rubber or wood particles from being deposited on the surface for longer lasting walls.

Wirquin Neo Air

Plumbing: a drain with an integrated anti-vacuum system.

LED Bulb for Household use

Lighting: a basic light bulb that uses LED technology.

Circular Grab Adhesive

Materials: new water-based glue composed of 82% of recycled raw materials.

Tile'Up by Celloz

Materials: new generation of organically-sourced roofing materials.

NATURE  PROTECT®





ISOVER St Gobain

Materials: new range of insulation products for converted lofts including a new organically-sourced binding from cereal industry waste.

SOPRA XPS Soprema

Materials: thermal insulation panel using 100% recycled polystyrene for cleaner production in the building sector.

Eco Mallas Ecoceramic

Tiling: mosaic containing recycled materials from other finished products already manufactured and that have reached their end of life. A sustainable tiling product that favours the employment of vulnerable disabled people.



MADE TO LAST

Designing and marketing products made to last is one of our commitments, making it possible to limit our impact on the environment and to be useful to our customer-inhabitants.

Beyond ensuring the compliance of our systems and products (implementation of the repairability index in France, extension of legal warranty to 3 years in Spain and Portugal), in 2021, we carried out a voluntary animation initiative on durability with our entire ecosystem.

The notions of durability, reliability and repairability have been defined and measurement indicators are also monitored (rate of reliability, rate of repairability, rate of repair). We asked all of our suppliers to assess the repairability of their product when referencing it.

In order to promote repairs, several local initiatives have been carried out. Among others, we can mention the implementation of maintenance and repair packages at LEROY MERLIN Italy, the set up of the “Repair Café” at LEROY MERLIN Portugal and LEROY MERLIN France.

ADEO is part of the Durability Club, created and coordinated by the association HOP (stop programmed obsolescence).



ENVIRONMENTAL *footprint*



ENVIRONMENTAL FOOTPRINT

CLIMATE CHANGE

Our commitment is to **reduce our carbon footprint by 5% per year to reach a reduction of -50% by 2035** and contribute to carbon neutrality by 2050.

Respecting this commitment relies on the development of a low carbon strategy covering our entire value chain compatible with a 2°C trajectory during 2022.

The implementation of a low carbon strategy is based on the identification of all the energy required to carry out our activities as well as the implementation of energy sobriety initiatives or of energy substitution.



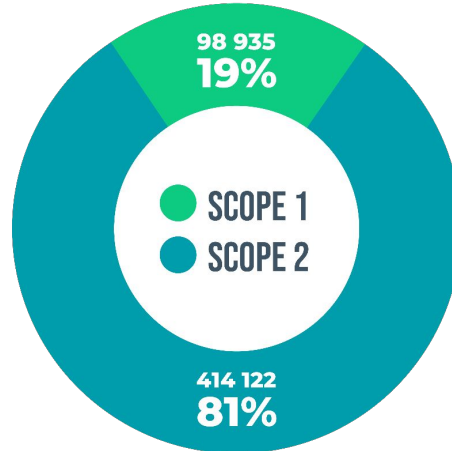
The initiatives of our low carbon strategy are structured around the following actions:

- 1. Reduce:** through eco-design, materials weight reduction, local production, energy efficiency, etc.
- 2. Protect - make last:** through reparability, recycling, reuse, rental, modularity, extended warranty, etc.
- 3. Substitute:** fossil fuels (manufacturing, transportation, store), carbonised materials (materials).
- 4. Contribute:** through the sale of low-emission products for the home, carbon sequestration, compensation.
- 5. Invent:** new businesses that enable growth while limiting the carbon impact of ADEO activity.

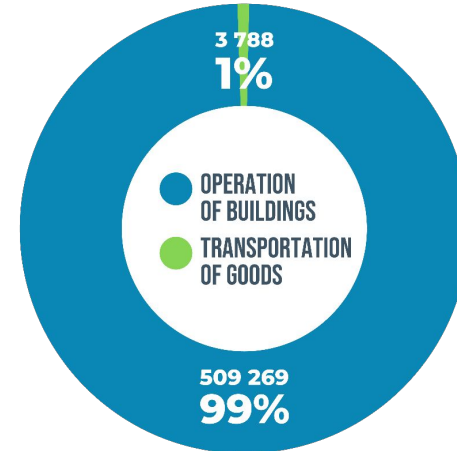
In 2021, **the carbon footprint,**
scope 1 & 2 ADEO represents

513,057
tCO₂eq

BREAKDOWN OF EMISSIONS
by scope (tCO₂e)



BREAKDOWN OF EMISSIONS
of scope 1 and 2 by use (tCO₂e)



VIRTUOUS LOGISTICS

Our business requires our products to be transported. **Therefore, we choose transportation methods with a lower impact to reduce our carbon footprint related to the transportation of goods.** Generally, the optimisation of logistics operates through the development of cross-docking*, by the optimisation of the load rate of lorries and the development of transportation intermodality.



		2017	2018	2019	2020	2021	EVOLUTION 2020-2021
Distances travelled in relation to the transportation of goods from the logistics centre to the stores by modal split	km	-	-	-	-	276,970,312	-
Road	km	109,331,458	118,017,108	131,659,372	144,251,984	182,288,235	26%
Rail	km	-	-	-	-	78,856,632	-
Waterways-maritime	km	-	-	-	-	15,825,444	-

* **cross-docking** refers to an organisation method for order preparation where goods are distributed directly to the end customer without passing through storage.

In 2021, our companies carried out the following actions:

- **LEROY MERLIN Romania** uses Euro 3 standard lorries for less than 2% of the distance travelled. More than 65% of journeys are made with Euro 5 standard lorries and more than 25% of journeys with Euro 6 lorries. In addition, hybrid vehicles are used for company cars.
- **LEROY MERLIN Spain** is equally committed to virtuous logistics through its membership in the “Lean and Green” project, which promotes a reduction in GHG emissions related to logistics activities. This is why LEROY MERLIN Spain deploys the following actions: use of hybrid lorries for deliveries to urban stores, use of green energy in warehouses, optimisation of flows: change of itinerary for greater efficiency, opening of new warehouses and closure of others.
- **LEROY MERLIN France** opens regional warehouses in Nanteuil le Haudouin, Villette d'Anthon and Lunéville allowing for better barycentric positioning and savings of 1,500,000 km per year. Furthermore, the use of metal pallets makes it possible to save 100,000 wooden pallets in a year. On logistics lines where it is possible, rail-road intermodality is deployed and more than 130,000 tonnes of goods were delivered via rail in 2021. Concerning the fleet of vehicles used, 97 of the 99 tractors operate on gas, i.e. 12 more in than in 2020. They enable delivery of more than 70% of regional volumes. Finally, almost 90% of referenced hauliers have signed the CO2 target charter by ADEME (French environment and energy management agency)
- **LEROY MERLIN Portugal** uses alternative transport solutions such as gas-operated lorries where goods can be stacked. The occupancy rate of the heavy fleet is therefore at +8.3% with an estimated reduction of -15.6% in tonnes of CO2 emitted per pallet, i.e. an overall reduction of 17.8%. In addition, the opening of a 3,500m² warehouse reserved for tiling means fewer broken products due to its proximity to the producers.



OPERATION OF OUR SITES

The distribution of our products relies on the territorial network of warehouses and stores. Our priority is to reduce the carbon footprint of this network.

ADEO companies therefore implement various actions to reduce their environmental footprint and develop new stores achieving the standards of energy performance in terms of construction. In particular, this involves reducing the impact throughout the design, building and operation of sites.

In line with this ambition, by 2021:

LEROY MERLIN Italy owns 40 stores with an energy certification, that's +25% in relation to 2020.

BRICOMAN Italy has 100% of its sites (warehouses and stores) certified according to the ISO 50001 standard which defines the required framework in relation to energy management.

LEROY MERLIN Portugal has 100% of its stores with an energy certification delivered by the ADENE (Italian national energy agency). In addition, 8 of its stores are equipped with photovoltaic panels.

LEROY MERLIN France has all its new buildings certified BREEAM. To-date, 2 stores are certified and 3 others are undergoing certification. In addition, 3 stores are certified BREEAM "in use": certification on the operating section.

LEROY MERLIN Poland and more specifically the store in Zgorzelec includes a photovoltaic farm installed at the end of 2020 which produced 50,655 kWh in 2021.





Our store renovation plan is ambitious. It is driven by the reduction of the carbon footprint, the comfort of our co-workers, that of our customers and is based on the following actions:

- all our sites are fitted with a centralised technical management (CTM) system, making it possible to measure and remotely manage energy flows, regulate the temperature and the operating times of technical installations.
- Our sites are equipped with LED lighting.
- Our sites are powered by electricity from a renewable source.

With regard to energy consumption, our companies set up initiatives which involve both reducing their consumption of fossil fuels and procuring sustainable supply.

		2017	2018	2019	2020	2021	EVOLUTION 2020-2021
Percentage of green electricity supply to our sites	%	-	-	-	31%	35%	+4 pts
Consumption of gas on our sites over the period*	kWh	-	-	-	-	262,978,990	-
Stores	kWh	125,363,923	149,159,473	163,533,513	162,495,557	236,488,905	46%
Warehouses	kWh				-	24,527,725	
Internal services	kWh				-	1,962,360	



For example:

PERCENTAGE OF STORES WITH LED LIGHTING ON THE SALES FLOOR

BRICOMAN Italy, LEROY MERLIN Italy, LEROY MERLIN Russia

100%

LEROY MERLIN Brazil

95%

BRICOCENTER Italy

90%

LEROY MERLIN Romania

89%

BRICOMART Spain and LEROY MERLIN Poland

83%

BRICOMAN France

78%

ZÔDIO France

75%

LEROY MERLIN Spain

62%

LEROY MERLIN France

53%

Some of our stores buy so-called “green” energy as it comes from a renewable source of production or is produced directly on their sites thanks to renewable energy.

For example:

- **LEROY MERLIN Spain** and **LEROY MERLIN Portugal** (with the exception of 2 insular stores) supply 100% of their stores with green energy. **BRICOCENTER Italy**, **LEROY MERLIN Brazil**, **LEROY MERLIN Romania**, **LEROY MERLIN Russia** progressively adopt green energy to supply their stores.
- **LEROY MERLIN France** has installed 2,500 m² of photovoltaic panels on 3 new stores: Puget, Fréjus and Vénissieux.
- **LEROY MERLIN Italy**, **LEROY MERLIN Greece**, **BRICOMART Spain** and **BRICOMAN Italy** have joined **LEROY MERLIN Spain** and **LEROY MERLIN Portugal** and now supply 100% of their shops with green electricity.
- In 2021: 8 stores and internal services at **LEROY MERLIN Portugal** were equipped with photovoltaic installations to produce electricity, 6 stores at **LEROY MERLIN France** 1 store at **LEROY MERLIN Poland**, 22 stores at **LEROY MERLIN Italy**, 23 stores at **BRICOMAN Italy**, 1 store at **LEROY MERLIN Russia**, 16 stores at **BRICOMART Spain** and 25 stores at **LEROY MERLIN Spain**.



- In 2021, a majority of our companies installed solar panels to produce hot water, such as, for example **LEROY MERLIN Spain** 5 stores, **BRICOCENTER Italy** 1 store, **LEROY MERLIN France** 30 stores, **BRICOMART Spain** 19 stores, **BRICOMAN Italy** 5 stores and **LEROY MERLIN Poland** 26 stores.



Water resources

Faced with the effects of climate change, **water resources are also a resource that needs to be preserved.** Although our distribution activities consume little water, **our companies set up actions making it possible to reduce our consumption or to procure supply in a sustainable manner.**

For example:

In 2021, some of our companies, such as **BRICOMAN Italy, LEROY MERLIN Spain, LEROY MERLIN Brazil, LEROY MERLIN Poland, BRICOMART Spain, BRICOMAN France, LEROY MERLIN France** and **ZÔDIO France** made up 69 stores in total equipped for collecting rain water to be used for watering green spaces and/or for sanitary purposes.

		2017	2018	2019	2020	2021	EVOLUTION 2020-2021
Water consumption over the period at our sites	m ³	-	-	-	-	2,168,730	-
Stores	m ³	1,325,834	1,553,079	1,724,488	1,725,531	1,965,187	14%
Warehouses	m ³	-	-	-	-	159,013	-
Internal services	m ³	-	-	-	-	44,530	-

Natural resources

Our responsibility to our local ecosystems is important.

The creation of stores, warehouses and access roads leads to the artificialization of soils and alters the biodiversity essential to life on earth. **This is why we are committed to ensuring 100% of our sites make preserving biodiversity part of their local agenda.**

To do this, our companies set up actions which aim to compensate for our impact, particularly on the wood resource, and that make it possible to restore or to preserve biodiversity.

Here are some examples:

- From 2015 onwards, **LEROY MERLIN France** forged a partnership with Reforest'Action. More than 227,000 trees have been planted since 2015. In 2021, almost 34,000 trees were planted throughout national territory.
- In 2021, **ADEO SERVICES** pursues its tree planting scheme. To positively impact the environment, ADEO undertook in 2016 to plant 1 tree for every new employee joining one of our companies. This initiative continues in 2021, supplemented by other plantations to offset, for instance, co-worker travel. In this way, for the 34,790 employees hired on permanent contracts in 2020, as many trees were planted in France, in 2020 and 2021, on 5 different sites with our partner Reforest'Action. Furthermore, "grand import" logistics that were faced with urgently supplying our store teams with PPE (masks, gloves, etc.) at the beginning of the Covid-19 crisis, have chosen to compensate for the CO2 emissions related to the transportation of this PPE by planting 33,000 trees with Reforest'Action: 3,000 trees in Lipusz in Poland, 10,000 trees in Monchique in Portugal, 10,000 trees in Palencia in Spain, 10,000 trees in France at 3 sites.





- Since 2019, **LEROY MERLIN Poland** is a partner of State Forests of Poland, a Polish government organisation that campaigns for the reforestation of national forests. In 2021, 286 hectares were planted with the participation of 400 employees. Furthermore, the company is also involved locally with actions in favour of local biodiversity. This is why 46 beehives, spread over the sites of 11 stores, enable the production of honey and the organisation of workshops to heighten awareness on biodiversity with our customers.
- **LEROY MERLIN Romania** in partnership with national NGOs: EcoAssist and Crestem Romania Impreuna, planted 13,000 trees in 2021. Co-workers also contributed to the manual plantation of 250 trees in Constanta.
- **LEROY MERLIN Italy** makes shared vegetable gardens available to inhabitants on the sites of 2 stores as part of its project "Orto Fai Da Noi". In total, nearly 4,000 m² are dedicated to this purpose for local gardening enthusiasts. As well as being a place that expresses biodiversity, it is also a place to share.
- **LEROY MERLIN Spain** in association with CO₂ Revolution has continued to plant trees in areas affected by forest fires. In addition to the manual plantations in 2021, 20,000 trees have been planted using drones in the context of the "#LeroyMerlinReforesta" initiative, which converts the "likes" on the company's social networks into trees to be planted. Furthermore, the company has built and installed 83 insect hotels.
- **LEROY MERLIN Russia** has carried out tree plantations, mostly in the Altai region, for a total surface area of 119 hectares as part of its "Forestmania" project.

- **LEROY MERLIN Brazil** took part in “FSC Friday” which is an annual worldwide event for the preservation of forests. For the occasion, LEROY MERLIN Brazil renewed its “Forest week” operation. For each FSC-certified product bought, a tree is planted in Amazonia. LEROY MERLIN Brazil also took part in the restoration of 36 hectares of agroforestry in 3 cities in the state of Pará-Pacajá, Anapu that was listed as one of the ten Brazilian cities with the highest number of alerts for deforestation in July 2019.
- **BRICOCENTER Italy** and more specifically, the Milan Corsica store, contributed to the planting of 10 million seeds for bees.
- **BRICOMAN Italy** plants trees and plants at each new store opening to reduce the impact of each new construction. In 2021, the company signed an agreement with Treedom so that for each new opening, 50 fruit trees are planted.
- **LEROY MERLIN France** builds its stores with wood cladding since 2010 (French or European wood, certified PEFC). The signs are lit with LED and use a backlighting technology behind a canvas. Furthermore, outside lighting is switched off after 11 pm. In addition to the external aspect of the store, strong emphasis is put on the landscaping of green spaces and car parks with the use of local species.
- **LEROY MERLIN Spain** switches off outside lighting between midnight and 6 am to reduce light pollution.
- **ZÔDIO France** takes action to reduce light pollution: the store signs are turned off at 11 pm and the inside store lighting at 9 pm. In addition, to diminish noise pollution, order deliveries are made only between 7 am and midday.

A MADEIRA QUE CONSERVA AS NOSSAS FLORESTAS.

ESCOLHA FSC®.



**FLORESTAS
PARA TODOS
PARA SEMPRE**



A LEROY MERLIN
apóia esta iniciativa



FSC® N002572



Customer pedagogy, ecosystem

In order for all the positive solutions to be adopted by our customers, they must be informed and able to best assess the impacts. Which is why the **PEDAGOGY** is an essential link in our initiative, in particular so that **our customers can understand and learn about the performance of the products they buy to improve their homes.**

We host workshops and deploy pedagogical actions with our customers to teach them how to **consume better**. Instead of throwing away, it is always possible to repair, to transform, to recycle. There are always new solutions to be explored. These are the new reflexes that we want to encourage.

For example:

➤ **LEROY MERLIN Italy** has installed eco-compactors for plastic bottles in 38 of its stores. For every 150 bottles deposited, a customer receives a LEROY MERLIN voucher. In 2021, customers deposited almost 2 million bottles. Thanks to a partnership with the consortium Coripet, the bottles are recycled into rPET (Recycled Polyethylene Terephthalate).

➤ **ZÔDIO** organised an online event: “The ZÔDIO green week”. During this event, the ZÔDIO social networks communicated around eco-friendly pedagogy, giving tips on DIY, second life and sustainable consumption.



Some of our companies already offer product ranges that better respect the health of inhabitants or products that enable water and energy savings.



Here are some examples:

- **LEROY MERLIN Poland** promotes the sale of rainwater recovery systems and the associated accessories in its stores. Since the beginning of the year, the company has achieved a record of more than 24,860 products sold.
- **LEROY MERLIN France** renews, in 2021, its operation for the collection and recycling of radiators and launches 3 new operations: one with Screlec/Batribox to recycle batteries, another with Black & Decker to recycle electric appliances (collection increase of 27% in May 2021 vs. May 2020) and finally, with Ecosystem, for the recycling of light bulbs.
- **LEROY MERLIN Spain** is mobilised since 2016 to coordinate workshops on the environment in Spanish schools. Since the initiation of the “Hazlo Verde” programme, more than 614,000 young people and 600 co-workers have participated. The 5th edition in 2021 gathered 245 voluntary employees and 119,000 participants.
- **LEROY MERLIN Brazil** has launched a project called “Origens” to highlight local artisans who use traditional manufacturing methods. More than 300 references are available on the website and the marketplace.



Waste management

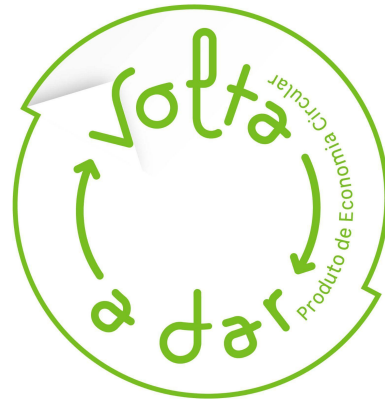
Our store activities produce waste: cardboard boxes, plastics, wood, rubble, ordinary industrial waste (OIW) and special industrial waste such as paint. **This waste is a genuine source of new raw materials that can be recycled or recovered.** The different actions in place in our companies aim to reach the following goal: **100% of our sites sort**

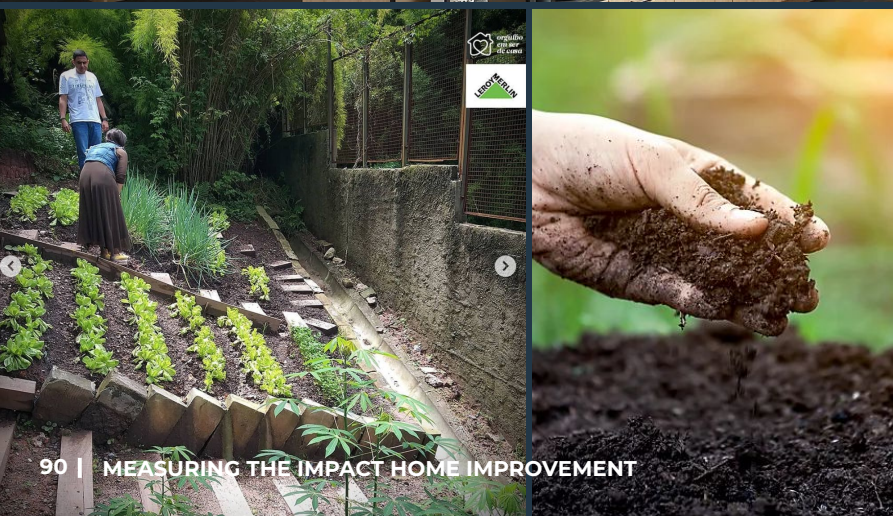
their waste and recycle where the appropriate recycling channels exist. The majority of ADEO companies equip their stores with a sorting area and coordinate performance on the management of waste in store and in warehouses. **Initiatives are also set up to give products a second life.**

		2017	2018	2019	2020	2021	EVOLUTION 2020-2021
Percentage of waste sorted at our sites	%	-	-	-	55%	59%	+ 4 pts

For example:

- **LEROY MERLIN France** has implemented a waste management tool that makes it possible to measure and coordinate monthly performance of sorting in stores. In parallel, the constitution of a “zero waste team” has made it possible to challenge and heighten awareness of best practices in store. These two initiatives together have resulted in an increase of 4 points in terms of the sorting rate, rising to 63% in 2021. The set up of new sorting channels in 2022 (rubble and plaster) will enable further improvement in this sorting rate.
- **LEROY MERLIN Portugal** has developed a range of insulation products that uses the old uniforms collected from co-workers which they wore in store. LEROY MERLIN Portugal also organised campaigns concerning the circular economy: the company recovers old electric convectors, aluminium stairs and protective shoes from its customers to reintroduce them into the manufacturing cycle of new products.





➤ **LEROY MERLIN Spain** has launched a project in collaboration with its main suppliers of wood products. It involves directly recovering wood waste generated in the Galice stores so that the supplier can grind down this wood waste and use it as a raw material to create new products that are sold in store. Since May 2021, more than 460 tonnes of waste have been recycled and used in the manufacturing of products for the ADEO brands Delinea and Spaceo.

➤ **LEROY MERLIN Brazil** rolled out the “OrgâniCO2” project in April 2021 with the Interlagos store and the distribution centre in San Paolo. All the organic waste from these sites (3.3 tonnes per month on average) have been converted into compost on site, thanks to the construction of composting stations. The compost was then used for organic gardens in local communities. Furthermore, as part of the “Posta” project, old uniforms were recycled into blankets that were donated to social institutions. The remainder was reintegrated as raw materials in other production chains. In 2021, almost 2,000 blankets were produced and distributed by 29 institutions in 6 Brazilian states.



- **LEROY MERLIN Brazil** has set up a partnership with Molecoola. A waste collection desk has been made available to customers for depositing: paper, plastic, metal, glass, batteries, electronic waste, pots of paint and aerosols. For each deposit, the customer receives points that can be used in stores via the loyalty scheme. This initiative was deployed in 15 stores. In addition, LEROY MERLIN Brazil has set up the recovery of used light bulbs, batteries and electronic devices in its stores. In 2021, a total of 247.7 tonnes of waste, were collected and sent into the appropriate sorting channels.
- **LEROY MERLIN Russia** deployed a test station for selective sorting for customers in the car parks of 3 stores. More than 33.6 tonnes of bottles, plastic, papers, metals and glass were collected and sent for recycling. It should be noted that in a lot of cities in Russia, waste from private homes is not sorted, everything is thrown out into the same bin. Since February 2021, the Moscow stores send their unsold paints, electric goods, wood and plastic products to the warehouse in South Gates so they can be recycled. This is equivalent to more than 1,850 tonnes of waste in a year.
- Finally, this year, **18 ADEO companies**, that is 2,300 employees at 220 sites took part in the international event “**World cleanup day**”. They picked up abandoned waste around their sites and in natural areas. All the internal services and stores were mobilised for this vast cleanup operation. Together, they collected more than 25 tonnes of waste.



Circular economy

The circular economy aims to reduce wastefulness of raw materials and to diminish the environmental impact at all stages of the product life.

The shared desire of ADEO companies is to get involved throughout the entire process.

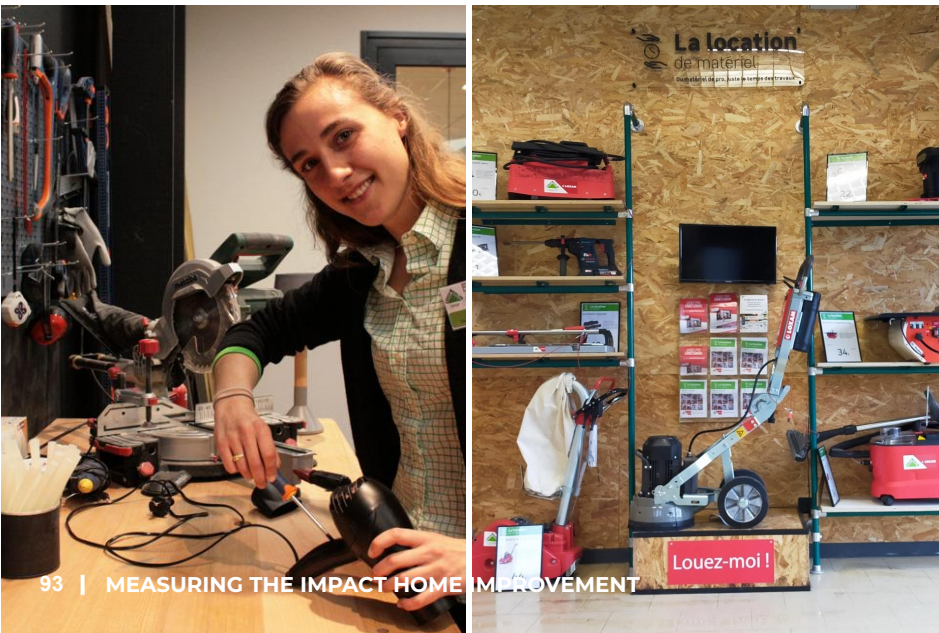
During the product design phase through the reduction of packaging (products and transportation) and via our “Positive Products” initiative.

In store by promoting the repairability of products, by making spare parts available and managing the second life of products.

During the digitalisation of our activities by prolonging the life expectancy, the second life and recycling of IT equipment.

REPAIRABILITY AND SECOND LIFE OF PRODUCTS

Several local initiatives have been tested and deployed in our companies to **promote the repairability of products and prolong their life expectancy.**



For example:

- **LEROY MERLIN France** enables its customer inhabitants to come and learn how to repair their products at the “dépannerie” (repair workshop). These workshops take place in a number of stores. In 2021, the partnership with the start-up Spareka, the “DIY” of repairs, provided assistance for more than 14,500 customers.
- **LEROY MERLIN France** has also set up sales space reserved for second-life products in more than 50 stores. The purpose is to re-market, at reduced prices, products from goods returns or from After Sales Services. Products that remain unsold in store are donated to local associations.
- **LEROY MERLIN France** has also tested a purchasing platform for secondhand products on the website leroymerlin.fr. The repurchasing of customers' unused products is offered in return for vouchers. These products are then reconditioned by a partner and re-marketed on the marketplace.



RESPONSIBLE DIGITAL

In order to counter the effects of global warming, we intend to make **conscious and responsible choices regarding our operating methods and in particular, our use of digital technologies.**

Heightening awareness

ADEO Services, ZÔDIO, LEROY MERLIN Italy, LEROY MERLIN Romania, LEROY MERLIN France and BRICOCENTER Italy took part in Digital Cleanup actions. These companies performed data cleanup in email boxes and “drive” folders. Mobile applications were selected to prolong the life expectancy and reduce the energy consumption of smartphones.

A capsule e-learning training course “responsible digital” has been rolled out **in all ADEO companies.**

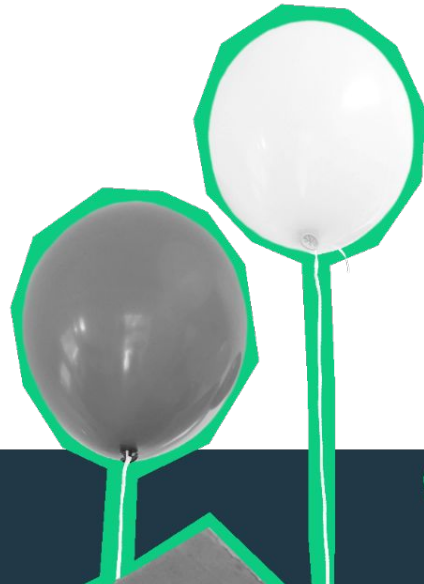
Life expectancy of computers

ADEO Services has prolonged life expectancy by 3 to 4 years. **LEROY MERLIN Brazil** by 5 to 7 years. **LEROY MERLIN Spain** and **LEROY MERLIN Romania** keep them until their end of life.

Second life of equipment

LEROY MERLIN France and **ADEO Services** recondition, recycle and make donations to associations. **LEROY MERLIN Spain** and **LEROY MERLIN Romania** go ahead with specialised WEEE recycling.

SUMMARY OF *indicators*



OUR HUMAN DEVELOPMENT		2020	2021
WORKFORCE ON DECEMBER 31 ST	No.	124,922	144,321
BREAKDOWN BY AGE GROUP			
Under 25s	No.	16,713	20,080
25 to 34 year-olds included	No.	44,407	50,195
35 to 44 year-olds included	No.	37,803	43,095
45 to 54 year-olds included	No.	20,615	24,327
55 to 64 year-olds included	No.	5,213	6,455
65 year-olds and over	No.	171	169
BREAKDOWN BY GENDER			
Men	No.	69,235	80,139
Women	No.	55,687	64,182

		2020	2021
WORKFORCE ON DECEMBER 31 ST	No.	124,922	144,321
BREAKDOWN BY GEOGRAPHICAL LOCATION			
FRANCE	No.	30,047	33,927
of which Leroy Merlin	No.	26,913	28,618
of which Bricoman	No.	2,171	2,160
of which Zôdio	No.	963	974
of which Weldom Services	No.		574
of which Adeo Services	No.		1,601
RUSSIA	No.	36,592	43,693
of which Leroy Merlin	No.	36,592	43,693
SPAIN	No.	17,810	20,825
of which Leroy Merlin	No.	14,120	15,966
of which Bricomart	No.	3,690	4,859

		2020	2021
ITALY	No.	12,411	13,602
of which Leroy Merlin	No.	7,386	7,962
of which Bricocenter	No.	1,454	1,551
of which Bricoman	No.	3,571	4,089
POLAND	No.	12,160	13,044
of which Leroy Merlin	No.	12,160	13,044
BRAZIL	No.	10,926	10,545
of which Leroy Merlin	No.	10,926	10,545
PORTUGAL	No.	4,976	5,661
of which Leroy Merlin	No.	4,976	5,661
ROMANIA	No.		3,024
of which Leroy Merlin	No.		3,024

OUR HUMAN DEVELOPMENT

	UNIT	2020	2021
Frequency rate of accidents at work	Rate	14.61	13.03
Severity rate of accidents at work	Rate	0.60	0.55
Hires	No.	41,370*	53,019
Dismissals	No.	3,669	3,908
Employee Net Promoter Score (EXI)	without unit	40	45
Turnover rate (permanent employees ≥ half-time)	%	12%*	15%
Total number of hours worked	hours	187,591,261	224,565,465
Number of hours absent on sick leave	hours	10,851,656*	12,410,892
Rate of absenteeism for illness	%	5,5%*	5,2%
Percentage of employees trained in the ADEO Ethical Code of Conduct	%	87%	87%
Percentage of female directors and site managers	%	25%	26%
Number of hours of training	%	2,382,063*	3,411,706
Number of hours of training per employee over the period	h/employee	19.1*	23.6

*2020 data restated

HOME IMPROVEMENT	UNIT	2020*	2021		UNIT	2020*	2021
Percentage of <u>new references</u> for wood and/or wood-based products from responsible sources	%	88%	84%	Percentage of green energy electricity supply to our sites	%	31%	35%
Percentage of <u>total referenced</u> wood and/or wood-based products from responsible sources (not audited)	%	NA	75%	Consumption of gas on our sites over the period*	kWh	-	262,978,990
Percentage of retail suppliers under active contract with the company's central purchasing division and having signed the Ethical Code of Conduct for Responsible Purchases	%	76%	92%	Stores	kWh	162,495,557	236,488,905
Distances travelled in relation to the transportation of goods from the logistics centre to the stores by modal split	km	-	276,970,312	Warehouses	kWh		24,527,725
Road	km	144,251,984	182,288,235	Internal services	kWh		1,962,360
Rail	km	-	78,856,632	Consumption of gas on our sites over the period*	m³	-	2,168,730
Waterways-maritime	km	-	15,825,444	Stores	m³	1,725,531	1,965,187
				Warehouses	m³	-	159,013
				Internal services	m³	-	44,530
				Percentage of waste sorted at our sites*	%	55%	59%

*2020 data published (scope of 12 companies)

APPENDICES



APPENDIX 1

TABLE OF CORRESPONDENCE WITH THE 10 PRINCIPLES OF THE UN GLOBAL COMPACT

PRINCIPLES OF THE UNITED NATIONS GLOBAL COMPACT	CHAPTER(S) OF THE DOCUMENT
Human rights	
1. Businesses should support and respect the protection of internationally proclaimed human rights.	1. Our human development 2. Home improvement
2. Companies are called upon to ensure that they are not complicit in human rights violations.	1. Our human development 2. Home improvement
International labour standards	
3. Companies are required to respect freedom of association and recognise the right to collective negotiation.	1. Our human development
4. Companies are invited to contribute to the elimination of forced or compulsory labour.	2. Home improvement
5. Businesses should contribute to the effective abolition of child labour.	2. Home improvement
6. Businesses should contribute to the elimination of discrimination in respect of employment and occupation.	1. Our human development 2. Home improvement
Environment	
7. Businesses should support a precautionary approach to environmental challenges.	2. Home improvement
8. Businesses should undertake initiatives to promote greater environmental responsibility.	2. Home improvement
9. Businesses should encourage the development and diffusion of environmentally friendly technologies.	2. Home improvement
Anti-corruption	
10. Businesses should work against corruption in all its forms, including extortion and bribery.	1. Our human development

OUR CSR REPORTING METHODOLOGY

The ADEO Group's approach to CSR reporting (hereinafter referred to by the term "ADEO Group" or "ADEO") is based on articles L.225-102-1, R.225-104 and R.225-105 of the French Commercial Code and on the transparency principles of the Global Reporting Initiative (GRI).

PRESENTATION OF THE METHODOLOGY

In accordance with the provisions of article L.225-102-1 of the French Commercial Code, the purpose of this statement is to present the way in which the Company and the subsidiaries within the scope of the statement reiterated here (hereinafter referred to under the term "ADEO Group" or "ADEO") take into account the social, environmental and societal consequences of their activities.

The mapping of extra-financial risks has been established by the Risks, Compliance and Insurance Division. The methodology for the analysis of extra-financial risks was based on three key structuring phases in which ADEO internal stakeholders were involved and consulted:

1. Definition of an extra-financial risks library and scenarios, built based on the UN's 17 Sustainable Development Goals in relation to ADEO's activity and the Group's challenges resulting from the materiality analysis.
2. Each extra-financial risk was subject to scoring at ADEO internal services level and with the Group's main subsidiaries (8 subsidiaries included in the exercise) by cross-referencing immediate impacts with impacts related to sustainability to obtain a gross risk and taking into account the degree of risk control for the net risk.
3. The risks were then ranked by taking the higher average of the scores obtained from each subsidiary questioned.

Based on the results obtained, the 43 risks were grouped into 9 macro-risks deemed to be important (before taking into account the control initiatives) in line with the We Make It Positive strategy represented by the Positive Impact house.

Furthermore, the risks and issues identified have also been cross-referenced with the list of information required to be presented in the statement and mentioned at subparagraph 2 of paragraph III under article L.225-101-2 of the French Code of Commerce. In accordance with these provisions, the exclusion of this information from the present statement shall be duly justified where appropriate.

This statement of extra-financial performance does not, therefore, constitute an exhaustive presentation of the CSR (Corporate Social Responsibility) initiative of the company ADEO GROUP and its subsidiaries, but presents the primary and/or significant risks with which they are confronted.

1. Reporting protocol

In 2013, the Group initiated a process for the drafting of a reporting protocol for social, environmental and societal information in order to standardise and enhance the reliability of reported information at Group level and published in the management report. The ADEO reporting protocol is composed of the *Reporting guide for the establishment of CSR performance data from the management report* as well as from the associated *key performance indicator sheets* available in French and in English. This protocol is updated every year and sent to all the contributors.

2. Reporting period

The data collected covers the period from 1st January to December 31st of year N, without distinction between the different data. Escalation of data is carried out annually, with 2 collections for quantitative information (on September 30th and December 31st).

3. Scope

The scope of CSR reporting is intended to be representative of ADEO activities. It is defined according to the following rules:

- Only the consolidated companies in the financial statements according to the global integration method are included in the scope of CSR reporting.
- The scope of reporting for year N takes into account all subsidiaries representing more than 2% of the Group's turnover excluding taxes (TO excl. VAT) on December 31st of year N-1.
- Entities integrated or exceeding the thresholds in year N will be included in the reporting for year N+2, in order to adopt a progressive approach.
- Entities sold or falling below the thresholds over the course of year N are excluded from the reporting scope for year N.

Exceptionally, although Bricocenter represented less than 2% of the Group's turnover excluding taxes (TO excl. VAT) on December 31st of year N-1, it was decided to maintain it in the reporting.

The scope of reporting for year N is updated on December 31st of year N-1 through the Positive Impacts challenge.

The data presented is consolidated data.

The reporting scope includes all companies consolidated in the financial statements representing more than 2% of the Group's turnover excluding taxes (TO excl. VAT) on December 31st of the previous year. **For the financial year 2021, the following retail brands are taken into account: LEROY MERLIN BRAZIL, LEROY MERLIN SPAIN, LEROY MERLIN FRANCE, LEROY MERLIN ITALY, LEROY MERLIN POLAND, LEROY MERLIN RUSSIA, BRICOCENTER ITALY, BRICOMAN FRANCE, BRICOMAN ITALY, ZÓDIO FRANCE, BRICOMART SPAIN, LEROY MERLIN PORTUGAL, LEROY MERLIN ROMANIA, WELDOM Services and ADEO Services.** The scope of reporting for the DEFP 2021 thus covers more than 90% of ADEO Group turnover excluding taxes. The rules for entry into and exit from the scope as well as specificities concerning some indicators are detailed in the paragraph "Scope".

Extension of scope for the DEFP 2021, with the integration of the following subsidiaries:

- LEROY MERLIN ROMANIA
- WELDOM Services
- ADEO Services

METHODOLOGY CLARIFICATIONS CONCERNING ENVIRONMENTAL AND SOCIAL INDICATORS

Social and environmental data is reported for store scope (excluding franchises) and internal services (including warehouses).

Note that the scope of calculation for the indicators below is as follows:

Turnover rate (permanent employees \geq half-time): since 2020, the turnover rate is calculated on a monthly basis. The annual turnover rate corresponds to the sum of the monthly turnover rates.

Carbon Assessment Scope 1 and 2: CSR reporting scope for the DEFP + Kbane. Activities' data is gathered for the stores, internal services and the warehouses. Emissions for scope 1 and 2 include emissions for energy consumption (electricity, natural gas, fuel oil, heating networks, diesel, LPG) and direct fugitive emissions. The factors of emissions used come from the ADEME database and from the IEA.

The measurement of the carbon assessment is subject to the joint approval of ADEO and the consulting firm Carbone 4.

4. Choice of key performance indicators

The choice of key performance indicators is made with regard to the social and environmental impacts of the activity of the Group's companies and the risks associated with the challenges of the professions exercised.

In view of the Group's activities, the following information was deemed immaterial and will not be published for the financial year 2021:

- Information relative to the fight against food waste
- Information relative to food insecurity, the respect of animal well-being and responsible, fair and sustainable food.

5. Consolidation and internal control

Data is collected from each company included in the scope of CSR reporting using the Oracle reporting tool "GINKGO". Qualitative information is collected using an Excel questionnaire completed by each company included in the scope of CSR reporting. Data is controlled and approved by the Group entities themselves and the ADEO Positive Impacts challenge.

Environmental and societal data

Environmental data is collected by the CSR referents at company level in liaison with the financial directors of each company, who ensure that the reporting process allows reliable data to be collected on time. Data is then sent to the Positive Impacts challenge teams for control and consolidation of data at Group level.

Social data

Social data is gathered by the Human Resources departments at BU level and escalated to the Group's HR division who check and consolidate the data. Finally, data is sent to the Positive Impact challenge teams. Should any inconsistency be observed, the sites concerned will provide all explanations relative to the proper understanding of the indicators given.

6. External controls

In application of regulatory obligations required under article 4 of the decree no. 2017-1265, the ADEO GROUP requests a reasoned opinion from an independent third party organisation (ITO) on the compliance and accuracy of the information provided in the extra-financial performance declaration. The nature of work carried out and the associated conclusions are presented in a report attached thereto.

7. Methodological limits

As part of the continuous improvement initiative, the companies participating in this reporting have increased, whenever possible, the share of real data for each indicator between 2020 and 2021.

For waste, a method of estimation was used in cases where weigh-in notes could not be comprehensively recovered for all stores:

All the stores were split into 3 categories of homogeneous revenues including taxes.
At least 20% of the number of stores in each category that are able to produce the total number of weigh-in notes have been identified.
We estimated for each category a ratio for tonnes of waste generated / TO including taxes.
We then applied this to other stores with the same category of revenues including taxes.
We then added the number of tonnes thus calculated to obtain the total number of tonnes for the company.

For energy and water consumption, in the event of lack of data for all the stores open on December 31st, the estimation method is identical to that of waste, except that the stores are split into three categories of inside sales surface area:

- small stores: inside sales surface area = < 3,000 m²
- average stores: inside sales surface area = 3,000 < 7,000 m²
- large stores: inside sales surface area = > 7,000 m²

For the calculation of the rate of absenteeism, the number of hours worked taken into account corresponds to the number of contractual hours worked, that is the number of actual hours worked and the number of hours absent for illness.

The methodological limits concerning the quantitative data reported by our companies are as follows:

INFORMATION	SCOPE IN QUESTION	DESCRIPTION
Waste	LEROY MERLIN ITALIE, BRICOCENTER ITALIE, BRICOMAN ITALIE, LEROY MERLIN POLOGNE	Weight of waste collected by local authorities not available (data not provided by these authorities).
Waste	LEROY MERLIN RUSSIE	For some stores, the number of tonnes of waste collected is estimated from collection orders that reflect an estimated maximum weight per container collected and not from weighing data.

8. Changes to 2020 data after the fact:

INFORMATION	SCOPE IN QUESTION	DESCRIPTION
Number of hours absent on sick leave	LEROY MERLIN FRANCE BRICOMAN FRANCE ZÔDIO FRANCE	Consideration of hours of absence related to occupational illness and Covid-19
Rate of absenteeism for illness	LEROY MERLIN FRANCE BRICOMAN FRANCE ZÔDIO FRANCE LEROY MERLIN BRAZIL	Consideration of hours of absence related to occupational illness and Covid-19
Number of hours of training	LEROY MERLIN SPAIN LEROY MERLIN RUSSIA	Methodological error on the 2020 data and corrected in 2021
Number of training hours per employee over the course of the period	LEROY MERLIN SPAIN LEROY MERLIN RUSSIA	Methodological error on the 2020 data and corrected in 2021
Number of hires	LEROY MERLIN SPAIN	Miscalculation in 2020



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Photos : ADEO Companies - Gettyimages