

**DUE
DILIGENCE
PLAN**

FOR THE YEAR
2025 - ADEO
Group

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1. INTRODUCTION

1.1. Context of the law

Pursuant to Law No. 2017-399 of 27 March 2017 relating to the due diligence of parent companies and ordering companies, ADEO Group is required to publish a due diligence plan (hereinafter "**the Plan**"). This contains the due diligence measures put in place to prevent and mitigate the risks of serious violations of human rights and fundamental freedoms, as well as of the environment and human health and safety.

The plan is based on the following five pillars:

- A specific risk map to identify, analyse and prioritise risks;
- Procedures for regularly assessing the situation of subsidiaries, subcontractors and suppliers with whom we have an established commercial relationship, based on the results of risk mapping;
- Appropriate action to mitigate risks or prevent serious harm;
- A mechanism for alerting and collecting reports on the existence or occurrence of risks, established in consultation with the trade unions representing the company;
- A system for monitoring the measures implemented and evaluating their effectiveness.

ADEO Group has identified the risks and defined the actions to be taken as part of its due diligence for the 2025 financial year, and is publishing them in this document.

The report on actual implementation for 2025 is included in the Due Diligence Plan, in particular through the presentation of changes in measures undertaken during 2025 and the results of monitoring indicators.

1.2. Scope of the plan

ADEO is a platform of companies offering a range of goods and services for home improvement which includes 6 specialised retail outlets: Leroy Merlin, Weldom, M – The Professional Brand, Kbane, Bricocenter and Saint-Maclou. The European leader and world No. 3 in the DIY market, the Group is present in 21 countries (according to a March 2025 study)¹.

Thanks to its network of 823 integrated shops, 98 other sales outlets and 438 franchisees and partners, ADEO makes useful and positive home improvement solutions available in shops and online.

The plan covers the activities of ADEO Group and those of its controlled subsidiaries (hereinafter "**ADEO**" or "**Group**"), within the meaning of Section II of Article L. 233-16 of the French Commercial Code. The plan also takes into account the activities of Suppliers and subcontractors with whom the Group has an "established commercial relationship", within the meaning of French law, and where these activities are linked to this relationship (hereafter referred to as "Suppliers").

¹ From the study Global Powers of Retailing 2024 published by Deloitte, Home Improvement section

The scope of the Plan is defined according to the following rules:

The scope of reporting for 2025 includes all subsidiaries consolidated in the financial statements and contributing more than 1% of the Group's Ordinary Business Income (OBI) at 31 December of year N-1, as well as ADEO Services. Weldom Central and Weldom Intégrés are integrated, considering that these two subsidiaries together exceed the aforementioned threshold.

The application of this more restrictive threshold than in the previous publication (subsidiaries whose OBI exceeded 2% of the Group total) has led the Group to include Obramax in the Due Diligence Plan for the first time this year. As N-1 comparative figures have not been restated, the figures presented for 2024 exclude Obramax. With regard to 2025, whenever the inclusion of Obramax was not possible due to the unavailability of data, this is specified.

As an exception to the scope explained above, the social indicators for the legal entity ADEO Logistics Iberia within the scope of the Leroy Merlin Spain Business Unit have been excluded due to the unavailability of data. This exception is intended to be lifted in future publications: the business line is working with the entity to prepare for collection in 2026 with a view to inclusion in future publications.

The scope for year N is updated to take account of this threshold on the basis of contribution data at 31 December of year N-1.

Acquisitions and disposals

[Unless otherwise indicated], the data presented in this document correspond to consolidated data. When a subsidiary or business is acquired and included in the financial scope during the reporting period, and provided that it crosses the aforementioned financial materiality threshold, the inclusion of this subsidiary or business in the due diligence plan is deferred to the following reporting period, thus enabling the Group to deploy diligence measures and report them to the Group within a reasonable timeframe.

When control of a subsidiary or business is lost during the reporting period, the scope of the double materiality assessment and reporting is adjusted from the start of the current reporting period.

Application of these rules results in the Plan covering more than 96% of the Group's Ordinary Business Income (OBI).

The Group transferred operational control of "Le Monlid " (formerly Leroy Merlin Vostok) to local management in December 2023. Since then, the company has operated under the full responsibility of local management. Le Monlid publishes an autonomous due diligence plan covering its scope. Given this approach and the Group's lack of operational control, this entity's diligence measures are excluded from the scope of this plan.

The table below lists the companies included in the scope of the Group Due Diligence Plan:

Name of the Business Unit	Number of employees at 31/12/2024	Number of employees at 31/12/2025
Leroy Merlin Brazil	9876	9839
Leroy Merlin Spain	17,720	17,755
Leroy Merlin France	29,302	28,612
Leroy Merlin Italy	8029	7741
Leroy Merlin Poland	12,699	12,601
Bricocenter Italy	1491	1546
Tecnomat France*	2235	2169
Tecnomat	4895	5218
Obramat	6331	7176
Obramax**	NA	2789

Leroy Merlin Portugal	5874	6069
Leroy Merlin Romania	3508	3842
Weldom Services	589	625
WELDOM Intégrés	692	669
Adeo Services	2301	2525
Total ADEO	105,542	109,176

*Formerly Bricoman France

** Entry into the scope of the Plan in 2025

ADEO offers a wide range of products and therefore works with a large number of Suppliers with varied profiles, as shown below:

- Suppliers of own brand products (Marque Des Habitants or MDH), i.e. products manufactured and sold under the name and/or brand defined by ADEO. These Suppliers work with ADEO on the basis of specifications defined by the Group's supply teams. They are given priority for Supplier mitigation and assessment and are subject to strict requirements relating to product quality and safety and compliance with sustainable policies;
- Suppliers of national brand products, as opposed to Suppliers of "private" brand products;
- Non-commercial purchasing suppliers who offer services necessary for the smooth running of the Group's activities (transport, cleaning services, waste management, etc.).

ADEO is also forging commercial partnerships with sellers hosted on its digital marketplaces in France, Italy, the Iberian Peninsula and Brazil.

1.3. Frame of reference

ADEO's principles of action, set out in the Responsible Purchasing Code of Conduct, are in line with the following international reference texts, to which all the Group's Suppliers and Marketplace sellers must also adhere:

- ILO (International Labour Organisation) Declaration on Fundamental Principles and Rights at Work;
- International human rights principles set out in the Universal Declaration of Human Rights;
- United Nations Guiding Principles on Business and Human Rights: Signatory of the United Nations Global Compact since 2019, ADEO reasserted its full support of the Global Compact's Ten Principles, with respect to human rights, international labour standards, environmental protection and the fight against corruption;
- The OECD Guidelines for Multinational companies, which set out recommendations on respect for human rights.

In addition, the Group's CSR strategy "We Make It Positive" is aligned with the United Nations' Sustainable Development Goals (SDGs), to which the Group contributes through its range of sustainable and innovative solutions for home improvement.

2. SERIOUS HARM RISK MAPPING

2.1. Global method for analysing and prioritising risks

Risk mapping, including value chain risks, was drawn up by the Risk, Compliance and Insurance Department and validated by the Risk Committee, an emanation of the Group Management Committee - Global Leader Team -. The risks covered by the due diligence plan correspond to the specific risks of serious violations of human rights and fundamental freedoms, personal health and safety, and the environment.

The identification and analysis of risks was carried out in three main structural stages, during which ADEO's internal stakeholders were involved and consulted through interviews:

1. Definition of a library of risks and scenarios, based on the UN's 17 Sustainable Development Goals in relation to ADEO's business and the Group's challenges as derived from the materiality analysis. For 2025, this library of risks and scenarios remains unchanged from 2024.
2. Each risk scenario is rated at the level of the internal departments of ADEO Services and the Group's main subsidiaries in 2024 (8 subsidiaries involved in the evaluation exercise) by cross-referencing the immediate impacts with the consequences on the Group's long-term viability to obtain the gross risk, and by taking into account the level of risk control for the net risk. The 8 main subsidiaries included in the financial year are those with sales in excess of one billion euros and which provide a satisfactory level of coverage for a representative Group map. As an exception to this rule, the Group did not include the Obramat Spain BU, which crossed this threshold during the year. However, the Group is preparing for the subsidiary to be included in 2026.
3. Prioritisation of risks by taking the upper average of the ratings obtained from each subsidiary questioned.
4. Specifically in 2025, marginal updating of scenario ratings, "according to expert opinion" is coordinated by the Risk, Compliance and Insurance Department and validated by the Risk Committee.

A significant update of the mapping of risks relating to due diligence was carried out in 2024. The work was carried out in accordance with the methodology described above, based on a revised list of risk scenarios, and led to a new rating process by the Business Units. In particular, the number of risk scenarios has increased compared with the previous mapping exercise (58 scenarios compared with 44).

On the basis of the results obtained, the 58 risk scenarios identified were grouped into 16 gross risks, i.e. before taking into account the control systems in place. However, the inclusion in the Due Diligence Plan of our response to the risk entitled "Breach in the protection of employees' and customers' personal data" was reconsidered in 2025 and the company's response is now developed in the Plan. Including the risk of a *fault in the alert mechanisms*, the Plan therefore identifies 18 gross risks.

A presentation of the diligence measures is detailed in this Plan for all the gross risks rated as *Critical* and *Major*.
















At the same time, ADEO worked on a double materiality analysis in accordance with the EFRAG guidelines. The IROs (Impacts, Risks and Opportunities) were drawn up as part of the preparatory work and brought into line with the CSRD directive, which applies to the Group from the financial year beginning 1 January 2027. However, the Group voluntarily established and published its IROs for the first time in 2025.

Due diligence mapping is an important input in defining and assessing the IROs in the materiality analysis.

2.2. Summary of risks relating to due diligence

The following risks (critical , major , important  or Minor ) have been identified as part of this diligence process. For each significant risk, the measures are detailed in the sections indicated.

Theme	Risks identified	Gross risk level	Paragraphs
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Personal health and safety risks	Endangering the health and safety of our employees		3.1.a)
	Endangering the health and safety of a customer in a shop		3.1.b)
	Endangering the health and safety of a customer as a result of the use of a good or service		3.1.c)
Environmental risks	Carbon footprint: insufficient management of our own operations, leading to non-compliance with the Paris agreements and public commitments to reduce CO2 emissions.		3.2.a)
	Product offering not adapted enough, leading to non-compliance with the Paris agreements and public commitments to reduce CO2 emissions.		3.2.a)
	Insufficient product sustainability.		3.2.b)
	Environmental impact due to poor waste management.		3.2.c)
	Negative impact of our activities on biodiversity		
Human rights risk	Discrimination against applicants, employees and customers		3.3.a)
	Lack of accessibility to digital tools for people with disabilities		
	Breach in the protection of employees' and customers' personal data		3.3.c)
	Violation of the right to a decent standard of living		
Suppliers	Violation of human rights and working conditions in the value chain		4.1
	Harm to health and safety at a subcontractor or supplier		4.2
	Inappropriate consumption of resources within the value chain		4.3
	Negative environmental impact in the upstream value chain		4.4
	Inadequate waste management in upstream and downstream value chains		4.5
Alert mechanism	Failure in alert mechanisms		5

3. RISK MITIGATION AND PREVENTION MEASURES

3.1. Mitigating and preventing health and safety risks to individuals

a) Measures to mitigate and prevent risks to employee health and safety

The health and safety of employees and customers are fundamental priorities for ADEO. The Group's "zero accident and occupational illness" objective is being achieved through the implementation of its "Safety First" strategy, which focuses on creating a safety culture in which every employee, whatever their hierarchical level, is a leader in their own safety and that of others. This approach guides the Group's actions and decisions to build and maintain safe and healthy working environments and workstations. Developed in collaboration with security experts from ADEO's various business units, this strategy, based on four main pillars, involves all the Group's employees and stakeholders (customers, suppliers, etc.):

- **Management Safety: Ensuring leadership 100% committed to safety:** ADEO considers the training of its managers to be a key element in ensuring their long-term commitment. This training is accompanied by direct follow-up in the field with the managers and business units that need it most. In addition, the variable remuneration of leaders and site managers includes, with a few exceptions, a component linked to reducing the number of accidents. Finally, the public recognition within ADEO of shops and units that have recorded more than one accident-free year, notably through the "Safe Place to Work" awards presented on the World Day for Safety and Health at Work organised by the ILO, encourages management to develop its leadership in health and safety
- **Posture Safety: Guaranteeing the commitment of every employee to their own safety and that of others:** ADEO companies have developed safety standards specific to their businesses, train their employees, organise routines such as the "safety quarter-hour", carry out regular safety visits, raise staff awareness by displaying the number of incident-free days at all sites, and celebrate World Safety Day, during which a "Safe Place to Work" ranking is shared.
- **Organisation Safety: Adapting local structures to achieve safety objectives:** Each Group company must have human resources and structures adapted to local legislation and to its own characteristics (level of risk, number of centres, dispersion, nature of workforce) in order to achieve its local objectives while respecting the Group's overall objectives. Each company has appointed a safety leader responsible for proposing an appropriate organisation to senior management. To this end, an ADEO Health and Safety Committee, set up in each BU, meets regularly and acts as a forum for consultation and participation in the creation of standards or global objectives, the monitoring of indicators and the promotion of projects.
- **Safety Goods Flow: Reducing the risk of accidents from the moment products are manufactured until they are delivered to customers:** this commitment implies increased requirements, both internally and externally (suppliers), throughout the processes of creating, inviting tenders for and making available a safer product, and in safer ways. It is therefore based on strict rules concerning design, size, packaging, palletisation and the management of flows between machines and people in the shops.

The implementation of the "Safety First" strategy has contributed to a significant reduction in the accident frequency rate (TF) and the accident severity rate at ADEO.

This strategy is based on a common health and safety framework applicable to all ADEO companies, namely the **Personal Safety Reference System** (hereinafter referred to as the "Reference System"). This Reference System covers both customers and employees, as well as anyone working on Group sites, whether in shops, warehouses, offices or on customer premises. This reference system forms the basic foundation of the security system and sets out the minimum procedures and requirements for protecting employees and customers:

- An analysis of the cross-functional risks to which ADEO employees are likely to be exposed on a daily basis in the course of their work, supplemented by an assessment at local level within the Group's subsidiaries;
- The provision of appropriate personal protective equipment (PPE) for tasks requiring it;
- Processes for reporting and analysing occupational accidents and illnesses;
- Monitoring of skills, training, accreditations and authorisations;
- Information and awareness campaigns;
- Integrating safety issues into every new project (creation of a new product or service, new business processes, etc.);
- Securing and signposting work environments and the customer journey.

It is then up to each ADEO company to apply the entire Reference System to its local context and to adapt it in the light of the identification of hazards and the risk assessment that must be carried out at least once a year, taking into account, in particular, the company's accident analysis and feedback from the "Safety First" community run by the Group, in which the Business Unit safety managers participate.

In 2023, the Reference System was significantly enhanced with a chapter on the rules for man-machine cohabitation and were shared with all General Managers, Safety Leaders and Human Resources. Between 2023 and 2024, the Group's Internal Audit department verified compliance with this chapter in a sample of business units (BUs), and systematically reported on the results and actions taken.

The Safety Reference System is implemented and managed by the ADEO Safety Leader at global level. At the same time, each of the Group's companies has appointed a Safety Leader, who is responsible for deploying this strategy within their organisation, adapting it to their size and level of risk. Each quarter, he must report to his Management Committee on the progress of the company's action plan, and each year he must send the ADEO Safety Leader a summary of the major actions taken in this area. Without waiting for these annual reports, the ADEO "Safety" leader shares information and best practices between companies and ecosystems (suppliers and partners) as part of a continuous improvement process.

As a minimum, all Group employees must receive training and relevant information on the risks present at their workstations, on the protective equipment and resources required, and on optional health monitoring to assess any possible risks or negative effects.

Actions completed by 2025

- **TF5 (potential risks identified):**
With the aim of increasing employee participation and leadership, and encouraging them to play an active role in accident and incident prevention, ADEO has included the TF5 indicator (potential risks identified) in its reference system for 2025.
This indicator encourages all employees to identify and communicate the risks present at their workstations on a daily basis, thus turning this process into a positive objective and helping to avoid occupational accidents.
In 2025, TF5 was added to the existing indicators: TF1 (accidents with lost time), TF2 (accidents without lost time), TF3 (minor accidents) and TF4 (near misses), monitored monthly. Integrating these indicators into our culture strengthens our ability to work in a preventive way, by anticipating accidents.

- **High severity scope:**

In order to accelerate and prioritise the elimination of identified risks of potentially high severity, the "High severity risk" criterion has been defined and will be deployed in 2025.

A rapid action procedure was also put in place in 2025, to ensure that the causes of any accident considered serious or fatal are initially analysed and communicated to all managers and employees worldwide, along with the preventive measures to be applied to avoid any repetition in another of our environments.

Since 2025, this classification has been applied, and a monthly summary of the cases identified is shared with the Safety Leaders of each Business Unit (BU) as well as with the Global Leader Team (ADEO's Executive Committee), in order to encourage cross-functional elimination and global monitoring.

- **Leadership Programme:**

This safety leadership training programme aims to strengthen managerial skills, train managers and provide them with the tools they need to set an example and pass on good safety behaviour to their teams.

In 2025, the programme was approved at global level, with a broader scope: it is no longer aimed solely at members of the shop management committees, but also at warehouse teams, Business Unit Managing Directors and their management teams. Full deployment is scheduled for 2026.

- **The glocal 2025 procedure to act on our most accident-prone environments:**

In 2025, a "glocal" action procedure concerning our most accident-prone environments was put in place, with the aim of reducing both our frequency rate and our severity rate. The results of this first phase are very positive: 92% of the shops or warehouses identified have reduced their accident frequency rate.

In 2026, our main objectives are to implement a digital management tool in certain pilot BUs, with a view to its subsequent roll-out across all BUs. We also want to develop a health and safety leadership and management programme for BU General Managers and shop committee members. In addition, we aim to professionalise the Safety Leader function and ensure the effective implementation of the Customer Risk Reporting Guide.

Health strategy

ADEO looks after the health and well-being of its employees at all its sites and ensures that everyone is offered a safe, healthy and serene working environment, conducive to a lasting commitment and respectful of a good life balance. In 2023, ADEO is taking a proactive approach to positioning Health and Well-being themes at a global level, and has formalised an "Occupational Health" policy around four priorities:

1. **Acting on Musculoskeletal Disorders (MSDs)** through ergonomic risk assessment, training in movements and postures and workstation design.
Ergonomic risks are identified at a very early stage in the value chain, when products are being designed or Suppliers are being sought. A simulator enables us to anticipate the life of products in shops and warehouses, and thus to work towards eliminating or reducing the occupational risks associated with materials handling.
1. **Acting on Psycho-Social Risks (PSRs)** by raising awareness among managers, to teach them to spot the warning signs of deteriorating work situations, known as toxic for mental health, so that they can intervene as quickly as possible.
Operational recommendations aimed at preserving work/life balance are also set out.
2. Developing well-being by sharing moments of conviviality in person and periods of rest and disconnection during working hours.

Promoting well-being involves, in particular, designing buildings to facilitate relaxation periods (for example: refurbishing break areas or, more generally, communal spaces to make them warm and welcoming), the introduction of health routines (for example: encouraging warm-ups at the start of lessons) and the provision of health promotion content in various forms (lectures, organising events during risk prevention week).

All BUs are also encouraged to set up a sports challenge.

- 3. Being there for our employees during significant events in their lives.** In the case of absent employees, each company is responsible for establishing a procedure for maintaining contact and preparing their return.

Each company is also committed to supporting its employees during significant events in their lives, and to this end has established measures to support parenthood, employees who are carers and employees who are experiencing financial difficulties as a result of their state of health.

Finally, the BUs provide access to specialist external support for employees who need it (psychological support, social assistance, etc.)

ISO 45001 certification

The ISO 45 001 standard is a reference certification, valid for 3 years, assessing the quality of the health and safety management system.

By the end of 2025, seven Business Units were ISO 45001 certified, including Leroy Merlin Portugal (which has extended the scope of its ISO 45001 certification to 24 sites), Leroy Merlin Spain, Bricocenter, Tecnomat Italy, two Leroy Merlin France shops, Leroy Merlin Brazil and Leroy Merlin Italy. Other Business Units are currently engaged in a similar process.

The Group confirms its target of having 100% of its BUs certified by 2027.

Internal audit programme for the Safety reference system

Since 2022, ADEO's internal audit department has been rolling out a Safety audit programme designed to assess the effectiveness of the Safety First strategy and compliance with the ADEO reference system. This 3-year programme covers all the BUs within the scope of the Plan. Given the volume of activity represented by these audits, it has been decided to extend the audit programme to 2025. This campaign came to an end at the end of 2025. From 2026, ad hoc safety audits will be carried out on a case-by-case basis and on more targeted subjects.

The audit guidelines used are based on the ADEO internal audit reference system. The audit programme, which focuses mainly on risks to employee safety, includes control points reviewed in interviews with BU departments, as well as in-store and warehouse inspections.

The audit conclusions lead to a result of compliance according to 4 levels: Good/very good/insufficient/very insufficient. The audit is the subject of a report including corrective action plans with 3 levels of priority (P1, P2, P3) depending on the criticality of the subject. The audit results are shared with the CEOs and members of the Executive Committee, the HR Department and the Group Safety team. A summary presentation is also shared with the Group Safety Committee. The BU must justify the action plans implemented in response to the various recommendations. Whenever an audit reveals an inadequate or very inadequate assessment, a follow-up audit is planned approximately one year later to verify the implementation of the action plans.

Mitigation and remediation measures are assessed using the following indicators:

Monitoring indicator	2023	2024	2025	Variation
Frequency rate of accidents at work	14.6	12.9	9.5	-26%
Severity rate of accidents at work	0.72	0.72	0.65	-10%

Rate of absenteeism for sickness	5.1%	5.5%	5.6%	+0.1 pt
Total BUs within the scope of the Plan certified ISO 45001	4 out of 14	4 out of 14	7 out of 14	+3 BUs
BUs within the scope (1st Internal Safety Audit)	3	2	3*	+1 BU
BUs in the scope of the safety monitoring audit	2	2	2**	=

*Adeo Productions (Adeo Services), Leroy Merlin Poland, Bricocenter

**Leroy Merlin Brazil and Oramax Brazil

b) Measures to mitigate and prevent health and safety risks to customers in shop

When it comes to the safety of customers in the Group's shops, in addition to the communication carried out through posters, a range of measures are implemented for this purpose:

- Drawing up detailed plans in each shop to take account of the risk associated with the characteristics of each product, such as its weight, volume, chemical characteristics, size, etc.
- A store layout adapted to each type of product as well as the fire protection of the building with regular checks. Special attention must be paid to the accessibility of intervention means (extinguishers, fire hose cabinets) and emergency exits;
- Easier, safer aisle traffic for customers, but also for handling equipment and relocation work.

Safety instructions for customers:

With the aim of creating safer environments for customers, 23 prohibition or warning messages and signs have been identified for standardisation in 2024. In 2025, these signs were communicated to all Business Units as mandatory minimum signs, to be progressively installed in shops over the course of 2025 and 2026, with the support of ADEO's Health and Safety team.

Customer safety indicator

The Group's high standards of safety for customers on the sales floor cannot be maintained without the introduction and use of a new indicator to monitor and evaluate the effectiveness of the measures implemented.

As a result, from the end of 2023, each company has been asked to report the number of customer incidents in relation to the number of checkouts per shop, so that the Customer Safety indicator can be monitored. Since January 2024, this indicator has been included in the monthly reporting of all Business Units.

In 2026, it will be integrated into the design of the digitised global safety management system (all BUs), including in particular the recording of customer incidents and accidents. This digital solution will aim to improve the quality of the indicator as well as the analysis of the causes of incidents and accidents, so that appropriate preventive measures can be implemented in all Business Units.

Monitoring indicator	2024	2025	Variation
Number of accidents involving injuries to customers in-store per million checkouts*	3.40	3.31	-3%

*Excluding Oramax Brazil

c) Measures to mitigate and prevent risks to customer health and safety when using a good or service

ADEO incorporates a set of safety rules relating to size, weight, composition and packaging into all calls for tender (from the various service providers) relating to products sold or services offered to customers, to ensure that products do not represent a danger to those who handle and use them.

100% of the Group's own-brand industrial subcontractors, national-brand Suppliers and marketplace sellers are contractually committed to complying with all legal provisions to guarantee a high level of safety for all end-users.

As part of a preventive approach, the Group's quality policy makes it possible to check the reliability of industrial Suppliers and subcontractors, by requiring proof of their reliability prior to listing.

For own brands, the burden of proof is produced by independent laboratories at the request of Group companies. Over and above current legislation and as part of the Group's voluntary policies, ADEO is gradually eliminating from the composition of its products the hazardous substances (not banned) to which customers and employees may be exposed. The Group favours a risk analysis approach, taking into account the duration and frequency of exposure during both the installation and use phases, and the vulnerability of exposed populations.

Thanks to the risk prevention measures put in place, the number of anomalies leading to a consumer recall for health or safety reasons on the 1P" offer has been divided by 20 in 5 years for both national and own-brand products.

Product quality, compliance and safety

To ensure product quality, compliance and safety, ADEO has drawn up a Quality Manual based on a set of procedures designed to ensure compliance with quality requirements and sustainable policies throughout the Group's supply chain.

At the heart of ADEO's quality processes, the Quality Management System (hereinafter "QMS") is a digital solution which guarantees the implementation of quality requirements and compliance with CSR policies by Suppliers by structuring and facilitating the exchange of documents and evidence with them prior to the listing and marketing of products.

The QMS currently addresses 13 Business Units, including Adeo Services, Weldom France, LM (France, Spain, Portugal, Italy, Poland, Brazil, Romania), Technomat France and Bricocenter. Following the integration of Obramat (Spain and Portugal) in 2025, expansion will continue in 2026 with the roll-out of Technomat Italy and Obramax Brazil.

For each product listed, QMS automatically assigns a risk level (minor, major or critical) based on the criteria of regulatory risk, risk to property, risk to people, risk to people in abnormal use and sustainable development risk. QMS also lists the various documents required to validate the listing in accordance with the applicable regulations and standards. The level of evidence of compliance collected varies according to the regulatory status endorsed by ADEO and its companies (distributor, importer, manufacturer) and the level of risk associated with the product. These documents are sent to all the stakeholders involved in the quality process, in particular the laboratories that validate and perform the tests deemed necessary. Products are only released for sale once the quality and safety aspects have been validated.

Product compliance and life cycle

MATRICE DES PRINCIPES D'EXIGENCES QUALITÉ EN FONCTION DU RISQUE PRODUIT ET DU STATUT RÉGLEMENTAIRE

Exemple de traitement de qualité

Risque lié au produit	Statut réglementaire		
	Fabricant	Importateur	Distributeur
Critique			
Majeur			
Mineur			

	Certifier le produit (collecter les documents et effectuer les tests), effectuer les autocontrôles, qualifier les usines et contrôler la production...	Se conformer aux politiques de développement responsable d'ADEO (bois, conditions sociales, substances dangereuses)
	Collecter les documents de conformité, effectuer les autocontrôles, qualifier les usines, contrôler la production.	
	Collecter les documents de conformité (destinés au consommateur final)...	

Product conformity is a prerequisite for listing and marketing products. To this end, ADEO requires Suppliers to be familiar with the regulatory requirements applicable to the product in the country where it is marketed, and to have proof of compliance available. As part of the Group's quality approach, product conformity is defined at 3 levels:

- Safety and regulatory compliance;
- Compliance with the Group's specifications (specifications and technical specifications); These specifications, which include both regulatory requirements and additional voluntary requirements such as the certified origin of the wood, help to reduce the risk of environmental damage;
- Compliance with the Group's responsible development policy (wood, hazardous substances and packaging policies).

These requirements apply to the entire listing of ADEO products. In the event of a breach of safety and compliance obligations, the Group applies a non-compliance procedure.

Quality audits

A quality audit is carried out for each factory that produces the Group's MDH. It corresponds to an independent assessment carried out on the factory site with the aim of ensuring that its quality management system complies with a standard specific to ADEO, based on the international standard ISO 9001.

The audit result and report are recorded in the QMS quality management tool. Depending on the outcome of the audit, corrective action plans may be required to achieve, as a minimum, the level of control required to start up or continue a commercial activity.

The systems used to measure the effectiveness of product compliance processes are as follows:

Monitoring indicators	2023	2024	2025	Variation
% of products marketed (MDH Import) certified as compliant with health and safety requirements	100%	100%	100%	=
% of national brand listed products comply with health and safety requirements	100%	100%	100%	=
Number of consumer recalls for health and safety reasons (IP products)	12	10	3	-7

Percentage of listed factories for MDH finished products qualified in quality	97%	98%	97.6%	-0.4 Pt
Percentage of listed suppliers self-assessed for quality	55%	72%	77%	+5 pts

Hazardous Substances Policy

Aware of the impact that products and manufacturing processes can have on the health of consumers and employees, ADEO has committed, through its policy on hazardous substances, to going beyond existing regulations, particularly with regard to indoor air pollution in line with its main mission of improving the quality of housing. ADEO's ambition in this area is twofold:

- Firstly, to develop and market products that are as harmless as possible to health and the environment, either by acting on the composition of products, by limiting controversial substances, or by disseminating the necessary information on the correct use of products and the use of appropriate protective equipment;
- Secondly, to limit the exposure of consumers to the most dangerous substances contained in products, with the aim of improving the indoor air in their homes.

In 2024, a strategy to derisk our MDH products was put in place by working methodically on the products and their components that are most at risk and most harmful to consumers' health. A specific focus was placed on the REACH regulations and in particular on SVHC (Substances of Very High Concern).

Marketplace

Since the creation of the "EU" MarketPlace, ADEO has set up a permanent filtering system, upstream of the listing of products on the MarketPlace by the sellers, in order to guarantee the safety of consumers as well as the quality of the products offered for sale.

Two filters are applied:

- The first is RAPEX (Rapid exchange of Information System), the EU's rapid alert system for dangerous consumer products and consumer protection. As soon as a product is offered for sale, it is analysed by this database. If the reference appears in this database, it is automatically removed.
- A second is called "QMS BLOCK" (Quality Management System Block). As soon as a product is offered for sale, it is analysed by this system. If the product reference has already been unqualified on the IP, the listing is automatically excluded.

Other automated control systems complete the system, depending on the nature of the products, to check the conformity of published media or product characteristics.

3.2. Mitigating and preventing environmental risks

a) Measures to mitigate the carbon footprint of our own activities and that of our products

To structure its action, ADEO relies on its Climate 2025 strategy, supported by the Positive Impacts Global Leader and the Climate Regeneration team. This low-carbon strategy is based on internationally recognised methodologies (GHG Protocol, ADEME, IEA, DEFRA), and ensures that the Group's actions are in line with the objectives of the Paris Agreement - limiting global warming to well below 2°C and encouraging efforts towards 1.5°C - and with the European trajectory of carbon neutrality by 2050. It constitutes the overall framework for managing climate issues for all the Business Units and covers all the Group's emissions (Scopes 1, 2 and 3 and avoided emissions).

In line with the Paris Agreements, ADEO is committed to an ambitious decarbonisation trajectory aimed at contributing to carbon neutrality by 2050. With this in mind, in 2026 ADEO will submit the following targets to the SBTi (Science Based Targets initiative) for validation:

- Scopes 1 & 2: Absolute reduction of 63% by 2035 (base year 2021).
- Scope 3 (Products): Absolute reduction of 37.5% by 2035 (base year 2021).
- Supplier commitment: Increase to 50% the proportion of suppliers (by volume of emissions) that have adopted science-based reduction targets.

This submission marks a key stage in the deployment of the Group's low-carbon strategy, which is based on concrete actions to reduce direct emissions (Scopes 1 and 2) and indirect emissions (Scope 3).

Although it does not have a formally defined transition plan, the Group has put in place an operational decarbonisation plan incorporating concrete actions to reduce its CO₂ emissions on the product offering, involving all the Group's Companies. In 2025, ADEO has continued to work on structuring its business to ensure it has a comprehensive transition plan. We aim to comply with the expectations of the ESRS E1 by the time we publish our first CSRD sustainability report in 2028 for the financial year 2027. On this subject, the Group's companies are responsible for setting out their decarbonisation pathways and implementing roadmaps aligned with these objectives.

The environmental impact of products on the market accounts for 95% of Scope 3 emissions, making their design, manufacture, use and end-of-life a key factor in decarbonisation. This challenge underpins the Group's ambition to offer a more resource-efficient, sustainable and climate-friendly product range.

In this context, ADEO has identified the product families with the greatest potential for reduction, structured around the ten priority uses detailed in Pillar 2 of section 2.5 Actions linked to climate change mitigation and adaptation (E1-3). These uses represent the main sources of carbon impact and guide the gradual transformation of the Group's offering.

To meet these challenges, ADEO is deploying a Climate Strategy 2025, which constitutes the single frame of reference for managing climate issues within the Group and is structured around three pillars detailed in 2.5 Actions linked to climate change mitigation and adaptation (E1-3):

The Climate Strategy 2025 covers all the Group's emissions (Scopes 1, 2 and 3) and is based on three complementary pillars:

- Pillar 1 - Reduce operational emissions (Scopes 1 and 2): ADEO is first taking action on its direct emissions by improving the energy efficiency of its buildings, increasing the use of renewable energies and decarbonising the transport of its goods using alternative modes of transport.
- Pillar 2 - Transform the product offering (Scope 3): The Group then works with its suppliers to design products that have a reduced impact, both in terms of how they are manufactured and how they are used, through eco-design, the traceability of raw materials and the reduction of impacts over the entire life cycle.
- Pillar 3 - Avoid housing-related emissions: Lastly, ADEO develops and makes available renovation and energy efficiency solutions that enable residents to take control of their energy consumption, thereby making a direct contribution to reducing greenhouse gas emissions.

Reducing the carbon footprint of buildings

Within the scope of sites and operations (Scopes 1 and 2), the Group's Companies are taking significant action to:

- Optimise energy supply;

- Improve the energy performance of buildings;
- Rationalise freight transport and;
- Reduce the use of fossil fuels.

Several Business Units are implementing their own energy efficiency and environmental footprint reduction initiatives. These actions are detailed in section 2.5.1 of the environmental information in ADEO's ESG 2025 Impact Report.

Electricity needs in France covered by PPA contracts

ADEO's ambition is to supply all Leroy Merlin, Weldom, Kbane, Saint Maclou and Tecnomat shops in France with renewable energy, produced directly on its sites or through partnerships with renewable energy producers.

To achieve this objective, since 1 January 2024, a farm of nine wind turbines located in Haute-Marne has been exclusively dedicated to the energy needs of ADEO companies in France.

This project is a first for the Group and in France. PPAs (Power Purchase Agreements) have developed strongly in the solar sector, but ADEO is the first Group to sign this type of contract for wind power.

Thanks to the three PPA wind and PPA solar contracts it now has, the Group is able to cover almost 70% of the electricity needs of its French retail outlets, strengthening its energy resilience and contributing directly to reducing its greenhouse gas emissions.

Other local initiatives in terms of sustainable management of operations are presented in the various communications of ADEO and its retail outlets, including the ESG impact report.

The effectiveness of energy optimisation measures in buildings is assessed using the following monitoring indicators:

Monitoring indicators	2024	2025	Variation
Scope 1&2 carbon footprint - Location Based (t. eq. CO2)	176,951	180,690	2%
Carbon footprint scope 1&2 - Market Based (t. eq. CO2)	194,450	173,920	-11%
Percentage of renewable energy consumption	65.1%	73.7%	+13.2 pts
Electricity consumption at our sites (Kwh)	758,686,933	796,878,210	+5%
Gas consumption at our sites (Kwh)	92,095,434	108,012,688	+ 17%

Methodology for calculating the carbon footprint Scopes 1 and 2

Activity data is collected for shops, internal departments and warehouses used for the Group's activities. Scopes 1 and 2 emissions include combustion emissions from energy consumption (electricity, natural gas, heating oil, heating networks, diesel, LPG, etc.) and direct fugitive emissions. The emissions factors used come from the ADEME database, the IEA, IPCC AR6 (the latest IPCC report) and Cerema (the French centre for studies and expertise on risks, the environment, mobility and planning).

In order to align with the international standards prescribed by the GHG Protocol, only the emissions associated with the combustion component are taken into account in scopes 1 and 2. Upstream emissions linked to energy consumption, mainly the extraction and transport of fossil fuels, the carbon depreciation of electricity production infrastructures, and network losses are recorded in Scope 3.

Furthermore, since 2022, Scope 2 emissions have been calculated using the market-based method in order

to assess companies' efforts to use renewable energy.

Footprint generated by the Group's products (Scope 3)

A cross-functional strategy to improve the social and environmental impact of our offer: "Positive Products"

The product is at the heart of the Group's mission, its business activities and its utility. The product represents nearly 95% of ADEO's carbon footprint, from the extraction of raw materials to its end of life. That's why making the most sustainable and responsible solutions in ADEO's offering more accessible is the key challenge of the "Positive Products" initiative, launched in 2019.

Through the Positive Products approach, we are committed to reducing our impact over the entire life cycle of our products, from the extraction of raw materials to their end-of-life. The aim is to improve the environmental and social footprint of our products, and to help steer our customers towards more responsible consumption.

As part of this approach, ADEO has established a responsibility base, i.e. a set of mandatory and essential requirements reflected in various themed policies (wood, hazardous substances, packaging, sustainable raw materials and social and environmental qualification of suppliers and factories) which apply to all BUs, and which are gradually being integrated into the product conformity management approach.

In view of the major role played by the products it sells in its carbon footprint, ADEO has developed the Home Index, a transparency tool to help customers make more sustainable choices.

This indicator assesses the environmental and social performance of a product according to 30 criteria, on a scale from A (best environmental performance) to E (worst performance). The Home Index is both an eco-design lever and a customer information tool

:

- it enables ADEO teams to involve suppliers in a process of continuous improvement of the social and environmental impact of their products;
- it gives customers a clear and reliable picture of these impacts, to encourage more responsible purchasing (present on 85% of references).

This indicator is gradually being rolled out across the Business Units

Transforming the offering

Given the weight of products in ADEO's carbon footprint, transforming the offering is an essential part of ADEO's 2025 climate strategy.

To take effective action, ADEO is focusing its efforts on reducing impacts in these key categories:

Customer use	Target impact	Products
Lighting the home	Promoting energy-efficient light bulbs	• LEXMAN Class A (LED) bulbs > -65% power consumption vs Class G
Heating the home	Proposing more efficient heating systems that have less impact	• Heat pumps and efficient electric radiators • Pellet stoves
Water heating	Innovating with more efficient and high-performance water heaters.	• Class A+ water heaters • Flat and connected water heaters > -15% carbon emissions • Equation thermodynamic water heaters for the French market by 2026

Water consumption	Promoting low-flow products	<ul style="list-style-type: none"> • Dual flush toilets • Smart showerheads • Low-flow taps
Cooling the home	More efficient air conditioners and move towards passive energy solutions for cooling	<ul style="list-style-type: none"> • Haier A+++ Equation air conditioning > -11 to 27% emissions
Floor coverings	Reduce the thickness of tiles, use recycled materials or wood	<ul style="list-style-type: none"> • 9mm thick tiles instead of 12mm > -47% carbon footprint • Recycled materials in vinyl floorboards
Wall coverings	Offer bio-sourced or recycled paints	<ul style="list-style-type: none"> • Biomass-balanced paints
Cementing and bonding	Reducing the clinker content of cement	

Methodology for calculating the Scope 3 carbon footprint

Scope 3 emissions cover all indirect emissions generated throughout the value chain. This is calculated by multiplying the activity data by the corresponding carbon emission factor. They are based on the following main categories of emissions:

- Input purchases directly linked to our trial balance.
- Travel
- Capitalisation
- Upstream energy consumption (extraction, infrastructure depreciation and network losses).
- Waste treatment (based on the European waste nomenclature)
- Outsourced freight transport
- Product-related emissions: these include emissions generated over the entire life cycle of the product - i.e. raw materials, manufacture, use and end of life. Transmission and distribution are calculated separately.

The scope for calculating this indicator includes the following entities: Leroy Merlin Poland, Leroy Merlin Spain, Leroy Merlin Italy, Leroy Merlin France, Leroy Merlin Brazil, Leroy Merlin Portugal, Leroy Merlin Romania, Tecnomat Italy, Obramat, Tecnomat France, Bricocenter and Weldom. Obramax data is estimated. This data is measured using the in-house PCO₂ (Product Carbon Calculator) tool.

In 2025, a number of methodological changes have been implemented to calculate Scope 3 emissions:

Products:

- Update of emission factors for raw materials (wood and plastics);
- Revision of usage models for certain products (mobile electric heaters, garden equipment and tools);
- Increase in the emission factor for wood combustion;

Others:

- Harmonisation of DEFRA monetary emission factors for indirect purchases;
- Alignment with the European waste nomenclature and use of EcoInvent factors for end-of-life treatment (replacing ADEME factors).

These methodological changes have a direct impact on the comparability of the 2024/2025 data. In accordance with the requirements of the GHG Protocol, all previous years are recalculated using the new assumptions in order to ensure the consistency of the time series. Emissions for previous years have therefore been restated to include these updates.

Footprint generated by goods transport

Goods transport is the third largest contributor to the Group's carbon footprint, after the footprint associated with our products and customer travel. Controlling the environmental footprint of operations involves controlling the Group's logistics, and more specifically transport. To this end, ADEO has set up a specific mission to accelerate and coordinate actions to decarbonise transport by optimising logistics schemes and distribution activities.

Since 2023, each Business Unit has been formalising its transport decarbonisation plan within a common Plan structure, based on a 5-pillar strategy:

- Increasing the number of lorries and containers filled;
- Reduce distances travelled by optimising distribution networks and circuits (development of cross-docking, etc.);
- Using rail or barge transport;
- Increasing the use of biofuels;
- Testing the use of alternative energies.

It is also based on a strong principle: the total absence of recourse to air transport for goods, a commitment that is consistent with the decarbonisation trajectory that has been set.

An ADEO-wide decarbonisation plan is consolidated on the basis of plans for BUs representing 80% of ADEO's sales. However, the Group has now decided to no longer follow the intensity reduction target mentioned in the previous year's plan in line with the SBTi commitment.

At present, the initiative is based on a quarterly measurement of greenhouse gas emissions linked to transport.

Monitoring indicators	2024	2025	Variation
Greenhouse gas emissions related to scope 1 / 2 / 3 - Location based (t. eq. CO2)*	62,552,014	70,450,169	+13%
Percentage of sales with a Home Index score of A, B or C	38.5%	53.7%	+15.2 Pts
Total GHG emissions linked to the upstream and downstream transport of goods (t. eq. CO2)**	655,376 **	639,469	-2.4%

*Data restated for 2024 due to methodological changes in the measurement of Scope 3 Products, the accounting of indirect purchases and waste.

** 2024 data adjusted using the methodology in force in 2025

Avoiding housing-related emissions (avoided emissions)

Housing accounts for around 25% of global greenhouse gas emissions, of which:

- Almost 15% comes from energy use (heating, domestic hot water, lighting);
- 5% of building construction and;
- 5% of purchases relating to interior fittings (electrical appliances, furniture, coverings, etc.).

In the European Union, buildings alone account for 40% of energy consumption and 36% of energy-related greenhouse gas emissions.

To remedy this, Directive (EU) 2024/1275 on the energy performance of buildings sets ambitious targets:

- Zero emissions for new residential buildings by 2030;
- 16% reduction in average consumption by 2030 and 20-22% by 2035 for existing buildings;
- 55% of this reduction should come from the renovation of the least efficient buildings;
- 75% of existing buildings (around 35 million in Europe) to be renovated by 2050.

Faced with these challenges, ADEO is committed to the decarbonisation of housing by helping residents to reduce their energy consumption and emissions through its renovation and energy efficiency solutions.

To help decarbonise housing and reduce the pressure it exerts on the climate, the Group is focusing on five priority markets:

- Insulation products to minimise energy loss;
- Doors and windows for improved airtightness and energy efficiency;
- Modern heating and air conditioning systems, optimised for a low carbon footprint;
- Temperature control devices to better regulate and optimise energy consumption;
- Products and solutions for producing energy, such as solar panels.

The Group relies on the measurement of avoided emissions to monitor the effectiveness of its measures. Avoided emissions refer to reductions in greenhouse gas emissions made possible by the use of products or solutions that emit less than the solutions currently available on the ADEO market. They are calculated on the 5 priority markets.

Monitoring indicators	2023	2024	2025	Variation
Avoided emissions from products sold	3,171,454	3,166,888	4,084,099	29%

b) Product sustainability

Eco-design of products

Improving the sustainability, repairability and recyclability of products - and in particular own-brand products - requires greater dissemination of eco-design practices: to this end, training courses have been offered at ADEO Production and LMF. After familiarising its teams with eco-design assessment practices through 60 lifecycle analyses, the Group is now taking a more systemic approach, encouraging suppliers to share their own assessments using a standard and harmonised databases (INIES / EPD International). In addition, ADEO Services, via its "ADEO Productions" business, is a producer of own-brand products, and complies with article 72 of the Agec law, which provides for a prevention and eco-design plan covering a period of 5 years, as does Leroy Merlin France.

Repairability, repair

Repair services contribute directly to extending the life of products and reducing waste by avoiding premature replacement of equipment that is still functional. They are also a lever for customer satisfaction and loyalty, when repairing a product allows it to be used for longer at a lower cost than replacing it.

In order to manage this sustainability, the WeCare digital solution is used to take care of customers, manage warranties with suppliers, and provide information to employees in charge of repairs or ordering spare parts. The gradual roll-out of this tool is now fully effective in 6 BUs: LM Italy, LM Portugal, LM France, LM Spain, LM Poland and Bricocenter Italy. In the case of Tecnomat France, the planned roll-out has been postponed, mainly because of the company's economic difficulties. This solution is also being developed by Weldom for wider deployment in March 2026, including in franchised shops. In 2025, these BUs recorded more than 1.4 million customer returns linked to a product problem, making it possible to measure and monitor the reliability of the Group's products and those of its suppliers. Products with a high rate of returns and negative reviews (Bottom 5 approach) are thus identified. A monitoring table showing these rates enables the teams in charge of these issues to take corrective action if the reliability commitment is not met.

Making products last also means repairing them, once a commitment to repairability has been made by manufacturers. The Group collects repairability commitments from these companies when each product is listed, and then monitors repair rates (number of products actually repaired out of the number declared repairable*).

In the case of Adeo Services as a producer, actions to improve this rate are being taken directly; in 2025 in particular: rewriting after-sales strategies for several product categories, integrating an after-sales stage into the product development process, rolling out the "Positive Box" (own-brand spare parts for furniture

and showers) in 5 BUs, recruiting 5 new partner repairers in Italy and Portugal, creating a training module dedicated to repairs and after-sales service.

Finally, in 2025, deliveries to partner shops and repairers of spare parts for own-brand products will be 8% higher than in 2024, representing a total of 270,000 parts. In 2025, repair rates for own-brand products will be: 65% at LM Portugal, 45% at LM France, 28% at LM Poland, 25% at LM Spain and 22% at LM Italy.

Overall, across the 6 BUs where Wecare is deployed, ADEO teams and their partners have repaired more than 460,000 products.

Second Life Products

"Second Life" initiatives, which offer customers a discount on products with minor defects (aesthetic or functional) that do not call into question their usefulness, continue to make headway in the Group's various BUs.

The shops are equipped with additional dedicated "Second Life" corners: Leroy Merlin France will have 50 by 2025 and will switch over all its shops by 2026. Leroy Merlin Spain will have 90 shops by the end of 2025 and will complete the roll-out in 2026. Leroy Merlin Poland has deployed an "Outlet" corner in 100% of its network by 2025. Leroy Merlin Portugal has 11 shops with a specific Second Life corner, and Leroy Merlin Italy has 6. As for Leroy Merlin Brazil, the test in one shop was conclusive on 2025, ready to roll out to several shops in 2026. As far as Leroy Merlin Romania is concerned, the BU has decided to focus its circular economy efforts on better waste management and has put second life on hold for 2026. In total, by the end of 2025 and throughout the scope, there will be almost 400 shops offering "Second Life" products.

Alongside these initiatives, ADEO is implementing digital processes and supports that provide a framework for improved traceability of activity (control protocols to ensure the reliability of the products on offer, monitoring of sales data) but also make it easier to carry out professional tasks in shop. Leroy Merlin France has launched 2 pilot projects using the ADEO 2life digital tool, and is preparing to onboard its entire shop network (140 shops) by 2026. Tests are planned in Spain in 2026.

In 2025, 2.3 million products were "saved from the bin".

Product rental

The Group is also deploying product rental solutions - particularly for tools - as an alternative to the purchase of new products. These rentals are carried out either directly - with own products, as is the case at Leroy Merlin France and LM Italy and LM Poland - and/or in collaboration with partners - at Leroy Merlin France, Portugal, Spain, Italy, as well as Weldom and Bricocenter Italy. In 2025, more than 200,000 rentals were made in these BUs.

Marketplace

After a test phase since the end of 2023, the possibility of offering second life products (as is or reconditioned) on the Leroy Merlin France MarketPlace has been open to all sellers since December 2024 and is constantly increasing. This initiative led to the sale of 423 refurbished units in 2024, a figure that more than doubled in 2025 in France. This facility has also been implemented in the Leroy Merlin Portugal and Leroy Merlin Spain MarketPlace since 2025.

c) Managing and reducing our waste

Managing the impact of packaging

The environmental impact of commercial products also takes into account the impact of their packaging. The ADEO Group's sustainable raw materials policy for packaging aims to achieve three objectives.

1- Increase the recyclability of packaging for commercial products.

By removing non-recyclable or very low-recyclability packaging elements, such as PVC, expanded polystyrene (EPS), and bioplastics.

For own-brand products, by 2025, 98% of packaging will no longer use these materials. There are still 2% of items where replacing the EPS cushioning material with another, more recyclable material degrades the protective function and has a counterproductive effect since it generates more product breakage.

For national brands, the same principle is applied on a subsidiary basis to suppliers, who manage their substitution plan.

Launched in 2018, this strategy is bearing fruit and is leading all European economic operators to take a calmer approach to the arrival of the new European PPWR regulations, which intensify the requirements in terms of recyclability.

2- Increase the use of recycled or sustainably managed materials in the design of product packaging

For all commercial products where the protective function of the packaging can be maintained, we use materials from certified recycling channels and/or virgin materials from certified sustainably managed channels.

For both own-brand and national brands, we are aiming for 50% of natural fibre-based materials (cardboard) to come from recycling channels by 2028.

The Group has also set itself a target of zero single-use plastic in packaging by 2032.

3- Reduce the use of packaging

Apart from primary packaging, whose protective function is essential to avoid product wastage, we limit the use of single-use packaging in our sales concepts by encouraging, wherever possible, the use of bulk packaging and reusable bags for their packaging.

Shop and warehouse waste

Shops and warehouses generate waste: cardboard, plastic, wood, rubble, non-hazardous industrial waste and special industrial waste such as paint. In accordance with national regulations, all BUs are taking steps to collect, sort, recycle or recover unavoidable waste in the recycling or treatment channels for the industries concerned (packaging, chemicals, etc.).

In accordance with the AGECE Law, BUs located in France have been obliged since 2023 to finance and organise the in-store take-back of used products belonging to the Extended Producer Responsibility (EPR) channels in which they are involved.

This approach is gradually being rolled out to all Leroy Merlin, Weldom and Bricoman integrated shops subject to the regulations. Following the first tests of waste collection centres (areas dedicated to the collection of business waste) launched in 2023, the process of generalisation has begun. However, recent developments in France within the Construction and DIY Products and Materials (PMCB) sector are prompting a review of the initial plan.

The Group's sites generate non-hazardous and hazardous waste. The quantity and identification of types of waste are monitored, both within the regulatory framework, with the various BUs sending the different registers to the national authorities, and also with a view to setting up waste reduction action plans to improve waste recovery.

Waste management is monitored using the "Percentage of waste sorted at our sites" indicator. This indicator makes it possible to target the right waste streams for better treatment, i.e. better recovery, such as recycling, and thus to reduce waste treatment through disposal.

Monitoring indicator	2023	2024	2025	Variation
Percentage of waste sorted at our sites	75.1%	79.3%	80.8%	+1.5 Pts

3.3. Mitigating and preventing risks to human rights and fundamental freedoms

a) Measures to promote diversity and inclusion & fight against discrimination and harassment

According to our internal policy, being "human first" means acting with kindness, by including all those who share the Group's values. To this end, ADEO supports and has signed up to a number of diversity and inclusion initiatives:

- The Women's Empowerment Principles (WEPs) to promote equality between women and men;
- The Disability Charter (Global Business and Disability Network) of the ILO's worldwide network to promote the inclusion of people with disabilities in the world of work;

At a more local level, Leroy Merlin France and ADEO Services have signed agreements on disability, which include an action plan structured around 4 major themes: (i) recruitment and (ii) maintaining employment of people with disabilities, (iii) management, communication and awareness/training, (iv) responsible purchasing. Adeo Services is also a signatory of the Diversity Charter.

Diversity & Inclusion policy

These commitments are directly reflected in the Diversity & Inclusion policy and in the various ADEO codes of conduct, including the Ethics Charter.

From 2021, ADEO has decided to give impetus and leadership to the subject of diversity and inclusion at both Group and local level by prioritising and organising actions. On this occasion, a global ADEO Diversity and Inclusion strategy was co-constructed with the BUs. This strategy, which has been shared with all the Group's CEOs and HR Directors, aims:

1. to increase the diversity of teams at all levels of the company;
2. to develop an increasingly inclusive culture to enable everyone to achieve their full potential.

This strategy, which was launched in 2021, will continue to be rolled out across all BUs in 2025 via ADEO's Diversity & Inclusion Strategy Committee, which brings together managers and internal players or external experts, and via the Diversity & Inclusion Leaders appointed in each BU, who are responsible for the overall strategy on a monthly basis.

With regard to increasing the diversity of profiles at all levels of the company, two universal subjects have been identified as priorities in terms of diversity: gender equality and disability.

The Group has mobilised and organised itself around a cross-functional programme to set the entire organisation in motion towards the ambition of achieving 34% female senior executives and site managers by the end of 2027. The target has been revised downwards from the previous ambition to better reflect our ability to produce and develop female talent. Today, programmes like Booster H'er are available and attracting more and more participants. To fully achieve our talent development objectives, however, we need time to identify and prepare them.

In 2025, ADEO will have 27.8% female managers, an increase of 5 points in 5 years. To achieve the target of 34% female directors and site managers by 2027, the Group is working to encourage the development of female employees, and to identify, support and finally appoint women to positions of very high responsibility.

IN 2025:

- **Development:** For the year 2025, BOOST'HER, our Global Female Leadership Development Programme, has been deployed at LMF, ASFR, Tecnomat France, Weldom with the participation of 47 female employees, at Leroy Merlin Portugal for 20 female employees and finally 30 at Leroy Merlin Spain. In each case, the programme is made available to the BUs in their local language. It enables participants to develop the 8 competencies of the leadership model. This scheme also helps to nurture the pool of internal female candidates. The participants' managers also receive support in the form of three two-hour sessions
- **Identification:** The company is making progress in identifying high-potential female profiles. In 2025, 53% of women were identified in the "HiPo" programme, which aims to identify and develop future members of management committees in companies (BUs) or in relation to corporate challenges.
- **Women in senior management positions:** 5 women hold this position in our companies - Leroy Merlin France, Leroy Merlin Ukraine, Tecnomat Italy, Bricoman Poland, Saint Maclou.

With regard to the development of an ever more inclusive culture, because inclusion is a feeling, it was decided to measure the feeling of inclusion experienced by ADEO employees by evaluating the three dimensions below. After 3 initial waves starting in 2022, a 4th wave continued to promote this feeling of inclusion in December 2025. The statements tested for each of the three themes.

1. Open-mindedness: "I feel that the company encourages open-mindedness and allows me to be myself in my interactions with colleagues and customers"

2. Equitable opportunities: "I feel I have the same opportunities for promotion as my colleagues, whatever my personal situation (gender, age, sexual orientation, ethical background, etc.)"

3. A sense of belonging: "I feel at home with my colleagues"

The final indicator has been modified for 2025, based on measuring the % of employees with a positive opinion. An opinion is considered positive when the survey respondent "agrees" or "strongly agrees" with the above statements. The other possible opinions were "strongly disagree", "disagree" and "neither disagree nor agree".

The average score for the Group for this measure of the feeling of inclusion is 80.3% "positive opinions" in 2025, compared with 80.3% in 2024. As a reminder, according to the old method of calculation, the average score for the feeling of inclusion on all three questions was 8.1 out of 10 in 2024

In addition, a large number of local initiatives support the Group's 2 global priorities (gender equality in the workplace and disability) and make a broader contribution to meeting local challenges in different countries. For the fourth year running, the "Get involved" Festival brought together all the Companies to highlight and celebrate local initiatives in the fields of diversity, inclusion and solidarity. 110 projects were submitted for this 4th edition. All the other diversity and inclusion initiatives of the companies are presented in the various communications of ADEO and its companies.

Disability

ADEO is strongly committed to promoting the employment of people with disabilities, by raising awareness among its teams, taking part in dedicated job fairs, providing appropriate training and promoting best practice. ADEO now sets itself the target of achieving the legal rate of employment of people with disabilities set by each country, and monitors at global level the percentage of legal quotas achieved by BU, weighted by the number of employees in each BU. At the end of December 2025, Weldom Intégrés and Centrale, Leroy Merlin Spain, France, Brazil and Poland had reached the legal quota, bringing the overall percentage of legal quotas reached to 90.5%.

Raising awareness of diversity and inclusion

Two e-learning modules to raise awareness of diversity and inclusion have been created and have been available to all employees since June 2023 in the language of their BU.

A 1st 6-hour training course on the challenges of diversity and inclusion in the Group's activities and their role in relation to these challenges has also been set up for the members of the BUs' management committees (5 management committees trained by the end of 2024): Weldom, Tecnomat France, Leroy Merlin Greece, Brazil, Bricoman Poland and Leroy Merlin Poland). In 2025, updated training for the management committees of the BUs was rolled out to the management committee of Leroy Merlin Italy and the HR Co-lead of ADEO.

The following indicators are used to monitor measures to promote inclusion and diversity:

Monitoring indicator	2023	2024	2025	Variation
Breakdown of employees by gender	Men: 57,459 Women: 46,187	Men: 58,427 Women: 47,115	Men: 60,644 Women: 48,532	Men: 3.8% Women: +3.0%
Percentage of female directors and site managers	24.8%	26.7%	27.8%	+1.1Pts
Percentage of disabled employees	3.8%	3.9%	4.3%	+0.4 pt
Overall rate of achievement of legal quotas in countries for the inclusion of people with disabilities	NA	86.5%	90.5%	+4Pts
Percentage of positive opinions on the feeling of inclusion	NA	80.3%	80.3%	=

b) Employee ethics

ADEO's Ethics Programme is set out in the ADEO Code of Ethical Conduct, which constitutes the common ethical reference system for all ADEO employees, managers and companies. Where the Code is more stringent than local laws or practices, it prevails. The code of ethical conduct is described in section G.3.1 - Information on business conduct - Corporate culture and business conduct policies of ADEO's 2025 Impact Report.

Monitoring indicator	2023	2024	2025	Variation
Percentage of employees trained in the ADEO Ethical Code of Conduct	76.4%	94.8%	94.4%	-0.4 Pt

c) Protection of employees' and customers' personal data

Policies on personal data

ADEO and all its entities are committed to ethical conduct, based on respect for individuals, for the company and for the values shared and implemented by each employee on a daily basis.

The protection of personal data is an inseparable part of our commitments and our ethical rules, ensuring that our values are perfectly in line with our legal imperatives.

The Group defines internal policies governing, in particular, data retention periods and the management of data breaches. The implementation of these policies relies on dedicated digital tools to ensure operational follow-up, continuous monitoring and regular reporting to the ADEO teams.

A Group Data Protection Officer (DPO) defines and steers the common framework, draws up the applicable compliance rules and ensures that they are implemented. It leads a network of local DPOs, who are responsible for adapting this framework to the regulatory requirements of their country, supervising its operational application and reporting on key indicators. In some countries, these functions may be shared between several entities. The DPO is attached to the finance department.

Within the Group's companies, the role of the DPO is to:

- maintain a register of processing operations,
- orchestrate the processing of requests to exercise rights,
- analyse and notify data breaches when required,
- support projects to ensure that the principle of privacy by design is applied,
- train employees in data protection issues.

This organisation is complemented by the existence of global and local committees which monitor the framework defined and ensure that it is adopted by all entities through a network of leaders.

The framework aims to protect the data of customers, employees, suppliers and all stakeholders. It is based on a number of fundamental principles, including annual risk mapping to identify and monitor the real risks faced by each entity;

- a guarantee that all processing has an appropriate legal basis and a controlled storage period;
- a commitment to transparency to data subjects;
- respect for the exercise of their rights;
- stricter requirements for selecting and monitoring subcontractors;
- the implementation of proportionate security measures in line with the Group's cyber security policy;
- and the ongoing empowerment of employees, in particular through awareness-raising and training initiatives.

This system provides a coherent and operational framework enabling ADEO and its companies to guarantee responsible, controlled and compliant management of personal data.

Measures relating to personal data

In order to anchor its commitment to the protection of personal data, ADEO is deploying a series of structured actions aimed at ensuring coherent and consistent compliance across all its companies:

A coordination body regularly brings together the Group's DPO community and their teams. It enables essential information to be shared, practices to be harmonised, the progress of actions to be monitored and the effective application of the compliance framework to be ensured across all entities.

ADEO has also introduced common procedures for evaluating processing activities, projects and digital solutions, whether developed in-house or sourced from external partners. These assessments ensure that each initiative complies with the defined framework. They are based on a global, centralised tool designed to document processing, identify the associated risks and manage the action plans needed to control them.

A specific training programme on the protection of personal data is deployed among employees to ensure a level of awareness appropriate to each individual's responsibilities. A number of e-learning modules have been designed and are gradually being rolled out across all entities to reinforce understanding of the challenges of data confidentiality, integrity and availability.

Finally, ADEO provides DPOs with dashboards enabling them to monitor the main compliance indicators, whether in terms of managing requests to exercise rights, handling data breaches or keeping the register of processing activities. These tools facilitate day-to-day management and contribute to the continuous improvement of compliance within the Group.

One of the indicators monitored across the ADEO group is the number of data processing activities recorded in our tool, which enables us to identify personal data processing activities, document them, analyse them and manage compliance. Each Adeo BU must have its own register.

Monitoring indicator	2024	2025	Variation
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Register of personal data processing (art. 30 of the GDPR): Number of data processing activities recorded in our group tool	1,266	1,397	+10.3%
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The change in 2024/2025 can be explained by the constant strengthening of our processes for identifying the processing of personal data, in line with changes in our business activities.

4. ACTIVITIES OF SUPPLIERS & SUBCONTRACTORS

4.1. Responsible purchasing policy

Commercial Purchases

ADEO makes every effort to select Suppliers who best meet its requirements in terms of quality, working practices and environmental protection.

The Code of Conduct for Responsible Purchasing is incorporated into the contracts of Suppliers of commercial purchases, who undertake to comply with it. It formalises ADEO's commitments in the context of its commercial relations, as well as the rights and duties with which Suppliers must comply, particularly in the following areas:

- Social (prohibition of child labour, prohibition of hazardous work, abolition of forced labour and human trafficking, freedom of association and collective bargaining, health and safety of workers, working conditions, non-discrimination and combating harassment);
- Business ethics (conflicts of interest, gifts, invitations and travel, Supplier relations, accounting controls);
- Environmental protection (raw materials, product composition and energy, manufacturing processes and packaging, product transport, use and reparability);
- Quality, safety and conformity of products throughout their life cycle;
- Protection of personal data.

The Code of Conduct for Responsible Purchasing is overseen by a Global Leader for Supply and Industry, appointed by the Supervisory Board. This mission is entrusted to the Group Quality Director, who relies on regional quality platforms for operational deployment. The Group Quality team defines social compliance rules and oversees their application in all Business Units.

By 2025, 98% of our commercial Suppliers had signed the Code of Conduct for Responsible Purchasing. Suppliers who have not signed the code have been identified in order to raise any sticking points and clarify relations on a case-by-case basis.

To ensure compliance with these principles, ADEO works with its quality teams to implement control procedures based on a risk-based approach to selecting and monitoring Suppliers throughout the contractual relationship. Based on the results of these checks, corrective measures can be determined jointly with a supplier, associated with a monitoring and control system. In the riskiest cases or in the event of a serious breach of the Code of Conduct for Responsible Purchasing, ADEO reserves the right to apply sanctions that may lead to the termination of the contractual relationship, a sanction that is already in place and applied.

Marketplace Sellers

Application of the Code of Conduct for Responsible Purchasing has been extended to sellers on Adeo's marketplaces in 2023.

As a result, the indicator relating to the percentage of the code signed now includes marketplace sellers. A seller's listing on the Marketplace is established by signing the marketplace's general terms and conditions of service and transmitting the information required as part of the KYB ("Know Your Business"). For companies hosted on the EU and Brazilian Marketplaces, the ADEO Responsible Purchasing Code is included in the General Terms and Conditions of Service signed by a seller with the owner of the digital infrastructure. A seller is therefore deemed to have signed the Code from the moment he accepts the General Terms and Conditions of Service.

Non-commercial purchases

A Non-Commercial Purchasing Code of Conduct applies to a scope of Non-Commercial Suppliers, subject to any specific local legal conditions. Signatory Suppliers undertake to comply with the Code of Ethical Conduct and to work with Group companies to implement it and, if necessary, to take any appropriate corrective action as part of a continuous improvement process. This code formalises a set of commitments in terms of business ethics.

Non-compliance with the Code may lead to the implementation of immediate corrective measures, in accordance with the contractual stipulations to this effect, or even, depending on the seriousness of the failures and/or the absence of corrective action plans, to the termination of the contract.

The indicator for monitoring our progress, "percentage of signatory Suppliers", has been extended from 2022 to third-party non-commercial Suppliers with a volume of expenditure of €150k or more within each BU.

At the end of 2025, the Group is close to its objective of reaching a target of 100% of active Suppliers, both commercial and non-commercial, having signed the code of ethical conduct.

Monitoring indicator	2023	2024	2025	Variation
Percentage of commercial Suppliers under active contract with the Company's central procurement office who have signed the Responsible Purchasing Code of Conduct	91%	97%	98%	+1 Pt
Percentage of non-commercial suppliers with an active contract with an Adeo company that has signed the ethical code of conduct for responsible purchasing (Non-Commercial)*	69.7%	84%	88%	+4 Pts
Percentage of Marketplace sellers who have signed the code of ethics	99.6%	99.8%	94.1%	-5.7 Pts

*Excluding Obramax Brazil

4.2. Health and safety at a subcontractor or supplier

Suppliers of national brand products demonstrate their health and safety risk prevention policy by carrying out a social and environmental self-diagnosis recorded in the Group's quality management tool. This self-diagnosis enables ADEO to measure the level of voluntary initiatives implemented by its Suppliers.

For Suppliers of ADEO own-brand products, the health & safety dimension is assessed in the MDH finished product factory via an audit carried out by a third party in accordance with the ICS reference system. The result of the audit and the burden of proof are recorded in the Group's QMS quality management tool. Depending on the outcome of the audit, corrective action plans may be required to achieve, as a minimum, the level of control required to start up or continue a commercial activity.

In the case of a national brand supplier, the results of the self-diagnosis are used to help the supplier implement a preventive and/or corrective action plan. If it is the result of an audit, the same reaction rules apply whether it is a supplier of national brands or own brands.

Monitoring indicator	2023	2024	2025	Variation
Percentage of listed factories for MDH finished products qualified in social area	97%	97.5%	98.6%	+1 Pt
Rate of self-evaluated listed suppliers in the social sector	57%	73%	72%	-1 Pt

4.3. Responsible sourcing of raw materials

- **Wood policy:**

The aim of ADEO's wood policy is to contribute to the preservation of natural resources, local communities and biodiversity. The aim is to guarantee that the wood fibres used in our commercial products come from responsible sources.

ADEO's Group wood policy incorporates the traceability and due diligence principles of the European Union's Wood Regulations (EUWR) and extends their scope to all commercial products containing wood fibre purchased by the Group. In addition, it encourages all its Suppliers – MDH and National Brands – and all its entities – ADEO Productions and Business Units – to use wood certification.

Therefore, to demonstrate that their wood supply chain is responsible, Suppliers and their own Suppliers must have evidence, from the raw material chain to the finished product, of the following:

- Wood industry certification issued by an independent third party (Forest Stewardship Council (FSC), Programme for the Endorsement of Forest Certification (PEFC));
- & / or
- Compliance with the six cumulative criteria defined in the wood policy and verified by an independent third-party expert in wood traceability recognised by the European authorities (Preferred by Nature);
- In all cases, when the supply chain originates from a geographical area deemed to be "at risk", additional checks are carried out by an independent third party expert in the timber sector recognised by the European authorities (Preferred by Nature).

The risk of the Group's commercial wood fibre offering coming from non-responsible sources is assessed according to the following 5 aspects:

- 1/ Rights of local populations;
- 2/ Protection of threatened and protected species;
- 3/ Preserving ecosystems and biodiversity;
- 4/ Preserving the integrity of soil and water;
- 5/ Low GHG emissions.

The Group is responsible for determining, collecting, verifying and storing these data.

When a BU's quality/compliance activities are handled by the ADEO quality platform, this procedure is implemented by the regional quality platforms using the QMS global quality management tool, which hosts all the evidence of certifications and verifications.

Until now, the indicator used to monitor the effectiveness of the Group's *wood policy* was the percentage of products that complied with the policy.

In order to simplify the management of our supply chains and use automated control processes, we have decided to extend FSC and PEFC certification to supply chains previously validated only by "Preferred By Nature", and have modified our monitoring indicator to track the number of supply chains exclusively certified by FSC and PEFC.

Monitoring indicator	2023	2024	2025	Variation
Percentage of total references (own brands and national brands) of wood and/or wood-based products from responsible sources (All BUs covered by Quality Governance)	94%	94%	91%	-3pts
Percentage of all wood and/or wood-based product references from responsible sources (Adeo Productions)	99%	99.9%	100%	+0.1 Pt
Percentage of total references (own brands and national brands) of wood and/or wood-based products from FSC/PEFC certified responsible sources (All BUs covered by Quality Governance)	70%	78%	80%	+2 pts
Percentage of total references for wood and/or wood-based products from FSC/PEFC-certified responsible sources (Adeo Productions)	80%	94%	98%	+4 pts

- Sustainable raw materials policy:**

The wood policy was supplemented in May 2022 by a broader policy on the sustainable sourcing of raw materials, to reinforce the "Sustainable Resources" pillar of the Group's Positive Products approach, namely the Responsible Raw Materials Policy. The aim is to reduce the environmental impact (in particular GHG emissions, especially carbon, as well as soil, air and water pollution generated during the extraction and production of our raw materials) of our products throughout their life cycle by using traced and/or certified raw materials, and not just products made from wood.

This policy is based on an eco-design approach aimed at reducing impacts, in particular greenhouse gas emissions (hereinafter "**GHGs**"), particularly during the extraction and production of raw materials, but also at the end of a product's life, since recycling generates new raw materials that can be reintegrated into future products. It is based on different levers of action depending on the origin of the raw materials and the stage in the life cycle concerned.

LIFE CYCLE STAGE	RENEWABLE RAW MATERIALS	NON-RENEWABLE RAW MATERIALS
EXTRACTION/ PRODUCTION OF RAW MATERIALS	1. Optimisation of the weight of materials in the composition of the product while complying with the specifications defined and required for the product ⇒ Balance between technical performance and quantity of materials used in products	

	2. Selecting materials with a low carbon footprint ⇒ Limiting the extraction of raw materials and promoting the quality and safety of recycled materials	
	3. Selection of materials with guaranteed traceability of origin, including legal and responsible management ⇒ Guarantee that materials comply with environmental, social and health criteria	3. Selection of bio-based materials produced under sustainable conditions ⇒ Favour biomaterials with low-carbon profiles. In this case, the materials must be traced as renewable raw materials.
END OF LIFE	4. Prioritising materials for which end-of-life solutions exist, and if they are recycled, subjecting them to high-quality and safe recycling processes in order to guarantee the supply of compliant secondary raw materials ⇒ Reduction in products without recycling, compostability, biodegradability or reuse outlets ⇒ Production of high-quality, safe secondary raw materials (recycled materials) for reuse in new products	

This policy, which has been rolled out initially to the Group's own-brand products and subsequently to its national brands, is based on so-called "Positive Contribution" actions, while the in-house teams responsible for designing own-brand products are made aware of the environmental, economic and social issues involved in choosing more responsible raw materials.

4.4. Regular supplier evaluation procedures

a) Commercial Purchasing scope

A Commercial Purchasing Supplier is any natural or legal person who supplies goods directly to Group companies. The procedure for qualifying Suppliers and/or factories does not apply to sellers on marketplaces

ADEO's objective is to support its Suppliers and their factories in guaranteeing and sustainably improving product quality, working and living conditions for workers, while limiting their direct impact on the environment. The quality, social and environmental qualification of its Suppliers is a key step in controlling the impact of the production of its products.

This is why the qualification of Suppliers and their tier 1 factories is a mandatory condition for establishing and maintaining commercial relations with the Group. It is organised on two levels, depending on the status of the ADEO company:

Company status	Description of status*	Factory Audits	Self-assessment supplier
DISTRIBUTOR	An ADEO company has the status of distributor for products whose brand belongs to the supplier and when the supplier is located on the distribution market. For example: International brand product from Italy distributed in France.	Optional	Mandatory

IMPORTER*	An ADEO company is an importer when it buys a product under the supplier's brand and the supplier is located outside its distribution market. For example: International brand imported from Asia and distributed in Europe.	Mandatory	Mandatory
MANUFACTURER*	An ADEO company has manufacturer status when it distributes an MDH product.	Mandatory	Mandatory

*For the Brazilian market, manufacturers and importers have the same responsibility.

Supplier self-assessment:

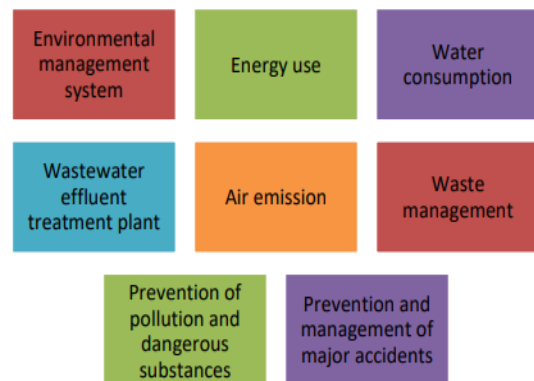
Since 2021, all Suppliers of national brand and MDH products have been required to complete a self-assessment questionnaire, available in the QMS system, which covers various independently assessed aspects: quality, social and environmental. The aim is to enable suppliers to make their own diagnosis of the Group's quality requirements and positive impacts. These self-assessments must be updated every three years. Where the results raise a high risk, any non-conformity must be the subject of corrective action by the Supplier.

The self-assessment will be carried out in 2025 on the following scope: Active listed Suppliers for the following companies: ADEO Services, Leroy Merlin Brazil, Leroy Merlin France, Leroy Merlin Italy, Leroy Merlin Poland, Leroy Merlin Romania, Leroy Merlin Spain, Technomat France , Leroy Merlin Greece and Cyprus, Leroy Merlin Portugal, Leroy Merlin Ukraine, Leroy Merlin South Africa, Obramat Spain and Portugal.

Factory audits:

In terms of social and environmental audits, since 2008 ADEO has been involved in the Initiative for Compliance and Sustainability (ICS), a multi-sector initiative aimed at improving social and environmental working conditions in global supply chains.

Environmental compliance is assessed in the light of the following 8 topics:



For finished product factories where ADEO companies have regulatory status as importers or manufacturers, an environmental audit is also carried out for factories with an industrial process considered to have a particularly high impact ("high impact" based on the guidelines of the IFC International Finance Corporation)² on the environment, in terms of air, water or soil pollution.

²

Since 2022, environmental audits have been a prerequisite for the selection of new "high impact" factories. All audits are carried out by independent external auditors. Qualification is established on the basis of a score from A to E. Only factories that score A or B are qualified. Factories that score 'C' can also be qualified, but only if they apply a sustainable corrective action plan.

In the event of non-conformity detected during the audit, the supplier undertakes to return the corrective and preventive action plan to ADEO within the period required by ADEO. The supplier also undertakes to implement the necessary immediate corrective actions when a major risk to the environment has been raised. Follow-up audits are carried out to ensure that suppliers implement these actions.

The audits were carried out in 2025 on the following scope: referenced MDH finished product factories (excluding 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 Spain, Leroy Merlin Greece and Cyprus, Leroy Merlin Portugal, Technomat France.

The Percentage of MDH finished product reference factories qualified for an environmental audit (only "high impact" factories) is used to monitor the "Management of the environmental impact of our Suppliers" risk:

Monitoring indicator	2023	2024	2025	Variation
Percentage of MDH finished product reference factories qualified for environmental audit (high impact factories only)	96%	95.9%	98.4%	+2.6 Pts
Rate of self-evaluated listed suppliers in environment	55%	72%	70%	-2 Pts

b) Non-Commercial Purchasing scope

The Indirect Purchasing Department has launched a number of global initiatives for 2024:

A risk map (social, environmental, regulatory) for all non-commercial purchasing categories was drawn up in 2024. The results will be presented to the BUs in March 2025, and should enable an action plan to be drawn up and implemented from June 2025 onwards. The aim is for the BUs to take ownership of the risk map, to collect the initiatives already launched locally and to set themselves targets.

At the same time, the Global team, with the support of the BUs, is working to develop a cross-functional responsible non-commercial purchasing policy, with the aim of integrating regular assessments of human rights, social and environmental criteria into common purchasing processes and disseminating them for application during the second quarter (format: business reference system). The scope of application is all BUs covered by indirect purchasing.

With a view to mitigating supplier risk, a project to create a "suppizy" supplier listing process was launched in September 2024, with roll-out to part of the BU scope using Oracle ERP in 2025. The process aims to automate and control the creation of third parties (non-commercial suppliers) to enable:

- 1. simplifying the collection of third-party evidence upstream of the creation (due diligence);
- 2. identification of third parties (e.g. companies in the sheltered sector);
- 3. integrating purchasing into the creation process and thus avoiding the creation of suppliers who do not meet the Group's criteria.

4.5. Waste management within the value chain

For every product brought into a country, there is a future waste product. To collect and treat some of this future waste, 3 European directives impose eco-contributions on economic operators each time they introduce these products into one or more countries of the European Union. These Extended Producer Responsibilities (EPR) finance the recycling of household packaging, batteries and electrical products. For products brought into France, the AGECL law also extends this principle to DIY and garden products, chemical preparations, tyres, furniture and oils.

Through its activities, the Group assumes its extended responsibilities as producer for all own-brand products introduced into each of the European markets, as well as for supplier-brand items purchased by the ADEO Group BUs from a European country other than the one in which they will be selling. Under the Digital Service Act, the ADEO marketplace is also responsible for financing eco-contributions when a marketplace seller fails to meet its producer obligations.

Where sales involve products already on the national market, the extended responsibility lies with the supplier.

Depending on the country, producers must indicate their registration number (U.I.D) with one or more eco-organisations in their general terms and conditions of sale.

As a result, each of the Group's European BUs makes a financial contribution to recycling based on the nature of the products and in proportion to the quantities introduced into each market. These contributions are calculated on the basis of national scales by the eco-organisations, which check the accuracy of producers' declarations on an annual basis.

The principle of due diligence is applied to detect inconsistencies in the commercial offers of distributors/marketplace sellers (for example, by checking the veracity of the unique I.D.U. identification number or by cross-checking the amount of the eco-participation displayed in the selling price with the average amount applied in the same country for a similar product).

In other cases, where the company is not a producer within the meaning of the regulations, and it is established that the supplier/marketplace seller is not complying with its obligations as a producer, a corrective plan is applied by means of a financial provision to compensate the non-compliant operator and also to interrupt sales.

To guarantee the reliability and transparency of the declarations, the Group's BUs rely locally on independent external service providers (e.g. AETLIS in France and Spain), who check and assist the BUs during the regular compliance audits carried out by the eco-organisations.

In all cases, the Group's BUs inform customers of the amount of the eco-participation by including it in the sales price, as well as the procedures for taking back waste, depending on the type of waste and the country in which it is sold.

With regard to waste management upstream of the value chain, the on-site environmental audits described in section 4.4.a ensure that waste is identified and stored in such a way as to avoid the risk of pollution. The efficient use of production waste reinjected into the industrial process is not a mandatory criterion, nor is the proportion of recycled material purchased as part of the factory's input.

5. ALERT MECHANISM

As part of the proper application of its Code of Ethical Conduct as well as its compliance with the Sapin II law or the due diligence, ADEO has set up a whistleblowing system for reporting and processing any information relating to a potential violation of applicable laws and regulations, human rights, fundamental freedoms, the health and safety of individuals or the environment, and the principles of the ADEO Code of

Ethical Conduct. The alert mechanism was presented to the employee representative bodies of the Business Units in accordance with the legal framework applicable in each country.

The alert mechanism, present in all Business Units, is accessible to all employees, as well as to Suppliers, service providers, commercial and non-commercial partners (non-profit partners and sponsors). The latter undertake in particular, at the time of contracting, to comply with the Code of Ethical Conduct specific to ADEO's commercial and non-commercial partners and to partners in the context of donations and sponsorship, and to inform their employees/members in contact with ADEO of the existence of this alert channel.

Access to the "Whispli" reporting platform is possible via a specific link inserted in the Code of Ethical Conduct appended to the internal regulations for employees and in the Code of Ethical Conduct appended to the internal regulations for suppliers, service providers and recipients of donations. The form is accessible 24 hours a day, 7 days a week and is available in any country where ADEO has a subsidiary, in the local language, as well as in most other countries.

Each Business Unit implements a communication plan to make the connection link easily accessible to its internal and external stakeholders. For external stakeholders, the connection link is available in the code of conduct signed by the various stakeholders concerned. To this end, access is available in the various Codes of Ethical Conduct by means of a dedicated chapter, as well as on ADEO's corporate website and on the websites of almost all the Business Units.

An Ethics Committee has been set up within each BU, with responsibility for assessing each alert received to determine whether it is admissible or not (type of facts reported, sufficient information to enable an assessment, etc.). If the alert is admissible, a process to qualify the facts is put in place so that the Ethics Committee can issue an opinion on how the alert should be handled. The Ethics Committee is made up of a minimum of permanent members, namely the Anti-Corruption Officer, the HR Officer and the Anti-Fraud Officer, as well as non-permanent members, namely the Diversity Officer, the Anti-Harassment Officer, the Safety Officer and the Personal Data Protection Officer.

ADEO has taken all necessary measures to protect the identity and personal data of the author of an alert and of the persons targeted by the alert. Investigations and reports resulting from an alert are treated in complete confidentiality. The sender of the alert may choose to report it anonymously. In the opposite case, information identifying the person making the alert may only be disclosed, except to the judicial authorities, with the person's consent. Once the alert has been reported, the author is informed of how it is being handled, including when it is closed.

A person who has raised an alert in good faith may not be punished, dismissed or subjected to any direct or indirect discriminatory measure in connection with the alert raised, even if the facts reported prove to be unjustified after investigation.

Monitoring indicator	2023	2024	2025	Variation
Number of alerts received on the Whispli platform	787	784	954	22%

6. SYSTEMS FOR MONITORING MEASURES AND EVALUATING THEIR EFFECTIVENESS

The Risk, Compliance and Insurance Department draws up a map of the Group's risks, specifically incorporating the challenges posed by the due diligence law. This map is validated by the Risk Committee, which is part of the Group Management Committee - Global Leader Team - dedicated to risk analysis. The

annual review of risk mapping ensures that the risks identified are dealt with effectively, in accordance with applicable laws and the due diligence actions expected given ADEO's activities.

A Diligence Committee set up by the Group oversees the management of risk-related actions and diligence measures, the assessment of their effectiveness and their presentation in the Plan.

The Diligence Committee, set up by the Positive Impacts Department in July 2022, is made up of representatives from the following departments of the company: Human Resources Department, Commercial Products Quality Department, Non-Commercial Purchasing Department, Legal Department, Risk, Compliance and Insurance Department. The committee has met quarterly since then. It has the following prerogatives:

- Identifies the weak points in the diligence measures and defines a level of ambition by listing the priority points for improvement in terms of diligence measures;
- Recommends to the business lines an appropriate level of human and financial resources dedicated to diligence actions;
- Identifies and assigns key contributors (business leaders, narrative writers);
- Determines the timetable for drawing up the plan and ensures that it is adhered to;
- Ensures that the information presented is transparent and traceable;
- Each of its members acts as a liaison officer on diligence issues within his or her business line.

In 2025, ADEO continued to implement the requirements of due diligence with regard to all its activities and its relations with Suppliers. The Group has a number of systems in place to monitor the implementation and effectiveness of the measures set out in this plan.

The Group's Due Diligence Plan teams are responsible for the operational management of the Group's Positive Impacts Objective. The Objective uses the Group's ESG reporting tool to establish the results of the indicators and conducts regular interviews with the business units responsible for implementing the Plan's measures.

Social Dialogue

Ongoing dialogue between management, employees and employee representatives is a key factor in improving working conditions and the Group's overall efficiency. The International Dialogue Information Committee (IDIC) is an ad hoc body representing company dialogue which was set up in 1996. It is an international body covering all the countries in which the Group operates. IDIC deals with economic issues, employment and working conditions. It meets at least once a year and extraordinarily when exceptional circumstances affect at least 2 countries within the scope of the agreement (e.g. Covid pandemic in 2020). As human issues are at the heart of IDIC's concerns, news on the positive impacts policy and the associated monitoring and performance indicators are presented to it annually. The Group companies represented on this committee in 2025 presented their progress in the field of safety, their human resources and business news, as well as an update on the Group's global indicators and value-sharing policy. Elected representatives and management shared the conclusions of the working group they had set up together to identify best practices for the inclusion of people with disabilities.

Alongside the IDIC, the national bodies (which in France are the Social and Economic Committee and the Group Committee) also enable employee representatives to play their full part in defending and promoting employees' interests.

7. Glossary

ADEO Productions: activity consolidated within the Adeo Services BU, which is responsible for developing our own-brand international products for the benefit of the Business Units that distribute them

Cross-docking: a way of organising logistics flows so that supply flows from Suppliers and terminal delivery flows to our sales outlets can be linked and cross-linked at a single point, called a platform.

Greenhouse gas emissions linked to transport: these emissions include all freight transport, regardless of whether the cost of this transport is borne by ADEO (Upstream) or a third party (Downstream). Emissions linked to the delivery of customer orders (to the home, to "relay points" or on site) from our shops, warehouses or suppliers have been included in the calculation of the indicator. The scope of the indicator therefore covers all the Group's operations, with the exception of the suppliers' upstream value chain and deliveries of 3P marketplace products. The indicator excludes home-work journeys, journeys made by visitors and customers, and business travel.

Commercial purchasing Suppliers: any natural or legal person directly supplying goods to Group companies, as well as their Subcontractors and/or any tier 1 subsidiaries.

Non-Commercial purchasing suppliers: any natural or legal person, including any agent or intermediary, directly or indirectly providing services to ADEO companies.

"location-based": method of quantifying emissions that requires the use of emission factors from the energy mix for defined geographical locations.

"market-based": method of quantifying emissions based on the GHG emissions emitted by the energy producers from which a consumer buys energy, via contractual instruments (e.g. guarantees of origin).

Marketplace: The Marketplace concept, launched in 2020 with the EU Marketplace "AMS", is a new sales channel generating opportunities for the Group. Other marketplaces in Brazil and South Africa were subsequently launched. The Marketplace business is known as a "3P" business because it involves a Seller, a Host and the customer.

- **The "Seller":** the person who rents a digital shop and makes the sale with the customer.
- **The "host"** who leases the digital shop to a seller. This is the role played by LMF on the French Marketplace, for example. The host is assisted by the owner of the digital shop infrastructure, who is responsible for providing a shop that contains all the functions a seller needs to sell products in compliance with current regulations). The owner of the digital infrastructure is ADEO Marketplace Services (AMS).
- **The "customer"** buys from a seller on the marketplace.

Products: Products ordered by ADEO or its business units from a supplier.

Rate of repair = Number of repairable products repaired / Total number of repairable products returned to After-Sales Service. A product is repairable when it has been natively designed to be repaired using spare parts that enable 80% of the most common faults to be repaired.

Factories: Any type of production site, building or group of buildings where products are manufactured and assembled. It may be the daughter company of a supplier or a Subcontractor.