

# Non-financial information and sustainability statement

## 2024

Automatic translation to English of the Non-financial information and Sustainability Statement 2024 of Leroy Merlin Spain, originally issued in Spanish. In the event of an error or discrepancy, the Spanish-language version prevails.

LEROY MERLIN

# Index

<b>CEO MESSAGE .....</b>	<b>4</b>
<b>01 ABOUT LEROY MERLIN SPAIN .....</b>	<b>7</b>
OUR ESSENCE .....	7
OUR PURPOSE .....	9
OUR PRESENCE IN THE TERRITORY .....	9
KEY ALLIANCES .....	11
HIGHLIGHTS OF 2024 .....	11
MAIN RECOGNITIONS .....	12
TAX AND FINANCIAL INFORMATION .....	13
<b>02 ON SUSTAINABILITY .....</b>	<b>14</b>
GENERAL BASIS FOR THE PREPARATION OF THE SUSTAINABILITY STATEMENT .....	14
INFORMATION RELATING TO SPECIFIC CIRCUMSTANCES .....	15
GOVERNANCE .....	19
STRATEGY .....	38
MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES .....	83
<b>03 ENVIRONMENT .....</b>	<b>91</b>
Climate change .....	91
STRATEGY .....	92
IMPACTS, RISKS AND OPPORTUNITIES MANAGEMENT .....	96
TOPIC MATERIAL .....	102
PARAMETERS AND GOALS .....	104
MATERIAL TOPIC .....	111
CURRENT AND FUTURE FINANCIAL AND OTHER RESOURCES .....	117
Use of resources and circular economy .....	118
IMPACTS, RISKS AND OPPORTUNITIES MANAGEMENT .....	119
MATERIAL TOPICS .....	127
PARAMETERS AND GOALS .....	130
CURRENT AND FUTURE FINANCIAL AND OTHER RESOURCES .....	135
Disclosure of information pursuant to Article 8 of Regulation (EU) 2020/852 on taxonomy .....	136
<b>04. SOCIAL .....</b>	<b>157</b>
Own workforce .....	¡Error! Marcador no definido.
STRATEGY .....	159
MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES .....	159
MATERIAL TOPICS .....	171
GOALS AND OTHER PARAMETERS .....	205
CURRENT AND FUTURE FINANCIAL AND OTHER RESOURCES .....	207
Workers in the value chain .....	208
STRATEGY .....	208
IMPACTS, RISKS AND OPPORTUNITIES MANAGEMENT .....	208
MATERIAL TOPICS .....	215
GOALS AND OTHER PARAMETERS .....	222
CURRENT AND FUTURE FINANCIAL AND OTHER RESOURCES .....	223

<b>Local communities .....</b>	<b>224</b>
STRATEGY .....	224
IMPACTS, RISKS AND OPPORTUNITIES MANAGEMENT .....	224
MATERIAL TOPIC .....	229
CURRENT AND FUTURE FINANCIAL AND OTHER RESOURCES .....	234
<b>Customers .....</b>	<b>235</b>
STRATEGY .....	236
MATERIAL TOPICS .....	246
CURRENT AND FUTURE FINANCIAL AND OTHER RESOURCES .....	260
<b>ADDITIONAL DATA: PERSONNEL INFORMATION CORRESPONDING TO LAW 11/2018 .....</b>	<b>261</b>
<b>05 GOVERNANCE .....</b>	<b>268</b>
<b>Business Conduct .....</b>	<b>268</b>
GOVERNANCE .....	269
IMPACTS, RISKS AND OPPORTUNITIES MANAGEMENT .....	269
MATERIAL TOPICS .....	279
PARAMETERS AND GOALS .....	297
CURRENT AND FUTURE FINANCIAL AND OTHER RESOURCES .....	298
<b>ANNEXES .....</b>	<b>299</b>
<b>Annex 1. Index of contents required by Law 11/2018 on Non-Financial Information and Diversity .....</b>	<b>299</b>
<b>Annex 2. List of data points included in cross-cutting standards and thematic standards derived from other EU legislation .....</b>	<b>306</b>
<b>Annex 3. IRO-2: Disclosure requirements covered by the Sustainability Statement of LEROY MERLIN Spain .....</b>	<b>318</b>
<b>Annex 4. Taxonomy Information .....</b>	<b>324</b>
<b>Annex 5. Limited Verification Report .....</b>	<b>325</b>

# CEO MESSAGE

## **35 years in Spain: transformation, sustainability, and people**

2024 was the year in which we celebrated a major anniversary: 35 years since we arrived in Spain. In 1989, we pioneered the concept of a large retailer specializing in home furnishings, and today, I look back and see how we've evolved to make LEROY MERLIN Spain the leading company when customers want to make their dream home a reality. Throughout this time, the dedication of the 18,000 people who make up this family to exceed our customers' expectations has remained intact.

In this sense, and seeking to address the 79% of consumers who find it difficult to obtain information about the environmental impacts of products, 2024 has been a key year for our ESG strategy. This year, we reached a major sustainability milestone with the launch of the **Home Index**. An indicator that assesses the environmental and social impact of our products throughout their entire life cycle. Through the Home Index, we empower customers to make informed and more responsible decisions in a simple and easy way. The Home Index also helps us work with our suppliers to improve products to reduce their impact.

**circular economy** services also gained momentum in 2024 : tool and product rental, repairs through the 'WeCare' program, and the second life of products thanks to the 'Almost Perfect' Project.

Today, we have a robust omnichannel shopping offering so customers can shop how, when, and where they want. We also want people to have a LEROY MERLIN store within a maximum of 30 minutes of their homes. With this spirit, this year we opened stores in Calpe (Alicante) and Bilbao, the latter with a new format we are testing, specializing in carpentry projects.

We also make a significant commitment to **local suppliers**, as only by working hand in hand can we reduce our carbon footprint; today they account for 74% of our customers. We offer them international opportunities through ADEO, the group to which we belong.

This entire journey is reflected in how our stakeholders perceive us through reputation monitors like Merco ESG, where we are among the top 10 most responsible companies.

## **People, the driving force behind LEROY MERLIN's culture Spain**

I have no doubt that everything we have achieved is a reflection of the dedication and effort of the 18,000 people who support us every day. At LEROY MERLIN Spain, we are clear that our guiding principle is a "Human First" culture. People must always come first in our decision-making. And this has been reflected, unfortunately, in the DANA disaster. All teams have gone all out to help the more than 1,000 colleagues working in the Valencia region, while also collaborating with all public institutions and third-sector entities by donating essential cleaning materials to the affected areas. This culture not only defines us, it sets us apart.

Sharing is another of our guiding values. In fact, 98% of employees are shareholders in ADEO, our group, which makes us decision-makers and encourages everyone to pull together. This year, for example, we distributed €64 million among everyone for the outstanding results achieved in 2023.

Furthermore, team **training and development** is essential. This year, we've placed a special focus on training our teams in sustainability, as part of the key competencies we need to develop. We want employees to develop their professional careers with us and be happy, so they have access to a campus, both physical and online, to nurture their interests and advance within the company.

We share knowledge, values, and purpose, because success can only be achieved through collaboration. This is key to consolidating our market position and reaffirming our commitment to excellence and the future. Thanks to this, among other things, we have been recognized by FORBES Spain as one of the Best Companies to Work For and for the eleventh consecutive year as a *Top Employer* in Spain.

### **Looking ahead to 2025**

We're preparing for 2025 with enthusiasm and determination. The road ahead will be full of challenges, but also opportunities to continue helping our clients make their dream homes a reality.

This will be a year to consolidate our commitment to sustainability—through the energy renovation of our clients' homes, it is estimated that around 20 million buildings need to improve their energy efficiency, and we have the knowledge and solutions to do so. Insulating, air conditioning, generating, and controlling each of these levers plays a crucial role in optimizing energy consumption, improving comfort, and reducing the environmental footprint. Furthermore, we will continue to promote the Home Index as a reference and decision-making tool for our clients' purchases, and driving our circular economy projects such as tool rentals or Casi Perfectos—to innovation—we will continue working on omnichannel, developing artificial intelligence projects to improve logistics, and investing in the platform company—and to social commitment—promoting the development of our employees, investing in the local economy, and projects such as Hogares Dignos (Decent Homes) and volunteering.

With the publication of the *2024 Non-Financial Information and Sustainability Reporting Statement for LEROY MERLIN Spain*, we are aligning ourselves with European regulations and anticipating future national regulations, which will require greater transparency and comprehensiveness regarding environmental, social, and corporate governance issues. This document outlines our main projects, lines of action, and policies to continue advancing our commitment to sustainability.



I am convinced that with passion, unity, and a shared vision, we will overcome any challenge and continue building a more just, inclusive, and sustainable future.

**Alain Ryckeboer, CEO of LEROY MERLIN Spain**

# 01 ABOUT LEROY MERLIN SPAIN

## OUR ESSENCE

Thirty-five years ago, we pioneered the concept of a large retailer specializing in home improvement (DIY, construction, decoration, and gardening) in Spain. Today, we are the leading company in this sector, with a presence in every autonomous community.

We are part of ADEO, a French group and a world leader in home improvement, operating with various brands specializing in DIY, construction, decoration, and gardening.

### ADEO Ecosystem



21 countries | 110,000 employees | 1,000 points of sale | 11 brands | 7 marketplaces

## We organize ourselves by worlds

Our organization by worlds allows us to accompany our clients to create the home of their dreams.



PROJECT WORLD	WORLD REHABILITATION	GARDEN WORLD	TECHNICAL WORLD	WORLD DECORATIVE
Sanitary	Materials	Enjoyment (swimming pools, furniture, pergolas, barbecues, etc.)	Electricity and plumbing	Decoration and carpeting
Kitchens	Wood	Conditioning (enclosures, exterior floors)	Tools	Paint
Wardrobes	Ceramics	Care (machinery, tools, etc.)	Comfort and renewable energies	Lightning
Doors	Coatings		Hardware and organization	
Windows				
Soils				
Renewables				
Custom-made blinds and textile manufacturing				

## We are omnichannel

We provide ease of choice in how and when to purchase:

- Physically in our 137 points of sale
- Online on the website and *marketplace*
- In our application
- Or even by phone



### Our stores are multi-format

Our stores are increasingly experiential, with services tailored to customer needs.



### We offer solutions

We provide solutions high value offering services associated with our products and related to our customers' homes:

- Through a network of more than 4,000 companies and professionals
- With strategic alliances with large companies
- In all our sales channels
- And with teams specialized in the sale of solutions and monitoring of works

## OUR PURPOSE

Our reason for being is very simple: to create environments where living and working are better.

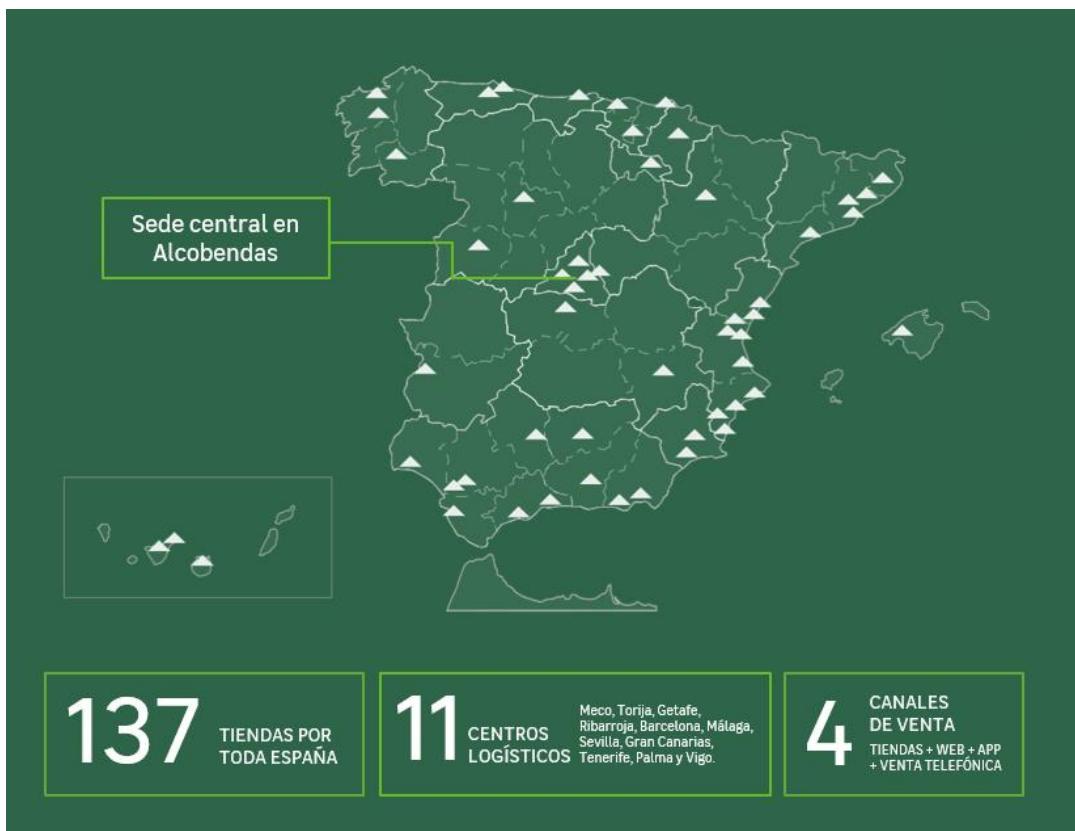
Making each client's dream home a reality.

With innovative and personalized solutions tailored to the needs and desires of each client.

Because the more sustainable homes we build, the more sustainable everyone's home will be: the planet.

## OUR PRESENCE IN THE TERRITORY

LEROY MERLIN has a significant presence in Spain, with more than 137 stores across the country. Our stores are strategically located to ensure convenient access to its products and services for millions of customers. Our commitment to omnichannel solutions—physical points of sale, website, *Marketplace*, app, and phone—allows you to access our catalog from anywhere in the country.



### New openings

In 2024, we opened a new store in the Alicante town of Calpe. With a built-up area of 3,200 m<sup>2</sup> and an investment of €2.8 million, LEROY MERLIN Compact Calpe stands out for its adaptation to the needs of local customers. With a strong focus on garden and outdoor products, it offers a wide range of products such as garden furniture, barbecues, and swimming pools. The opening of this store has created 100 new direct jobs and 30 more seasonal jobs in the summer.

We've also opened a new showroom in Bilbao. This Project-based store concept is located in the city center of Bilbao and offers specialized, customized service in the creation and execution of projects for doors, windows, cabinets, and flooring.

Finally, it is worth noting that we have also carried out the expansion of LEROY MERLIN Compact Talavera.

## KEY ALLIANCES

At LEROY MERLIN Spain, we participate in national and international initiatives with the aim of promoting sustainability and positive impact.

Spanish Global Compact Network	BEINGS	AECOC
Multinationals with Spain	Phoretics	Franco-Spanish Chamber of Commerce
ANGED	TO SAY	Business and Climate Foundation
Companies #ForTheClimate	Green Building Council (GBC)	DIRCOM
COPADE	FSC	

*NOTE: LEROY MERLIN Spain does not carry out sponsorship activities.*

## HIGHLIGHTS OF 2024

### ENVIRONMENT

- External launch of the Home Index, the indicator for measuring the environmental and social impact of our products.
- Circular services, such as rentals or Almost Perfect, are available to customers.

### SOCIAL

- 11 years as a Top Employer in Spain and for the fourth consecutive year among the best companies to work for according to Forbes
- 64 million euros distributed among the company's employees on the occasion of the 2024 results, a recognition of the performance resulting from the company's participation policies
- More than 16% of the workforce is made up of people over 50 years of age.
- New stores in Calpe and Bilbao, the latter with a showroom format specializing in carpentry projects

### GOVERNANCE

- Launch of the Positive Ambassadors network to drive a cultural transformation in the company
- Publication and implementation of the Artificial Intelligence Media and Services Use Policy
- We are in the Merco ESG TOP 10, a recognition that reaffirms our commitment to sustainability.

## MAJOR RECOGNITIONS

Copade Awards - Sustainable Wood - ESG

Customer Centric Lukkap Award - Best eNPS in Spain among 60 companies - Employee Experience

Digital HR Compensation Awards - Best HR Compensation Initiative

DIRCOM Awards - Good Governance - Internal Communication

Vega AER Award - DIY - Cristina Sánchez (ESG)

10+10 Awards - Home Index - ESG

Spanish Compliance Association Awards - Compliance - HR

ASCOM Awards - Strategic Compliance Plan for the 2021-2024 Triennium - HR

INTRAMA - Corporate Wellbeing Awards - Emotional Wellbeing - HR

INTRAMA - Corporate Wellbeing Awards - Financial Wellbeing - HR

InfoRetail: 2nd Annual 'Best of the Year' Awards - Best Human Resources 2024 - HR

AER Best Sustainability Awards - Home Index - ESG

Vocento Business Awards for Environmental Sustainability - Home Index - ESG

Ecommerce Awards - Best Social Media Marketing Strategy

Online Commerce Awards 2025 - DIY - OMNICHANNEL

Best Sustainability Actions 2024 CSR Commitment - Home Index - ESG

SERES Foundation Award - Decent Homes - ESG

14th Edition of the Service Leaders Competition - Best Customer Service Award 2025 - Customer Service

INTRAMA - Corporate Wellbeing Awards - Best Diversity Strategy Plan - HR

InfoJobs Awards (9th place) - Companies best valued for their work teams - HR

Marketplaceshoy Awards - Best New B2C Marketplace - OMNICHANNEL

Retail Media Awards - Best Retail Media Brand Strategy - OMNICHANNEL

3rd Place - AD Social Media Awards - Best Use of Real Time - Marketing

MAKE IT POSSIBLE - Best Social Impact Project by Hogares Dignos - ES

## TAX AND FINANCIAL INFORMATION

TAX AND FINANCIAL INFORMATION	2023	2024	VARIATION
Net revenue - in thousands of €	3,410,786	3,589,618	5.24%
Profits obtained in Spain - in thousands of €	94,878	120,770	27.29%
Taxes on profits paid - in millions of €	26.2	30.3	15.65%
Public subsidies received* - in euros	€507,583	775,276 €	52.74%

*\*Amount of subsidies received for team training (FUNDAE). The significant variation between the two years is explained by the fact that fewer training sessions of this type were held in 2023 due to cost-cutting measures.*

## 02 ON SUSTAINABILITY

### GENERAL BASIS FOR THE PREPARATION OF THE SUSTAINABILITY STATEMENT

RD BP-1 P. 5 a | BP-1 P. 5 bi | BP-1 P. 5 c |

The sustainability report has been prepared on an individual basis. The scope of the consolidated sustainability statement is the same as that of the financial statements of Leroy Merlin SLU. After performing the dual materiality analysis, the material information related to the upstream and downstream phases of the value chain and its own operations, along with their respective impacts, risks, and opportunities, has been identified and integrated into LEROY MERLIN Spain's sustainability statement.

For the preparation of this Non-Financial and Sustainability Reporting Statement 2024, the European Sustainability Reporting Standards (ESRS) established in Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council with regard to sustainability reporting standards have been taken as a reference. Likewise, Delegated Regulation (EU) 2020/852 on a framework to facilitate sustainable investments has been taken into account for the disclosure of information related to the Sustainable Investment Taxonomy.

Additionally, the requirements of Law 11/2018, of December 28, 2018, which modifies the Commercial Code, the consolidated text of the Capital Companies Law approved by Royal Legislative Decree 1/2010, of July 2, and Law 22/2015, of July 20, on Account Auditing, are covered in terms of non-financial information and diversity, the sustainability information of Leroy Merlin Spain referring to the 2024 financial year is included below.

RD BP-15 d

LEROY MERLIN Spain has not opted for the exemption from disclosing specific information on intellectual property, know-how, or innovation results.

RD BP-15 e

LEROY MERLIN Spain has not opted for the exemption from disclosing imminent events or matters under negotiation.

## INFORMATION RELATING TO SPECIFIC CIRCUMSTANCES

RD BP-2 P. 9 a

### Time horizons

To prepare the sustainability statement, the definitions of time horizons existing in the regulations have been followed, starting from the end of the reference period:

- Short-term time horizon: the period adopted by LEROY MERLIN as a reference period in its financial statements: one fiscal year .
- Medium-term time horizon: from the end of the short-term reference period to five years later.
- Long-term time horizon: more than five years

If other horizons are considered for a specific plan or strategy, this will be detailed in the corresponding section.

### Estimates from value chain information

RD BP-2 P. 10; P. 11

Estimates are used in the calculation of the carbon footprint (E1-6 P. 44), specifically in the following scope 3 categories:

- Category 6 Business Travel – An estimate of the mileage traveled by employees in the 'taxi' means of transport is made based on the cost of the invoices.
- Category 7 Commuting of Employees – An estimate of the mileage traveled by employees on their way to and from work during the reporting year is made based on the responses obtained in a survey of employees.
- Category 9 Transport and distribution – mileage data is partially estimated when it concerns the flow that reaches customers
- Categories 1 Goods and services; 11 Use of products sold and 12 End-of-life treatment of products sold – these categories contain the carbon footprint associated with the products, the calculation of which includes estimates made by the ADEO Group based on data provided by merchandise suppliers.

Estimates are also made in the waste management data (E5-5 p. 37), specifically for December 2024 for all types of waste. The estimate is based on the historical waste generated by these same stores in previous months. These estimates are always made by Leroy Merlin Spain or the ADEO Group based on data from the value chain, but no estimates directly from the value chain are used.

The degree of accuracy resulting from these metrics is considered adequate for reporting. Going forward, we will strive, to the extent possible, to ensure that information is based on accurate data rather than estimates; and we will work with suppliers to achieve this goal.

### **Metrics subject to a high level of uncertainty**

RD BP-2 P. 11a

The metrics included in the report are not considered to represent a high level of uncertainty. The estimates are considered reasonable and are duly explained in the report.

### **Changes in the preparation or presentation of sustainability information**

RD BP-2 P. 13 a

As this is the first year of reporting under the Corporate Sustainability Reporting Directive, some metrics have undergone a change in criteria to comply with the CSRD regulations. Other metrics have undergone a change in criteria from 2023 to 2024 due to an internal decision. In either case, this is specified in the corresponding section.

### **Information derived from other legislation or generally accepted pronouncements on sustainability information**

RD BP-2 P. 15

- Law 11/2018, of December 28, on non-financial information and diversity (information available in 04 SOCIAL - ADDITIONAL DATA: PERSONNEL INFORMATION CORRESPONDING TO LAW 11/2018, and Table of Contents available in ANNEX 1)
- Regulation (EU) 2020/852 of the European Parliament and of the Council (information available in the section 'Disclosure of information pursuant to Article 8 of Regulation (EU) 2020/852 on Taxonomy').

### **Incorporation by reference**

RD BP-2 P. 16

All sustainability information that complies with Law 11/2018 and the ESRS reporting framework is included in this Report, as well as in its ANNEXES. For some requirements, cross-references are made to other sections of the report:

<b>Disclosure Requirement (DR)</b>	<b>Section in which it is addressed</b>
<b>E1.GOV-3</b> Integration of sustainability-related performance into incentive systems	<b>02 ON SUSTAINABILITY ESRS 2.GOV-3</b> Integration of sustainability-related performance into incentive systems
<b>S1.SBM-2</b> Interests and opinions of stakeholders	<b>02 ON SUSTAINABILITY ESRS 2.SBM-2</b> Interests and opinions of stakeholders
<b>S2.SBM-2</b> Interests and opinions of stakeholders	<b>02 ON SUSTAINABILITY ESRS 2.SBM-2</b> Interests and opinions of stakeholders
<b>S3.SBM-2</b> Interests and opinions of stakeholders	<b>02 ON SUSTAINABILITY ESRS 2.SBM-2</b> Interests and opinions of stakeholders
<b>S4.SBM-2</b> Interests and opinions of stakeholders	<b>02 ON SUSTAINABILITY ESRS 2.SBM-2</b> Interests and opinions of stakeholders
<b>S1.SBM-3</b> Material impacts, risks and opportunities and their interaction with the strategy and business model	<b>02 ON SUSTAINABILITY ESRS 2.SBM-3</b> Material impacts, risks and opportunities and their interaction with the strategy and business model
<b>S2.SBM-3</b> Material impacts, risks and opportunities and their interaction with the strategy and business model	<b>02 ON SUSTAINABILITY ESRS 2.SBM-3</b> Material impacts, risks and opportunities and their interaction with the strategy and business model
<b>S3.SBM-3</b> Material impacts, risks and opportunities and their interaction with the strategy and business model	<b>02 ON SUSTAINABILITY ESRS 2.SBM-3</b> Material impacts, risks and opportunities and

	their interaction with the strategy and business model
<b>S4.SBM-3</b> Material impacts, risks and opportunities and their interaction with the strategy and business model	<b>02 ON SUSTAINABILITY ESRS 2.SBM-3</b> Material impacts, risks and opportunities and their interaction with the strategy and business model
<b>G1.GOV-1</b> The role of the administrative, management and supervisory bodies	<b>02 ON SUSTAINABILITY ESRS 2. GOV-1</b> The role of the administrative, management and supervisory bodies
<b>G1.IRO-1</b> Description of the processes to determine and assess material impacts, risks and opportunities	<b>02 ON SUSTAINABILITY ESRS 2. IRO-1</b> Description of the processes to determine and evaluate material impacts, risks and opportunities
<b>MDR-P Code of Ethics - S4-1</b> Policies related to consumers and end users	<b>04 SOCIAL – OWN STAFF S1-1</b> Policies related to own staff
<b>MDR-P Code of Ethics - G1-1</b> Corporate culture and corporate culture and business conduct policies	<b>04 SOCIAL – OWN STAFF S1-1</b> Policies related to own staff
<b>MDR-P Responsible Purchasing Suppliers Code of Conduct (Goods) - G1-1</b> Corporate Culture and Policies on Corporate Culture and Business Conduct	<b>04 SOCIAL – VALUE CHAIN WORKERS S2-1</b> Policies related to value chain workers
<b>MDR-P Code of Conduct for Indirect Purchasing Suppliers - G1-1</b> Corporate Culture and Policies on Corporate Culture and Business Conduct	<b>04 SOCIAL – VALUE CHAIN WORKERS S2-1</b> Policies related to value chain workers
<b>MDR-P Corporate Policy and Procedure for Internal Information Systems - G1-1</b> Corporate Culture and Policies on Corporate Culture and Business Conduct	<b>04 SOCIAL – OWN STAFF S1-1</b> Policies related to own staff
<b>MDR-T Material Topic Decarbonization and Adaptation of Activity – E1</b> Methodology	<b>03 ENVIRONMENT – Climate Change E1</b> Parameters and goals
<b>E5.IRO-1</b> Description of processes for determining and assessing material impacts, risks and opportunities	<b>02 ON SUSTAINABILITY ESRS 2. IRO-1</b> Description of the processes to determine and evaluate material impacts, risks and opportunities
<b>MDR-T Material Topic Waste Management – E5</b> Methodology	<b>03 ENVIRONMENT – Use of resources and circular economy E5</b> Parameters and goals
<b>MDR-T Material Topic Quality Employment – S1</b> Methodology	<b>04 SOCIAL – PERSONAL OWN S1</b> Goals and other parameters
<b>MDR-T Material Topic Training and capacity building – S1</b> Methodology	<b>04 SOCIAL – OWN PERSONAL S1</b> Training parameters
<b>MDR-T Material Topic Occupational Health and Safety – S1</b> Methodology	<b>04 SOCIAL – OWN PERSONNEL S1</b> Health and safety parameters
<b>MDR-T Material Topic Comprehensive team well-being – S1</b> Methodology	<b>04 SOCIAL – PERSONAL OWN S1</b> Goals and other parameters
<b>MDR-T Material Topic Responsible Value Chain – S2</b> Methodology	<b>04 SOCIAL – VALUE CHAIN WORKERS S2</b> Goals and other parameters

<b>MDR-T Material Theme Development of local communities – S 3 Methodology</b>	<b>04 SOCIAL – LOCAL COMMUNITIES S3</b> Parameters and goals
<b>S4-3 Policies for the protection of whistleblowers</b>	<b>05 – GOVERNANCE G1</b> Corporate culture and corporate culture and business conduct policies
<b>MDR-T Material Topic Quality and Safety of Solutions – S4 Methodology</b>	<b>04 SOCIAL – CLIENTS S4</b> Parameters and goals
<b>MDR-a Material Theme Responsible Value Chain – G1 Actions 1 and 3</b>	<b>04 SOCIAL – VALUE CHAIN WORKERS S2</b> Actions 25 and 26 of Material Theme Responsible Value Chain

For monetary indicators, such as reported financial resources and effects, a reference is included to the financial statement line items in which they are recorded.

## GOVERNANCE

### **The role of the administrative, management and supervisory bodies**

RD GOV-1 P. 22 a

The company's administrative, management, and supervisory bodies are the Board of Directors, the Audit Committee, and the *Executive Leader Team*. The Compliance Department and the Iberian Audit Department (both part of ADEO Holding Iberia, SA, the parent company of LEROY MERLIN Spain), as well as the Internal Control and Human Resources Departments, the Ethics Committee, and the Internal Control Body, are responsible for monitoring impacts on their areas of responsibility and for detecting and assessing the company's risks. Risk management is reviewed by the Audit Committee, which has presented the company's strategic risk map and the actions associated with each of the macro risks, one of which is sustainability-related issues. Other types of impacts may also arise and are discussed by the Ethics Committee.

The Audit Committee is composed, as of December 31, 2024, of Pablo Óscar Adán Castro, Olivier Debeunne and Yann Jöel Christian Dubourthoumieu, the latter acting as its Chairman, for the statutory term of four years ending on December 31, 2027. Juan Maggio and Paula Ordoñez act as Secretary and Deputy Secretary, respectively, of this body.

RD GOV-1 P. 21 b

There is no direct employee representation within the Board of Directors or the Audit Committee. The *Executive Leader Team* is made up of the leaders of each area (executive directors), who thus represent the employees in their respective areas. There is no representation through unions or similar.

RD GOV-1 P. 5 a

The Ethics Committee, managed by the Compliance Department, oversees business conduct. The Director of Ethics and Compliance chairs the Committee. A compliance function report, issued by the Ethics Committee, is shared annually with the Board of Directors, summarizing all actions related to the company's *compliance programs*. In turn, the Compliance Department reports to the Audit and Risk Committee on major progress in *compliance risk management* and key activities in the development of compliance programs.

RD G1-1 P. 7

The framework documents for managing any impact, risk, or opportunity related to business conduct and corporate culture are the Code of Ethics for Employees, the Code of Conduct for Responsible Purchasing Suppliers, and the Code of Conduct for Indirect Purchasing Suppliers.

G1-1 P. 5 a

The LEROY MERLIN Spain Code of Ethics is approved by the Board of Directors. Its reviews, along with those of the policies, processes, and controls that support it, are conducted by the Ethics and Compliance Committee and submitted to the Board of Directors for approval. These reviews are carried out as frequently as necessary to ensure their effectiveness. Similarly, any modifications related to Sapin II <sup>1</sup>, revisions to the Code of Ethics, or the risk management model are discussed and approved by the Steering Committee (CODIR). The CODIR is composed of the *Executive Leadership Team* and the immediately superior line of management.

RD G1-1 P. 5 b

The Human Resources Leader and the Finance Leader are members of the Ethics Committee and the *Executive Leader Team*. The Finance Leader is also part of the company's Internal Control Body and a member of the *Executive Leader Team*.

RD GOV-1 P. 22 b

Responsibilities for impacts, risks, and opportunities are reflected in the company's mandate, board mandates, and other policies through:

- Code of Ethics
- Code of Conduct for Collaborators
- Code of Conduct for Merchandise Suppliers
- Code of Conduct for Indirect Purchasing
- Corporate Policy on Compliance and Prevention of Criminal Risks
- Management Policy and Procedure of the Internal Information System
- Internal Control Body

These policies and codes are managed by the Compliance Department (Compliance Function), which has its own governance structure, approved by the LEROY MERLIN Spain Board of Directors in 2024.

RD GOV-1 P. 22 c | GOV-1 P. 22 ci

In terms of risks, in accordance with the governance of the Compliance Function, which is approved by the Board of Directors of ADEO, and to which the Board of Directors of LEROY MERLIN Spain subsequently adheres, the status of the ethical-business compliance models, as well as the evolution of the compliance plan for the year, are reported at least annually to this body or to its Audit Committee in the case of LEROY MERLIN Spain.

The Audit Committee's specific role also includes analyzing and approving the company's annual accounts, which include its management report and sustainability report.

The Audit Committee must review the clarity and integrity of all financial and related non-financial information that the company makes public, such as financial statements, management reports, risk management and control reports, corporate governance reports, etc.

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<sup>1</sup>Law on transparency, fight against corruption and modernization of economic life (French: *Loi relative à la transparence, à la lutte contre la corruption et à la modernisation de la vie économique*), also known as the Sapin II law.

In the case of the *Executive Leader Team*, each member is informed of the risks under their area of responsibility and has the authority to review the assessments made by their teams and make the necessary modifications.

Regarding impacts, risks, and opportunities related to sustainability, and because this is a new methodology (dual materiality study) implemented for the first time in 2024, the role of the administrative, management, and oversight bodies in this area has not been defined at year-end.

RD GOV-1 P. 21 a | P. 21 d | P. 21 e

COMPOSITION AND DIVERSITY OF THE MEMBERS OF THE BOARD OF DIRECTORS	2023	2024
Number of executive members	0	0
Number of non-executive members	5	5
Independent members (no.)*	0	1
<i>% of independent members over the total</i>	0%	20%
<b>Diversity</b>		
<b>Members of the Board of Directors by gender</b>		
Women (no.)	0	0
<i>% of the total</i>	0%	0%
Men (no.)	5	5
<i>% of the total</i>	100%	100%
<b>Members of the Board of Directors by age*</b>		
Under 30 years old	0	0
<i>% of the total</i>	0%	0%
Between 30 and 50 years old	1	3
<i>% of the total</i>	20%	60%
Over 50 years old (%)	4	2
<i>% of the total</i>	80%	40%
<b>Members of the Board of Directors by nationality*</b>		
Nationals (no.)	0	2
<i>% of the total</i>	0%	40%
Foreigner (no.)	5	3
<i>% of the total</i>	100%	60%

\* Own indicators that complement requirement 21d.

	2023	2024
<b>EXECUTIVE LEADER TEAM MEMBERS</b>		
Number of executive members	8	8
Number of non-executive members	0	0
<b>Total</b>	8	8
<b>Diversity</b>		
<b>Members by gender</b>		
Women (no.)	1	1
% of the total	12.50%	12.50%
Men (no.)	7	7
% of the total	87.50%	87.50%
<b>Members by age*</b>		
Under 30 years old	0	0
% of the total	0%	0%
Between 30 and 50 years old	4	4
% of the total	50%	50%
Over 50 years old (%)	4	4
% of the total	50%	50%
<b>Members by nationality*</b>		
Nationals (no.)	7	5
% of the total	87.50%	62.50%
Foreigner (no.)	1	3
% of the total	12.50%	37.50%

\* Own indicators that complement requirement 21d.

RD ESRS 2 GOV-1 P. 21 c | G1 P. 5 a | G1 P. 5 b

#### BOARD OF DIRECTORS

Members	Post	Biography	Experience in business conduct and in relation to the company's sectors and products (retail/commerce sector)
Carlos Malo Cantarino	President and Administrator	Since June 2022, he has served as President of LEROY MERLIN Spain and LEROY MERLIN Portugal and is Offer & Industry Global Leader at ADEO, where he leads global strategies to improve the product and service offering, adapting to market needs and promoting innovation in the DIY and construction sectors. He has held leadership roles within the company for 25 years.	In line with their track records, the members of the Board of Directors have experience in business conduct issues, as well as extensive and extensive experience in the <i>retail sector</i> .
Pablo Oscar Adán Castro	Administrator	Pablo Óscar Adán Castro has developed his career at Decathlon, where He	

currently holds the position of Group Management Control Manager. Until September 2024, he held the position of Chief Financial Officer (since 2009) and was a member of the Board of Directors (since 2016). In January 2024, he joined LEROY MERLIN Spain as a director.

Frédéric Alain Yves Saverot	Administrator	With extensive experience as a Financial Director in several companies, he joined LEROY MERLIN Russia in 2017. He held the positions of Financial Director from 2017 to 2021 and Deputy General Manager during 2022. Since January 2023, he has been the Financial Director of ADEO.
Olivier Philippe Marie Debeunne	Administrator	Since 2009, he has held management positions at LEROY MERLIN France, where he served as Chief Financial Officer and Human Resources Director, and as the transformation project coordinator. Since January 2020, he has served as Audit Director at ADEO.
Yann Jöel Christian Dubourthoumieu	Administrator	With over 25 years of experience, Yann Jöel Christian Dubourthoumieu began his career as an auditor. After working for Renault, he served as Chief Financial Officer at LEROY MERLIN Portugal from 2008 to 2014. He subsequently held the same position at LEROY MERLIN Spain and, since 2020, has been the Corporate Finance Director of ADEO.

*NOTE: Juan Maggio Mas, Legal Director, acts as Secretary of the Board, and Paula Ordóñez, as Deputy Secretary.*

**EXECUTIVE LEADER TEAM**

Members	Post	Biography	Experience in business conduct and in relation to the company's sectors and products (retail/commerce sector)
Alain Ryckeboer	CEO	<p>He has held the position of General Manager of LEROY MERLIN Spain since mid-2020. Prior to that, he was Store Manager and Regional Manager at LEROY MERLIN Brazil, before taking on the position of General Manager of LEROY MERLIN Brazil in 2006, a position he held for 14 years, where he developed an omnichannel model and a digital-data infrastructure, with significant successes such as the digitalized and automated platform for installation services.</p>	
Inigo Perez	Executive Leader Challenge Offer and Inhabitant Brands	<p>A professional with extensive experience in <i>retail</i>, beginning with the Continente Group and currently at LEROY MERLIN Spain, where he has held various leadership roles over nearly 23 years. He is a member of the company's Executive Committee, holding the position of Executive Director of Supply and Director of Operations, where he is responsible for central purchasing and the selection and referencing of the omnichannel range. He also manages five of LEROY MERLIN Spain's nine regions, which total 59 stores and more than 8,000 employees.</p>	
Benito Vicente	Executive Leader Supply Chain and Delivery Challenge	<p>His professional career has been linked to retail and the ADEO Group. He began his career in 2002 at LEROY MERLIN Spain as Store Management Controller and later Regional Controller until 2009. From 2009 to 2015, he held the position of Financial Director and Supply Chain Manager at AKI Spain, a chain later integrated into LMES. From 2015 to 2019, he was Business Controlling Director at LEROY MERLIN Italy and from 2020 to the present, he has held the position of Executive Supply Chain Leader.</p>	<p>In line with their track records, the members of the <i>Executive Leader Team</i> have experience in business conduct issues, as well as extensive and extensive experience in the <i>retail sector</i>.</p>
Alberto Bustio	Executive Leader Financial Challenge, Performance and Data	<p>Alberto Bustio's professional career has been linked to <i>retail</i> in Spain, Portugal, and Brazil. He began his career at LEROY MERLIN Spain in 1995, where he held the positions of Store Management Controller and later Regional Management Controller. After holding various positions at AKI Portugal, AKI Spain, and LEROY MERLIN Brazil, he joined LEROY MERLIN Spain in 2022 as Executive Leader of the</p>	

<p>Financial, Performance, and Data Challenge, a position he currently holds.</p>		
Fernando De Palacio	Executive Leader Challenge Omnicommerce Experience and Business Development	A professional with extensive experience in the commerce and <i>retail sector</i> , he began his career at organizations such as McKinsey and Citi. In 2011, he joined Amazon, where he held various positions for eight years, most recently as <i>Head of Pricing, Insights &amp; Innovation</i> for Italy and Spain; and in 2019, he joined the Puig Group, where he held the position of Global Digital Business. He joined LEROY MERLIN Spain in 2022 as Executive Leader of the Omnichannel Experience and Business Development Challenge.
Cristina Sánchez	Executive Leader Positive Impact Challenge	Throughout her professional career, she has held various positions. She began in the energy sector, where she has worked for over 15 years, holding various positions related to business development and infrastructure construction, as well as the creation and leadership of sustainability strategies. In 2022, she joined LEROY MERLIN, part of the Executive Committee as Executive Director of Sustainability and Positive Impact, leading the group's ambition in Spain.
Regis Bertrand Joseph Lepoutre*	Executive Leader Human Challenge and succession plans	Régis Lepoutre will join the Executive Committee of LEROY MERLIN Spain in September 2024 as Executive Leader of the Human Challenge and Succession Plans, also supporting the Levante, Southeast, and Southwest regions, as well as the interior design and client projects worlds and markets. He has spent more than 35 years at ADEO, holding various positions at LEROY MERLIN France and LEROY MERLIN Spain.
Yann Ostyn**	Executive Leader Tech & Digital Data Challenge	Yann Ostyn will join the LEROY MERLIN Spain <i>Executive Leader Team</i> in 2024 as the Tech & Digital Data Challenge Executive Leader to lead and direct a crucial challenge for the company. He began his career in consulting and information systems at Accenture. He subsequently held various positions at retail companies such as FNAC, Carrefour, and Galeries Lafayette. He joined ADEO in 2006, where he held various positions, particularly in Brazil and Portugal.

In line with their track records, the members of the *Executive Leader Team* have experience in business conduct issues, as well as extensive and extensive experience in the *retail sector*.

\*As of September 1, 2024, replacing Eloy del Moral, who held the position until that date.

\*\*As of September 16, 2024, replacing Javier Mallo, who held the position until that date.

RD GOV-1 P. 23

Beyond the sustainability reports submitted to the Audit Committee by Positive Impact and the biographical information previously reported, the Board members' expertise in sustainability is unknown. All of them work at ADEO, serving as senior managers in the Finance Department, Central Purchasing, and the Audit Department. The independent director is also a senior financial officer at a prestigious *retail company*. Therefore, all of them are necessarily familiar with and regularly address sustainability issues.

LEROY MERLIN Spain is considering conducting specific sustainability and ESG training for the Board of Directors to increase their specific knowledge of these topics.

Regarding compliance, the Board of Directors has been trained on the following issues:

- Spanish Penal Code
- SAPIN II Law (French anti-corruption law)
- Law 10/2010 on the Prevention of Money Laundering

Throughout 2024, two specific sustainability training sessions were held for the *Executive Leader Team* (and also for the next line of management, the Steering Committee), which contributed to increasing the knowledge of its members:

- Specific in-person module on sustainability in the *Power Leader Lap program*.
- *Climate Mural*, in-person training focused on climate change and its effects

RD GOV-1 P. 23 b

The Board's capabilities and knowledge are closely related to the impacts, risks, and opportunities associated with business conduct, its own staff, and consumers and end-users. The training provided by the *Executive Leader Team* in 2024 was also aligned with these impacts, risks, and opportunities, contributing to the understanding and management of these key aspects. In the coming years, work will be done on capabilities and knowledge related to environmental issues, such as climate change, resource use, and the circular economy.

RD GOV-1 P. 23

The assessment of the knowledge or suitability of the Commission members' profiles is carried out within the Board. Their professional positions imply that they have knowledge of auditing and sustainability. Regarding the assessment of training needs, the Commission Secretariat and the Compliance, Internal Audit, and Positive Impact Departments propose training, in addition to responding to any requests from the Commission members themselves.

RD GOV-1 P. 22 c ii

All matters related to the preparation and presentation of financial and sustainability information, the independence of the auditor, and the effectiveness of the company's internal control and risk management systems are reported to the Audit Committee. However, the Audit Committee is an advisory body with no executive functions, with reporting, supervisory, advisory, and proposal-making powers within its scope of action.

The Board of Directors approves various policies regarding ethics, governance, risk matrix, etc.

The *Executive Leader Team* meets periodically to discuss matters of interest to the company. The agenda for these meetings is decided by the members of the *Executive Leader Team*, based on their priorities. Each member has a time slot to present the strategic topics for discussion.

Regarding impacts and opportunities, and given that the dual materiality study methodology was implemented for the first time in 2024, at the end of the reporting year, internal control functions responsible for managing sustainability impacts, risks, and opportunities had not yet been defined.

RD GOV-1 P. 22 c iii

IMPACTS, RISKS AND OPPORTUNITIES	SPECIFIC CONTROLS AND PROCEDURES FOR MANAGEMENT	INTEGRATION INTO INTERNAL FUNCTIONS
Protection of sustainability and ethical principles in the value chain through audits and internal control	<ul style="list-style-type: none"><li>Audits of responsible purchasing suppliers</li><li>Signing of the Code of Conduct for Responsible Purchasing Suppliers</li><li>Signing of the Code of Conduct for Indirect Purchasing Suppliers</li></ul>	<ul style="list-style-type: none"><li>Audit follow-up</li><li>Tracking the signing of the Codes</li></ul>
Loss of information and personal data of clients, collaborators, suppliers and other stakeholders due to cybersecurity breaches	<ul style="list-style-type: none"><li>Assessment and minimization of information security risks, as established by the Information Security Policy</li><li>Information security management system endorsed by AENOR through the ISO 27001 Information Security Certification</li><li>Internal audits by ADEO on data protection.</li></ul>	Prevention and preparation of our employees to minimize the risk of incidents and protect our customers' privacy. To this end, in addition to the aforementioned policies, throughout 2024 we have published and implemented the Policy on the Use of Artificial Intelligence Media and Services (PUMSIA), and we have planned a training and awareness strategy that includes cybersecurity and data protection courses for employees on the internal training platform (CAMPUS).

Inadequate management of ethical alerts or complaints	<ul style="list-style-type: none"> <li>• Ethical channel available in the Code of Ethics</li> <li>• The Ethics Committee manages communications received through the channel</li> </ul>	We have an Ethics Committee comprised of the Chief Financial Officer, People Leader, General Counsel, Anti-Discrimination Officer, Anti-Fraud Officer, Regional Director, Compliance Director, and Compliance Officer. The DPO, Health and Safety Officer, and the Diversity, Equity, and Inclusion Officer also serve as non-permanent members. It meets quarterly and reviews all aspects related to ethics and regulatory compliance. It reports directly to the Board of Directors.
Legal proceedings (fines, litigation) associated with cases of moral or physical harassment towards an employee in the value chain (subcontractor/supplier)	<ul style="list-style-type: none"> <li>• Ethical channel available in the Code of Ethics</li> <li>• The Ethics Committee manages communications received through the channel</li> </ul>	We have an Ethics Committee comprised of the Chief Financial Officer, People Leader, General Counsel, Anti-Discrimination Officer, Anti-Fraud Officer, Regional Director, Compliance Director, and Compliance Officer. The DPO, Health and Safety Officer, and the Diversity, Equity, and Inclusion Officer also serve as non-permanent members. It meets quarterly and reviews all aspects related to ethics and regulatory compliance. It reports directly to the Board of Directors.
Exposure to security breaches or leaks of company and stakeholder information	<ul style="list-style-type: none"> <li>• Assessment and minimization of information security risks, as established by the Information Security Policy</li> <li>• Information security management system endorsed by AENOR through the ISO 27001 Information Security Certification</li> <li>• Audits by ADEO or in matters of Data Protection.</li> </ul>	Prevention and preparation of our employees to minimize the risk of incidents and protect our customers' privacy. To this end, in addition to the aforementioned policies, throughout 2024 we have published and implemented the Artificial Intelligence Media and Services Use Policy, and we have planned a training and awareness strategy that includes cybersecurity and data protection courses for employees on the internal training platform (CAMPUS).
Loss of customer confidence due to <i>phishing attacks</i> (fraudulent messages with the image of LEROY MERLIN)	<ul style="list-style-type: none"> <li>• Assessment and minimization of information security risks, as established by the Information Security Policy</li> <li>• Information security management system endorsed by AENOR through the ISO 27001 Information Security Certification</li> <li>• Audits by ADEO or in matters of Data Protection.</li> </ul>	Customers are notified whenever such cases are detected, for example through social media, and we cooperate with the authorities.

- *Phishing* email campaigns

A culture of ethical and responsible conduct in the company that strengthens its reputation among stakeholders.	• The Ethics Committee is responsible for ensuring compliance with the Code of Ethics	We have an Ethics Committee comprised of the Chief Financial Officer, People Leader, General Counsel, Anti-Discrimination Officer, Anti-Fraud Officer, Regional Director, Compliance Director, and Compliance Officer. The DPO, Health and Safety Officer, and the Diversity, Equity, and Inclusion Officer also serve as non-permanent members. It meets quarterly and reviews all aspects related to ethics and regulatory compliance. It reports directly to the Board of Directors.
Positioning the company in sustainability that increases reputation and recognition	• Positive Impact Strategy	The Positive Impact strategy and the company's annual position in rankings such as MERCO ESG are monitored.
Participation in alliances to promote sustainability that foster collaboration and the creation of shared knowledge	• Positive Impact Strategy	The Positive Impact strategy and the company's participation in initiatives and alliances are monitored.

RD GOV-1 P. 22 d

Risks and their management are reported throughout the year to the Board of Directors and the Audit Committee. As mentioned above, both the Board and the Committee are advisory bodies and therefore do not participate in objective setting.

The objectives and their monitoring are carried out by the Steering Committee. The goal-setting process associated with the objectives and key indicators is also reported to the *Executive Leadership Team*, and periodic monitoring is conducted.

**Information provided to the company's administrative, management and supervisory bodies and sustainability issues addressed by them**

RD GOV-2 P. 26 a

The results of the materiality assessment and risk analysis are communicated and validated annually with the Positive Impact Executive Leader. The Positive Impact Executive Leader then communicates the publication of the sustainability information, which includes all information on impact, risk, and opportunity management through policies, actions, metrics, and objectives, as well as the elements of a due diligence system, to the *Executive Leader Team*. Finally, the Board of Directors also approves the information included in the report annually.

RD GOV-2 P. 26 b

In 2024, while topics related to impacts, risks, and opportunities have been addressed in the oversight of the company's strategy and decision-making, they have not been explicitly addressed as part of the dual materiality process. This is because this is the first time this methodology has been applied. For example, although the impact, risk, and opportunity "Protection of sustainability and ethical principles in the value chain through audits and internal control" has not been formally identified, topics such as ESG audits have been discussed in the Management Committee, as shown in the list of topics included in the table below. Therefore, although these issues have been addressed, they have not been done so under the specific conceptualization of impacts, risks, and opportunities or within the framework of the dual materiality process.

RD GOV-2 P. 26 c

**LIST OF MATERIAL IMPACTS, RISKS AND OPPORTUNITIES ADDRESSED BY THE BOARD OF DIRECTORS AND/OR THE AUDIT COMMITTEE**

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**Impacts**

- Contribution to the protection of working conditions and human rights in the value chain through audits and internal control
- Protection of sustainability and ethical principles in the value chain through audits and internal control

**Risks**

- Inadequate management of ethical alerts or complaints

**Opportunities**

A culture of ethical and responsible conduct in the company that strengthens its reputation among stakeholders.

**LIST OF MATERIAL IMPACTS, RISKS AND OPPORTUNITIES ADDRESSED BY THE STEERING COMMITTEE**

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**Impacts**

- Protection of sustainability and ethical principles in the value chain through audits and internal control
- Loss of information and personal data of clients, collaborators, suppliers and other stakeholders due to cybersecurity breaches
- Improving customer experience through new and innovative digital sales channels and after-sales service
- Improving customer experience and service through innovation and new business solutions (products, services)
- Improving job satisfaction through a positive and collaborative work environment
- Improved working conditions through opportunities for professional growth in the company

- Improved working conditions by contributing to the financial security of employees
- Improved work-life balance conditions through flexible working hours and teleworking measures for office workers
- Deterioration of work-life balance conditions for store employees due to schedules (weekend opening and extended hours)
- Deterioration in the satisfaction of some teams due to the perception of high workloads
- Deterioration of the health and well-being of employees due to the company's inability to implement an environment that promotes work-life balance
- Improving the health and well-being of employees through measures and initiatives for the overall well-being of teams
- Improving working conditions through opportunities for training and vocational development
- Improved customer experience through the availability of clear and relevant information on the environmental and social impact of products (Home Index)
- Improved customer satisfaction through commitment to product affordability
- Improving customer satisfaction through commitment to authentic experience and excellent service
- Contribution to energy renovation and sustainability in homes through the offer of products and services
- Contribution to responsible consumption and sustainable living habits through projects such as Home Index and communication and awareness initiatives
- Contribution to climate change due to the possible failure to reduce the carbon footprint in logistics
- Contribution to climate change due to the possible failure to reduce the carbon footprint in the manufacturing of products
- Contribution to climate change due to the possible inability to reduce the carbon footprint in the use of products
- Contribution to climate change due to the possible inability to reduce the carbon footprint at the end of life of products
- Promoting the circular economy through specialized service offerings (repair, rental, second-hand)

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#### Risks

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- Inadequate management of ethical alerts or complaints
- Exposure to security breaches or leaks of company and stakeholder information
- Loss of customer confidence due to phishing attacks (fraudulent messages with the image of LEROY MERLIN)
- Difficulty in attracting and retaining the talent necessary for the company's development
- Loss of employee satisfaction and productivity due to work overload
- Loss of employee satisfaction and productivity due to the inability to implement an environment that promotes work-life balance.
- Loss of employee satisfaction and productivity due to discrimination in their professional development (promotion, remuneration)
- Loss of employee satisfaction and productivity due to workplace harassment
- Loss of customer satisfaction due to the failure to offer products and services that improve housing conditions (e.g., energy efficiency, comfort, durability and affordability, etc.), which could contribute to the precariousness and inadequacy of customers' housing.
- Company exposure to physical and transition risks from climate change and extreme weather events
- Increased allocation of financial resources to address carbon footprint costs
- Increased exposure to climate risks due to the inability to adapt facilities and operations to the physical impacts of climate change
- Failure to meet sustainability goals due to failure to reduce carbon footprint in logistics
- Failure to meet sustainability targets due to failure to reduce the carbon footprint of products

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#### Opportunities

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- A culture of ethical and responsible conduct in the company that strengthens its reputation among stakeholders.
- Positioning the company in sustainability that increases reputation and recognition
- Participation in alliances to promote sustainability that foster collaboration and the creation of shared knowledge
- New business opportunities due to investment in innovation in commercial solutions (products, services)
- Increased operational efficiency and industrialization thanks to process digitalization

- Positive and collaborative work environment that improves employee satisfaction and performance
- Increased ability to attract and retain talent through the company's perception as a good employer
- Increased productivity and engagement through employee engagement policies (employee shareholders)
- New business opportunities associated with the just transition
- New business opportunities associated with eco-design and product innovation with a positive impact
- New business opportunities associated with lifestyle changes and responsible consumption trends
- Recognition as a company committed to responsible consumption and sustainable living habits (Home Index, communication)
- New business opportunities associated with the circular economy
- New business opportunities associated with the reuse and recycling of waste to convert it into new resources

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### **Integrating sustainability-related performance into incentive systems**

RD GOV-3 P.13; 29

At LEROY MERLIN Spain, the position of director is unpaid, so the members of the governing body (Board of Directors) do not have an incentive system.

The members of the executive leadership team do have an incentive system. Specifically, their variable remuneration consists of:

**Progress bonuses (quarterly variable).** This quarterly variable applies not only to members of the management bodies but also to all LEROY MERLIN Spain employees (who have demonstrated more than 90 days' service during the bonus accrual period).

The Progress Bonus rewards progress in *Gross Merchandise Value* and the results of each store, region, and headquarters. It also includes the achievement of two qualitative objectives related to customer satisfaction, set annually (NPS, an objective included in the "Excellent Customer Service" subsection of the "Customers" section of Chapter 4. Social) and employee safety (frequency rate, an objective included in the "Health and Safety Parameters" subsection of the "Own Personnel" section of Chapter 4. Social). It is awarded four times a year, coinciding with each quarter: January, April, July, and October. By default, it is received in shares, although employees may receive their Progress Bonus in cash if they so wish. The bonus is calculated based on each employee's quarterly gross salary and establishes a maximum quarterly and annual limit of 25%, as a rate on established salary items.

Four parameters are taken into account when calculating the Progress Bonus for 2024. Two of them (T1 or Conquest Bonus and T2 or Result Improvement Bonus) are purely financial. The next two (T3 or Customer Satisfaction Bonus and T4 or Safety Bonus) are calculated in relation to sustainability-related goals, specifically customer NPS and in-store accident rates (accident frequency rate). All of these are set annually.

**Profit-sharing rate**. This annual variable applies to all LEROY MERLIN Spain employees and is rewarded for the company's performance. It is announced once a year, usually in February, in conjunction with the closing of earnings reports. The rate percentage is applied to the gross annual salary and is capped at 15%. By default, it is received in shares.

**Share Revaluation (VALADEO)**. The objective is to involve the entire team in the life and management of the company, sharing a portion of its results, both quantitative and qualitative. ADEO companies offer employees the opportunity to become shareholders in the Group. Share revaluation applies not only to the Management Committee but also to all employees in the company. The new share value is announced once a year, usually in March. During the month of June, each employee receives free of charge the corresponding shares awarded since the previous year's delivery, as well as any other shares acquired for consideration during the established voluntary purchase period. The number of shares corresponding to each employee is obtained by dividing the individual amount awarded in shares by the share value at the time of delivery. These shares are blocked for five years, counting from the date the share is blocked (the date the shares are subscribed), although they can be unblocked if certain circumstances or events occur, such as marriage, the birth of a child, or the purchase of a home.

The share price appreciation is influenced by the results achieved by all ADEO companies in the ADEO Positive Index, an index that measures the company's performance in terms of people and the environment through ten key indicators. For 2024, this index was used to determine an additional share-based bonus for employees and has a multiplying effect (if nine or more targets are achieved), a reducing effect (if only four targets are achieved), or no effect (if between five and eight targets are achieved). At the end of 2024, there was no multiplying or reducing effect, so these indicators were not affected. The ADEO Positive Index indicators are:

- Occupational accident frequency rate (see the Health and Safety Parameters sub-section of the Own Personnel section of Chapter 04. Social)
- Workplace Accident Severity Index (see the Health and Safety Parameters sub-section of the Own Personnel section of Chapter 04. Social)
- Percentage of employees trained in the Code of Ethics (see the subsection Our Commitment in the Responsible Culture section of chapter 05. Governance)
- Percentage of female directors and managers of centers (see the Diversity Parameters subsection of the Own Personnel section of chapter 04. Social)
- Number of training hours per employee and year (see the Training Parameters sub-section of the Own Personnel section of chapter 04. Social)
- eNPS Employee Satisfaction Index (EXI) (see Our Commitment subsection in

the Quality Employment section of Chapter 04. Social)

- Percentage of suppliers signing the Code of Conduct for Responsible Purchasing (see the subsection Our Commitment in the Responsible Value Chain section of Chapter 5. Governance)
- Sales share of products with a Home Index rating of A, B or C (see the subsection Our commitment in the Energy Renewal and Sustainable Solutions section of chapter 03. Environment)
- Direct carbon emissions from our centers (scopes 1 and 2) (see the Parameters and targets subsection of the Climate Change section of chapter 03. Environment)
- Product lifecycle carbon emissions (Scope 3) (see Parameters and targets in the Climate Change section of Chapter 3. Environment)
- Sale of products that allow customers to avoid emissions (see the subsection Our Commitment in the Energy Renewal and Sustainable Solutions section of chapter 03. Environment)
- Percentage of renewable energy consumption in the company's facilities (see subsection Our commitment in section 03. of chapter 03. Environment)
- Percentage of waste recovered at the company's facilities (see the Parameters and goals subsection of the Circular Economy section of chapter 03. Environment)

**Long-term incentive for the management team and individual variables** . Senior management (the Steering Committee) also has a long-term incentive and individual variables that vary depending on their mission or profile and are therefore not common to the entire team.

Each profile can have environmental or social indicators depending on its mission. These indicators are primarily related to health and safety, carbon footprint, and customer satisfaction.

The information is included in the compensation policies, which are generally available to all employees on the corporate intranet. The indicators are those already mentioned in the previous data points.

As previously mentioned, the Progress Bonus, applicable to all employees, is calculated based on each employee's quarterly gross salary and establishes a maximum quarterly and annual limit of 25%, as a percentage of the established salary items. It is not possible to contribute a percentage of executive compensation that depends on sustainability-related goals or impacts on a consolidated or common basis, since each profile may have different indicators in addition to the bonus, depending on their profile or mission.

Any changes to incentive systems are made at the Steering Committee level.

### **Due Diligence Statement**

RD GOV-4 P. 30; 32

Below are the main stages of due diligence (included in the ESRS - Chapter 4. Due Diligence) and an approximation of where the information is provided in the sustainability statement of LEROY MERLIN Spain:

ESSENTIAL ELEMENTS OF DUE DILIGENCE	SECTIONS OF THE SUSTAINABILITY STATEMENT
Integrating due diligence into governance, strategy, and the business model	ESRS 2 GOV-2: Information provided to the company's administrative, management and supervisory bodies and sustainability issues addressed by them
	ESRS 2 GOV-3: Integrating Sustainability-Related Performance into Incentive Systems
	ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with the strategy and business model
	ESRS S1-1: Policies related to own personnel
	ESRS S2-1: Policies related to workers in the value chain
	ESRS G1-1: Corporate Culture and Corporate Culture and Business Conduct Policies
Collaboration with affected stakeholders at all key stages of due diligence	ESRS 2 GOV-2
	ESRS 2 SBM-2: Stakeholder Interests and Opinions
	ESRS 2 IRO-1 Description of the processes for determining and assessing material impacts, risks and opportunities
	ESRS 2 MDR-P: reported specifically in the different thematic ESRS (E1, E5, S1, S2, S3, S4, G1)
Identification and assessment of adverse impacts	ESRS 2 IRO-1
	ESRS 2 SBM-3
Adoption of measures to address these adverse impacts	ESRS 2 MDR- A: reported specifically in the different thematic ESRS (E1, E5, S1, S2, S3, S4, G1)
	ESRS E1-1: Climate Change Mitigation Transition Plan
	ESRS E5-2: Actions and resources related to the use of resources and the circular economy
	ESRS S1-4: Taking action related to material impacts on own personnel, approaches to mitigating material risks and exploiting material opportunities related to own personnel, and effectiveness of such actions
	ESRS S2-4: Actions taken regarding material impacts on value chain workers, approaches to managing material risks and exploiting material opportunities related to value chain workers, and the effectiveness of such actions
	ESRS S3-4: Adoption of measures related to material impacts on affected groups, approaches to managing material risks

and exploiting material opportunities related to affected groups, and effectiveness of such actions

ESRS S3-4: Adoption of measures related to material impacts on affected groups, approaches to managing material risks and exploiting material opportunities related to affected groups, and effectiveness of such actions

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Monitoring the effectiveness of these efforts and communication

ESRS 2 MDR-M: reported specifically in the different thematic  
ESRS (E1, E5, S1, S2, S3, S4, G1)

ESRS 2 MDR-T: reported specifically in the different thematic  
ESRS (E1, E5, S1, S2, S3, S4, G1)

### **Risk management and internal controls for sustainability disclosure**

RD GOV-5 P. 36 a | P. 36 b | P. 36 c | P. 36d

The sustainability reporting information request process consists of six stages or phases and begins in the third quarter of the year. Each of these stages represents key dates in the process.

- Materiality analysis (every two years): third quarter of the current year
- Launch of the process and collection of qualitative information: third quarter of this year
- Collection of quantitative information: fourth quarter of the current year and first quarter of the following year
- Drafting of the Sustainability Report document: first and second quarter of the following year
- Validation of information by the areas and the Executive Committee: first and second quarter of the following year
- Publication of the Sustainability Report: second quarter of the following year

The ESG Reporting team, within the Positive Impact area, coordinates and monitors the entire sustainability reporting process, applying various forms of validation and control at various levels:

- First, during the information collection phase, the person responsible for reporting the data is asked to validate it with their direct supervisor. This dual responsibility of the departments (reporter and validator) allows for correction and adjustment of any errors or discrepancies.
- The ESG Reporting team thoroughly reviews all data contained in the reports and requests clarification from the departments if necessary.
- Once the information begins to be entered into the draft document, it is periodically reviewed by the team. The team also conducts several final rereads of the document to detect errors or typos.
- Finally, the document is shared with the *Executive Leader Team*, the company's governing body, for their knowledge, review, and final validation.

In the sustainability reporting process, a series of potential risks have been identified internally related to the information collection, processing, and communication processes with stakeholders. These risks were identified based on an internal analysis by the ESG Reporting team, taking into account the experience in sustainability reporting in recent years and updating the risks to take into account the challenges of the new sustainability reporting regulations.

The main risks include:

- Points of error or failure in data processes, from origin to consolidation and reporting.
- Failure to comply with established deadlines for collecting information and evidence that enable the reporting process to be carried out.
- Lack of understanding on the part of those responsible for reporting information about the data or evidence to be provided.
- Inconsistencies in the traceability of information due to the use of different digital platforms or formats.

To mitigate these risks, the validation and control processes developed previously are established. These activities include review and approval processes, verifications, and controls carried out by both the organization and an independent third party.

During the information collection process, a kickoff meeting was held with the areas responsible for providing data to convey the importance of the reporting process. In addition, instructions were provided to the responsible individuals with specific descriptions of the information to be collected, its scope, format, and verification process to minimize the risk of errors in this process. The ESG Reporting team, within the Positive Impact area, also conducted ongoing follow-up via emails and/or in-person and online meetings with the areas responsible for reporting information to ensure compliance with deadlines and address any queries.

RD GOV-5 P. 36 e

In 2024, no periodic notifications have been made to the administrative, management and supervisory bodies related to risk management and internal controls for the disclosure of sustainability information in addition to what was previously commented on in the RD GOV-2 P. 26 c requirement.

## STRATEGY

### **Strategy, business model and value chain**

RD SBM-1 P. 42

We are a company dedicated to home improvement and renovation. We are part of ADEO, a group of companies focused on home improvement, DIY, construction, and renovation projects.

LEROY MERLIN aims to be a relevant company in Spain, contributing to and positively impacting its employees, customers, suppliers, and society at large. Our business model is based on values, placing people at the center of our decisions. It is focused on customer proximity and the high availability of products and solutions through all channels.

Our goal is to offer increasingly personalized solutions tailored to our customers' needs and achieve a convergence of our various sales channels (130 stores, website, app, and telephone sales), providing a seamless and comprehensive experience.

In 2024, we focused, among other key issues, on ensuring a positive, environmentally responsible, and customer-valued solutions offering. We are promoting a more sustainable product range, working toward circular business models, and fostering product repairability and durability. We are also leading the way in comprehensive home energy renovation, with insulation and air conditioning solutions, and promoting renewable energy and consumption.

## Value chain



### Previous stages of the value chain

The previous phases include activities related to the manufacturing, extraction, storage, and transportation of the products marketed by the company. The main agents in this phase are strategic suppliers, responsible for extracting raw materials and finished products. Key activities include:

- Raw material extraction: extraction of the raw materials needed for manufacturing.
- Manufacturing: production of specific products for DIY, construction, decoration and gardening.
- Storage and supply: initial distribution of products to ensure their availability.
- Transportation and logistics: road, sea, and rail transport to ensure efficient logistics. The company also has its own warehouses that streamline the storage and distribution of products to points of sale.

### Company position in the value chain: sales of products and services

The company occupies a key position in the value chain, focused on selling products and providing services to consumers. In this phase, the main players include distribution channels (physical points of sale, e-commerce, and marketplaces) and end consumers. Key activities include:

- Supply of goods and services:
  - Purchases of goods and services from suppliers.
- Products and services:
  - Products: Wide range of products segmented into categories such as Project, Rehabilitation, Garden, Technical and Decorative.
  - Services: Additional services such as off-site installation, tool rental, and specific solutions for B2B clients, including key accounts.
  - Hogami Platform: Connection between end customers and professionals for product installation.

- Sales channels:
  - Physical points of sale: 130 stores distributed throughout Spain.
  - Ecommerce: Online sales through a website and mobile app.
  - Marketplace: Platform for the sale of third-party products.
  - Telephone sales: Customer support channel.
- After-sales service:
  - Customer service, complaint and return management, and handling of non-conformities.
  - Affiliate program (Club Leroy Merlin) for customer loyalty.
- Internal management:
  - Key areas that drive business efficiency and growth (technology and digitalization, human resources, Customer Service and Brands, supply chain and delivery, performance, omnichannel experience, positive impact).

#### **Later stage of the value chain: End of product life**

This phase focuses on responsible end-of-life management of products, promoting circular economy practices. Services offered in this phase include:

- Circular services : Options such as repair, rental and sale of products with minor cosmetic damage at a discount .

RD SBM-1 P. 40 ai

#### **Products and services offered by LEROY MERLIN Spain**

##### **PRODUCTS AND SERVICES**

<b>Products</b>	<ul style="list-style-type: none"><li>● Furniture, cabinets and organization</li><li>● Bathrooms</li><li>● Garden and terrace</li><li>● Lightning</li><li>● Decoration</li><li>● Wood</li><li>● Kitchens</li><li>● Doors, windows and stairs</li><li>● Soils</li><li>● Heating and air conditioning</li><li>● Tools</li><li>● Paint</li><li>● Construction</li><li>● Electricity and home automation</li><li>● Ceramics</li><li>● Hardware and security</li><li>● Plumbing</li><li>● Renewable energies</li></ul>
<b>Services</b>	<ul style="list-style-type: none"><li>● Hogami: Installation Service</li><li>● Project Service</li><li>● Telephone sales</li><li>● Tool rental</li></ul>

RD SBM-1 P. 40 a ii

### Markets or customer groups

- Final consumer/resident: the entire Spanish market
- Corporate clients: corporate clients that are managed from a specific department (Major Accounts Department)
- PRO Clients: professional clients in the renovation and construction sector.

### Types of suppliers

- Suppliers of goods: Those directly linked to the products sold by LEROY MERLIN Spain
- Indirect purchasing suppliers: Other suppliers and *partners*

The main inputs of interest to LEROY MERLIN Spain are the products sold (listed in the Products and Services table). We work in collaboration with merchandise suppliers to ensure their supply. The relationship with merchandise suppliers is based on the Code of Conduct for Responsible Purchasing Suppliers.

RD SBM-1 P. 40 a iii

The total number of employees is reported in the section Characteristics of the company's employees in the chapter [04 Social](#).

RD SBM-1 P. 40 b | SBM-1 P. 42 b

LEROY MERLIN Spain sells more than 300,000 products throughout the year. In terms of financial results, sales of products and services have resulted in a turnover of €3.589 billion.

TOTAL INCOME (thousands of €)	2023	2024
Total income or net turnover ( thousands of €)	3,410,786	3,589,618

RD SBM-1 P. 40 e

### General strategy objectives related to sustainability

The company's strategy for 2024 is divided into four "battles":

- Battle 1: We developed a platform business model. It focuses on commitments to increasing the active customer base and annual consumption through a 5-star omnichannel experience, improving the omnichannel customer experience by focusing on the most promising touchpoints, and reducing customer friction and customer service contacts. (more information in ESRS S4).
- Battle 2: We are improving the value proposition for our customers and target markets. This focus is on our commitments to ensure that the portfolio built and deployed across channels competitively covers all uses and quartiles, to increase our sales portfolio through an effective portfolio, to strengthen the brand's omnichannel proposition to respond to customer needs, and to develop competitive solutions to ensure customer needs are met with a high level of satisfaction (more information in ESRS S4).
- Battle 3: We guarantee the sustainability of our business model. Focusing on our commitments to improve net margins from purchase to sale, increasing efficiency in the

supply chain, ensuring the quality and quantity of stock, and aligning expenses with the economic reality (more information in Chapter [1 About LEROY MERLÍN](#)).

- **Battle 4:** We are leaders of a positive future. In this battle, we commit to improving and personalizing the experience of more diverse, experienced, confident, well-rounded, and stable teams; strengthening commitment and stability through a *journey* tailored to each person and moment; advancing the construction of a diverse and inclusive workforce; empowering teams with a focus on their mission and profitable sales; consolidating our commitment to employee and customer safety (more information in ESRS S1 and ESRS S4); promoting sustainable living through the Home Index (more information in ESRS S4); fostering new forms of circular consumption (more information in ESRS E5); and promoting our commitment to social action (more information in ESRS S3).

All of these initiatives contribute to the company's sustainability and have specific objectives to address the material impacts, risks, and opportunities discussed in the "Our Commitment" sections in the following chapters. However, in 2024, the objectives most directly linked to sustainability from an ESG perspective, which include commitments related to social and environmental issues, are found in initiatives 1 and 4.

#### 2024 GOALS

Commitment	Indicators
<b>Battle 1</b>	<b>We developed a platform business model</b>
We're growing our customer base and annual spending with a 5-star omnichannel experience.	<ul style="list-style-type: none"> <li>• 6% increase in the <i>lifetime value of customers who are part of the Leroy Merlin Club</i></li> <li>• 3% increase in Leroy Merlin Club customers (12 million)</li> <li>• Customer consumption increased by 3%</li> </ul>
We're improving the omnichannel customer experience by focusing on the touchpoints with the highest potential (store, online store, installations, in-store pickup).	<ul style="list-style-type: none"> <li>• 360° customer NPS of 57 (3 point increase)</li> </ul>
We reduce customer friction and customer service contacts	<ul style="list-style-type: none"> <li>• Contacts/ticket: 15% reduction</li> </ul>
<b>Battle 4</b>	<b>We are leaders of a positive future</b>
We improve and personalize the experience of more diverse, expert, secure, complete and stable teams.	<ul style="list-style-type: none"> <li>• eNPS (employee satisfaction score) above 60</li> </ul>
We reinforce commitment and stability through a <i>journey</i> tailored to each person and moment.	<ul style="list-style-type: none"> <li>• Turnover less than 15%</li> <li>• Turnover in the first year less than 10%</li> <li>• Absenteeism less than 6%</li> </ul>
We are making progress in building a diverse and inclusive workforce	<ul style="list-style-type: none"> <li>• Women Leaders: more than 40% (by 2027)</li> <li>• Disabled workforce: more than 4%</li> </ul>
We train teams with a focus on their mission and profitable sales.	<ul style="list-style-type: none"> <li>• Specialist sellers: more than 80%</li> </ul>
We consolidate our commitment to employee and customer safety	<ul style="list-style-type: none"> <li>• Accident frequency rate: &lt;6</li> </ul>

We promote sustainable habitat through Home Index	<ul style="list-style-type: none"> <li>60% of sales come from products with a Home Index score of A, B or C</li> <li>We reduced the carbon footprint of our operations by 5%.</li> </ul>
We promote new forms of circular consumption	<ul style="list-style-type: none"> <li>We have achieved a waste recovery rate of 85% in stores and warehouses.</li> <li>We recovered €4 million in demand through our Near Perfect and Refurbished projects.</li> </ul>
We promote our commitment to social action	<ul style="list-style-type: none"> <li>8% of the workforce does volunteer work</li> <li>We increased the number of beneficiaries of donations and social action projects by 10%.</li> </ul>

RD SBM-1 P. 40 g

#### 2025 GOALS

Commitment	Indicators
<b>Battle 1</b>	<b>We increased our share of purchases from individual and professional customers by improving their omnichannel experience.</b>
We increased the number of active customers and their annual consumption	<ul style="list-style-type: none"> <li>Sales figure Club Clients (individual + PRO): +5%</li> </ul>
We identify, retain and increase the consumption of individual customers	<ul style="list-style-type: none"> <li>Private Club Clients (identification - cancellations): +7%</li> <li>Average consumption per customer: -2%</li> </ul>
We are developing PRO client consumption with a new Club more adapted to professional clients.	<ul style="list-style-type: none"> <li>Active PRO Club Clients (identification - cancellations): +6%</li> </ul>
<b>Battle 2</b>	<b>We accelerate the conquest of our strategic markets through the best inhabitant solutions</b>
We lead the energy renovation market by promoting the sale of solutions in the 4 stages of the process: Insulate, Air Condition, Generate and Control	<ul style="list-style-type: none"> <li>Energy efficiency-related sales figures exceed €483 million</li> </ul>
<b>Battle 4</b>	<b>We are leaders committed to a positive future for homes and people.</b>
We generate a collaborative experience based on our culture of sharing that reinforces team loyalty.	<ul style="list-style-type: none"> <li>eNPS (employee satisfaction score) above 62</li> </ul>
We reinforce the commitment and stability in our sales groups through a <i>journey</i> adapted to each person and moment	<ul style="list-style-type: none"> <li>Stability in the first year &gt; 83%</li> </ul>
We guarantee differential processes for attracting and acquiring talent and <i>onboarding</i> .	<ul style="list-style-type: none"> <li>Turnover in the first year is less than 8%</li> </ul>
We accelerate female leadership to achieve diverse and balanced teams	<ul style="list-style-type: none"> <li>Women leaders: more than 40% (by 2027)</li> </ul>
We consolidate our commitment to employee and customer safety	<ul style="list-style-type: none"> <li>Accident frequency rate: &lt;6</li> </ul>

We decarbonize our operations, our products, and our customers' homes.	<ul style="list-style-type: none"><li>• -3% CO2 emissions (scope 1 and 2)</li><li>• 2nd Lean&amp;Green Star (logistics emissions)</li></ul>
We promote the sale of sustainable products	<ul style="list-style-type: none"><li>• 75% of sales come from products with a Home Index score of A, B or C</li></ul>
We promote responsible consumption alternatives (rental, repair and second life)	<ul style="list-style-type: none"><li>• <i>Gross Merchandise Value</i> of circular businesses exceeds 4 million euros</li></ul>
We improve our waste management	<ul style="list-style-type: none"><li>• We have achieved a waste recovery rate of 85% in stores and warehouses.</li></ul>

RD SBM-1 P. 40 f

LEROY MERLIN Spain is aware of the opportunity presented by integrating sustainability into its business model. Therefore, in recent years, it has focused, among other things, on increasing the availability of information on the social and environmental impact of products to consumers, through the launch of the Home Index project, an indicator for measuring the environmental and social impact of our products; the energy efficiency market, an important factor when purchasing or renting a home and one that clearly impacts European energy efficiency targets for 2030; and the relaunching of services, such as rentals and repairs, that promote a more circular economy.

Furthermore, in the area of wood use, we have the *Circlewood project* to promote the recycling of this material and its transformation into new products (more information in ESRS E5-2).

RD IRO-1 P. 53 f | IRO-1 P. 43 h

### Risk management

The company's risk management process and the various existing risk matrices have been a fundamental basis for identifying impacts, risks, and opportunities in the dual materiality process.

The process has changed compared to last year because, this time, the assessment was conducted in accordance with the new requirements of the Corporate Sustainability Reporting Directive. The latest modification to the process was to align it with these requirements, allowing the assessment to better reflect both current risks and opportunities. A further review will be conducted in 2025, allowing the company to adapt to potential regulatory changes and continue improving impact management throughout the entire value chain.

### **Interests and opinions of stakeholders**

SBM-2

RD SBM-2 | P. 45 to iv

The purpose of stakeholder engagement is to foster communication and dialogue with key groups affected by our decisions and actions. In an interconnected world, our decisions have a direct impact not only on our own activities but also on the activities of various groups. Stakeholder engagement allows us to align interests, identify and manage potential impacts, and ensure that decisions are informed and reflect the needs and expectations of those involved.

RD SBM-2 P. 45 b

During 2023, to determine the impact of material issues on stakeholders, the following were carried out:

- Surveys and direct interviews with a broad range of groups, including suppliers, customers, and unions for the first time.
- In-depth interview with the CEO of LEROY MERLIN Spain to incorporate management's vision on key issues for the company's current and future sustainable performance.
- Session with an internal working group comprised of key areas of the company to review and validate material topics.

As a result of these consultations, the main sustainability topics of greatest interest to the various groups are listed below.

LEROY MERLIN SPAIN STAKEHOLDERS CONSULTED	KEY SUSTAINABILITY TOPICS IDENTIFIED AS PRIORITIES
<b>Customers and consumers</b>	<ul style="list-style-type: none"><li>• Excellent customer service</li><li>• Quality employment</li><li>• Quality and security of solutions</li><li>• Responsible value chain</li><li>• Equality, diversity and inclusion</li></ul>
<b>Collaborators</b>	<ul style="list-style-type: none"><li>• Excellent customer service</li><li>• Occupational health and safety</li><li>• Quality employment</li><li>• Responsible value chain</li><li>• Quality and security of solutions</li></ul>
<b>Suppliers</b>	<ul style="list-style-type: none"><li>• Excellent customer service</li><li>• Digitalization and innovation</li><li>• Quality employment</li><li>• Responsible culture, good governance and transparency</li><li>• Comprehensive team well-being</li></ul>
<b>Institutions and business community</b>	<ul style="list-style-type: none"><li>• Quality employment</li><li>• Excellent customer service</li><li>• Circular economy</li><li>• Responsible value chain</li><li>• Decarbonization and adaptation of the activity</li></ul>

In 2024, the dual materiality study was updated through the identification and assessment of impacts, risks, and opportunities.

RD SBM-2 P. 45 a | P. 45 ai | SBM-2 P. 45 a iii | SBM-2 P. 45 a ii | SBM-2 P. 45 av | S3.SBM-2 P. 7 | **S4.SBM-2 P. 8**

The communication channels with LEROY MERLIN Spain's currently active stakeholders are as follows.

STAKEHOLDERS	COLLABORATION	EVALUATION OF COLLABORATION	MATERIAL TOPICS
<b>Customers and consumers</b> Individuals   Professionals   Business	Together, we find solutions that help them create better living environments.  Main communication tools: customer service, educational videos and workshops, advertising, media and social media posts, training workshops.	NPS (Net Promoter Score) is an internationally recognized tool that allows us to evaluate customer experiences. This system covers a total of 12 touchpoints, from the rating of our physical stores to distance and online sales, including customer service, product delivery, and other additional services. This assessment is a key performance indicator in our strategy and is considered when seeking continuous improvement. Learn more about how the results are incorporated into ESRS S4-2.	<ul style="list-style-type: none"> <li>• Responsible culture, good governance and transparency</li> <li>• Data protection and cybersecurity</li> <li>• Digitalization and innovation</li> <li>• Excellent customer service</li> <li>• Energy renewal and sustainable solutions</li> <li>• Quality and security of solutions</li> </ul>
<b>Parent company</b> ADEO	We are subject to their policies and reporting requirements. We also share synergies and working groups with other companies in the group.	Meetings and synergies, both in person and online, help guide and align LEROY MERLÍN Spain's strategic development with the group and its strategic framework.	<ul style="list-style-type: none"> <li>• Responsible culture, good governance and transparency</li> </ul>
<b>Suppliers</b> Merchandise Suppliers   Indirect Purchasing Suppliers	The relationship is based on the Code of Conduct for Responsible Purchasing. Joint initiatives are implemented to maximize value creation. Communication is provided through the Extranet, the annual supplier convention, and individual meetings and consultations.	Monitoring suppliers' NPS, which evaluates their relationship with LEROY MERLÍN Spain. The results allow us to evaluate our performance and identify areas for improvement in our relationships with suppliers. More information in S2-4.	<ul style="list-style-type: none"> <li>• Responsible culture, good governance and transparency</li> <li>• Responsible value chain</li> </ul>

<b>Society</b>  General public (local communities)   Third sector entities (NGOs, foundations)   Media	Allies in initiatives for global improvement. We collaborate in forums, workshops, and other institutional platforms.	Continuous monitoring of the relationship from the Legal, Corporate Communications, Human Resources, and Positive Impact departments. In particular, constant contact with entities in the social action area allows for modulating or focusing the social action strategy, which is included in the positive impact strategy. More information in S3-4.	<ul style="list-style-type: none"> <li>• Responsible culture, good governance and transparency</li> <li>• Contribution to the national economy</li> <li>• Development of local communities</li> </ul>
<b>Collaborators</b>  Employees   Governing Bodies: Board of Directors and <i>Executive Leadership Team</i>	Participatory management: results sharing, meetings with the management team, and quarterly progress committees. Internal training and communication initiatives such as Campus and Workplace. Working groups. Most of our employees are also shareholders.	Employee engagement is monitored through the eNPS, and their satisfaction with various projects is assessed. Learn more about how the results are incorporated into ESRS S1-2.	<ul style="list-style-type: none"> <li>• Responsible culture, good governance and transparency</li> <li>• Quality employment</li> <li>• Occupational health and safety</li> <li>• Comprehensive team well-being</li> <li>• Equality, diversity and inclusion</li> <li>• Attracting and retaining talent</li> <li>• Training and capacity building</li> </ul>
<b>Institutions and business community</b>  Public Administrations   Business Organizations   Trade Unions	Participation in business organizations managed by the Legal Department and with the involvement of other departments depending on the subject matter at hand.	Monitoring the company's position in rankings such as MERCOPA Reputation, MERCOPA Talent, or MERCOPA ESG, which include scores awarded by these types of stakeholders.  The results are taken into account to identify areas for improvement in the corresponding strategies.	<ul style="list-style-type: none"> <li>• Responsible culture, good governance and transparency</li> <li>• Quality employment</li> </ul>
<b>Planet</b>	Within the framework of the dual materiality study, in compliance with regulations, the company's impact on stakeholders and the planet is considered.		<ul style="list-style-type: none"> <li>• Energy renewal and sustainable solutions</li> <li>• Decarbonization and adaptation of the activity</li> <li>• Circular economy</li> <li>• Waste management</li> </ul>

RD SBM-2 P. 45 c | P.45 ci | P. 45 c iii; jj | P. 45 d | S1.SBM-2 P 12

In 2024, the administrative, management, and oversight bodies were not informed about the opinions and interests of affected stakeholders regarding the company's sustainability-

related impacts, as this is the first time the dual materiality study has been conducted using this methodology. The *Executive Leadership Team* is informed about the opinions and interests of critical stakeholders, such as employees or customers, if these issues are addressed in the framework of its regular meetings. See RD GOV-2 P. 26 c for more information.

The company's strategy is defined by assessing and addressing the ongoing interests and opinions of stakeholders. To this end, internal strategic reflection processes and the definition of new objectives take into account, in particular, the main results of customer and employee satisfaction and experience from the previous year. In 2024, no changes were made to the strategy or business model as a result of stakeholder interests and opinions. These measures are likely to modify stakeholder relationships and opinions in the future.

### **Material impacts, risks and opportunities and their interaction with the strategy and business model**

RD SBM-3 P. 48 a | P. 48 c iii | Q. 48 hours

IMPACTS, RISKS AND OPPORTUNITIES*	I R O	TOPIC, SUBTHEME AND LINKED SUB-SUBTHEME (AR 16)	POSITIVE   NEGATIVE	CURRENT   POTENTIAL	SHORT   MEDIUM   LONG TERM**			VALUE CHAIN	STAKEHOLDER S (IMPACTS)
					TERM**	SHORT	MEDIUM	LONG	
A culture of ethical and responsible conduct in the company that strengthens its reputation among stakeholders.	Opportunity.	ESRS G1 Corporate culture	N/A	N/A	x	x	x	x	N/A
Positioning the company in sustainability that increases reputation and recognition	Opportunity.	ESRS G1 Corporate culture	N/A	N/A		x	x	x	N/A
Participation in alliances to promote sustainability that foster collaboration and the creation of shared knowledge	Opportunity.	ESRS G1 Corporate culture	N/A	N/A		x	x	x	N/A
Inadequate management of ethical alerts or complaints	Risk	ESRS G1 Protection of whistleblowers	N/A	N/A	x	x	x	x	N/A
Legal proceedings (fines, litigation) associated with cases of moral or physical harassment towards an employee in the value chain (subcontractor/supplier)	Risk	ESRS G1 Supplier relationship management, including payment practices	N/A	N/A	x	x	x	x	x N/A
Contribution to the protection of working conditions and human rights in the value chain through audits and internal control	Impact	ESRS S2 Working conditions	Positive	Current	x	x	x	x	x Suppliers
Accidents and/or illnesses in suppliers as a result of their work for the company	Impact	ESRS S2 Working conditions (Health and safety)	Negative	Current	x	x	x	x	x Suppliers
Protection of sustainability and ethical principles in the value chain through audits and internal control	Impact	ESRS G1 Supplier relationship management, including payment practices	Positive	Current	x	x	x	x	Suppliers
Exposure to security breaches or leaks of company and stakeholder information	Risk	Own topic Data Protection and Cybersecurity (Governance Chapter)	N/A	N/A	x	x	x	x	N/A

IMPACTS, RISKS AND OPPORTUNITIES*	I   R   O	TOPIC, SUBTHEME AND LINKED SUB-SUBTHEME (AR 16)	POSITIVE   NEGATIVE	CURRENT   POTENTIAL	SHORT   MEDIUM   LONG TERM**			VALUE CHAIN	STAKEHOLDER S (IMPACTS)
					TERM**	TERM**	TERM**		
Loss of customer confidence due to phishing attacks (fraudulent messages with the image of LEROY MERLIN)	Risk	Own topic Data Protection and Cybersecurity (Governance Chapter)	N/A	N/A	x	x	x	x	N/A
Loss of information and personal data of clients, collaborators, suppliers and other stakeholders due to cybersecurity breaches	Impact	Own topic Data Protection and Cybersecurity (Governance Chapter)	Negative	Potential	x	x	x	x	Customers and consumers
New business opportunities due to investment in innovation in commercial solutions (products, services)	Opportunity.	Own topic Digitalization and Innovation (Social Chapter - Customers)	N/A	N/A	x	x	x	x	N/A
Increased operational efficiency and industrialization thanks to process digitalization	Opportunity.	Own topic Digitalization and Innovation (Social Chapter - Customers)	N/A	N/A	x	x	x	x	N/A
Improving customer experience through new and innovative digital sales channels and after-sales service	Impact	Own topic Digitalization and Innovation (Social Chapter - Customers)	Positive	Potential	x	x	x	x	Customers and consumers
Improving customer experience and service through innovation and new business solutions (products, services)	Impact	Own topic Digitalization and Innovation (Social Chapter - Customers)	Positive	Potential	x	x	x	x	Customers and consumers
Positive and collaborative work environment that improves employee satisfaction and performance	Opportunity.	ESRS S1 Working conditions	N/A	N/A	x	x	x	x	N/A
Increased ability to attract and retain talent through the company's perception as a good employer	Opportunity.	ESRS S1 Working conditions	N/A	N/A	x	x	x	x	N/A
Difficulty in attracting and retaining the talent necessary for the company's development	Risk	ESRS S1 Working conditions (Training and capacity development)	N/A	N/A	x	x	x	x	N/A

IMPACTS, RISKS AND OPPORTUNITIES*	I   R   O	TOPIC, SUBTHEME AND LINKED SUB-SUBTHEME (AR 16)	POSITIVE   NEGATIVE	CURRENT   POTENTIAL	SHORT   MEDIUM   LONG TERM**			VALUE CHAIN	STAKEHOLDER S (IMPACTS)
					TERM**	TERM**	TERM**		
Increased productivity and engagement through employee engagement policies (employee shareholders)	Opportunity.	ESRS S1 Working conditions (Collective bargaining, including the proportion of workers covered by collective agreements)	N/A	N/A		x	x	x	N/A
Improving job satisfaction through a positive and collaborative work environment	Impact	ESRS S1 Working conditions	Positive	Current	x	x	x	x	Collaborators
Improved working conditions through opportunities for professional growth in the company	Impact	ESRS S1 Working conditions (Training and capacity development)	Positive	Potential		x	x	x	Collaborators
Improved working conditions by contributing to the financial security of employees	Impact	ESRS S1 Working conditions (adequate wages)	Positive	Current	x	x	x	x	Collaborators
Legal proceedings (fines, litigation) and/or loss of reputation due to accidents and/or occupational diseases	Risk	ESRS S1 Working conditions (Health and safety)	N/A	N/A	x	x	x	x	N/A
Deterioration of the health and safety of employees due to the occurrence of accidents and/or occupational diseases	Impact	ESRS S1 Working conditions (Health and safety)	Negative	Current	x	x	x	x	Collaborators
Loss of employee satisfaction and productivity due to work overload	Risk	ESRS S1 Working conditions (Working time)	N/A	N/A		x	x	x	N/A
Loss of employee satisfaction and productivity due to the inability to implement an environment that promotes work-life balance.	Risk	ESRS S1 Working conditions (Work-life balance)	N/A	N/A	x	x	x	x	N/A
Improved work-life balance conditions through flexible working hours and teleworking measures for office workers	Impact	ESRS S1 Working conditions (Work-life balance)	Positive	Current	x	x	x	x	Collaborators

IMPACTS, RISKS AND OPPORTUNITIES*	I   R   O	TOPIC, SUBTHEME AND LINKED SUB-SUBTHEME (AR 16)	POSITIVE   NEGATIVE	CURRENT   POTENTIAL	SHORT   MEDIUM   LONG TERM**			VALUE CHAIN	STAKEHOLDER S (IMPACTS)
					TERM**	TERM**	TERM**		
Deterioration of work-life balance conditions for store employees due to schedules (weekend opening and extended hours)	Impact	ESRS S1 Working conditions (Work-life balance)	Negative	Current	x	x	x	x	Collaborators
Deterioration in the satisfaction of some teams due to the perception of high workloads	Impact	ESRS S1 Working conditions (Working time)	Negative	Current	x	x	x	x	Collaborators
Deterioration of the health and well-being of employees due to the company's inability to implement an environment that promotes work-life balance	Impact	ESRS S1 Working conditions (Work-life balance)	Negative	Potential	x	x	x	x	Collaborators
Improving the health and well-being of employees through measures and initiatives for the overall well-being of teams	Impact	ESRS S1 Working conditions (Health and safety)	Positive	Current	x	x	x	x	Collaborators
Loss of employee satisfaction and productivity due to discrimination in their professional development (promotion, remuneration)	Risk	ESRS S1 Equal treatment and opportunities for all (Gender equality and equal pay for work of equal value)	N/A	N/A	x	x	x	x	N/A
Loss of employee satisfaction and productivity due to workplace harassment	Risk	ESRS S1 Equal treatment and opportunities for all (Measures against violence and harassment in the workplace)	N/A	N/A	x	x	x	x	N/A
Commitment to equality and inclusion of LGBTI and disability groups through the promotion of initiatives and measures	Impact	ESRS S1 Equal treatment and opportunities for all (Gender equality and equal pay for work of equal value)	Positive	Current	x	x	x	x	Collaborators
Improving working conditions through opportunities for training and vocational development	Impact	ESRS S1 Working conditions (Training and capacity development)	Positive	Current	x	x	x	x	Collaborators
Improved customer experience through the availability of clear and relevant information	Impact	ESRS S4	Positive	Potential	x	x	x	x	Customers and consumers

IMPACTS, RISKS AND OPPORTUNITIES*	I R O	TOPIC, SUBTHEME AND LINKED SUB-SUBTHEME (AR 16)	POSITIVE   NEGATIVE	CURRENT   POTENTIAL	SHORT   MEDIUM   LONG TERM**			VALUE CHAIN	STAKEHOLDER S (IMPACTS)
					SHORT	MEDIUM	LONG		
on the environmental and social impact of products (Home Index)		Information-related impacts on consumers or end-users (Access to quality information)							
Improved customer satisfaction through commitment to product affordability	Impact	ESRS S4 Information-related impacts on consumers or end users (Access to products and services)	Positive	Potential	x	x	x	x	Customers and consumers
Improving customer satisfaction through commitment to authentic experience and excellent service	Impact	ESRS S4 Information-related impacts on consumers or end-users (Access to quality information)	Positive	Potential	x	x		x	Customers and consumers
New business opportunities associated with the just transition	Opportunity.	ESRS E1 Energy	N/A	N/A		x	x	x	x N/A
New business opportunities associated with eco-design and product innovation with a positive impact	Opportunity.	ESRS E1 Energy	N/A	N/A		x		x	N/A
New business opportunities associated with lifestyle changes and responsible consumption trends	Opportunity.	ESRS E1 Energy	N/A	N/A	x	x		x	N/A
Loss of customer satisfaction due to the inability to monitor the energy performance of products, which harms the energy efficiency of customers' homes.	Risk	ESRS E1 Energy	N/A	N/A	x	x	x	x	N/A
Failure to meet sustainability goals due to manufacturers' lack of experience in designing products that meet sustainability requirements and circular economy considerations	Risk	ESRS E1 Energy	N/A	N/A	x	x	x	x	N/A
Loss of customer satisfaction due to the failure to offer products and services that improve housing conditions (e.g., energy efficiency, comfort, durability and	Risk	ESRS E1 Energy	N/A	N/A	x	x	x	x	N/A

IMPACTS, RISKS AND OPPORTUNITIES*	I   R   O	TOPIC, SUBTHEME AND LINKED SUB-SUBTHEME (AR 16)	POSITIVE   NEGATIVE	CURRENT   POTENTIAL	SHORT   MEDIUM   LONG TERM**			VALUE CHAIN	STAKEHOLDER S (IMPACTS)
					TERM**	TERM**	TERM**		
affordability, etc.), which could contribute to the precariousness and inadequacy of customers' housing.									
Recognition as a company committed to responsible consumption and sustainable living habits (Home Index, communication)	Opportunity.	ESRS E1 Energy	N/A	N/A		x	x	x	N/A
Contribution to energy renovation and sustainability in homes through the offer of products and services	Impact	ESRS E1 Energy	Positive	Current	x	x	x	x	Customers and consumers
Contribution to responsible consumption and sustainable living habits through projects such as Home Index and communication and awareness initiatives	Impact	ESRS E1 Energy	Positive	Potential		x	x	x	Customers and consumers
Legal proceedings (fines, litigation) and/or loss of reputation due to product quality or safety issues	Risk	ESRS S4 Personal safety of consumers or end-users (Health and safety; Safety of a person)	N/A	N/A	x	x	x	x	N/A
Legal proceedings (fines, litigation) and/or loss of reputation due to accidents in stores that affect the integrity and/or safety of customers	Risk	ESRS S4 Personal safety of consumers or end-users (Health and safety; Safety of a person)	N/A	N/A	x	x	x	x	N/A
Legal proceedings (fines, litigation) associated with cases of discrimination, moral or physical harassment by a subcontractor/supplier towards the client in the performance of installation work/services at the client's home	Risk	ESRS S4 Personal safety of consumers or end-users (Health and safety; Safety of a person)	N/A	N/A	x	x	x	x	N/A
Company exposure to physical and transition risks from climate change and extreme weather events	Risk	ESRS E1 Adaptation to climate change	N/A	N/A	x	x	x	x	x
Increased allocation of financial resources to address carbon footprint costs	Risk	ESRS E1 Climate change mitigation	N/A	N/A		x		x	N/A

IMPACTS, RISKS AND OPPORTUNITIES*	I R O	TOPIC, SUBTHEME AND LINKED SUB-SUBTHEME (AR 16)	POSITIVE   NEGATIVE	CURRENT   POTENTIAL	SHORT   MEDIUM   LONG TERM**			VALUE CHAIN	STAKEHOLDER S (IMPACTS)
					TERM**	TERM**	TERM**		
Increased exposure to climate risks due to the inability to adapt facilities and operations to the physical impacts of climate change	Risk	ESRS E1 Adaptation to climate change	N/A	N/A		x	x	x	N/A
Failure to meet sustainability goals due to failure to reduce carbon footprint in logistics	Risk	ESRS E1 Climate change mitigation	N/A	N/A		x	x	x	N/A
Failure to meet sustainability targets due to failure to reduce the carbon footprint of products	Risk	ESRS E1 Climate change mitigation	N/A	N/A		x	x	x	N/A
Contribution to climate change due to the possible failure to reduce the carbon footprint in logistics	Impact	ESRS E1 Climate change mitigation	Negative	Potential		x	x		Planet / Clients and consumers
Contribution to climate change due to the possible failure to reduce the carbon footprint in the manufacturing of products	Impact	ESRS E1 Climate change mitigation	Negative	Potential		x		x	Planet/Suppliers
Contribution to climate change due to the potential failure to reduce the carbon footprint in the transport and distribution of products upstream (from suppliers to LEROY MERLIN Spain)	Impact	ESRS E1 Climate change mitigation	Negative	Potential		x		x	Planet/Suppliers
Contribution to climate change due to the possible inability to reduce the carbon footprint in the use of products	Impact	ESRS E1 Climate change mitigation	Negative	Potential		x	x		Planet / Clients and consumers / Suppliers
Contribution to climate change due to the possible inability to reduce the carbon footprint at the end of life of products	Impact	ESRS E1 Climate change mitigation	Negative	Potential		x	x		Planet / Clients and consumers / Suppliers
New business opportunities associated with the circular economy	Opportunity.	ESRS E5 Outflows of resources related to products and services	N/A	N/A		x		x	N/A
Contribution to inefficient packaging due to the excessive use of paper, cardboard and plastics, among others, for product packaging and packaging.	Impact	ESRS E5 Outflows of resources related to products and services	Negative	Current	x	x	x	x	Planet

IMPACTS, RISKS AND OPPORTUNITIES*	I   R   O	TOPIC, SUBTHEME AND LINKED SUB-SUBTHEME (AR 16)	POSITIVE   NEGATIVE	CURRENT   POTENTIAL	SHORT   MEDIUM   LONG TERM**			VALUE CHAIN	STAKEHOLDER S (IMPACTS)
					TERM**	TERM**	TERM**		
Promoting the circular economy through specialized service offerings (repair, rental, second-hand)	Impact	ESRS E5 Outflows of resources related to products and services	Positive	Current	x	x	x	x	Planet / Clients and consumers
New business opportunities associated with the reuse and recycling of waste to convert it into new resources	Opportunity.	ESRS E5 Waste	N/A	N/A		x	x	x	x / N/A
Failure to meet sustainability goals due to failure to reduce and manage waste generated by delivery methods	Risk	ESRS E5 Waste	N/A	N/A	x	x	x	x	N/A
Failure to meet sustainability goals due to the inability to implement solutions that reduce and manage the volume of waste generated by product packaging	Risk	ESRS E5 Waste	N/A	N/A	x	x	x	x	N/A
Legal proceedings (fines, litigation) for improper waste management practices by subcontractors	Risk	ESRS E5 Waste	N/A	N/A	x	x	x	x	N/A
Promoting the circular economy through the reuse and recycling of waste generated to convert it into new resources	Impact	ESRS E5 Waste	Positive	Potential	x	x	x	x	Planet
Contribution to environmental pollution and negative effects on human health associated with waste generation	Impact	ESRS E5 Waste	Negative	Potential	x	x	x	x	Planet
Recognition as a company committed to the conditioning of spaces in which minors, the elderly, the homeless, people with disabilities, or those at risk of social exclusion live and/or spend the night.	Opportunity.	ESRS S3 Economic, social and cultural rights of groups	N/A	N/A		x		x	N/A
Recognition as a company committed to the development of local communities	Opportunity.	ESRS S3 Economic, social and cultural rights of groups	N/A	N/A	x	x		x	N/A
Contribution to the development of local communities through financial and in-kind donations for the development of spaces where minors, the elderly, the homeless,	Impact	ESRS S3 Economic, social and cultural rights of groups	Positive	Current	x	x	x	x	Society

IMPACTS, RISKS AND OPPORTUNITIES*	I   R   O	TOPIC, SUBTHEME AND LINKED SUB-SUBTHEME (AR 16)	POSITIVE   NEGATIVE	CURRENT   POTENTIAL	SHORT   MEDIUM   LONG TERM**	VALUE CHAIN	STAKEHOLDER S (IMPACTS)
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people with disabilities, or those at risk of  
social exclusion live and/or spend the night.

\*The impacts, risks, and opportunities were published for the first time in 2024, so there are no changes from previous years.

\*\*Short term (1 fiscal year) | Medium term (2 to 5 years) | Long term (more than 5 years).

RD SBM-3 P. 48 b

The main current and expected effects of the material impacts, risks, and opportunities on the company's business model and strategy are outlined below. To manage these effects, LEROY MERLÍN Spain has policies, actions, objectives, and metrics detailed in the thematic standards reported in this report.

MATERIAL TOPIC	IMPACTS, RISKS AND OPPORTUNITIES
	<p><b>Risks</b></p> <ul style="list-style-type: none"> <li>• Inadequate management of ethical alerts or complaints</li> </ul>
<b>Responsible culture, good governance and transparency</b>	<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• A culture of ethical and responsible conduct in the company that strengthens its reputation among stakeholders.</li> <li>• Positioning the company in sustainability that increases reputation and recognition</li> <li>• Participation in alliances to promote sustainability that foster collaboration and the creation of shared knowledge</li> </ul>

Integrity and transparency are fundamental to LEROY MERLÍN Spain's culture and its commitment to sustainability. Good corporate governance and ethical management strengthen stakeholder trust and consolidate the company's reputation. They also establish a clear framework for responsible decision-making and facilitate collaboration on sustainability initiatives and knowledge sharing.

### Current effects

The implementation of good governance and business ethics policies strengthens LEROY MERLÍN ESPAÑA's corporate culture, aligning teams with values of transparency and responsibility. Clear and structured governance improves the company's perception among stakeholders, reinforcing its sustainability positioning and market reputation. Furthermore, strengthening ethical management mechanisms, such as reporting channels and promoting responsible conduct, creates an environment of greater trust both internally and externally.

Participation in strategic alliances related to sustainability facilitates knowledge exchange and the creation of joint solutions, boosting collaboration in the sector.

### Expected effects

A responsible culture, governance, and business ethics will strengthen stakeholder trust in LEROY MERLÍN Spain. Integrating these values into our decision-making will allow us to reduce risks and ensure clear alignment between our ethical framework and our corporate practices. Therefore, we are committed to maintaining a continuous and proactive approach that fosters a culture of good governance consistent with our sustainability principles and the expectations of our stakeholders.

For its management, LEROY MERLÍN Spain has policies, actions, objectives and metrics that are detailed in Chapter [05 Governance](#).

MATERIAL TOPIC	IMPACTS, RISKS AND OPPORTUNITIES
<b>Responsible value chain</b>	<p><b>Impacts</b></p> <ul style="list-style-type: none"> <li>• Protection of sustainability and ethical principles in the value chain through audits and internal control.</li> </ul>

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- Contribution to the protection of working conditions and human rights throughout the value chain through audits and internal control.
- Accidents and/or illnesses among suppliers as a result of their work for the company.

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**Risks**

- Legal proceedings (fines, litigation) associated with cases of moral or physical harassment towards an employee in the value chain (subcontractor/supplier)

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LEROY MERLIN ESPAÑA's commitment to a responsible value chain translates into safeguarding sustainability and ethical principles at all stages of the process, ensuring fair working conditions and respect for human rights. This allows us to foster trust in our operations and generate a positive impact on workers throughout the value chain, customers, and the environment.

**Current effects**

Protection of sustainability and ethical principles: The implementation of audits, internal controls, and monitoring of supplier signatures on codes of conduct ensures compliance with sustainability and responsibility criteria throughout the value chain. It also allows us to evaluate and contribute to the improvement of labor practices in our suppliers' operations, ensuring the protection of human rights and promoting more sustainable processes.

Legal risk management: Implementing monitoring and reporting mechanisms helps prevent and address potential legal violations or negative situations in the supply chain, minimizing reputational and legal risks.

**Expected effects**

Through supplier training programs, we aim to strengthen our positive impact on employees across the LEROY MERLIN Spain value chain, as well as on customers and the planet by promoting more sustainable and safe production practices. Furthermore, our proactive approach to legal risk management will ensure regulatory compliance throughout the supply chain, strengthening the trust of our stakeholders.

For its management, LEROY MERLIN Spain has policies, actions, objectives and metrics that are detailed in chapter [04 Social](#) and [05 Governance](#).

MATERIAL TOPIC	IMPACTS, RISKS AND OPPORTUNITIES
<b>Data protection and cybersecurity</b>	<p><b>Impacts:</b></p> <ul style="list-style-type: none"><li>Loss of information and personal data of clients, collaborators, suppliers and other stakeholders due to cybersecurity breaches</li></ul> <p><b>Risks:</b></p> <ul style="list-style-type: none"><li>Exposure to security breaches or leaks of company and stakeholder information</li><li>Loss of customer confidence due to phishing cases (fraudulent messages with the image of LEROY MERLIN Spain)</li></ul>
	<p>In a constantly evolving digital environment, data security is a priority for the company, as it allows us to preserve the trust of our customers, employees, and suppliers. Therefore, we continually improve our processes and promote a digital culture that protects privacy and strengthens information security in all our operations.</p>

#### **Current effects**

Strengthening cybersecurity and risk management: ISO 27001 certification, along with data protection and monitoring systems, reduces exposure to security breaches and cyberattacks.

Awareness and regulatory compliance: Cybersecurity training and the implementation of internal policies reinforce digital culture and ensure regulatory compliance. Furthermore, the operational protocols implemented allow us to react quickly and minimize impacts in the event of failures or attacks.

#### **Expected effects**

Evolution and anticipation of new threats: We will continue to strengthen our strategies and tools to maintain a secure and resilient digital environment. This, in turn, could potentially reinforce the perception of reliability and trust among customers, employees, and other stakeholders.

Integrated digital culture: We seek to consolidate an environment where cybersecurity is a key pillar for addressing digital risks through various corporate policies and management systems.

For its management, LEROY MERLIN Spain has policies, actions, objectives and metrics that are detailed in chapter [05 Governance](#).

MATERIAL TOPIC	IMPACTS, RISKS AND OPPORTUNITIES
<b>Digitalization and innovation</b>	<p><b>Impacts</b></p> <ul style="list-style-type: none"><li>• Improving customer experience through new and innovative digital sales channels and after-sales service.</li><li>• Improving customer experience and service through innovation and new business solutions (products, services).</li></ul> <p><b>Opportunities</b></p> <ul style="list-style-type: none"><li>• New business opportunities due to investment in innovation in commercial solutions (products, services).</li><li>• Increased operational efficiency and industrialization through process digitalization.</li></ul>
	<p>Digitalization and innovation are fundamental pillars of our evolution and adaptation to a constantly changing environment. Therefore, we work to integrate new technologies into our processes and develop innovative solutions that improve our customers' experience. Through new digital sales and after-sales service channels, as well as innovation in products and services, we seek to offer a more complete and satisfying shopping experience. We are committed to digitalization to increase operational efficiency and industrialize our processes, which will allow us to respond more quickly to market needs and our customers' expectations.</p>

#### **Current effects**

Improved customer experience: New and innovative digital sales and after-sales channels enhance the customer shopping experience, offering greater convenience and accessibility.

Innovation in business solutions: Innovation in products and services allows us to offer more efficient, sustainable solutions tailored to customer needs.

#### **Expected effects**

New business opportunities: Investing in innovative business solutions (products and services) will generate new business opportunities and allow the company to stay ahead of the market.

Increased customer satisfaction: The combination of digitalization and innovation will contribute to increased customer satisfaction by offering a more comprehensive, personalized, and efficient shopping experience.

For its management, LEROY MERLIN Spain has policies, actions, objectives and metrics that are detailed in chapter [04 Social](#).

MATERIAL TOPIC	IMPACTS, RISKS AND OPPORTUNITIES
	<p><b>Impacts</b></p> <ul style="list-style-type: none"><li>• Improving job satisfaction through a positive and collaborative work environment</li><li>• Improved working conditions through opportunities for professional growth in the company</li><li>• Improved working conditions by contributing to the financial security of employees</li></ul>
<b>Quality employment</b>	<p><b>Risks</b></p> <ul style="list-style-type: none"><li>• Difficulty in attracting and retaining the talent necessary for the company's development</li></ul>
	<p><b>Opportunities</b></p> <ul style="list-style-type: none"><li>• Positive and collaborative work environment that improves employee satisfaction and performance</li><li>• Increased ability to attract and retain talent through the company's perception as a good employer</li><li>• Increased productivity and engagement through employee engagement policies (employee shareholders)</li></ul>

As a Human First company, our people are always at the center of all our decisions. Together, we share our purpose and uphold our values. Therefore, we are committed to creating a healthy, safe, and inspiring work environment for our employees.

### Current effects

The analysis of impacts, risks, and opportunities reveals that quality employment creates challenges and opportunities for LEROY MERLIN ESPAÑA in various areas, such as job satisfaction, improved working conditions, and the ability to attract and retain talent.

Quality employment improves productivity and reduces employee turnover: Quality employment fosters a work environment where employees feel valued, which reduces employee turnover. This saves costs related to recruiting, training, and the loss of talent.

Improved corporate reputation: Companies that offer quality employment conditions are viewed positively by consumers and potential employees. This can attract highly qualified talent and increase customer loyalty.

### Expected effects

Positive work culture: A good work environment and working conditions can help reduce workplace conflicts, increase productivity, and strengthen a team over the long term.

Attracting talent: Furthermore, quality employment is a long-term lever for attracting and retaining the talent needed for the company's development, meeting the need for new skills that may be scarce or difficult to find in an increasingly competitive labor market.

For its management, LEROY MERLIN Spain has policies, actions, objectives and metrics that are detailed in Chapter [04 Social](#).

MATERIAL TOPIC	IMPACTS, RISKS AND OPPORTUNITIES
Occupational health and safety	<p><b>Impacts</b></p> <ul style="list-style-type: none"> <li>• Deterioration of the health and safety of employees due to the occurrence of accidents and/or occupational diseases</li> </ul>
	<p><b>Risks</b></p> <ul style="list-style-type: none"> <li>• Deterioration of the health and safety of employees due to the occurrence of accidents and/or occupational diseases</li> </ul>

Our commitment to employee health and safety is reflected in our Safety First, Human First management models, which place employee well-being at the heart of our business strategy.

#### Current effects

Impact of occupational accidents and illnesses: The occurrence of occupational accidents or illnesses has a direct short-term impact on both the health and well-being of employees and the company's productivity levels.

#### Expected effects

Continuous improvement of health and safety indicators: We work through our occupational risk prevention strategy to control the accident rate, with the goal of improving accident indicators year after year and ensuring the health and safety of our employees.

For its management, LEROY MERLIN Spain has policies, actions, objectives and metrics that are detailed in Chapter [04 Social](#).

MATERIAL TOPIC	IMPACTS, RISKS AND OPPORTUNITIES
Comprehensive team well-being	<p><b>Impacts</b></p> <ul style="list-style-type: none"> <li>• Improved work-life balance conditions through flexible working hours and teleworking measures for office workers</li> <li>• Deterioration of work-life balance conditions for store employees due to schedules (weekend opening and extended hours)</li> <li>• Deterioration in the satisfaction of some teams due to the perception of high workloads</li> <li>• Deterioration of the health and well-being of employees due to the company's inability to implement an environment that promotes work-life balance</li> <li>• Improving the health and well-being of employees through measures and initiatives for the overall well-being of teams</li> </ul>
	<p><b>Risks</b></p> <ul style="list-style-type: none"> <li>• Loss of employee satisfaction and productivity due to work overload</li> <li>• Loss of employee satisfaction and productivity due to the inability to implement an environment that promotes work-life balance.</li> </ul>

Our commitment to the overall well-being of our team focuses on contributing to collective well-being and positively impacting our employees by promoting work-life balance and job satisfaction.

#### Current effects

Comprehensive employee well-being: The implementation of well-being and work-life balance measures seek to contribute to employee satisfaction. However, there are areas for improvement, such as schedules and workloads, which employees report to us through climate surveys, and we hope to continue working on them.

### Expected effects

Continuous improvement of work-life balance: Continue working to improve work-life balance conditions that promote employee well-being and satisfaction in their jobs, resulting in improved productivity and a reduction in absenteeism and turnover.

For its management, LEROY MERLIN Spain has policies, actions, objectives and metrics that are detailed in Chapter [04 Social](#).

MATERIAL TOPIC	IMPACTS, RISKS AND OPPORTUNITIES
	<b>Impacts</b> <ul style="list-style-type: none"><li>Commitment to equality and inclusion of LGBTI and disability groups through the promotion of initiatives and measures</li></ul>
Equality, diversity and inclusion	<b>Risks</b> <ul style="list-style-type: none"><li>Loss of employee satisfaction and productivity due to discrimination in their professional development (promotion, remuneration)</li><li>Loss of employee satisfaction and productivity due to workplace harassment</li></ul>

At LEROY MERLIN Spain, we are committed to creating an inclusive and psychologically safe work environment where the company's talent can flourish and be its best, promoting equal opportunities, workforce diversity, and workplace inclusion.

### Current effects

Promoting inclusive work environments: We promote initiatives and measures such as training and inclusion projects for people with disabilities, and empowering women and seniors with the aim of fostering safe and inclusive workplaces for all, while also trying to prevent and manage potential cases of discrimination or harassment.

### Expected effects

Increased job satisfaction: through the consolidation and recognition of the company as an inclusive and safe place for people to work comfortably and authentically, fostering the creation of diverse teams.

For its management, LEROY MERLIN Spain has policies, actions, objectives and metrics that are detailed in Chapter [04 Social](#).

MATERIAL TOPIC	IMPACTS, RISKS AND OPPORTUNITIES
<b>Training and capacity building</b>	<p><b>Impacts</b></p> <ul style="list-style-type: none"> <li>Improving working conditions through opportunities for training and vocational development</li> </ul>

We encourage employees to take ownership of their professional careers and develop skills that motivate them and contribute to their development, in a transformative workplace. This commitment is reflected in our talent attraction and retention strategy and policies, designed to inspire, value, and develop our employees' full potential.

#### **Current effects**

Training and professional development opportunities: The promotion of training activities encourages employees to acquire technical, product, sales, and trade knowledge, as well as digital and cultural change skills.

#### **Expected effects**

Adapting employees to new skills: Through training and development, we promote the adaptation of professionals to new skills available in the labor market to foster their talent and respond to the company's needs.

For its management, LEROY MERLIN Spain has policies, actions, objectives and metrics that are detailed in Chapter [04 Social](#).

MATERIAL TOPIC	IMPACTS, RISKS AND OPPORTUNITIES
<b>Excellent customer service</b>	<p><b>Impacts</b></p> <ul style="list-style-type: none"> <li>Improved customer experience through the availability of clear and relevant information on the environmental and social impact of products (Home Index)</li> <li>Improving customer well-being through transparency and accountability in marketing</li> <li>Improved customer satisfaction through commitment to product affordability</li> <li>Improving customer satisfaction through commitment to authentic experience and excellent service</li> </ul>

Our commitment to providing excellent customer service is fundamental and intrinsically integrated with our sustainability strategy. We understand that transparency, accountability, and affordability are key pillars for building relationships of trust and meeting our customers' expectations.

#### **Current effects**

Improving the experience: Our actions are already generating significant positive effects on our customers' experience. The launch of the Home Index has significantly improved the availability of clear and relevant information on the environmental and social impact of our products, empowering our customers to make more informed and sustainable purchasing decisions.

Transparency and responsibility: Applying transparency and responsibility criteria in our marketing has contributed to improving the well-being of our customers, who appreciate our commitment to ethical practices.

**Affordability:** Our efforts to ensure the affordability of our products have increased customer satisfaction, making purchasing more sustainable products accessible to everyone.

### Expected effects

**Market consolidation:** The growing demand for transparent sustainability information will drive the adoption of the Home Index, consolidating our position as a leader in responsible consumption in Spain.

**Customer loyalty and attraction:** The trust generated by our transparency and accountability in marketing will be key to creating greater customer loyalty and attracting new, conscious consumers.

**Raising expectations:** To continue exceeding our customers' expectations, we will continue working to offer exceptional service and an authentic experience, consolidating our reputation as LEROY MERLIN Spain, a company committed to excellence and sustainability.

For its management, LEROY MERLIN Spain has policies, actions, objectives and metrics that are detailed in Chapter [04 Social](#).

MATERIAL TOPIC	IMPACTS, RISKS AND OPPORTUNITIES
	<p><b>Impacts</b></p> <ul style="list-style-type: none"><li>Contribution to responsible consumption and sustainable living habits through projects such as Home Index and communication and awareness initiatives</li></ul>
<b>Energy renewal and sustainable solutions</b>	<p><b>Risks</b></p> <ul style="list-style-type: none"><li>Loss of customer satisfaction due to the inability to monitor the energy performance of products, which harms the energy efficiency of customers' homes.</li><li>Failure to meet sustainability goals due to manufacturers' lack of experience in designing products that meet sustainability requirements and circular economy considerations</li><li>Loss of customer satisfaction due to the failure to offer products and services that improve housing conditions (e.g., energy efficiency, comfort, durability and affordability, etc.), which could contribute to the precariousness and inadequacy of customers' housing.</li></ul>
	<p><b>Opportunities</b></p> <ul style="list-style-type: none"><li>New business opportunities associated with the just transition</li><li>New business opportunities associated with eco-design and product innovation with a positive impact</li><li>New business opportunities associated with lifestyle changes and responsible consumption trends</li><li>Recognition as a company committed to responsible consumption and sustainable living habits (Home Index, communication)</li></ul>

We recognize the importance of contributing to responsible consumption and the adoption of sustainable lifestyle habits, and therefore, we actively work to offer products and services that allow our customers to improve the energy efficiency of their homes and reduce their environmental impact.

### Current effects

Contributing to responsible consumption: Through the Home Index and our communication initiatives, we are actively contributing to more responsible consumption and the adoption of sustainable lifestyle habits by our customers.

Responding to customer needs: We are working to move toward a more sustainable offering that responds to our customers' needs and their expectations of having an efficient and sustainable home.

### **Expected effects**

Leadership in the Just Transition: By taking advantage of new business opportunities associated with the Just Transition, we offer solutions that enable our customers to adapt their homes to a more sustainable energy model and attract new customers seeking solutions for a more sustainable home.

Promoting eco-design and innovation: Promoting eco-design and innovation in products with a positive impact will be essential in the long term. This will also require more effective collaboration with manufacturers to develop solutions that minimize environmental impact throughout their life cycle.

For its management, LEROY MERLIN Spain has policies, actions, objectives and metrics that are detailed in Chapter [04 Social](#).

MATERIAL TOPIC	IMPACTS, RISKS AND OPPORTUNITIES
Quality and security of solutions	<p><b>Risks:</b></p> <ul style="list-style-type: none"><li>• Legal proceedings (fines, litigation) and/or loss of reputation due to product quality or safety issues</li><li>• Legal proceedings (fines, litigation) and/or loss of reputation due to accidents in stores that affect the integrity and/or safety of customers</li><li>• Legal proceedings (fines, litigation) associated with cases of discrimination, moral or physical harassment by a subcontractor/supplier towards the client in the performance of installation work/services at the client's home</li></ul>

We strive to ensure that all our products and services meet the highest quality and safety standards, and we work closely with our suppliers to minimize any potential risks. We are aware that any incident in this area can have negative consequences for both our customers and our reputation. Therefore, we are committed to prevention and continuous improvement in quality and safety, with the goal of offering a safe and satisfactory purchasing and user experience.

### **Current effects**

Risk reduction: Implementing rigorous measures to prevent quality and safety risks prevents any harm or damage to our customers. Furthermore, implementing exhaustive quality controls at all stages, from supplier selection to final product delivery, ensures that our quality and safety standards are met.

Safety training: By providing ongoing safety training to our teams, we prevent accidents in our stores and ensure the safety of our customers and employees.

### **Expected effects**

**Minimize legal risks:** In a context where reputation as a provider of safe and quality solutions will be essential to guarantee the trust of our customers, commitment to quality and safety will minimize the risk of legal proceedings, fines or litigation related to incidents in our products or services.

**Safety culture:** Promoting a long-term safety culture throughout the organization will encourage risk prevention and continuous improvement in quality and safety.

For its management, LEROY MERLIN Spain has policies, actions, objectives and metrics that are detailed in Chapter [04 Social](#).

MATERIAL TOPIC	IMPACTS, RISKS AND OPPORTUNITIES
Decarbonization and adaptation of the activity	<p><b>Impacts</b></p> <ul style="list-style-type: none"><li>Contribution to climate change due to the possible failure to reduce the carbon footprint in logistics</li><li>Contribution to climate change due to the possible failure to reduce the carbon footprint in the manufacturing of products</li><li>Contribution to climate change due to the potential failure to reduce the carbon footprint in the transport and distribution of products upstream (from suppliers to LEROY MERLIN Spain)</li><li>Contribution to climate change due to the possible inability to reduce the carbon footprint in the use of products</li><li>Contribution to climate change due to the possible inability to reduce the carbon footprint at the end of life of products</li></ul> <p><b>Risks:</b></p> <ul style="list-style-type: none"><li>Company exposure to physical and transition risks from climate change and extreme weather events</li><li>Increased allocation of financial resources to address carbon footprint costs</li><li>Increased exposure to climate risks due to the inability to adapt facilities and operations to the physical impacts of climate change</li><li>Failure to meet sustainability goals due to failure to reduce carbon footprint in logistics</li><li>Failure to meet sustainability targets due to failure to reduce the carbon footprint of products</li></ul>

Decarbonization and business adaptation are crucial challenges on our path toward sustainability. We recognize that failure to achieve significant reductions in greenhouse gas emissions can contribute to climate change and pose risks to our company, such as exposure to extreme weather events, increased costs, and failure to meet our sustainability goals. Therefore, we are committed to promoting measures that minimize the environmental impact of our business and move toward a more sustainable business model.

#### Current effects

Exposure to climate risks: Exposure to physical and transition risks from climate change, such as extreme weather events, can affect our operations and facilities.

**Impact on operational costs:** The increased costs resulting from the investments required to adapt and mitigate the effects of the carbon footprint generate additional costs that may increase in the future if reduction measures are not implemented.

#### Expected effects

**Carbon footprint reduction:** We expect to achieve a significant reduction in our carbon footprint both in our own operations (Scopes 1 and 2) by optimizing energy consumption and

using renewable energy, and in indirect emissions from the value chain (Scope 3). For the latter, we focus on optimizing the product life cycle.

Climate risk mitigation: Reducing the carbon footprint and adapting facilities and operations to the physical impacts of climate change will mitigate the risks associated with climate change in the long term.

For its management, LEROY MERLIN Spain has policies, actions, objectives and metrics that are detailed in Chapter [03 Planet](#).

MATERIAL TOPIC	IMPACTS, RISKS AND OPPORTUNITIES
<b>Circular economy</b>	<p><b>Impacts</b></p> <ul style="list-style-type: none"><li>Contribution to inefficient packaging due to the excessive use of paper, cardboard and plastics, among others, for product packaging and packaging.</li><li>Promoting the circular economy through specialized service offerings (repair, rental, second-hand)</li></ul> <p><b>Opportunities:</b></p> <ul style="list-style-type: none"><li>New business opportunities associated with the circular economy</li></ul>
	<p>The circular economy has become a key model for our sustainable development, which is why we strive to promote the reuse, repair, and recycling of our products and work to reduce material consumption and waste generation. Through a specialized service offering in repair, rental, and secondhand products, we seek to extend the lifespan of our products and promote more responsible consumption.</p>

### Current effects

Packaging impact: The use of paper, cardboard, and plastics in product packaging creates an environmental impact that we seek to minimize through process optimization and the search for more sustainable alternatives.

Promoting the circular economy: Specialized service offerings in repair, rental, and secondhand goods contribute to extending the useful life of products and promoting more responsible consumption.

### Expected effects

Reducing environmental impact: The environmental impact of packaging is expected to be reduced by optimizing processes, reducing material use, and finding more sustainable alternatives.

Consolidation of the circular economy: The company expects to consolidate the circular economy as a key model in its strategy, through the expansion of its specialized services offering and the promotion of more responsible consumption.

Opening up new opportunities: In a context of growing product development and needs that respond to a recycling economy, there is a great opportunity to develop innovative products and services that contribute to a more sustainable economic model.

For its management, LEROY MERLIN Spain has policies, actions, objectives and metrics that are detailed in Chapter [03 Planet](#).

MATERIAL TOPIC	IMPACTS, RISKS AND OPPORTUNITIES
Waste management	<b>Impacts</b> <ul style="list-style-type: none"><li>Promoting the circular economy through the reuse and recycling of waste generated to convert it into new resources</li></ul>
	<b>Risks</b> <ul style="list-style-type: none"><li>Failure to meet sustainability goals due to failure to reduce and manage waste generated by delivery methods</li><li>Failure to meet sustainability goals due to the inability to implement solutions that reduce and manage the volume of waste generated by product packaging</li><li>Legal proceedings (fines, litigation) for improper waste management practices by subcontractors</li></ul>
	<b>Opportunities</b> <ul style="list-style-type: none"><li>New business opportunities associated with the reuse and recycling of waste to convert it into new resources</li></ul>

Efforts to minimize waste generation throughout our operations and encourage reuse and recycling are essential to addressing the challenges of responsible waste management. We recognize that many business opportunities are emerging in waste reuse and management.

### Current effects

Promoting the circular economy: through the reuse and recycling of waste, we actively contribute to promoting the circular economy and reducing the environmental impact of our activities.

Risk of non-compliance: There is a risk of not meeting sustainability goals if waste generated by delivery methods and product packaging is not adequately reduced and managed. This may also lead to legal proceedings, fines, or litigation due to improper waste management practices by subcontractors.

### Expected effects

Risk minimization: Optimizing waste management across all operations will be key to minimizing risks associated with waste management, including failure to meet sustainability goals and legal risks.

Improved efficiency and services: Optimizing waste management will help improve operational efficiency and reduce costs. It can also lead to greater development of innovative solutions that convert waste into new resources.

For its management, LEROY MERLIN Spain has policies, actions, objectives and metrics that are detailed in Chapter [03 Planet](#).

MATERIAL TOPIC	IMPACTS, RISKS AND OPPORTUNITIES
Development of local communities	<p><b>Impacts</b></p> <ul style="list-style-type: none"><li>Contribution to the development of local communities through financial and in-kind donations for the development of spaces where minors, the elderly, the homeless, people with disabilities, or those at risk of social exclusion live and/or spend the night.</li></ul> <p><b>Opportunities</b></p> <ul style="list-style-type: none"><li>Recognition as a company committed to the conditioning of spaces in which minors, the elderly, the homeless, people with disabilities, or those at risk of social exclusion live and/or spend the night.</li><li>Recognition as a company committed to the development of local communities</li></ul>

We believe in the importance of contributing to the well-being of the communities in which we operate, and therefore, we promote initiatives that generate a positive impact on people's lives. Through financial and in-kind donations, we support the renovation of spaces where people in vulnerable situations, such as minors, the elderly, the homeless, people with disabilities, or those at risk of social exclusion, live and spend the night.

### Current effects

Contribution to society: Our financial and in-kind donations improve the quality of life of people in vulnerable situations and contribute to the well-being of the communities in which we operate.

### Expected effects

Positive social impact: The goal is to generate a positive social impact in local communities, improving the living conditions of people in vulnerable situations and promoting social inclusion.

Strengthening community relations: Commitment to local development will help strengthen the company's relationship with the community and generate a greater positive impact on its surroundings.

For its management, LEROY MERLIN Spain has policies, actions, objectives and metrics that are detailed in Chapter [04 Social](#).

## Financial effects of risks and opportunities

RD SBM-3 P. 48 d |

A detailed analysis has been conducted to identify whether the resulting material opportunities and risks may have had a financial impact throughout 2024. The analysis concluded that the only two risks that had a financial impact on the company were 'Company exposure to physical and transition risks from climate change and extreme weather events' and 'Increased exposure to climate risks due to the inability to adapt facilities and operations to the physical impacts of climate change'.

In this regard, a negative financial impact of approximately €16.1 million has been detected for the company, related to the negative impacts suffered by the company's facilities as a result of extreme weather events in 2024. In the company's 2024 financial statements, this amount is reflected in the entity's financial statements under the headings of property, inventories, and expenses. However, it is important to note that the effects on property and inventories are expected to be recovered from the insurance consortium shortly.

On the other hand, the analysis concluded that the "New business opportunities associated with the just transition" opportunity generated a positive financial impact for the company of €883,436.60. This financial impact is not quantitatively significant, but the analysis concludes that it is qualitatively significant, as it is associated with a widespread positive impact on the environment and a novel activity. Specifically, this positive impact represents the income the company obtained throughout 2024 from the issuance of Energy Saving Certificates (ESCs), electronic documents that guarantee that, after carrying out an energy efficiency measure, a new final energy saving equivalent to 1 kWh has been achieved. This instrument allows energy savings to be monetized, recovering part of the cost of investments in energy efficiency (lighting changes, improved thermal insulation, renovation of industrial equipment, etc.), as the end user can receive this compensation if they sell the savings obtained for subsequent certification through the CAE System.

## Material impacts: origin, impact and connection with strategy and business model

SBM-3 P. 48 ci | P. 48 c ii | | P. 48 c iv | 48 f | P. 48g |

Impacts arise both directly and indirectly from the company's strategy and business model. On the one hand, there are direct impacts arising from the company's strategic decisions and daily operations, which can have significant effects on social, environmental, or governance issues.

On the other hand, there are indirect impacts related to the business model that occur at different stages of the value chain. In the case of supply processes (upstream), the impact can arise from supplier practices. Similarly, in the product use and disposal stage (downstream), the impact can be reflected in the way consumers use and dispose of the products.

The main positive and negative material impacts of LEROY MERLÍN Spain on stakeholders and the planet can affect them in the following ways:

- **Employees:** The main material impacts are related to the deterioration of work-life balance among store employees due to schedules and the improvement in job satisfaction due to a positive and collaborative work environment. Both impact our employees' relationship with the company and contribute to their satisfaction levels when working at LEROY MERLÍN Spain.

- **Customers:** The main material impacts are related to improving their experience across various areas of the company's work, such as: new and innovative digital sales and after-sales service channels, innovation and new commercial solutions, clear and relevant information on the environmental and social impact of products (Home Index), commitment to product affordability, commitment to an authentic experience and excellent service, and contribution to responsible consumption and sustainable living habits through projects such as Home Index and communication and awareness initiatives. These impacts are aimed at improving customer satisfaction levels through an omnichannel, innovative, and sustainable product and service offering.
- **Suppliers:** The main material impact is related to potential accidents and/or illnesses among suppliers as a result of their work for the company. This impact could potentially affect the health and safety of workers at companies providing services such as assembly and installation for LEROY MERLÍN Spain.
- **Local communities:** The main material impact is related to the contribution to the development of local communities through financial and in-kind donations for the renovation of spaces where children, the elderly, the homeless, people with disabilities, or those at risk of social exclusion live and/or spend the night. This impact may improve the living conditions of the beneficiaries of our social action projects.
- **Planet:** In the environmental field, the main material impacts are related to the promotion of the circular economy through specialized service offerings (repair, rental, secondhand) and the reuse and recycling of generated waste to convert it into new resources, as well as the contribution to climate change due to the potential failure to reduce the carbon footprint in product manufacturing. These impacts affect, on the one hand, the potential boost to the circular economy by promoting more circular services and innovation in waste conversion. On the other hand, regarding climate change, the company could potentially contribute to it by potentially failing to reduce its product footprint.

At a cross-cutting level, another key impact is the loss of information and personal data of clients, collaborators, suppliers, and other stakeholders due to cybersecurity breaches. In this sense, the potential occurrence of these types of cases could lead to the breach of information belonging to various stakeholders.

Our business model and strategy are designed to adapt resiliently to material shocks and risks, while also enabling us to take advantage of key market opportunities. LEROY MERLIN Spain conducts three-year strategic planning, reviewed and adjusted annually, which allows us to anticipate changes in the environment and emerging trends.

This strategy also considers the assessment of material risks and opportunities associated with the dual materiality process, as well as the risk management processes managed by the *Compliance area*, which allows us to identify and mitigate potential impacts on operations and optimize the use of resources in growth areas. The resilience of the strategy is reflected both in our ability to confront adverse events and in our flexibility to innovate and capitalize on emerging trends in the sector.

Certain indicators that were reported until 2023 in compliance with Law 11/2018 are not

reported this year, because, compared to the previous reporting period, a new materiality study was conducted in 2024 that considers the dual materiality of impact and financial aspects, with a more exhaustive analysis that has modified both the approach and the results of this analysis.

RD S1 SBM-3 (OWN STAFF)

RD S1 SBM-3 P.14

Information regarding the disclosure requirements for non-salaried employees has not been reported in this report as it is subject to a phase-in under the standard, although these individuals have been taken into account in the company's dual materiality exercise.

### **The Leroy Merlin Spain workforce**

RD S1 SBM-3 P.14 a

LEROY MERLIN Spain's own staff consists primarily of internal employees (salaried employees), those with an employment contract with the company. On average, employees with permanent contracts represent more than 95% of employees. Only about 5% are employees with temporary contracts.

LEROY MERLIN Spain has non-salaried workers within the workforce on specific occasions:

- Personnel provided by third-party companies primarily engaged in employment-related activities (in the case of replacements for internal employees or external support related to consulting).
- Self-employed workers (in the case of installers, which LEROY MERLIN Spain considers service providers).

RD S1 SBM-3 P 14 a

IMPACT	OWN STAFF AFFECTED
Deterioration of the health and safety of employees due to the occurrence of accidents and/or occupational diseases	Salaried Non-salaried
Deterioration of work-life balance conditions for store employees due to schedules (weekend opening and extended hours)	Salaried employees
Deterioration in the satisfaction of some teams due to the perception of high workloads	Salaried employees
Deterioration of the health and well-being of employees due to the company's inability to implement an environment that promotes work-life balance	Salaried employees
Improving job satisfaction through a positive and collaborative work environment	Salaried employees
Improved working conditions through opportunities for professional growth in the company	Salaried employees
Improved working conditions by contributing to the financial security of employees	Salaried employees
Improved work-life balance conditions through flexible working hours and teleworking measures for office workers	Salaried employees

Improving the health and well-being of employees through measures and initiatives for the overall well-being of teams	Salaried employees
Commitment to equality and inclusion of LGBTI and disability groups through the promotion of initiatives and measures	Salaried employees
Improving working conditions through opportunities for training and vocational development	Salaried employees

RD S1 SBM-3 P 14 b

NEGATIVE IMPACTS	GENERALIZED	INDIVIDUAL
Deterioration of the health and safety of employees due to the occurrence of accidents and/or occupational diseases		X
Deterioration of work-life balance conditions for store employees due to schedules (weekend opening and extended hours)		X
Deterioration in the satisfaction of some teams due to the perception of high workloads		X
Deterioration of the health and well-being of employees due to the company's inability to implement an environment that promotes work-life balance		X

RD S1 SBM-3 P 14 c

POSITIVE IMPACTS	ACTIVITIES CAUSING POSITIVE IMPACTS	OWN STAFF AFFECTED
Improving job satisfaction through a positive and collaborative work environment	<ul style="list-style-type: none"> <li>Consolidation of the <i>Employee Journey Map</i></li> <li>Evolution of the Recognition Program</li> <li>Strengthening the Employee Value Proposition (EVP)</li> <li>Wellbeing and Wellbeing 3.0</li> </ul>	Salaried employees
Improved working conditions through opportunities for professional growth in the company	<ul style="list-style-type: none"> <li><i>Employee Experience Indicator</i> - Manager's Rating</li> <li>Moments of Truth: Promotions   Role Changes   Performance Evaluation Process Assessment   <i>Offboarding</i> (Exit Interviews)</li> </ul>	Salaried employees
Improved working conditions by contributing to the financial security of employees	<ul style="list-style-type: none"> <li>Consolidation of the <i>Employee Journey Map</i></li> <li>Evolution of the Recognition Program</li> <li>Strengthening the Employee Value Proposition (EVP)</li> <li>Wellbeing and Wellbeing 3.0</li> </ul>	Salaried employees
Improved work-life balance conditions through flexible working hours and teleworking measures for office workers	<ul style="list-style-type: none"> <li>Alpha Model of Flexibility and Teleworking</li> </ul>	Salaried employees
Improving the health and well-being of employees through measures and	<ul style="list-style-type: none"> <li>Consolidation of the <i>Employee Journey Map</i></li> <li>Evolution of the Recognition Program</li> </ul>	Salaried employees

initiatives for the overall well-being of teams	<ul style="list-style-type: none"> <li>• Strengthening the Employee Value Proposition (EVP)</li> <li>• CX&amp;EX symmetry study</li> <li>• Wellbeing and Wellbeing 3.0</li> </ul>	
Commitment to equality and inclusion of LGBTI and disability groups through the promotion of initiatives and measures	<ul style="list-style-type: none"> <li>• Project “No less than 4%”</li> <li>• LGBTI+ Harassment Protocol</li> </ul>	Salaried employees
Improving working conditions through opportunities for training and vocational development	<ul style="list-style-type: none"> <li>• Professionalization of teams</li> <li>• Acceleration of <i>upskilling</i> of digital and omnichannel skills</li> <li>• Consolidation of the leadership model</li> <li>• <i>Inbound recruiting</i> strategy</li> </ul>	Salaried employees

RD S1 SBM-3 P 14 d

IMPACT	RISK OR OPPORTUNITY
<b>Negative</b>	
Deterioration of the health and safety of employees due to the occurrence of accidents and/or occupational diseases	<p>Legal proceedings (fines, litigation) and/or loss of reputation due to accidents and/or occupational diseases</p> <p>Loss of employee satisfaction and productivity due to workplace harassment</p> <p>Loss of employee satisfaction and productivity due to discrimination in their professional development (promotion, remuneration)</p>
Deterioration of work-life balance conditions for store employees due to schedules (weekend opening and extended hours)	Loss of employee satisfaction and productivity due to the inability to implement an environment that promotes work-life balance.
Deterioration in the satisfaction of some teams due to the perception of high workloads	Loss of employee satisfaction and productivity due to work overload
Deterioration of the health and well-being of employees due to the company's inability to implement an environment that promotes work-life balance	Loss of employee satisfaction and productivity due to the inability to implement an environment that promotes work-life balance.

Deterioration of work-life balance conditions for store employees due to schedules (weekend opening and extended hours)

Deterioration in the satisfaction of some teams due to the perception of high workloads

Deterioration of the health and well-being of employees due to the company's inability to implement an environment that promotes work-life balance

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**Positive**

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Improving job satisfaction through a positive and collaborative work environment

Positive and collaborative work environment that improves employee satisfaction and performance

Improved working conditions through opportunities for professional growth in the company

Increased ability to attract and retain talent through the company's perception as a good employer

Improved working conditions by contributing to the financial security of employees

Positive and collaborative work environment that improves employee satisfaction and performance

Increased productivity and engagement through employee engagement policies (employee shareholders)

Improved work-life balance conditions through flexible working hours and teleworking measures for office workers

Positive and collaborative work environment that improves employee satisfaction and performance

Increased ability to attract and retain talent through the company's perception as a good employer

Improving the health and well-being of employees through measures and initiatives for the overall well-being of teams

Positive and collaborative work environment that improves employee satisfaction and performance

Increased ability to attract and retain talent through the company's perception as a good employer

Commitment to equality and inclusion of LGBTI and disability groups through the promotion of initiatives and measures

Positive and collaborative work environment that improves employee satisfaction and performance

Improving working conditions through opportunities for training and vocational development

Increased ability to attract and retain talent through the company's perception as a good employer

RD S1 SBM-3 P 14 e

Our remote work model, which promotes carbon footprint reduction by reducing employee travel, is linked to the material impact on our own staff: "Improved work-life balance through flexible working hours and remote work for office employees." While the measures included in the remote work model are not part of a formal corporate transition plan, it is linked to actions aimed at reducing negative impacts on the environment and achieving more climate-sustainable operations.

RD S1 SBM-3 P. 15

The main types of people within our own workforce who are or could be negatively affected by material negative impacts are listed below. To this end, an analysis has been conducted, within the framework of dual materiality, to identify which stakeholder group(s) are affected by each impact.

NEGATIVE IMPACT	OWN STAFF AFFECTED	PEOPLE AT GREATER RISK OF HARM
Deterioration of the health and safety of employees due to the occurrence of accidents and/or occupational diseases	Salaried employees	Store and logistics center workers
Deterioration of work-life balance conditions for store employees due to schedules (weekend opening and extended hours)	Salaried employees	Store and logistics center workers
Deterioration in the satisfaction of some teams due to the perception of high workloads	Salaried employees	All employees
Deterioration of the health and well-being of employees due to the company's inability to implement an environment that promotes work-life balance	Salaried employees	All employees

RD S1 SBM-3 P. 16

The material risks and opportunities arising from impacts on our own personnel relate to the entire employee group, with no specific groups identified. These risks and opportunities are as follows:

**Risks**

- Difficulty in attracting and retaining the talent necessary for the company's development
- Legal proceedings (fines, litigation) and/or loss of reputation due to accidents and/or occupational diseases (also related to non-salaried employees)
- Loss of employee satisfaction and productivity due to work overload
- Loss of employee satisfaction and productivity due to the inability to implement an environment that promotes work-life balance.
- Loss of employee satisfaction and productivity due to discrimination in their professional development (promotion, remuneration)

- Loss of employee satisfaction and productivity due to workplace harassment

### Opportunities

- Positive and collaborative work environment that improves employee satisfaction and performance
- Increased ability to attract and retain talent through the company's perception as a good employer
- Increased productivity and engagement through employee engagement policies (employee shareholders)

#### RD S2 SBM-3 | Inclusion of groups in the dual materiality exercise

All groups were considered in the assessment of dual materiality, and an attempt was made to obtain all available information, taking into account the limitations of direct access to employees in the value chain.

RD S2 SBM-3 P. 11 a

IMPACT	TYPE OF WORKERS
Contribution to the protection of working conditions and human rights in the value chain through audits and internal control	ii. workers who work for entities in previous stages of the company's value chain
Accidents and/or illnesses in suppliers as a result of their work for the company	i. workers who work at the company's site but are not part of the company's own staff, i.e. they are not self-employed workers or workers provided by third-party companies primarily engaged in employment-related activities ii. workers who work for entities in previous stages of the company's value chain iii. Workers who work for entities downstream in the company's value chain

RD S2 SBM-3 P. 11 c

*The negative impact of accidents and/or illnesses on service providers as a result of their work for the company is a current impact related to individual incidents .*

RD S2 SBM-3 P. 11 b

Ninety percent of LEROY MERLIN Spain's purchases from suppliers in 2024 were made in Europe. A small percentage of purchases are made from other countries, including China, Hong Kong, India, Taiwan, Turkey, and Vietnam. No incidents related to child labor, forced labor, or compulsory labor were detected in these regions throughout 2024.

RD S2 SBM-3 P. 11 c

The materiality study conducted has inferred a material impact that could negatively affect service providers: "Accidents and/or illnesses among service providers as a result of their work for the company."

RD S2 SBM-3 P. 11 d

The materiality study also inferred a material impact that could positively affect workers in the value chain: "Contribution to the protection of working conditions and human rights in the value chain through audits and internal control." These activities involve conducting quality, social, and environmental audits at suppliers.

RD S2 SBM-3 P. 12

No specific understanding has been made of the characteristics of workers in the value chain.

RD S3 SBM-3 (AFFECTED GROUPS) P. 9 | P. 9 a

Following the dual materiality study, a material positive impact has been detected:

- Contribution to the development of local communities through financial and in-kind donations for the renovation of spaces where children, the elderly, the homeless, people with disabilities, or those at risk of social exclusion live and/or spend the night.

The types of groups positively affected are vulnerable groups, primarily minors, the elderly, people with disabilities, and homeless people at risk of social exclusion. Any potentially affected group is included in the scope of disclosure under ESRS 2.

RD S3 SBM-3 P. 9 c

The actions carried out by LEROY MERLIN Spain to manage this positive impact consist of:

- Local donations, which consist of supporting local organizations by donating products to carry out projects. At the national level, we have been following the Hogares Dignos (Decent Homes) Call for Proposals for three years, with which €1,150,000 has already been donated, benefiting nearly 26,000 people at risk of social exclusion.
- Promoting corporate volunteering activities, both social and environmental, to raise awareness and engage employees from all regions regarding the real needs of the groups we impact.
- Providing organizations with the opportunity to carry out their own fundraising activities, fundraising campaigns, and marketing campaigns in spaces provided by various stores in the ten regions where we operate.

RD S3 SBM-3 P. 9 a i-iv

The following groups are not subject to material impacts from own operations or through the value chain:

- Communities living or working at the company's operating sites, factories, facilities or other physical operations, or more remote groups affected by activities at such sites
- Communities along the value chain
- Communities at one or both ends of the value chain
- Communities of indigenous peoples

RD S3 SBM-3 P. 9 d

**POSITIVE IMPACTS**

Contribution to the development of local communities through financial and in-kind donations for the development of spaces where minors, the elderly, the homeless, people with disabilities, or those at risk of social exclusion live and/or spend the night.

**OPPORTUNITIES**

Recognition as a company committed to the conditioning of spaces in which minors, the elderly, the homeless, people with disabilities, or those at risk of social exclusion live and/or spend the night.

Recognition as a company committed to the development of local communities

RD S3 SBM-3 P. 10

In its Social Action Policy, LEROY MERLIN Spain prioritizes social contribution actions, focusing on the improvement and refurbishment of spaces for vulnerable groups: minors, the elderly, people with disabilities, and people at risk of social exclusion. This approach stems from an understanding of the specific realities of these groups, developed through ongoing collaboration with social organizations. Through this collaborative effort, LEROY MERLIN Spain has gained firsthand knowledge of the specific needs of these groups, thereby understanding their particularly vulnerable situations.

RD S3 SBM-3 P. 11

**OPPORTUNITIES**

Recognition as a company committed to the conditioning of spaces in which minors, the elderly, the homeless, people with disabilities, or those at risk of social exclusion live and/or spend the night.

**SPECIFIC GROUPS**

Vulnerable groups, especially minors, the elderly, the homeless, the disabled, or those at risk of social exclusion.

Recognition as a company committed to the development of local communities

Vulnerable groups, without a specific impact on a specific type of group.

Local communities in which we carry out our social action

RD S4 SBM-3 (CONSUMERS AND END USERS)

RD S4. SBM-3 P. 10 | P. 10 a | 10 a i-iv | 10 b | P. 10 c | P. 10 d | P. 11 | P. 12

Consumers and end-users who may be materially affected are included in the scope of disclosure under ESRS 2. The following are the types of consumers or end-users affected by material impacts.

CONSUMERS OR END USERS	POSITIVE IMPACTS
Consumers or end-users who rely on accurate and accessible information related to products or services, such as product manuals and labels, to avoid potentially harmful use of a product or service	Improved customer experience through the availability of clear and relevant information on the environmental and social impact of products (Home Index)
Consumers or end-users who rely on accurate and accessible information related to products or services, such as product manuals and labels, to avoid potentially harmful use of a product or service	Improved customer satisfaction through commitment to product affordability
Consumers or end-users who rely on accurate and accessible product or service-related information, such as product manuals and labels, to avoid potentially harmful use of a product or service.	Improving customer satisfaction through commitment to authentic experience and excellent service
Material negative impacts are related to individual cases or specific business relationships.  On the other hand, for each type of consumer, the activities that give rise to material positive impacts are the following.	
ACTIVITIES THAT LEAD TO POSITIVE IMPACTS	POSITIVE IMPACTS
Home Index	Improved customer experience through the availability of clear and relevant information on the environmental and social impact of products (Home Index)
Promotions and discounts, maintaining "first prices"	Improved customer satisfaction through commitment to product affordability
Benefits through the Leroy Merlin Club, specialist salespeople in stores	Improving customer satisfaction through commitment to authentic experience and excellent service

The material risks to the company arising from impacts on consumers or end users are:

- Legal proceedings (fines, litigation) and/or loss of reputation due to product quality or safety issues
- Legal proceedings (fines, litigation) and/or loss of reputation due to accidents in stores that affect the integrity and/or safety of customers
- Legal proceedings (fines, litigation) associated with cases of discrimination, moral or physical harassment by a subcontractor/supplier towards the client in the performance of installation work/services at the client's home

However, these do not result in any material negative impacts. The only impacts that have been material are positive:

- Improved customer experience through the availability of clear and relevant information on the environmental and social impact of products (Home Index)
- Improved customer satisfaction through commitment to product affordability
- Improving customer satisfaction through commitment to authentic experience and excellent service

No material opportunities related to consumers or end users have been identified either.

It has been assessed and understood how consumer groups with specific characteristics may be exposed to greater risks of exclusion, such as people with disabilities or in vulnerable situations, which has led to the inclusion of a list of impacts related to these consumers or end-users, which has ultimately been classified as non-material.

The types of consumers affected by material risks arising from impacts are defined as follows:

RISKS	TYPES OF CONSUMERS OR END USERS AFFECTED
Legal proceedings (fines, litigation) and/or loss of reputation due to product quality or safety issues	All consumers
Legal proceedings (fines, litigation) and/or loss of reputation due to accidents in stores that affect the integrity and/or safety of customers	Consumers visiting stores
Legal proceedings (fines, litigation) associated with cases of discrimination, moral or physical harassment by a subcontractor/supplier towards the client in the performance of installation work/services at the client's home	Consumers who hire an installation service

## MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES

### MATERIALITY ASSESSMENT PROCESS

#### **Description of the processes for determining and assessing material impacts, risks and opportunities**

ESRS 2 IRO-1 | P. 53a | P.53b | P.53c | P.53d | P. 53e | P.53f | P. 53g | P. 53h

To determine the material impacts, risks, and opportunities, we applied a dual materiality analysis process, led by the Positive Impact - ESG Reporting area in collaboration with the various areas involved and with the support of a specialized external consulting firm. This approach allows us to identify aspects that are relevant from the perspective of the company's impact on the planet and its people (impact materiality) and from the perspective of the financial effects these aspects may have on the company (financial materiality). No internal control processes have been established for this first year. Work will be carried out on this aspect with the Audit and Internal Control area starting next year.

Unlike the previous period, in 2024 the dual materiality analysis was conducted in accordance with the new requirements of the Corporate Sustainability Reporting Directive (CSRD).

The latest modification to the process was to align it with these CSRD requirements, allowing the assessment to better reflect both current risks and opportunities. A further review will be conducted next year, allowing the company to adapt to potential regulatory changes and continue improving impact management throughout its entire value chain.

In addition, there are a number of indicators corresponding to Law 11/2018 that are not reported this year compared to last year, as they are not considered material within the framework of the new dual materiality study. These indicators are: refrigerant gas emissions data, water consumption data, biodiversity data, and raw materials data.

#### **Identification and evaluation of impacts**

As a preliminary step, a comprehensive analysis of the key elements of LEROY MERLIN Spain's value chain was conducted, taking into account its activities, business model, commercial relationships, and supply chain. This exercise allows us to identify those factors or activities that may present a greater risk of adverse impacts. This includes not only potential environmental and social risks, but also aspects related to human rights, occupational safety, and ethical practices throughout the supply chain, whether in our own activities or those of our business partners. In this way, specific impacts are identified at different points in the company's value chain, considering both our own operations and upstream and downstream business relationships.

Impacts were identified through an analysis of external and internal information sources, linking the themes, subthemes, and sub-subthemes of the thematic ESRS with key issues for the sector, identified in benchmarking studies and exhaustive analysis of sector, regulatory, and market trends. As a result of this analysis, 76 impacts of LEROY MERLIN Spain on people and the planet were identified, of which 28 were positive and 49 were negative.

The impact assessment is carried out in accordance with the CSRD guidelines and the

recommendations of the EFRAG Dual Materiality Implementation Guide (IG 1). It was conducted and reviewed through working sessions with the Positive Impact - ESG Reporting department and specific consultations with specific areas responsible for managing some of the impacts. The criteria used are as follows:

- For current positive impacts, severity of impact across scale and scope. The final assessment is constructed as the average of both variables.
- For potential positive impacts, the severity of the impact (scale and scope) and its likelihood. The final assessment is constructed as the average of both variables.
- For current negative impacts, the severity of the impact is measured by: scale, scope, and irremediable nature. The final assessment is constructed as the average of the three variables.
- For potential negative impacts, the severity of the impact (scale, scope, and irremediable nature) and its likelihood. The final assessment is constructed as the average of both variables.

In the case of potential negative impacts on human rights, severity prevails over likelihood.

All parameters were evaluated on a numerical scale of 1 to 3 and subsequently standardized on a scale of 1 to 4 to align with ADEO's risk mapping methodologies. The materiality threshold for impacts was set at the highest 30% of the ratings.

To determine the impact of material issues on stakeholders, surveys and direct interviews were conducted in 2023 with a broad range of groups, including employees, suppliers, customers, and unions.

This analysis is aligned with LEROY MERLIN Spain's due diligence process. The identification and assessment of actual and potential impacts on people and the environment are integrated into the due diligence process, establishing control and mitigation mechanisms for negative impacts.

The study uses ESRS 1, the EFRAG Dual Materiality Implementation Guide (IG 1), the UN Guiding Principles on Business and Human Rights, the Corporate Sustainability Due Diligence Directive (CSDD), and the European Union Action Plan on Human Rights 2020-2024, among other documents, as reference frameworks. As part of the dual materiality analysis, and in line with the guidelines of the Corporate Sustainability Due Diligence Directive (CSDDD), we conducted stakeholder consultations to determine the impact of the different topics on their relationship with the company. Finally, this report describes the company's impacts on people and the environment, as well as its management, following the ESRS guidelines.

#### VARIABLES FOR IMPACT EVALUATION

##### POSITIVE IMPACTS

<i>Current</i>	<i>Potentials</i>
·Magnitude	·Magnitude
·Scope	·Scope
	·Probability of occurrence

##### NEGATIVE IMPACTS

<i>Current</i>	<i>Potentials</i>
·Severity of the impact (magnitude, scope and irremediable nature)	·Severity of the impact (magnitude, scope and irremediable nature) ·Probability of occurrence
In the event of a potential negative impact on human rights, severity prevails over likelihood.	

#### Identification and evaluation of risks and opportunities

The same methodology used for identifying risks and opportunities was used as for impacts: an analysis of external and internal sources of information was conducted, starting with the linking of the topics, subtopics, and sub-subtopics of the thematic ESRS with key issues for the sector. The materiality analysis identifies impacts and then analyzes whether and how they may generate risks or opportunities for the business.

This information was taken into account for the identification and subsequent assessment of risks and opportunities. Sixty-eight risks and 23 opportunities were identified in the first phase.

The risk assessment was conducted using the ADEO Risk Map. The risk and opportunity assessment was reviewed and completed through working sessions with the positive impact area and specific consultations with specific areas responsible for managing some of the risks and opportunities.

The evaluation considered the variables of magnitude of the financial effect (negative in the case of risks and positive in the case of opportunities) and probability of occurrence. The final evaluation was constructed by weighting magnitude 50% and probability 50%. By taking into account the ADEO risk map, the probability of occurrence takes into account management mechanisms.

All parameters have been assessed on a numerical scale of 1 to 4. The materiality threshold for risks and opportunities has been set at the highest 30% of risk and opportunity assessments. The assessment scale is aligned with the scale used in the ADEO Risk Map. All priority or material risks are treated with the same priority.

This process of identifying, evaluating, and managing opportunities informs the positive impact strategy.

### Input parameters used

To identify impacts, risks and opportunities, an exhaustive process of analysis of corporate and contextual information (37 internal sources and 36 external sources) and a total of 12 in-depth interviews with members of the *Executive Leader Team*, other professionals from LEROY MERLIN Spain and external profiles representing different interest groups have been carried out.

Main sources of information:

- Interviews with LEROY MERLIN Spain professionals with experience in financial management, risk, and compliance.
- Analysis of industry impact issues according to *the Sustainability Accounting Standards Board (SASB) and the Morgan Stanley Capital International (MSCI) Sustainability Indices*
- Company and ADEO risk map
- Other international risk reports
- Internal company policies related to ESRS topics
- External sustainability reports in the sector and publications from sector entities such as ANGED or AECOC
- External reports on trends and developments in sustainability issues

### Material impacts, risks and opportunities

IMPACTS	RISKS	OPPORTUNITIES
Protection of sustainability and ethical principles in the value chain through audits and internal control Contribution to the protection of working conditions and human rights in the value chain through audits and internal control Accidents and/or illnesses in suppliers as a result of their work for the company	Inadequate management of ethical alerts or complaints	A culture of ethical and responsible conduct in the company that consolidates the company's reputation among stakeholders. Positioning the company in sustainability that increases its reputation and recognition. Participation in alliances to promote sustainability that promote collaboration and the creation of shared knowledge.
Loss of information and personal data of clients, collaborators, suppliers and other stakeholders due to cybersecurity breaches	Legal proceedings (fines, litigation) associated with cases of moral or physical harassment towards an employee in the value chain (subcontractor/supplier)	Exposure to security breaches or leaks of company and stakeholder information. Loss of customer confidence due to phishing scams (fraudulent messages with the LEROY MERLIN image).

IMPACTS	RISKS	OPPORTUNITIES
<p>Improving customer experience through new and innovative digital sales channels and after-sales service.</p> <p>Improving customer experience and service through innovation and new commercial solutions (products, services).</p>		<p>New business opportunities due to investment in innovation in commercial solutions (products, services)</p> <p>Increased operational efficiency and industrialization thanks to the digitalization of processes</p>
<p>Improved job satisfaction through a positive and collaborative work environment.</p> <p>Improved working conditions through opportunities for professional growth within the company. Improved working conditions through contributions to employee financial security.</p>	<p>Difficulty in attracting and retaining the talent necessary for the company's development</p>	<p>Positive and collaborative work environment that improves employee satisfaction and performance.</p> <p>Increased ability to attract and retain talent through the company's perception as a good employer. Increased productivity and commitment through employee participation policies (employee shareholders).</p>
<p>Deterioration of the health and safety of employees due to the occurrence of accidents and/or occupational diseases</p>	<p>Legal proceedings (fines, litigation) and/or loss of reputation due to accidents and/or occupational diseases</p>	
<p>Improvement in work-life balance conditions due to flexible working hours and teleworking measures for office employees.</p> <p>Deterioration in work-life balance conditions for store employees due to schedules (weekend opening and extended hours). Deterioration in the satisfaction of some teams due to the perception of high workloads. Deterioration in the health and well-being of employees due to the company's inability to implement an environment that favors work-life balance. Improvement in the health and well-being conditions of employees through measures and initiatives for the comprehensive well-being of teams.</p>	<p>Loss of employee satisfaction and productivity due to work overload</p> <p>Loss of employee satisfaction and productivity due to the inability to implement an environment that promotes work-life balance</p>	
<p>Commitment to equality and inclusion of LGBTI and disability groups through the promotion of initiatives and measures</p>	<p>Loss of employee satisfaction and productivity due to discrimination in their professional development (promotion, remuneration)</p> <p>Loss of employee satisfaction and productivity due to harassment in the workplace</p>	

IMPACTS	RISKS	OPPORTUNITIES
<p>Improving working conditions through opportunities for training and vocational development</p>		
<p>Improved customer experience through the availability of clear and relevant information on the environmental and social impact of products (Home Index)</p> <p>Improved customer satisfaction through the commitment to product affordability</p> <p>Improved customer satisfaction through the commitment to an authentic experience and excellent service</p>	<p>Loss of customer satisfaction due to the inability to monitor the energy performance of products, which harms the energy efficiency of customers' homes.</p> <p>Inability to meet sustainability targets due to manufacturers' lack of experience in designing products that meet sustainability requirements and circular economy considerations.</p> <p>Loss of customer satisfaction due to the failure to offer products and services that improve living conditions (e.g., energy efficiency, comfort, durability, and affordability, etc.), which could contribute to the precariousness and inadequacy of customers' homes.</p>	<p>New business opportunities associated with the fair transition</p> <p>New business opportunities associated with eco-design and product innovation with a positive impact</p> <p>New business opportunities associated with changes in lifestyle and responsible consumption trends</p> <p>Recognition as a company committed to responsible consumption and sustainable living habits (Home Index, communication)</p>
<p>Contribution to responsible consumption and sustainable living habits through projects such as Home Index and communication and awareness-raising initiatives.</p> <p>Contribution to responsible consumption and sustainable living habits through projects such as Home Index and communication and awareness-raising initiatives.</p>	<p>Legal proceedings (fines, litigation) and/or loss of reputation due to incidents involving quality or product safety.</p> <p>Legal proceedings (fines, litigation) and/or loss of reputation due to accidents in stores that affect the integrity and/or safety of customers. Legal proceedings (fines, litigation) associated with cases of discrimination, moral or physical harassment by a subcontractor/supplier towards the customer when carrying out installation work/services at the customer's home.</p>	

IMPACTS	RISKS	OPPORTUNITIES
<p>Contribution to climate change due to the possible inability to reduce the carbon footprint in logistics</p> <p>Contribution to climate change due to the possible inability to reduce the carbon footprint in the manufacturing of products</p> <p>Contribution to climate change due to the possible inability to reduce the carbon footprint in the transport and distribution of products upstream (from suppliers to LEROY MERLIN Spain)</p> <p>Contribution to climate change due to the possible inability to reduce the carbon footprint in the use of products</p> <p>Contribution to climate change due to the possible inability to reduce the carbon footprint at the end of life of products</p>	<p>Company exposure to physical and transition risks from climate change and extreme weather events.</p> <p>Increased dedication of financial resources to respond to carbon footprint costs. Increased exposure to climate risks due to the inability to adapt facilities and operations to the physical impacts of climate change. Failure to meet sustainability objectives due to the inability to reduce the carbon footprint of logistics. Failure to meet sustainability objectives due to the inability to reduce the carbon footprint of products.</p>	
<p>Contribution to inefficient packaging due to the excessive use of paper, cardboard and plastics, among others, for product packaging and packaging.</p> <p>Promotion of the circular economy through a specialized service offering (repair, rental, second-hand). Contribution to environmental pollution and negative effects on people's health associated with waste generation.</p>		<p>New business opportunities associated with the circular economy</p>
<p>Promotion of the circular economy through the reuse and recycling of generated waste to convert it into new resources.</p> <p>Contribution to environmental pollution and negative effects on people's health associated with waste generation.</p>	<p>Non-compliance with sustainability objectives due to the inability to reduce and manage waste generated by delivery methods.</p> <p>Non-compliance with sustainability objectives due to the inability to implement solutions that reduce and manage the volume of waste generated by product packaging. Legal proceedings (fines, litigation) due to inadequate waste management practices by subcontractors.</p>	<p>New business opportunities associated with the reuse and recycling of waste to convert it into new resources</p>

IMPACTS	RISKS	OPPORTUNITIES
Contribution to the development of local communities through financial and in-kind donations for the development of spaces where minors, the elderly, the homeless, people with disabilities, or those at risk of social exclusion live and/or spend the night.		Recognition as a company committed to the development of spaces where minors, the elderly, the homeless, people with disabilities or at risk of social exclusion live and/or spend the night. Recognition as a company committed to the development of local communities.

ESRS 2 IRO-2 P. 59

Based on the dual materiality analysis, material impacts, risks, and opportunities were identified in 2024 through the processes explained above. Once the impacts, risks, and opportunities associated with the various themes, subthemes, and subsubthemes established in the thematic ESRS were identified and assessed, these themes were correlated with the disclosure requirements to identify the relevant data points to report. This report thus includes information on the policies, actions, objectives, and metrics linked to the themes identified as material.

# 03 ENVIRONMENT

Environmental information.  
ESRS E1 Climate Change

## Climate change

<b>KEY MATERIAL TOPICS</b>	<ul style="list-style-type: none"> <li>Decarbonization and adaptation of the activity</li> <li>Circular economy</li> <li>Waste management</li> <li>Energy renewal and sustainable solutions</li> </ul>		
<b>MILESTONES 2024</b>	<ul style="list-style-type: none"> <li>Reduction of our Scope 1 and 2 emissions compared to 2023</li> <li>Reduction of emissions associated with transport compared to 2023</li> <li>Progress in measures to promote the decarbonization of our products</li> <li>External launch of the Home Index project</li> <li>More than half of our marketed products have an A, B or C rating on the Home Index (lower environmental and social impact)</li> <li>Bet on the energy renewal market</li> </ul>		
<b>IMPACTS</b>	<b>RISKS</b>	<b>OPPORTUNITIES</b>	
<b>Decarbonization and adaptation of the activity</b>			
<b>NEGATIVE IMPACTS</b>	<ul style="list-style-type: none"> <li>Company exposure to physical and transition risks from climate change and extreme weather events</li> <li>Increased allocation of financial resources to address carbon footprint costs</li> <li>Increased exposure to climate risks due to the inability to adapt facilities and operations to the physical impacts of climate change</li> <li>Failure to meet sustainability goals due to failure to reduce carbon footprint in logistics</li> <li>Failure to meet sustainability targets due to failure to reduce the carbon footprint of products</li> <li>Loss of customer satisfaction due to the inability to monitor the energy performance of products, which harms the energy efficiency of customers' homes.</li> </ul>	<ul style="list-style-type: none"> <li>New business opportunities associated with the just transition</li> <li>New business opportunities associated with eco-design and product innovation with a positive impact</li> <li>New business opportunities associated with lifestyle changes and responsible consumption trends</li> <li>Recognition as a company committed to responsible consumption and sustainable living habits (Home Index, sustainability communication)</li> </ul>	

#### POSITIVE IMPACTS

- Contribution to responsible consumption and sustainable living habits through projects such as Home Index and communication and awareness initiatives

- Failure to meet sustainability goals due to manufacturers' lack of experience in designing products that meet sustainability requirements and circular economy considerations
- Loss of customer satisfaction due to the failure to offer products and services that improve housing conditions (e.g., energy efficiency, comfort, durability and affordability, etc.), which could contribute to the precariousness and inadequacy of customers' housing.

## STRATEGY

### **Transition plan for climate change mitigation**

RD E1-1 P.14 | P.16 | P.16a | P.16b | P.16d | P.16g | P.16h | P.16i | P.16j

At LEROY MERLIN Spain, we are demonstrating our commitment to climate change mitigation through various decarbonization initiatives. At the end of 2024, and although various initiatives and measures are in place to promote decarbonization, the company is still working on a transition plan that brings together all these actions and promotes the goal of reducing greenhouse gas (GHG) emissions.

The decarbonization measures consider direct emissions from LEROY MERLIN Spain's operations (scope 1), indirect emissions associated with electricity consumption (scope 2) and indirect emissions throughout the value chain (scope 3).

ADEO has committed to reducing GHG emissions by 50% by 2035 and achieving climate neutrality by 2050. These targets, as of the end of 2024, have not been independently verified. ADEO is expected to submit the methodology and targets to the *Science Based Targets Initiative* (SBTi) throughout 2025, and therefore, they are expected to be aligned throughout the next fiscal year.

We put special focus on the following reduction lines:

- Emissions associated with the operations of our stores and headquarters, which are addressed based on their scope: Scope 1 (energy and refrigerants), Scope 2 (electricity), and Scope 3 (waste and logistics).
- Our products' emissions (Scope 3), so we are working to improve our offering by promoting alternatives that contribute to reducing GHG emissions at all stages of their life cycle.

Regarding scopes 1 and 2, at LEROY MERLÍN Spain, we are committed to installing photovoltaic panels at our locations to reduce emissions and increase our energy independence. We also opt for the use of energy with a guarantee of origin to cover our remaining electrical needs and promote energy efficiency in our stores.

Regarding Scope 3 emissions from our operations, we work with logistics flows within the Lean & Green initiative promoted by AECOC, the Association of Manufacturers and Distributors, to reduce pollution associated with the transportation of our products.

Our product decarbonization strategy consists of classifying products into categories ("10 necessity units") based on their end use. For each use, we identify decarbonization levers that contribute to reducing the carbon footprint for the most impactful lifecycle phase.

Of note is the launch of the Home Index in 2024, a key strategic project for the company in this area. This indicator measures the environmental and social impact of a product throughout its life cycle, from production to final disposal. Products are given a letter grade, from "A" (products with the lowest environmental impact) to "E" (those requiring significant improvements). This tool helps customers make informed decisions and serves as an internal guide for us and our suppliers on the path to decarbonizing our product offering. For more information on this initiative, please refer to the "[Energy Renewal and Sustainable Solutions](#)" chapter or visit [our website](#).

On our path toward decarbonization, we recognize that there are locked-in GHG emissions that are part of the routine operations of our assets, primarily associated with recharging refrigerant gases in air conditioning equipment. Although we are working to opt for the least polluting options, equipment optimization is still necessary to operate with refrigerant gases with a lower GWP (global warming potential) impact, i.e., those that contribute less to climate change.

On the other hand, reducing emissions from the use phase of the products we sell is a challenge. Many of the items in our offering, such as household appliances and power tools, require energy consumption, so their impact will vary depending on the average electricity mix of the country in which they are used. We are also limited by current technological advances in the industry, which, while evolving toward the production of increasingly efficient products, remains highly dependent on high energy consumption.

These measures are integrated and aligned with the company's overall strategy and planning. One of LEROY MERLIN Spain's main strategic lines, "We are leaders of a positive future," included in the company's Strategic Plan for 2024, focuses on sustainability, innovation, and social commitment. Its objective, "We promote a sustainable habitat," is realized through several initiatives related to improving the social and environmental impact of products, reducing the carbon footprint, and promoting new forms of the circular economy.

Significant progress has been made in implementation in 2024:

- We're reducing the impact of our electricity needs by achieving nearly 100% of our purchased electricity in 2024 with a renewable energy certification. We've also slightly reduced our energy consumption in 2024 compared to 2023.
- We continue to advance toward energy self-consumption by expanding our photovoltaic installations in 10 additional stores. With this progress, 36 of our establishments now have photovoltaic installations, reaching a total installed capacity of nearly 6,000 kWp.
- We've strengthened our commitment to decarbonizing our logistics processes, having reduced the carbon footprint associated with these activities year after year. This has

allowed us to maintain the star rating we earned last year under the Lean & Green initiative.

- We significantly increased the sale of products with a lower associated carbon footprint, such as more efficient air conditioning equipment or thinner ceramic tiles, and promoted the sale of lower-flow faucets, helping to reduce water and energy consumption.
- We've increased our offering of products with a Home Index rating of A, B, or C since launch, which currently accounts for more than half of the total, promoting more conscious and responsible purchasing among our consumers.

RD E1-1 P.16c

The details of significant operating expenses (OpEx) and capital expenditures (CapEx) are available in the section 'Current and future financial and other resources'.

RD E1-1 P.16e

At the end of 2024, the company did not have a CapEx plan to align its economic activities with the taxonomy. However, due to the company's development, taxonomic CapEx has been increasing since 2022, reaching 12.83% in the 2024 report, and the company monitors investments classified as having a "positive impact." See the section "Disclosure of information pursuant to Article 8 of Regulation (EU) 2020/852 on taxonomy" included in this chapter.

RD E1-1 P.16f

CapEx RELATED TO ECONOMIC ACTIVITIES RELATED TO COAL, OIL AND GAS	2023	2024
Significant CapEx for coal-related economic activities (€)	N/A	N/A
Significant CapEx for oil-related economic activities (€)	N/A	N/A
Significant CapEx for gas-related economic activities (€)	N/A	N/A

RD E1-1 P.16f

By the end of 2024, the company was a member of Lean&Green, the largest European collaboration platform specifically focused on reducing supply chain emissions. This international initiative aims to help companies across all sectors reduce their greenhouse gas emissions from logistics activities in order to achieve the carbon-neutral emissions targets set at the Paris Climate Summit (COP21) by 2050.

RD E1.GOV-3

For details on the integration of sustainability-related performance into incentive systems, see chapter [02 ON SUSTAINABILITY](#) ESRS 2 General information.

**Material impacts, risks and opportunities and their interaction with the strategy and business model**

RD related to ESRS 2 SBM-3 P.18

The material climate-related risks identified are:

MATERIAL RISK	WEATHER-RELATED PHYSICAL RISK	CLIMATE TRANSITION RISK
Loss of customer satisfaction due to the inability to monitor the energy performance of products, which harms the energy efficiency of customers' homes.	<input type="checkbox"/>	
Failure to meet sustainability goals due to manufacturers' lack of experience in designing products that meet sustainability requirements and circular economy considerations	<input type="checkbox"/>	
Loss of customer satisfaction due to the failure to offer products and services that improve housing conditions (e.g., energy efficiency, comfort, durability and affordability, etc.), which could contribute to the precariousness and inadequacy of customers' housing.	<input type="checkbox"/>	
Company exposure to physical and transition risks from climate change and extreme weather events	<input type="checkbox"/>	<input type="checkbox"/>
Increased allocation of financial resources to address carbon footprint costs	<input type="checkbox"/>	
Increased exposure to climate risks due to the inability to adapt facilities and operations to the physical impacts of climate change	<input type="checkbox"/>	<input type="checkbox"/>
Failure to meet sustainability goals due to failure to reduce carbon footprint in logistics	<input type="checkbox"/>	
Failure to meet sustainability targets due to failure to reduce the carbon footprint of products	<input type="checkbox"/>	

*NOTE: As of the end of 2024, the company has not conducted a climate-related physical or transition risk analysis. The table reported was prepared by the ESG Reporting area and validated with the Climate Change area, taking into account the risks resulting from the materiality study.*

RD related to ESRS 2 SBM-3 P.19a 19b; 19c; AR 7b, 8b

A resilience analysis of the company's strategy in relation to climate change has not been conducted by the end of 2024.

## MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES

### **Description of the processes for determining and assessing material climate-related impacts, risks and opportunities**

RD related to ESRS 2 IRO-1 P. 20 a | AR 9

To determine and assess the company's climate-related impacts, risks, and opportunities, and in particular its GHG emissions, a materiality study was conducted that includes the impacts, risks, and opportunities of various ESG themes, including those related to climate change.

RD ESRS 2 IRO-1 P. 20 bi, P. 20 b ii, RD related to ESRS 2 IRO-1 P. 20 c | 20ci | 20 c ii; IRO-1 P. 21; IRO-1 AR 11 b; IRO-1 AR 11 c; IRO-1 AR 11 d; IRO-1 AR 12 a | 12 b | 12c | 12d; IRO-1 AR 15; IRO-1 AR 11a

In 2024, a detailed analysis of the physical and transition risks associated with climate change has not been conducted.

### **Policies related to climate change mitigation and adaptation**

RD E1 MDR-P | E1-2 P. 24 | P. 25 | P.62

MDR-P P. 65 a)

LEROY MERLIN Spain has an Environmental Policy whose general objective is to establish the principles of action for LME to promote environmental protection and respect, as well as actions aimed at minimizing environmental risks and negative impacts on the environment. It includes various principles of action related to climate change:

- Fight against climate change
- Promoting sustainable logistics
- Responsible and committed supply chain

Current environmental policy addresses the following material impacts, risks, and opportunities related to climate change:

IMPACTS	RISKS	OPPORTUNITIES
<b>Positive impacts</b>		
Contribution to energy renovation and sustainability in homes through the offer of products and services	Loss of customer satisfaction due to the inability to monitor the energy performance of products, which harms the energy efficiency of customers' homes.	New business opportunities associated with the just transition
Contribution to responsible consumption and sustainable living habits through projects such as Home Index and communication and awareness initiatives	Failure to meet sustainability goals due to manufacturers' lack of experience in designing products that meet sustainability requirements and circular economy considerations	New business opportunities associated with eco-design and product innovation with a positive impact
<b>Negative impacts</b>		
Contribution to climate change due to the possible failure to reduce the carbon footprint in logistics	Loss of customer satisfaction due to the failure to offer products and services that improve housing conditions (e.g., energy efficiency, comfort, durability and affordability, etc.), which could contribute to the precariousness and inadequacy of customers' housing.	Recognition as a company committed to responsible consumption and sustainable living habits (Home Index, communication)
Contribution to climate change due to the possible failure to reduce the carbon footprint in the		

manufacturing of products	Company exposure to physical and transition risks from climate change and extreme weather events
Contribution to climate change due to the potential failure to reduce the carbon footprint in the transport and distribution of products upstream (from suppliers to LEROY MERLIN Spain)	Increased exposure to climate risks due to the inability to adapt facilities and operations to the physical impacts of climate change
Contribution to climate change due to the possible inability to reduce the carbon footprint in the use of products	Failure to meet sustainability goals due to failure to reduce carbon footprint in logistics
Contribution to climate change due to the possible inability to reduce the carbon footprint at the end of life of products	Failure to meet sustainability targets due to failure to reduce the carbon footprint of products

MDR-P P. 65 b)

The policy applies to the company's own operations and to all LEROY MERLIN Spain employees, and includes an explicit reference to promoting the transmission and adoption of the principles set forth therein to suppliers, contractors and other third parties with whom the company maintains relations as a result of its activity.

MDR-P P. 65 c)

The policy was approved in 2019 by the then-CEO of LEROY MERLIN Spain.

MDR-P P. 65 d)

The policy includes a reference to a third-party initiative, AECOC's Lean & Green, the largest European collaborative platform specifically aimed at reducing emissions associated with logistics activities.

MDR-P P. 65 e)

Stakeholders were not directly involved in the design of this policy, but it takes into account and includes explicit references to the commitment to customers, related to offering products with minimal environmental impact, to employee involvement, and to conveying these principles in the relationship with suppliers.

MDR-P P. 65 f)

The policy is made publicly available to any stakeholder on the company's corporate website.

RD E1-2 P. 25

LEROY MERLIN Spain's Environmental Policy includes a general reference to the fight against climate change. The Policy addresses issues related to climate change mitigation, energy efficiency, and the deployment of renewable energy through energy-related actions that reduce the carbon footprint of the company's operations, such as the commitment to renewable energy consumption and energy efficiency in its facilities. Other topics of interest are also addressed, such as the company's commitment to improving the quality of homes through the marketing of sustainable solutions with the lowest possible environmental impact, promoting responsible consumption.

MDR-P P. 62

LEROY MERLIN Spain plans to implement a specific climate change policy, thus updating its environmental policy, starting in 2025.

**Actions and resources related to climate change policies**

RD E1-3 P. 28 | P. 29a | AR 21 MDR-A P. 68 ae | P. 69

The following tables list the main actions taken and planned in the short, medium, and long term related to climate change mitigation and adaptation, by type of decarbonization lever.

## DECARBONIZATION AND ADAPTATION OF THE ACTIVITY

<b>ACTION 1</b>	<b>Promoting energy efficiency and green energy in our facilities</b>
<b>LEVER</b>	
<b>E1-3_01 P. 29 a</b>	Reduction of emissions associated with our activity
	<p><b>Key actions</b></p> <ul style="list-style-type: none"> <li>• Investment in photovoltaic panels installed on our assets.</li> <li>• Definition of a sustainable construction standard for stores that includes energy efficiency criteria such as increased insulation, efficient air conditioning, indoor air quality sensors, fans, non-polluting gases, LED lighting, among others.</li> <li>• Plans to improve the energy efficiency of existing stores, for example, by replacing air conditioning equipment with more efficient ones.</li> <li>• Monitoring and sustainable management of consumption.</li> </ul>
	<p><b>Achieving policy objectives and goals</b></p> <p>The measures are aligned with LEROY MERLIN Spain's commitment to protecting the environment and combating climate change by minimizing environmental risks and negative impacts associated with its facilities (existing and new).</p>
MDR-A_01 P. 68 a	<p><b>Scope</b></p> <p>The implementation of criteria for greater energy efficiency and the use of green energy is promoted both in existing stores and in the planning of new facilities. In this way, the stakeholders involved are people and the planet.</p>
MDR-A_02 P. 68 b	<p><b>Time horizon</b></p> <p>Reference period 2024. Measures to promote decarbonization have been implemented since previous reference periods and will continue to be implemented in subsequent reference periods.</p>
MDR-A_03 P. 68 c	<p><b>Actions to mitigate negative impacts</b></p> <p>Mitigation actions to minimize negative impacts are based on the implementation of energy efficiency improvements in existing stores and the monitoring and sustainable management of consumption.</p>
MDR-A_04 P. 68 d	<p><b>Progress</b></p> <ul style="list-style-type: none"> <li>• Consolidation of the photovoltaic energy self-consumption model through the installation of 10 new photovoltaic installations in our stores in 2024, reaching a total installed capacity of nearly 6,000 kWp. We already have 33 stores with this technology and will continue with further installations in 2025.</li> <li>• Transition to LED lighting, which consumes much less electricity than conventional lighting, in four of our new stores.</li> <li>• RoofTop equipment replacement.</li> <li>• Promoting sustainable mobility through the construction of 12 new charging stations for electric and hybrid vehicles.</li> <li>• Commitment to the energy efficiency of our facilities by obtaining the renowned BREEAM Certification for our new stores in Llica and Finestrat, with six more in progress.</li> <li>• Monitoring the efficiency of 23 of our facilities, our headquarters, and our logistics warehouses in Torija and Meco, through energy audits in line with Royal Decree 56/2016 on energy supply efficiency.</li> </ul>
MDR-A_05 P. 68 e	

## DECARBONIZATION AND ADAPTATION OF THE ACTIVITY

<b>ACTION 2</b>	<b>Promoting the marketing of products with a lower environmental and social impact and investing in the energy renewal market</b>
<b>LEVER</b>	
<b>E1-3_01 P. 29 a</b>	Innovation in our own catalogue with improved energy efficiency
	<p><b>Key actions</b></p> <ul style="list-style-type: none"> <li>• Boosting the sale of products with a Home Index rating of A, B, or C, reaching 65% of sales volume for products in these categories by 2025.</li> <li>• Definition of decarbonization trajectories and action plans for 2035 for those product families with the greatest environmental impact.</li> <li>• Marketing of energy renewal products as a company objective.</li> <li>• Training for internal teams at all levels in sustainability, energy efficiency, and climate change, with the aim of increasing internal capacity to implement sustainable solutions.</li> <li>• Implementation of a training and support plan for key suppliers to improve the offering of sustainable products</li> <li>• Developing a strategy to work with sales teams and suppliers to reduce the footprint of our highest-impact products.</li> </ul>
<b>MDR-A_01 P. 68 a</b>	<p><b>Achieving policy objectives and goals</b></p> <p>These measures are aligned with our commitment to transitioning toward a business model that promotes the manufacturing and consumption of products with a lower environmental and social impact. At the same time, we contribute to our goal of promoting responsible consumption among our customers.</p>
<b>MDR-A_02 P. 68 b</b>	<p><b>Scope</b></p> <p>The main stakeholders involved in this action are customers and consumers, the parent company, suppliers, employees, and the planet.</p>
<b>MDR-A_03 P. 68 c</b>	<p><b>Time horizon</b></p> <ul style="list-style-type: none"> <li>• Boosting the sale of products with a Home Index rating of A, B, or C, reaching 65% of sales volume for products in these categories by 2025.</li> <li>• Definition of decarbonization trajectories and action plans with the goal set at the ADEO Group level of reducing emissions by 50% by 2035 for those product families with the greatest environmental impact.</li> </ul>
<b>MDR-A_04 P. 68 d</b>	<p><b>Actions to mitigate negative impacts</b></p> <p>Our carbon footprint analysis determined that the greatest impact of our emissions is associated with our products. The use phase accounts for more than 90% of emissions, so most mitigation efforts are focused on this phase.</p>
<b>MDR-A_05 P. 68 e</b>	<p><b>Progress</b></p> <ul style="list-style-type: none"> <li>• Creation and implementation of the Home Index in 2024, which will continue to be developed in 2025.</li> </ul>

## DECARBONIZATION AND ADAPTATION OF THE ACTIVITY

<b>ACTION 3</b>	<b>Promoting the reduction of the carbon footprint associated with logistics processes</b>
<b>LEVER</b>	Reduction of emissions associated with our activity
<b>E1-3_01 P. 29 a</b>	<p><b>Key actions</b></p> <ul style="list-style-type: none"> <li>I work with suppliers to analyze the impact of their products and how to achieve a reduction in their GHG emissions. The decarbonization of our offering depends on suppliers' ability to adapt their production, materials, and logistics processes to the standards established by LEROY MERLIN Spain.</li> <li>Designing sustainability plans that promote logistics projects such as Lean &amp; Green, the largest European collaboration platform specifically focused on reducing emissions associated with the supply chain, to maintain the first star and continue reducing our emissions.</li> </ul>
<b>MDR-A_01 P. 68 a</b>	<p><b>Achieving policy objectives and goals</b></p> <p>These measures are aligned with LEROY MERLIN Spain's commitment to protecting the environment and combating climate change by minimizing environmental risks and negative impacts associated with the supply chain.</p>
<b>MDR-A_02 P. 68 b</b>	<p><b>Scope</b></p> <p>The main stakeholders involved in this action are suppliers and the planet.</p>
<b>MDR-A_03 P. 68 c</b>	<p><b>Time horizon</b></p> <p>Our commitment is to reduce greenhouse gas emissions by 20% over the next 5 years.</p>
<b>MDR-A_04 P. 68 d</b>	<p><b>Actions to mitigate negative impacts</b></p> <p>Mitigation actions to minimize negative impacts are based on working toward logistics that combine efficiency and reducing environmental impact.</p>
<b>MDR-A_05 P. 68 e</b>	<p><b>Progress</b></p> <p>CO<sub>2</sub> reduction based on quantifiable carbon emission reduction targets. LEROY MERLIN Spain has earned a star in the program, having achieved the goal of reducing CO<sub>2</sub> emissions from our logistics and transportation activities by at least 20%.</p>

RD E1-3 AR22; P. 29ci 29cii 16c ; 29ciii

See the section 'Disclosure of information pursuant to Article 8 of Regulation (EU) 2020/852 on taxonomy' included in this chapter.

RD E1-3 P. 29b

<b>REDUCTION OF GHG EMISSIONS (tCO<sub>2</sub>EQ)</b>	<b>2024 (in %)</b>	<b>2024 (in tons of CO<sub>2</sub> reduced)</b>
Reductions achieved in GHG emissions (tCO <sub>2</sub> eq) associated with Scope 1 (in 2024 compared to 2023)	-29.51%	884 tons of CO <sub>2</sub>
Reductions achieved in GHG emissions (tCO <sub>2</sub> eq) associated with Scope 2	-5.61%	1153 tons of CO <sub>2</sub>
Further reductions in Scope 2 are expected throughout 2025, associated with the promotion of responsible energy use and the possible implementation of PPAs (Power Purchase Agreements).		

## MATERIAL TOPIC

### DECARBONIZATION AND ADAPTATION OF THE ACTIVITY

#### Our commitment

MDR-T

COMMITMENT	AIM	ACHIEVEMENT	UNIT OF MEASUREMENT AND TYPE OF OBJECTIVE	SCOPE	VALUE AND REFERENCE YEAR	INTERMEDIATE MILESTONES
MDR-T 80. A	2024 MDR-T P. 80 a   P. 80 e	MDR-T P. 80 b	MDR	MDR-T P. 80 c	MDR-T P. 80 d	MDR-T P. 80 e
<hr/>						
Reducing the carbon footprint of our operations	5% reduction in Scope 1 and 2 emissions by 2024 compared to 2023	8.65% reduction in Scope 1 and 2 emissions by 2024 compared to 2023	% Percentage - Relative	All company operations in Spain	Emissions corresponding to 2023 (tCO2eq): 2112 from Scope 1 and 19389 from Scope 2.	There are no intermediate milestones
Promote the use of renewable energy in our facilities	100% of the facilities use renewable energy with a guarantee of origin and/or self-consumption	99.3% of the facilities use renewable energy with a guarantee of origin and/or self-consumption	% Percentage - Relative	All the company's facilities in Spain	98.8% - % of renewable energy consumption in 2023	There are no intermediate milestones

MDR-T 80 a

Both objectives are linked to LEROY MERLIN Spain's environmental policy, reflecting our commitment to promoting environmental protection and minimizing environmental risks and negative impacts.

MDR-T 80 f

See the section on Climate Change Mitigation and Adaptation Targets for the methodology used to calculate these objectives. Targets are always defined by the department responsible for managing them, taking into account the previous year's baseline.

MDR-T 80 g

Both goals have been set based on ADEO's commitment to progressively reduce emissions to achieve climate neutrality by 2050.

MDR-T 80 h

LEROY MERLIN Spain's stakeholders have not participated in the design of these objectives.

MDR-T 80 i

See section on Goals related to climate change mitigation and adaptation.

MDR-T 80 j

In 2024, the company exceeded its target of reducing Scope 1 and 2 emissions by 5% compared to 2023. The target is monitored semiannually. There have been no significant changes in the company's performance toward achieving the goal.

On the other hand, the target related to the use of renewable energy in facilities has not been met, although only by less than one percentage point, which demonstrates the company's commitment and effort in this area. The target, and therefore the benchmark, is monitored monthly. There have been no significant changes in the company's performance toward achieving the goal.

### **The actions carried out**

IMPACTS, RISKS AND OPPORTUNITIES	ACTIONS
<b>Decarbonization and adaptation of the activity</b>	
<b>IMPACTS</b>	
<b>NEGATIVE IMPACTS</b>	
<ul style="list-style-type: none"><li>Contribution to climate change due to the possible failure to reduce the carbon footprint in logistics</li><li>Contribution to climate change due to the possible failure to reduce the carbon footprint in the manufacturing of products</li><li>Contribution to climate change due to the potential failure to reduce the carbon footprint in the transport and distribution of products upstream (from suppliers to LEROY MERLIN Spain)</li><li>Contribution to climate change due to the possible inability to reduce the carbon footprint in the use of products</li><li>Contribution to climate change due to the possible inability to reduce the carbon footprint at the end of life of products</li></ul>	<ul style="list-style-type: none"><li><b>Action 1:</b> Promoting energy efficiency and green energy in our facilities</li><li><b>Action 2:</b> Promoting the marketing of products with a lower environmental and social impact and investing in the energy renewal market</li><li><b>Action 3:</b> Promoting the reduction of the carbon footprint associated with logistics processes</li></ul>
<b>RISKS</b>	
<ul style="list-style-type: none"><li>Company exposure to physical and transition risks from climate change and extreme weather events</li><li>Increased allocation of financial resources to address carbon footprint costs</li><li>Increased exposure to climate risks due to the inability to adapt facilities and operations to the physical impacts of climate change</li><li>Failure to meet sustainability goals due to failure to reduce carbon footprint in logistics</li><li>Failure to meet sustainability targets due to failure to reduce the carbon footprint of products</li></ul>	<ul style="list-style-type: none"><li><b>Action 1:</b> Promoting energy efficiency and green energy in our facilities</li><li><b>Action 2:</b> Promoting the marketing of products with a lower environmental and social impact and investing in the energy renewal market</li><li><b>Action 3:</b> Promoting the reduction of the carbon footprint associated with logistics processes</li></ul>

## PARAMETERS AND GOALS

### **Goals related to climate change mitigation and adaptation**

RD E1-4 P. 33 | P. 34 e | P. 34 f | P. 16 a | P. 16 b; MDR-M P. 75 | P.77

LEROY MERLIN Spain's climate change mitigation targets for the reporting period have focused on reducing Scope 1 and 2 emissions by at least 5% compared to 2023.

The Scope 1 and 2 emissions reduction target has been calculated based on LEROY MERLIN Spain's total annual emissions for its operations, according to the Greenhouse Gas Protocol (GHG Protocol), with 2023 as the baseline year of comparison. The target applies to all of the company's operations in Spain. At the end of the reporting period, this or any other targets had not been submitted to the *Science Based Targets Initiative* (SBTi) for validation. ADEO is expected to submit these targets in 2025, which will allow us to establish new Scope 1, 2, and 3 emissions reduction targets for future fiscal years.

The details of the goals disaggregated by scope and from the year defined as the base year (2021) are not reported because, at the end of this fiscal year, they are undergoing internal validation by ADEO and LEROY MERLIN Spain.

Our carbon footprint analysis determined that the greatest impact of our emissions is associated with our products. The use phase accounts for more than 90% of emissions, so most mitigation efforts are focused on this phase. Therefore, we work on decarbonization pathways with our sales team and suppliers, grouping products by type to propose the most relevant emission reduction actions based on the product type.

Scope 3 continues to have the greatest impact, in terms of other non-product-related emissions. This includes waste management, logistics movements, and internal travel, processes we are currently working on.

To reduce Scope 2 emissions, we have 100% renewable photovoltaic panels and certificates of origin, and we are making progress in ensuring that future energy purchase agreements help us minimize related emissions.

## **Energy consumption and mix**

RD E1-5 P. 37 | P. 37 a | P. 37 b | P. 37 c | AR 34 | P. 38 a | P. 38 b | P. 38 c | P. 38 d | P. 38 e | AR 34 | P. 41

<b>Energy consumption and mix</b>	<b>Comparative</b>	<b>Result 2024</b>	<b>Year-over-year change</b>
	<b>2023</b>	<b>(N)</b>	<b>(% N/N-1)</b>
1) Fuel consumption from coal and its derivatives (MWh)	0	0	0.00%
2) Fuel consumption from crude oil and petroleum products (MWh)	725.48	657.02	-9.44%
3) Fuel consumption from natural gas (MWh)	315.43	342.35	8.53%
4) Fuel consumption from other fossil sources (MWh)	N/A	N/A	-
5) Consumption of electricity purchased or acquired from fossil sources (MWh)	663.41	9.16	-98.62%
5) Consumption of purchased or acquired heat from fossil sources (MWh)	N/A	N/A	-
5) Consumption of purchased or acquired steam from fossil sources (MWh)	N/A	N/A	-
5) Cooling consumption purchased or acquired from fossil sources (MWh)	N/A	N/A	-
<b>6) Total fossil energy consumption (MWh)</b>	<b>1,704.32</b>	<b>1,008.53</b>	<b>-40.83%</b>
<b>Proportion of fossil fuels in total energy consumption (%)</b>	<b>1.16%</b>	<b>0.71%</b>	<b>-39.05%</b>
7) Fuel consumption from nuclear sources (MWh)	N/A	N/A	-
Share of nuclear sources in total energy consumption (%)	N/A	N/A	-
8) Fuel consumption by renewable source, such as biomass (which also includes industrial and municipal waste of biological origin, biogas, renewable hydrogen, biomethane and other waste of livestock or agricultural origin) (MWh)	N/A	N/A	-
9) Consumption of electricity purchased or acquired from renewable sources (MWh) - GdOs	144,457.14	137,506.27	-4.81%
9) Consumption of electricity purchased or acquired from renewable sources (MWh) - PPAs	N/A	N/A	-
9) Consumption of purchased or acquired heat from renewable sources (MWh)	N/A	N/A	-
9) Consumption of purchased or acquired steam from renewable sources (MWh)	N/A	N/A	-
9) Cooling consumption purchased or acquired from renewable sources (MWh)	N/A	N/A	-
10) Consumption of self-generated renewable energy not used as fuel (MWh)**	972.42	4,341.47	346.46%
<b>11) Total renewable energy consumption (MWh)</b>	<b>145,429.56</b>	<b>141,847.74</b>	<b>-2.46%</b>
<b>Share of renewable sources in total energy consumption (%)</b>	<b>98.84%</b>	<b>99.29%</b>	<b>0.00</b>
<b>Total energy consumption (MWh***)</b>	<b>147,133.89</b>	<b>142,856.27</b>	<b>-2.91%</b>

\*The consumption of energy purchased or acquired from fossil sources has been significantly reduced due to the commitment to electricity with GDO. \*\*The significant variation between consumption in 2023 and 2024 is explained by the company's commitment to this type of energy, originating from the solar panels installed on the roofs of the facilities, which have experienced a considerable increase in 2024.

\*\*\*The total energy consumption data for 2023 has been adjusted to include diesel consumption.

RD E1-5 P. 39

Energy production in MWh	Comparative 2023	2024	Year-over-year change (% N/N-1)
Non-renewable energy production (MWh)	N/A	N/A	-
Renewable energy production (MWh)	1,148.84	4,569.28	297.73%

RD E1-5 P. 40 | AR 36

Energy intensity by net income	Comparative	Result 2024	Year-over-year change
	2023	(N)	(% N/N-1)
Total energy consumption from activities in sectors with a high climate impact by net revenue from activities in sectors with a high climate impact (MWh/monetary unit)	0.043	0.040	-7.74%

RD E1-5 P. 43

Reconciliation to the relevant line item or notes in the financial statements of the amount of net income from activities in sectors with a high climate impact*	Data (thousands of euros) 2023	Data (thousands of euros) 2024
Net revenue from activities in sectors with a high climate impact used to calculate energy intensity	3,410,786	3,589,618
Net income (other)	0	0
Total net income or net turnover (financial statements)	3,410,786	3,589,618

\*Net income data can be found in the 2024 financial statements, in the profit and loss account, where it is stated under the heading "Net revenue."

### **Gross Scope 1, 2 and 3 GHG emissions and total GHG emissions**

RD E1-6 AR 39 b

LEROY MERLIN Spain's GHG emissions are calculated by ADEO. The Group's methodology is based on the GHG Protocol Corporate Standard. The emission factors used to calculate Scope 1 and 2 emissions come from the following organizations:

- ADEME (*Agency for the Ecological Transition of the French Republic*)
- IEA (*International Energy Agency*)
- CEREMA (*Climat & Territoires de Demain de la République Française*)
- IPCC AR 6 (*Sixth Assessment Report of the Intergovernmental Panel on Climate Change*)

The emission factors used to calculate Scope 3 emissions come from the following agencies:

- ADEME (*Agency for the Ecological Transition of the French Republic*)
- DEFRA (*Department for Environment, Food & Rural Affairs*)
- OECD (*Organization for Economic Cooperation and Development*)
- EWI (*EcoTransIT World Initiative*)

RD E1-6 AR 42 c

There have been no effects derived from significant events or changes in circumstances relevant to GHG emissions in the reporting period.

RD E1-6 AR 45 d

LEROY MERLIN Spain, by having its own photovoltaic panels, self-consumes the electricity generated in most of its stores, with the exception of the oldest stores, which feed this production into the grid for sale. For all other electrical needs, we purchase electricity from renewable sources. We are also working to secure a sales agreement with an electricity supplier that guarantees a long-term supply of clean energy.

RD E1-6 AR 46i

The Scope 3 GHG emissions included in our inventory are:

- Purchases of inputs: Includes goods and services acquired by the company (paper, wood, pallets, cardboard packaging, plastic, textiles, metal shelves and racks, advertising, cleaning, renovations, repair and installation of machinery and equipment, consulting and fees for banking and insurance services, and the purchase of products sold).
- Mobility: employee travel (including travel for work-related reasons), business travel (including travel by employees for professional reasons), and customer travel (including travel by customers to our points of sale).
- Fixed assets: This includes the construction, maintenance, and management of the company's assets (investments in office buildings, warehouses, stores, and parking lots, vehicles, cash registers, printers, LCD screens, telephones, and computers).
- Waste treatment (includes the management of waste generated by the company).
- Contracted freight transport:
  - Internal Fleet (Warehouse-Warehouse and Warehouse-Store)
  - Downstream outgoing flows (Warehouse-customer, Store-customer, Supplier-Customer)
  - Upward outgoing flows (Store-suppliers, Supplier-warehouse)

Scope 3 GHG emissions excluded, as they are not applicable, are:

- Assets leased in previous phases
- Leased assets in later phases
- Franchises
- Investments

RD E1-6 AR 46h

Scope 3 emissions are calculated by summing the emissions corresponding to each of the aforementioned categories. For the calculation of Scope 3 emissions, except for products sold, declarative data are used. Specific emission factors are also used for each type of activity, such as transportation, purchasing materials, business travel, and others, which are obtained from recognized and updated data sources. To calculate emissions associated with products sold, the primary material, product weight, quantities sold, and other specific characteristics (such as tile thickness, light bulb wattage, toilet flush volume, etc.) are taken into account. These

data are multiplied by the corresponding carbon emission factors to estimate the emissions associated with each product.

RD E1-6 P. 44 | AR 39 | P. 48 | P. 49 | P. 50 | P. 51 | P. 52 | AR 45 d | AR 48

GHG EMISSIONS (METRIC TONS OF CO <sub>2</sub> EQUIVALENT)	RETROSPECTIVE				MILESTONES AND TARGET YEARS			
	Base year	Comparati- ve	Result 2024 (N)	Year-over- year change (% N/N-1)	2025	2030	2050	Annual % Goal / Base Year
<b>Scope 1 GHG emissions</b>								
Gross Scope 1 GHG emissions (tCO <sub>2</sub> eq)*	2.669	2.996	2.112	-29.51%	S/D	S/D	S/D	
Percentage of Scope 1 GHG emissions from regulated emissions trading schemes (%)	0	0	0	-	S/D	S/D	S/D	S/D
<b>Scope 2 GHG emissions</b>								
Location-based gross Scope 2 GHG emissions (tCO <sub>2</sub> eq)	39,940	21,768	20.626	-5.25%	S/D	S/D	S/D	S/D
Market-based gross Scope 2 GHG emissions (tCO <sub>2</sub> eq)	28.308	20,542	19.389	-5.61%	S/D	S/D	S/D	
Total percentage of emissions associated with contractual instruments (% total)**	96.89%	99.15%	99.99%	0.008 pp	S/D	S/D	S/D	S/D
Percentage of emissions associated with green electricity with guarantee of origin (%)	96.89%	99.15%	99.99%	0.008 pp	S/D	S/D	S/D	S/D
Percentage of emissions associated with green electricity associated with other instruments (such as renewable energy certificates)	0%	0%	0%	-	S/D	S/D	S/D	S/D
Percentage of emissions associated with other electricity (%)	3.11%	0.84%	0.01%	-0.008 pp	S/D	S/D	S/D	S/D
Scope 1+2 GHG emissions (total)	30,977	23,538	21,501	-8.65%	20,855.97	S/D	S/D	S/D
<b>Scope 3 GHG emissions – only GHG Protocol significant categories for the company are included</b>								
Total gross indirect GHG emissions (Scope 3) (tCO <sub>2</sub> eq)	11,394,695	10,358,121	10,823,814	4.50%	S/D	S/D	S/D	S/D
1 Goods and services	2,511,910	2,418,943	2,571,750	6.32%	S/D	S/D	S/D	S/D
2 Capital goods***	1,633	3.116	675	-78.34%	S/D	S/D	S/D	S/D
3 Activities related to fuels and energy (not included in scopes 1 or 2)	S/D	5.237	5.093	-2.75%	S/D	S/D	S/D	S/D
4 Transport and distribution in previous phases***	S/D	S/D	46,812	-	S/D	S/D	S/D	S/D
5 Waste generated in operations	19.289	32.412	35,751	10.30%	S/D	S/D	S/D	S/D

GHG EMISSIONS (METRIC TONS OF CO <sub>2</sub> EQUIVALENT)	RETROSPECTIVE					MILESTONES AND TARGET YEARS		
	Base year	Comparati ve	Result 2024 (N)	Year-over- year change (% N/N-1)	2025	2030	2050	Annual % Goal / Base Year
6 Business Trips*****	S/D	1593.15	1734.54	8.87%	S/D	S/D	S/D	S/D
7 Pendulum displacement of wage earners	116,876.00	21113.64	23725.63	12.37%	S/D	S/D	S/D	S/D
9 Transport and distribution*****	25,624	106,726	28,694	-73.11%	S/D	S/D	S/D	S/D
11 Use of the products sold	8,242,578	7,283,950	7,579,276	4.05%	S/D	S/D	S/D	S/D
12 End-of-life treatment of sold products	352,908	325.097	348,637	7.24%	S/D	S/D	S/D	S/D
<b>Total GHG emissions</b>								
Total GHG emissions (location-based) (tCO <sub>2</sub> eq)*****	11,313,427	10,222,952	10,664,886	4.32%	S/D	S/D	S/D	S/D
Total GHG emissions (market-based) (tCO <sub>2</sub> eq)*****	11,301,795	10,221,726	10,663,649	4.32%	S/D	S/D	S/D	S/D

\*Scope 1 emissions experienced a significant drop because fewer refrigerant gas refills were carried out in 2024. \*\*Scope 2 emissions were measured following the ADEO Group methodology, which establishes that electricity with a guarantee of origin (GDO) has an emission factor of 0.15 (International Energy Agency, 2023). \*\*\*The variation between 2023 and 2024 is explained by the fact that there were no emissions associated with the construction/sale of buildings in 2024. \*\*\*\*Disaggregated data is not available for 2021 and 2023. Some of this information is reported in category 9. \*\*\*\*\*Disaggregated data is not available for 2021. Some of this information is reported in category 7. \*\*\*\*\*The variation between 2023 and 2024 is explained by the methodological improvement developed in 2024. \*\*\*\*\*A methodological update has been made to emissions related to products sold, affecting categories 1, 11 and 12. This update has caused a significant variation in the data. The data for 2021 and 2023 has been restated to allow comparability with 2024.

Additionally, the company accounts for emissions associated with customer travel to its stores, which are reported separately below:

Other CO <sub>2</sub> emissions	Base year	Comparative	Result 2024 (N)	Year-over-year change (% N/N-1)
Emissions associated with customer movement	123,877	159,933	181,666	13.59%

RD E1-6 P. 47

There have been no significant changes to the company's definitions or to the upstream and downstream stages of the value chain, so no impact on the year-over-year comparability of reported GHG emissions has been identified. Methodological improvements have been implemented in some categories, but the previous year's figure has been restated using the new methodology to allow for comparability.

RD E1-6 AR 43 c | AR 45 e | AR 46 j

LEROY MERLIN Spain's activities do not generate biogenic CO2 emissions from the combustion or degradation of biomass.

E1-6 P. 53; P. 55

GHG INTENSITY BY NET INCOME*	2021 (BASE YEAR)		2023		2024		
	2021 Results	Comparative	Result 2023 (N)	Year-over- year change (% N/N-1)	Comparative	Result 2024 (N)	
						Year-over- year change (% N/N-1)	
Total GHG emissions (location-based) by net income (tCO2eq/currenc y unit)	4.39	-	3.74	-	-	3.02	-0.02
Total GHG emissions (market-based) by net revenue (tCO2eq/currenc y unit)	4.79	-	3.74	0.86	-	3.02	-0.02

\*Net income data can be found in the 2024 financial statements, in the profit and loss account, where it is stated under the heading "Net revenue."

### **GHG removals and GHG mitigation projects financed through carbon credits**

RD E1-7 P. 61

No public declarations of GHG neutrality involving the use of carbon credits have been made through 2024.

### **Internal carbon pricing system**

RD E1-8 P. 63 a | P. 63 b | P. 63 c

By the end of 2024, there is not enough internal information to meet the requirements associated with an internal carbon pricing system.

RD E1-9 P. 66 a | 66 b | 66 d

RD E1-9 P. 67 a | 67b | 67 c | 67d | 67e

RD E1-9 P. AR 69 a | 69 b

RD E1-9 AR 72 a | 73 a

RD E1-9 AR 73 a | 7 3b

RD E1-9 P. 68 | 68 a | 68 b

By the end of 2024, a detailed analysis of the physical and transition risks associated with climate change had not been conducted to address these requirements.

RD E1-9 P. 67 e

There is no net revenue from clients operating in coal, oil, and gas-related activities. The percentage is 0%.

## MATERIAL TOPIC

### ENERGY RENOVATION AND SUSTAINABLE SOLUTIONS

**At LEROY MERLIN Spain, we are making progress on various areas of work that place the circular economy at the heart of our business, reducing the lifecycle impact of the products we sell and extending their useful life. In addition to other measures and with this objective, the Home Index indicator was created, a true paradigm shift for our business. It is a pioneering and attractive tool with which we aim to accelerate our transition toward a business model that promotes the manufacture and consumption of products that meet the highest environmental, industrial, and social standards. Furthermore, we aim to support our consumers in their transition to a more responsible purchasing model and help them improve the environmental performance of their homes, particularly in the area of energy efficiency.**

#### Our commitment

COMMITMENT	GOAL 2024	ACHIEVEMENT 2024	UNIT OF MEASUREMENT AND TYPE OF OBJECTIVE	SCOPE	VALUE AND REFERENCE YEAR	INTERMEDIATE MILESTONES
MDR-T 80. a	MDR-T 80 A   80 E			MDR	MDR-T 80 c	MDR-T 80 d
MDR-T 80 b						
Increase sales figures for ABC Home Index products	55% of sales come from products with an A, B or C rating on the Home Index.	56.9% of sales come from products with an A, B or C rating on the Home Index	% Percentage - Relative	All company operations in Spain	S/D - the indicator was first defined for 2024	No intermediate milestones have been established

MDR-T 80 a

This commitment is linked to LEROY MERLIN Spain's environmental policy, responding to the principle of promoting circular economy habits in all our processes.

MDR-T 80 f

The Home Index program is based on the analysis of all phases of the product lifecycle. To analyze the durability phase, products with the longest warranty, easily repairable products, and the necessary spare parts and documentation are promoted. Another criterion taken into account is the failure rate, which measures the number of times a product has failed compared to the average for its type.

Through the end-of-life pillar of the Home Index program, the use of easily recyclable product and packaging materials is promoted for their reinsertion into the value chain.

MDR-T 80 g

The target has been set based on LEROY MERLIN Spain's own criteria. It is always defined by the department responsible for managing it, taking into account the previous year's benchmark.

MDR-T 80 h

LEROY MERLIN Spain's stakeholders have not participated in the design of these objectives.

MDR-T 80 i

There have been no significant changes in the definition of objectives.

MDR-T 80 j

In 2024, the ambitious target was missed, albeit by only 4 percentage points, demonstrating the company's efforts in this area. The target and, therefore, the benchmark are monitored monthly. There have been no significant changes in the company's performance toward achieving the goal.

### **The actions carried out**

IMPACTS, RISKS AND OPPORTUNITIES	ACTIONS
<b>Energy renewal and sustainable solutions</b>	
<b>IMPACTS</b>	
<b>POSITIVE IMPACTS</b>	<ul style="list-style-type: none"><li>• <b>Action 2:</b> Promoting the marketing of products with a lower environmental and social impact and investing in the energy renewal market</li><li>• <b>Action 4:</b> Facilitate customers' decision-making to make their homes more sustainable</li></ul>
<b>RISKS</b>	
Loss of customer satisfaction due to the inability to monitor the energy performance of products, which harms the energy efficiency of customers' homes.	
Failure to meet sustainability goals due to manufacturers' lack of experience in designing products that meet sustainability requirements and circular economy considerations	<ul style="list-style-type: none"><li>• <b>Action 2:</b> Promoting the marketing of products with a lower environmental and social impact and investing in the energy renewal market</li></ul>
Loss of customer satisfaction due to the failure to offer products and services that improve housing conditions (e.g., energy efficiency, comfort, durability and affordability, etc.), which could contribute to the precariousness and inadequacy of customers' housing.	
<b>OPPORTUNITIES</b>	
New business opportunities associated with the just transition	<ul style="list-style-type: none"><li>• <b>Action 1:</b> Promoting energy efficiency and green energy in our facilities</li><li>• <b>Action 2:</b> Promoting the marketing of products with a lower environmental and social impact</li></ul>

New business opportunities associated with eco-design and product innovation with a positive impact

New business opportunities associated with lifestyle changes and responsible consumption trends

Recognition as a company committed to responsible consumption and sustainable living habits (Home Index, communication)

- and investing in the energy renewal market
- **Action 3:** Promoting the reduction of the carbon footprint associated with logistics processes

## ENERGY RENOVATION AND SUSTAINABLE SOLUTIONS

### ACTION 4 Empowering customers to make decisions to make their homes more sustainable

#### LEVER

E1-3\_01 P. 29 a

Innovation in our own catalogue with improved energy efficiency

MDR-A\_01 P. 68 a

#### Key actions

- The Home Index rating will be launched in 2024. The Home Index is an indicator that measures a product's environmental and social impact throughout its life cycle, from production to final disposal. Products are given a letter grade, ranging from "A" (products with the lowest environmental impact) to "E" (those requiring significant improvements).
- Offering products and services to facilitate energy renovation in homes:
  - Products that use renewable energy: solar panels, aerothermal energy, controlled mechanical ventilation, etc.
  - Technical services related to air conditioning, heating, and temperature control.
  - Rehabilitation services related to insulation, windows and doors, and awnings.

#### Achieving policy objectives and goals

These measures are aligned with our commitment to transitioning toward a business model that promotes the manufacturing and consumption of products with a lower environmental and social impact. At the same time, we contribute to our goal of promoting responsible consumption among our customers.

#### Scope

The launch of the Home Index was driven by an internal and external communications plan, linked to the Positive Ambassadors program, to engage 18,000 employees in improving the environmental and social impact of our products. We also worked with suppliers to promote eco-design and identify the phases with the greatest impact.

MDR-A\_02 P. 68 b

We have collaborated with the Commissioner for the Circular Economy of the Ministry for Ecological Transition and the Demographic Challenge to promote the project, and we have coordinated and conducted visits to present, validate, and promote the program from the public administration through meetings with senior representatives of the Ministry of Consumer Affairs and Industry.

We have also coordinated with the management team of the DIY and Hardware Manufacturers Association to gather the needs of the manufacturers involved and define the training required for their teams in ecodesign and the Home Index.

The Home Index was created to drive a paradigm shift across the entire value chain, from product design and manufacturing to purchase and use by the end consumer. It helps customers make informed decisions and serves as an internal guide for companies and suppliers in their efforts to decarbonize their product offerings.

In this sense, the stakeholders involved are employees, suppliers, customers and consumers, the parent company, institutions, and the planet.

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MDR-A\_03 P. 68 c

**Time horizon**

Both the Home Index and the energy renovation commitment began in 2023, were launched in 2024, and will continue their progress in 2025.

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MDR-A\_04 P. 68 d

**Actions to mitigate negative impacts**

Energy renovation encompasses several product families and projects that allow us to transform a home into a more energy-efficient and sustainable home.

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MDR-A\_05 P. 68 e

**Progress**

With Home Index, we want to empower customers to achieve what they themselves demand: clear, transparent, and easy-to-understand data and information to make the best purchasing decisions. Similarly, the company's commitment to the energy renovation market has allowed it to take on the challenge of assuming leadership in energy renovation in 2024, as it is a pillar for reducing the carbon footprint of homes and, therefore, clearly a lever for the carbon transition. It also allows customers to transform their homes into more energy-efficient and sustainable homes.

## IN PRACTICE

### Home Index, helping customers make more responsible purchases

At LEROY MERLIN, we believe that empowered consumers can be agents of change. By providing consumers with more information about the environmental and social impact of products throughout their life cycles, they can factor these factors into their purchasing decisions. This means they can, in turn, motivate changes in suppliers' production processes, encouraging them to implement improvements that contribute to a greater positive impact of their products.



Home Index is the tool created by LEROY MERLIN that evaluates products to help customers make more responsible choices for their homes. This pioneering tool assesses a product's environmental and social impact throughout its life cycle and seeks to drive a paradigm shift throughout the entire value chain, from product design and manufacturing to final consumer purchase.

The tool performs a multi-criteria assessment based on 31 criteria, which are divided into eight pillars (+1 bonus) that are tailored to the product's life cycle and composition, as well as the ethics of its production.

The Home Index is expressed as a numerical score on a scale of -1 to 100, with 100 representing the best performance. The pillars, which are applicable depending on the product family, are as follows:

- Raw materials: The higher the proportion of recycled, eco-friendly, or certified materials in a product, the closer its score is to 100.
- Production: The more environmentally friendly a product's manufacturing conditions are, the closer its score will be to 100.
- Transport: the less CO<sub>2</sub> generates the transportation of a product, the closer its score will be to 100.
- Water and energy consumption: The less water and energy a product consumes during use, the closer its score will be to 100.
- Lifespan and repairability: The longer a product's lifespan and the easier it is to repair, the closer its score will be to 100.
- Recyclability: The more recyclable a product's packaging and primary materials are, the closer its score will be to 100.
- Health: The fewer substances potentially harmful to people or the environment a product contains, the closer its score will be to 100.
- Social impact: The more respectful a product's manufacturing conditions are to people, the closer its score will be to 100.

+ Bonus: Eco-labels.

The numerical score translates into a grade (from E to A):



The score is publicly announced for those products for which we have sufficient information. From that moment on, the score can be consulted on our website, where customers have access to a training sheet that will provide all the keys to understanding the Home Index.

Following its recent launch, the Home Index now has more than 140,000 rated products and 700 trained suppliers. Fifty percent of our sales come from products with an A, B, or C rating, demonstrating our and our suppliers' commitment to sustainability.

### The impact of the Home Index on LEROY MERLIN Spain customers

With Home Index, we want to empower customers to achieve what they themselves demand: clear, transparent, and easy-to-understand data and information to make the best purchasing decisions. We want consumers to be able to create sustainable homes. Empowered consumers are agents of change. Armed with the necessary information, they can motivate changes in suppliers' production processes, so they can progressively implement improvements that achieve a greater positive impact for their products. Home Index is another tool to foster real change in consumer habits and production processes toward more sustainable and environmentally responsible ones.

#### **Benefits for our suppliers and teams**

Our goal is to lead the way with Home Index. The program's environmental and social assessment is based on international standards, making the initiative replicable to other interested companies and sectors, because we know we're not the only ones concerned about the impact of our products. We're seeking to engage as many stakeholders as possible: producers, suppliers, and distributors.

It's important to highlight that LEROY MERLIN Spain is a company committed to domestic industry. Seventy-five percent of our purchases are domestic, with a large proportion of our suppliers being SMEs. Thus, we understand firsthand the challenges small businesses face in their transition to increasingly sustainable product design and production.

We have a supplier development strategy designed to enable individual suppliers to make the necessary changes that will ultimately make their products increasingly sustainable. The Home Index is proving to be a very useful tool for our suppliers because it provides them with the information and support they need to move forward decisively in this new context.

Home Index is also bringing about a cultural shift for all of our employees, from our management teams to our salespeople.

#### **Promoting the use of responsible textiles**

Within the Home Index framework, we also promote the use of responsible textiles. Products containing textile materials of bio-based origin and certified from responsible sources receive positive ratings:

- *Global Organic Textile Standard (GOTS)*: global standard for organic textile materials
- *Organic Content Standard 100 (OCS)*: Organic Content Integration Standard
- *Responsible Down Standard (RDS)*: standard for responsible down and feathers
- *Responsible Wool Standard (RWS)*: standard for responsible wool
- *Global Traceable Down Standard (GTDS)*: global standard for the traceability of feathers and down
- *Leather Working Group (LWG)*: certification standard for environmentally friendly and socially responsible leather production

For products containing wood, we ensure that the wood comes from sustainably managed forests.

## CURRENT AND FUTURE FINANCIAL AND OTHER RESOURCES

RD MDR-A 69 a | 69 b | RD E1-3 AR 21

In 2024, LEROY MERLIN Spain has allocated the following financial resources related to actions linked to climate change:

Name of the performance	OpEx intended	CapEx allocated	Total resources allocated
Action 1 - Promoting energy efficiency and green energy in our facilities	88,560 €	€3.8 million	4 million €
Action 2 - Promoting the marketing of products with a lower environmental and social impact and investing in the energy renewal market	30.1 million euros	N/A	30.1 million euros

The relationship with the most relevant amounts presented in the financial statements is as follows:

- The OpEx allocated for Action 1 is found in the financial statement items 'Other operating expenses – External services'
- The CapEx allocated for Action 1 is found in the financial statement items 'Tangible fixed assets', specifically in 'Land and buildings' and in 'Fixed assets in progress and advances'
- The OpEx allocated for Action 2 is included in personnel expenses. The allocation of resources for 2025 has not yet been planned. The company's ability to execute the actions depends largely on the availability and allocation of financial, human, and material resources.

Regarding other actions for its own personnel, financial resources have been allocated for all actions. However, and in accordance with the significance criteria established by regulations, they are not reported in this document because they are not considered significant quantitatively, being below 0.2% of the company's revenue; nor qualitatively, because they do not represent a widespread negative or positive impact on stakeholders or the environment.

ESRS E5 Use of resources and circular economy

## Use of resources and circular economy

KEY MATERIAL TOPICS	• Circular economy • Waste management	
MILESTONES 2024	• Promotion of second-life projects, such as Almost Perfect, Refurbished, or the relaunch of rentals • Promoting better waste segregation, achieving a recovery rate of over 80%. • Promoting circular economy projects by harnessing our waste to convert it, in collaboration with suppliers, into new products.	
IMPACTS	RISKS	OPPORTUNITIES
<b>Circular economy</b>		
<b>POSITIVE IMPACTS</b> <ul style="list-style-type: none"><li>Promoting the circular economy through specialized service offerings (repair, rental, second-hand)</li></ul>		<ul style="list-style-type: none"><li>New business opportunities associated with the circular economy</li></ul>
<b>NEGATIVE IMPACTS</b> <ul style="list-style-type: none"><li>Contribution to inefficient packaging due to the excessive use of paper, cardboard and plastics, among others, for product packaging and packaging.</li><li>Contribution to environmental pollution and negative effects on human health associated with waste generation</li></ul>		
<b>Waste management</b>		
<ul style="list-style-type: none"><li>Promoting the circular economy through the reuse and recycling of waste generated to convert it into new resources</li></ul>	<ul style="list-style-type: none"><li>Failure to meet sustainability goals due to failure to reduce and manage waste generated by delivery methods</li><li>Failure to meet sustainability goals due to the inability to implement solutions that reduce and manage the volume of waste generated by product packaging</li><li>Legal proceedings (fines, litigation) for improper waste management practices by subcontractors</li></ul>	<ul style="list-style-type: none"><li>New business opportunities associated with the reuse and recycling of waste to convert it into new resources</li></ul>

## MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES

### **Description of the processes for determining and assessing material impacts, risks and opportunities related to resource use and the circular economy**

RD related to ESRS 2 IRO-1 P. 11 a | 11 b

The company has assessed and determined the impacts, risks, and opportunities related to resource use and the circular economy within its assets and activities, including its own operations and its upstream and downstream value chain. To this end, a materiality study was conducted that includes the impacts, risks, and opportunities of various ESG topics, including those related to these issues.

This study considered the company's methodologies and tools for understanding the environmental impact of its products, such as the Home Index and the various initiatives aimed at waste management and its reincorporation as resources.

An analysis of potential impacts, risks, and opportunities linked to the circular economy has been conducted, taking into account the above information. In conclusion, due to the company's activities, material impacts, risks, and opportunities linked to the circular economy have been detected throughout the entire value chain. Both upstream, with issues related to waste management in its own operations and opportunities linked to innovation in the circular economy and waste management; and downstream, in relation to the supply of repair, rental, and second-hand services.

In addition, internal circular economy experts from the Positive Impact Area were also consulted. The results of the surveys conducted in the previous materiality study with suppliers, customers and consumers, collaborators, institutions, and the business community were also taken into account.

See chapter [02 ON SUSTAINABILITY](#) ESRS 2 General information to learn more about the methodology for determining and evaluating impacts, risks and opportunities.

### **Policies related to the use of resources and the circular economy**

RD E5-1 P.14; P. 15a | P. 15b | P. 9a | P.9b | MDR P. 65a

LEROY MERLIN Spain has an Environmental Policy whose general objective is to establish the company's principles of action to promote environmental protection, as well as actions aimed at minimizing environmental risks and negative impacts on the environment. The Policy includes the principle of action "promoting circular economy habits," related to the use of resources and the circular economy. The commitments established in this principle are:

- Promote the concept of a circular economy in all our processes.
- Participate in global and cross-sector initiatives that foster collaboration among different stakeholders to find solutions and build alliances focused on the circularization of raw materials and materials.
- Minimize resource and material consumption by applying a process efficiency approach and minimizing waste generation.
- Promote the acquisition of materials and goods whose components are recycled and/or

reused materials and which, once their useful life has ended, can be easily recycled or reused.

- Carry out proper waste management, promoting recycling and recovery
- Promote the consumption of materials that can be recovered to promote their use as raw materials at the end of their useful life in LEROY MERLIN Spain processes.
- Promote, with our suppliers, the use of sustainable packaging

Therefore, the Environmental Policy includes commitments related to both the transition away from the use of virgin resources, including the relative increase in the use of secondary (recycled) resources, and the sustainable sourcing and use of renewable resources.

The Environmental Policy addresses the following material impacts, risks, and opportunities related to resource use and the circular economy:

IMPACTS	RISKS	OPPORTUNITIES
<b>Positive impacts</b> Contribution to inefficient packaging due to the excessive use of paper, cardboard and plastics, among others, for product packaging and packaging.  Promoting the circular economy through the reuse and recycling of waste generated to convert it into new resources  Contribution to environmental pollution and negative effects on human health associated with waste generation	Failure to meet sustainability goals due to failure to reduce and manage waste generated by delivery methods  Failure to meet sustainability goals due to the inability to implement solutions that reduce and manage the volume of waste generated by product packaging  Legal proceedings (fines, litigation) for improper waste management practices by subcontractors	New business opportunities associated with the circular economy  New business opportunities associated with the reuse and recycling of waste to convert it into new resources

MDR P-65 b

The policy applies to the company's own operations and to all LEROY MERLIN Spain employees, and includes an explicit reference to promoting the transmission and adoption of the principles set forth therein to suppliers, contractors and other third parties with whom the company maintains relations as a result of its activity.

MDR P- 65 c

The policy was approved in 2019 by the then-CEO of LEROY MERLIN Spain.

MDR P- 65 d

The policy does not include references to third-party standards or initiatives related to resource use and the circular economy.

MDR P-65 e

Stakeholders were not directly involved in the design of this policy, but it is taken into account and includes explicit references to commitment to customers, employee involvement, and the transfer of these principles to relationships with suppliers.

MDR P-65 f

The Policy is made publicly available to any stakeholder on the company's corporate website.

## **Actions and resources related to the use of resources and the circular economy**

### **USE OF RESOURCES AND CIRCULAR ECONOMY**

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#### **ACTION 5      Boosting second-life activities: Nearly Perfect, Refurbished**

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##### **Key actions**

Second-life projects, which include Near Perfect and Refurbished solutions, involve recovering and giving products a second life through secondhand retail sales. Near Perfect products are products that, despite having suffered minor damage to the packaging or the original product, remain useful. Refurbished products are products that, due to their electrical type, have been inspected, tested, repaired when necessary, and reconditioned to ensure full functionality.

MDR-A\_01 P. 68 a

##### **Achieving policy objectives and goals**

The measures are aligned with LEROY MERLIN Spain's commitment to promoting environmental protection and implementing actions aimed at minimizing environmental risks and negative impacts. The policy includes the guiding principle of "promoting circular economy habits," which relates to resource use and the circular economy.

MDR-A\_02 P. 68 b

##### **Scope**

During 2024, and with the aim of defining the project strategy, a dialogue process was carried out with decision-makers at various levels, as well as collaborations with other companies in the retail sector working in this field. Among these, the collaboration with ANOVO, the official repair and refurbishment *partner* for the technology sector, stands out. We work with them to develop and refurbish our electrical products, ensuring their functionality and safety. We have also worked on a common definition of second-life products, as well as their origins and commercial management to continue promoting the circular economy.

The main stakeholders involved in this action are suppliers, customers and consumers, and the planet.

MDR-A\_03 P. 68 c

##### **Time horizon**

In the coming years, we plan to deploy the solution to 100% of our stores, thus ensuring a flexible business model that allows us to integrate the various product origins, their recovery, and sale as a second-life product.

MDR-A\_04 P. 68 d

##### **Actions to mitigate negative impacts**

Mitigation actions to minimize negative impacts are based on extending the useful life of products, thus avoiding the generation of waste.

MDR-A\_05 P. 68 e

##### **Progress**

In the coming years, we plan to deploy the solution to 100% of our stores, thus ensuring a flexible business model that allows us to integrate the various product origins, their recovery, and sale as a second-life product.

We continue to work and improve various procedures to facilitate operations in both stores and logistics centers, standardize the concept and image of the second-life brand, and improve the customer experience by strengthening the training and cultural transformation of our teams.

Along the same lines, we've evolved our refurbished solutions to ensure the recovery of at least 50% of our own brand, while ensuring the safety and functionality of our electrical products.

Over the next year, we also plan to develop new business models that will help us optimize the sale of second-hand products.

Thanks to this action, higher levels of recycling of Waste Electrical and Electronic Equipment (WEEE) and the recycling of wood, paper/cardboard, plastic, and metal have been promoted.

## USE OF RESOURCES AND CIRCULAR ECONOMY

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### **ACTION 6 Promoting circular services: rental, repair, and after-sales**

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#### **Key actions**

- Launch of the product rental service, available online for the Iberian Peninsula and the Balearic Islands. In addition to a wide variety of household tools, we offer garden care products, portable heating and air conditioning units, and barbecues and parasols. The online rental service is offered nationwide (except for the Canary Islands) and offers easy booking, home delivery and pickup at no additional cost, and a unique range, as customers can rent products not available in the physical store, such as event supplies, air conditioning, heaters, pool robots, and refurbished products. It also includes products with low store turnover, discontinued products, etc., extending their useful life.
- WeCare allows for traceability of customer repairs and returns to suppliers, as well as data on repair times, impacts per product, and more. Our goal is to increase the in-store repair rate. The WeCare project contributes to the circular economy by improving the national repair rate and contributing to reducing waste generation.
- Launch of the 'Repair Café,' a product repair shop offering customers the opportunity to repair their electronic devices and give them a second life.

MDR-A\_01 P. 68 a

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#### **Achieving policy objectives and goals**

The measures are aligned with LEROY MERLIN Spain's commitment to promoting environmental protection and implementing actions aimed at minimizing environmental risks and negative impacts. The policy includes the guiding principle of "promoting circular economy habits," which relates to resource use and the circular economy.

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MDR-A\_02 P. 68 b

#### **Scope**

The stakeholders involved are customers, consumers, and the planet.

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MDR-A\_03 P. 68 c

#### **Time horizon**

The rental and WeCare projects have been in place at LEROY MERLIN Spain for over three years, and their progress will continue to include improvements in the coming years.

The Repair Café project began last year as a pilot project, and due to its positive results, it will continue to be developed and expanded in 2025.

#### **Actions to mitigate negative impacts**

MDR-A\_04 P. 68 d

The WeCare project contributes to the circular economy by improving the national reparability rate and helping to reduce waste generation.

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#### **Progress**

MDR-A\_05 P. 68 e

- Boosting the development of rentals:
  - Consolidation of the online rental model, increasing both the conversion rate and the number of orders.
  - Implementation of the *click & collect model* for stores in Madrid
  - Taking an online test for product subscription.
  - Standardization of processes and rates for all stores.
  - Training of sales teams.
  - Monthly commercial package adapted to seasonality.
  - New national collaboration for in-store rentals.
  - Relaunch of the van rental service in twelve stores
- Improvements in We Care:
  - As part of this service, in 2024 we added the option of on-site repair for our own-brand family of ceiling fans to promote their repairability at home without the customer having to disassemble them.
  - To unify all of our brand's procedures and repairs and facilitate store management, we work with Anovo, a repair company located in Madrid.
  - Increased usage rate of the WeCare tool, improving repair times and repairability rates
- Results for 'Repair Café':
  - The workshops were held in April and October at our stores in Marbella, Majadahonda, Las Rozas, Rivas, and Alcorcón, as well as at our headquarters in Alcobendas. We had the opportunity to offer our customers and employees the opportunity to repair their electronic devices, thus giving them a second life.

## USE OF RESOURCES AND CIRCULAR ECONOMY

<b>ACTION 7</b> MDR-A_01 P. 68 a	<b>Circular economy projects in which LEROY MERLIN Spain waste is recycled as raw material (for plastic and wood)</b>  <b>Key actions</b> <ul style="list-style-type: none"><li>Collaboration with suppliers to reuse certain waste, enabling it to be transformed into new products that return to our shelves. Examples of these projects include collaborations with FINSA (Circlewood) and KETER.</li></ul> <b>Achieving policy objectives and goals</b> <p>The measures are aligned with LEROY MERLIN Spain's commitment to promoting environmental protection and implementing actions aimed at minimizing environmental risks and negative impacts. The policy includes the guiding principle of "promoting circular economy habits," which relates to resource use and the circular economy.</p>
MDR-A_02 P. 68 b	<b>Scope</b> <p>The stakeholders involved are suppliers and the planet.</p>
MDR-A_03 P. 68 c	<b>Time horizon</b> <ul style="list-style-type: none"><li>Circlewood Project: started more than three years ago, will continue into 2025.</li><li>KETER Project: started in 2024, progress will be assessed in 2025.</li></ul>
MDR-A_04 P. 68 d	<b>Actions to mitigate negative impacts</b> <p>Mitigation actions to minimize negative impacts are based on the implementation of projects to reduce waste generation.</p>
MDR-A_05 P. 68 e	<b>Progress</b> <ul style="list-style-type: none"><li>The "Circlewood" project, in collaboration with the timber company FINSA, which transforms wood waste from our centers in Galicia into new products made from recycled wood, such as chipboard or decorative panels, kitchen furniture, and shoe racks, continued its course in 2024.</li><li>In 2024, a pilot project will also be launched with the supplier KETER, specializing in garden furniture, whereby part of the plastic waste generated in two LEROY MERLIN stores in Zaragoza has been converted into the floor of a dog kennel, made from our plastic waste.</li></ul>

## USE OF RESOURCES AND CIRCULAR ECONOMY

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### **ACTION 8** Incorporation of secondary raw materials into products through packaging

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#### **Key actions**

- Monitoring ADEO's Packaging Policy for the incorporation of secondary raw materials into products through packaging. This policy prohibits the use of materials that are more difficult to recycle, such as PVC or expanded polystyrene.
- *Guide for the sustainable selection of LEROY MERLIN packaging*, aligned with ADEO's Packaging Policy. It includes recommendations aimed at ensuring product integrity by minimizing their impact and promoting reusable and recyclable designs. It also encourages the segregation of specific waste so it can be recycled and incorporated, following a physicochemical process, as a raw material in the products manufactured by suppliers.

MDR-A\_01 P. 68 a

#### **Achieving policy objectives and goals**

The measures are aligned with LEROY MERLIN Spain's commitment to promoting environmental protection and implementing actions aimed at minimizing environmental risks and negative impacts. The policy includes the guiding principle of "promoting circular economy habits," which relates to resource use and the circular economy.

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MDR-A\_02 P. 68 b

#### **Scope**

The stakeholders involved are suppliers and the planet.

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MDR-A\_03 P. 68 c

#### **Time horizon**

Action began in 2020 and will continue in the coming years.

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MDR-A\_04 P. 68 d

#### **Actions to mitigate negative impacts**

Mitigation actions to minimize negative impacts are based on the implementation of projects to promote waste recycling and recovery.

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MDR-A\_05 P. 68 e

#### **Progress**

Suppliers are encouraged to incorporate recycled material into their packaging. By the end of 2024, there is no quantitative data demonstrating positive progress in this area.

## USE OF RESOURCES AND CIRCULAR ECONOMY

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<b>ACTION 9</b>	<b>Proper waste management and increased control over its information and traceability</b>
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### **Key actions**

- Waste management strategy based on the Zero Waste approach, i.e., recovering waste within the company's reach. We promote source segregation and identify all waste streams to reduce the amount of waste sent to landfills and carry out documentary control to ensure traceability.
- Recycling and waste recovery by working with authorized managers or through collective systems of extended producer responsibility (SCRAP, such as Ecoembes).
- Application and fertilization based on the ecomodulation of SCRAP.
- Increased waste collection points in collaboration with SCRAP (for example, the installation of multi-container waste in 100% of our stores).
- Inclusion in the contract documents of waste managers of the requirement to prioritize recovery treatment over disposal.
- Training in waste management for employees.
- Reverse logistics pallet recovery project to increase reuse and reduce wood waste.
- Increased control over information and waste traceability.
- LEROY MERLIN Spain belongs to a SCRAP (Recycling and Recycling Association) that applies eco-modulation criteria to packaging based on the amount of recycled plastic and ease of recycling.

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### **Achieving policy objectives and goals**

The measures are aligned with LEROY MERLIN Spain's commitment to promoting environmental protection and implementing actions aimed at minimizing environmental risks and negative impacts. The policy includes the guiding principle of "promoting circular economy habits," which relates to resource use and the circular economy.

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MDR-A_01 P. 68 a	<b>Scope</b>
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The stakeholders involved are employees and the planet.

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MDR-A_02 P. 68 b	<b>Time horizon</b>
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The company has been managing waste for over five years, although it has been professionalized and improved since 2022. Work on proper waste management will continue in the coming years.

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MDR-A_03 P. 68 c	<b>Actions to mitigate negative impacts</b>
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Mitigation actions to minimize negative impacts are based on the implementation of projects to promote waste recycling and recovery.

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MDR-A_04 P. 68 d	<b>Progress</b>
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In 2024, we increased the percentage of recovered and recycled waste compared to 2023, reaching a recovery rate of over 80%. We are committed to continuing to improve waste management with the goal of increasing source segregation and recyclability. The final milestone of this strategy is to achieve 90% recovery of all waste under the company's purview.

## MATERIAL TOPICS

- Circular economy
- Waste management

### CIRCULAR ECONOMY

**The circular economy is a production and consumption model that involves sharing, renting, reusing, repairing, and recycling existing materials and products as often as possible to create added value and prevent the depletion of natural resources. At LEROY MERLIN Spain, we contribute to promoting this model in collaboration with the entire value chain, from our suppliers to our customers, through repairs with our after-sales service and tool rentals.**

#### Our commitment

RD E5-3 P. 23 | MDR-T

COMMITMENT	GOAL 2024	ACHIEVEMENT 2024	UNIT OF MEASUREMENT AND TYPE OF OBJECTIVE	SCOPE	VALUE AND REFERENCE YEAR	INTERMEDIATE MILESTONES
MDR-T 80. a	MDR-T 80 A   80 E			MDR-T 80 c	MDR-T 80 d	MDR-T 80 e
Brand Recovery via Near Perfect and Reconditioned	€4 million from the brand via Near Perfect and Refurbished	€3.5 million of brand recovered via Almost Perfect and Reconditioned	Monetary - Absolute	Products (of all types, including electrical) with some defect that can be repaired	€2 million (2023 value)	No intermediate milestones have been established

MDR-T 80 a

This commitment is linked to LEROY MERLIN Spain's environmental policy, responding to the principle of promoting circular economy habits in all our processes.

MDR-T 80 f

These objectives are directly related to resource output, as the goal is to recover products and extend their useful life, with a priority on increasing their repairability rate. In cases where a product cannot be repaired, it is recycled after recovering parts that can be used as replacements. Objectives are always defined by the department responsible for managing them, taking into account the previous year's benchmark.

MDR-T 80 g

The objective has been set based on LEROY MERLIN Spain's own criteria.

MDR-T 80 h

LEROY MERLIN Spain's stakeholders have not participated in the design of these objectives.

MDR-T 80 i

There have been no significant changes in the definition of objectives.

MDR-T 80 j

The goal of reaching €4 million in recovered funds has not been achieved, although it was a very ambitious objective and, in any case, significant progress has been made compared to the 2023 figure.

### **The actions carried out**

IMPACTS, RISKS AND OPPORTUNITIES	ACTIONS
<b>Circular economy</b>	
<b>IMPACTS</b>	
<b>POSITIVE IMPACTS</b>	
<ul style="list-style-type: none"><li>Promoting the circular economy through specialized service offerings (repair, rental, second-hand)</li></ul>	<ul style="list-style-type: none"><li><b>Action 5:</b> Promoting second-life activities: Nearly Perfect, Refurbished</li><li><b>Action 6:</b> Promoting circular services: rental, repair and after-sales</li></ul>
<b>NEGATIVE IMPACTS</b>	
<ul style="list-style-type: none"><li>Contribution to inefficient packaging due to the excessive use of paper, cardboard and plastics, among others, for product packaging and packaging.</li></ul>	
<b>OPPORTUNITIES</b>	
<ul style="list-style-type: none"><li>New business opportunities associated with the circular economy</li></ul>	<ul style="list-style-type: none"><li><b>Action 5:</b> Promoting second-life activities: Nearly Perfect, Refurbished</li><li><b>Action 6:</b> Promoting circular services: rental, repair and after-sales</li></ul>

## WASTE MANAGEMENT

**One of the keys to the circular economy is considering waste as new resources that can be incorporated into the production cycle. For us, waste is a valuable resource, and it's in our hands to extend its life cycle. In this way, we contribute to moving from a linear to a circular economy to protect our planet.**

### Our commitment

COMMITMENT	GOAL 2024	ACHIEVEMENT 2024	UNIT OF MEASUREMENT AND TYPE OF OBJECTIVE	SCOPE	VALUE AND REFERENCE YEAR	INTERMEDIATE MILESTONES
MDR-T 80. a	MDR-T 80 A   80 E			MDR	MDR-T 80 c	MDR-T 80 d
			MDR-T 80 b			MDR-T 80 e
Waste recovery rate in stores and warehouses	85%	80.7%	Percentage - Relative	All our stores and warehouses	78.86% - figure as of the end of 2023	No intermediate milestones have been established
MDR-T 80 a						

This objective is linked to LEROY MERLIN Spain's environmental policy, responding to our commitment to promoting environmental protection and minimizing environmental risks and negative impacts on the environment.

MDR-T 80 f

See the Parameters and Goals section of the [Circular Economy subchapter](#) for the methodology for calculating objectives. Objectives are always defined by the department responsible for managing them, taking into account the reference value from the previous year.

MDR-T 80 g

The objective has been set based on LEROY MERLIN Spain's own criteria, based on current Spanish and European waste management legislation.

MDR-T 80 h

LEROY MERLIN Spain's stakeholders have not participated in the design of these objectives.

MDR-T 80 i

There have been no significant changes in the definition of objectives.

MDR-T 80 j

In 2024, the ambitious goal was not achieved, albeit by less than 5%, which demonstrates the area's commitment and work to achieving it. The objective, and therefore the benchmark, is monitored monthly. There have been no significant changes in the company's performance toward achieving the target.

## The actions carried out

IMPACTS, RISKS AND OPPORTUNITIES	ACTIONS
<b>Waste management</b>	
<b>IMPACTS</b>	
<b>POSITIVE IMPACTS</b>	
<ul style="list-style-type: none"> <li>Promoting the circular economy through the reuse and recycling of waste generated to convert it into new resources</li> </ul>	<ul style="list-style-type: none"> <li><b>Action 7:</b> Circular economy projects in which LEROY MERLIN Spain waste is reintegrated as raw material (for plastic and wood)</li> <li><b>Action 8:</b> Incorporation of secondary raw materials into products through packaging</li> <li><b>Action 9:</b> Adequate waste management and increased control over its information and traceability</li> </ul>
<b>NEGATIVE IMPACTS</b>	
<ul style="list-style-type: none"> <li>Contribution to environmental pollution and negative effects on human health associated with waste generation</li> </ul>	
<b>RISKS</b>	
<ul style="list-style-type: none"> <li>Failure to meet sustainability goals due to failure to reduce and manage waste generated by delivery methods</li> <li>Failure to meet sustainability goals due to the inability to implement solutions that reduce and manage the volume of waste generated by product packaging</li> <li>Legal proceedings (fines, litigation) for improper waste management practices by subcontractors</li> </ul>	<ul style="list-style-type: none"> <li><b>Action 7:</b> Circular economy projects in which LEROY MERLIN Spain waste is reintegrated as raw material (for plastic and wood)</li> <li><b>Action 8:</b> Incorporation of secondary raw materials into products through packaging</li> <li><b>Action 9:</b> Adequate waste management and increased control over its information and traceability</li> </ul>
<b>OPPORTUNITIES</b>	
<ul style="list-style-type: none"> <li>New business opportunities associated with the reuse and recycling of waste to convert it into new resources</li> </ul>	<ul style="list-style-type: none"> <li><b>Action 7:</b> Circular economy projects in which LEROY MERLIN Spain waste is reintegrated as raw material (for plastic and wood).</li> </ul>

## PARAMETERS AND GOALS

### Resource outflows

RD E5-5 P. 35

As part of the Second Life project, we are working on a refurbished solution to continue recovering electrical products and thus guarantee their complete safety, quality, and functionality for resale. That's why we're working on projects to increase the brand's recovery rate toward 2025.

Likewise, our reverse logistics pallet return project allows pallets in good condition, with up to three breakage points, to be returned to the logistics platforms. Pallets with more than three breakage points are placed in the wooden container to be managed as waste by an authorized waste manager.

ADEO has a Packaging Policy that promotes the incorporation of secondary raw materials into its products through packaging. This policy prohibits the use of materials that are more difficult to recycle (PVC, EPS, etc.).

Furthermore, thanks to the Home Index project, we are working with suppliers to improve their products. Priority families with the greatest impact on the carbon footprint of their products have been selected, and sales volume has been taken into account.

We also aim to carry out at least two additional circular economy projects per year based on incorporating LEROY MERLIN Spain's waste into the value chain and manufacturing products that are reintegrated into the company's ecosystem. This allows us to reduce the amount of raw materials consumed, while minimizing the pressure on natural resources. This ambition is linked to the quality of the waste separated at source and the recovery treatments, which are validated through management contracts and traceability certificates.

#### **Expected durability of products introduced to the market relative to the industry average**

RD E5-5 P. 36a

Leroy Merlin Spain uses the Home Index tool, which assesses the environmental and social impact of a product throughout its life cycle.

The tool performs a multi-criteria assessment based on 31 criteria, divided into eight pillars (+1 bonus) that align with the product's life cycle and production ethics. The Home Index is expressed as a numerical score on a scale of -1 to 100, with "100" representing the best performance. The numerical score translates into a grade, from A to E. "A" corresponds to the highest-rated products; while products with an "E" still have areas that require improvement. The tool's methodology has been validated by prestigious independent organizations, such as the French eco-design center *Pôle Eco-Conception* and the auditing firm Mazars, as well as by the consulting firms PwC, DNV, and HOP, the French Agency for Environment and Energy Management (ADEME), and the United Nations Environment Programme (UNEP).

One of the pillars analyzed in the Home Index is the "useful life and repairability" pillar, which is composed of five criteria:

- Spare parts availability
- Repairability potential
- Failure rate or return rate
- Availability of documentation
- Manufacturer's Warranty (Commercial)

The average score for this pillar, for the products to which it applies, as of the end of 2024 is 71.7 out of 100.

Based on the "manufacturer's (commercial) warranty" criterion, the minimum expected durability of a selection of products that adequately represent products marketed by Leroy Merlin Spain has also been inferred. This data has been selected from product models with the highest number of sales at the end of the 2024 financial year.

PRODUCT GROUP	MINIMUM EXPECTED DURABILITY
Windows	8.2 years
Artificial grass	4.7 years
Vinyl flooring, planks and tiles	13.46 years
Laminate and hybrid flooring	40.18 years

*NOTE: The data provided comes from the warranty years for each product group. Therefore, the years reported do not represent expected durability, but rather the minimum expected durability. It cannot be compared with the industry average, as this information is not available at the local or European level.*

### **Repairability of products**

RD E5-5 P. 3 b

Regarding repairability criteria, the Home Index applies to potentially repairable products, in accordance with French legislation. There are three criteria related to tool repairability: availability of documentation, availability of spare parts, and repairability potential.

In this regard, the data for those products for which this criterion is available are presented below, as of the end of 2024:

CRITERIA WITHIN THE 'USEFUL LIFE AND REPAIRABILITY' PILLAR	% OF PRODUCTS IN HOME INDEX
Availability of documentation	67.73% of the products
Spare parts availability	46.69% of the products
Repairability potential	53.73% of the products

### **Recycled and recyclable material**

RD E5-5 36c

The "Raw Materials" pillar of the Home Index includes criteria related to the recyclability of the product's main material and packaging, as well as the recycled content within the product. However, as of the end of 2024, it was not possible to extract reliable quantitative information from these criteria to contribute to this report. The company works daily with its suppliers to promote continuous improvement in this regard and hopes to provide this information in the next report.

RD E5-5 P. 40

To calculate the waste data, we carry out direct weight measurements during collection and waste treatment at the recycling plant, taking into account weighing tickets and treatment categories from the plants of the waste managers with whom we collaborate. The information reported depends on the availability of data from the various waste managers. Estimates are primarily made for December 2024 for all types of waste. The estimate made by LEROY MERLIN Spain is based on the historical waste generated by those same stores in previous months. These estimates are not considered to represent measurement uncertainty.

On the other hand, for the data related to the refurbished project, various aspects were taken into account. Among these, it was determined that the product, which was previously discarded because it was an electrical grade and showed signs of use, tampering, or damage, is currently unsalable as new and is being sent for refurbishment. The data comes from direct

measurements that take into account the overall volume of units shipped, refurbished units, and liquidable (non-refurbished) units. Additionally, the work methodology always takes into account the calculation of the refurbishment rate and the amount recovered.

RD E5-5 P. 37a | P. 37b | P. 37c | P. 37d

<b>TOTAL AMOUNT OF WASTE FROM OWN OPERATIONS (TONNES)</b>	<b>2023</b>	<b>2024</b>	<b>VARIATION</b>
<b>Total waste generated (Tn)</b>	<b>86,657.39</b>	<b>95,566.47</b>	<b>10.28%</b>
<b>Total waste avoided from disposal (Tn)</b>	<b>68,338.59</b>	<b>77,140.79</b>	<b>12.88%</b>
Hazardous waste whose disposal has been avoided (Tn)	719.71	246.32	-65.91%
Non-hazardous waste whose disposal has been avoided (Tn)	67,618.88	75,929.15	12.29%
<b>Types of valuation operations</b>			
Preparation for reuse (Tn)	27,794.40	27,171.26	-2.24%
Recycled (Tn)	38,816.87	48,599.47	25.20%
Energy recovery (Tn)	1,727.32	1,370.06	-20.68%
<i>Other valorization operations (Tn)*</i>		N/A	N/A
<b>Disposal: types of hazardous waste treatment</b>			
Incineration (Tn)	S/D	S/D	-
Landfill (Tn)	S/D	437.89	-
<b>Disposal: types of non-hazardous waste treatment</b>			
Incineration (Tn)	0.00	0.00	-
Landfill (Tn)	18,318.80	17,985.74	-1.82%
<b>Total waste eliminated (Tn)</b>	<b>18,318.80</b>	<b>18,423.63</b>	<b>0.57%</b>
Hazardous waste disposed of (Tn)	0.00	437.89	S/D
Non-hazardous waste disposed of (Tn)	18,318.80	17,985.74	-1.82%
<b>Total non-recycled waste (Tn)</b>	<b>47,840.52</b>	<b>46,967.00</b>	<b>-1.83%</b>
<b>Proportion of non-recycled waste (%)</b>	<b>55.21%</b>	<b>49.15%</b>	<b>-0.06</b>
<b>Total hazardous waste (Tn)</b>	<b>719.71</b>	<b>684.21</b>	<b>-5.30%</b>
<b>Total radioactive waste (Tn)</b>	<b>0.00</b>	<b>0.00</b>	-
<b>RECYCLING/RECOVERY RATE</b>			
Waste recycling rate	44.79%	50.85%	0.06
Waste recovery rate	76.87%	80.72%	0.02

MDR-M P. 77

The waste recycling rate, as defined by reporting regulations, is considered the percentage of waste recycled out of the total waste managed. The recovery rate is considered the percentage of waste not disposed of out of the total waste managed; that is, all waste recycled, prepared for reuse, or sent for energy recovery. As a general rule, the metrics established for managing material negative impacts, promoting positive impacts, and managing material risks and opportunities for the material theme have not been validated by an external body other than the auditor of this report, unless specified for a specific metric that has been externally validated.

SECOND LIFE / ALMOST PERFECT	2023	2024	VARIATION
Number of stores where it is available Almost perfect	45	45	
Number of stores where Refurbished is available	0	45	
Value of managed products (€) *	2,000,000.00 €	3,592,784.00 €	79.64%
Product units managed and sent to stores	30,000	31,770	5.90%
Value of recovered products (€) **	€653,245.00	€1,083,880.00	65.92%
CV generated with the projects (with VAT) ***	€415,579.30	€740,134.30	78.10%
CV generated with the projects (without VAT) ***	€343,626.10	€615,023.80	78.98%
Units of product recovered and sold in stores	7.538	14.561	93.17%

\*The Value of Managed Products (€) refers to the total value of products dispatched for recovery within the project, whether or not they were saleable. Within the NEARLY PERFECT project, this includes their recovery through their incorporation into the shelf stock and/or the Nearly Perfect area. Using the same criteria, in the REFURBISHED project, it refers to the corresponding value of products dispatched and recovered/not recovered thanks to this solution. That is, both categories include everything managed, whether recovered or not. \*The same criterion applies to the managed product units indicator.

\*\*The value of recovered products (€) refers to the purchase price value of checkouts generated by the sale of NEARLY PERFECT and REFURBISHED products. Managed products that are in perfect condition and therefore sold at full shelf life, as well as those that are unsaleable, are not included. \*The same criterion applies to the recovered product units indicator.

\*\*\*The CV generated with the projects refers to the checkout of these products as NEAR PERFECT or REFURBISHED. Managed products that are in perfect condition and therefore sold out of stock, as well as those that are unsaleable, are not included. \*The same criterion applies to the indicator of recovered and sold product units.

RD E5-5 P. 38a | P. 38b | P. 40

Among the waste generated by LEROY MERLIN Spain, the most notable categories are those belonging to the following categories: waste from wood processing and panel and furniture production, paper and cardboard packaging, plastic packaging, wood and metal packaging, construction waste, composite textile waste, electrical and electronic equipment waste, batteries and accumulators, and other waste with hazardous components. Among these, the following main materials can be identified: wood, paper pulp, plastic, metal, glass, and construction materials such as ceramics. At the company level, and in line with our sector and the activities we carry out, the most significant waste stream is waste derived from wood processing and panel and furniture production, which, including wooden packaging such as pallets, has accounted for around half of the waste managed in the last two fiscal years. Waste wood is separated in stores and managed by authorized waste processors. Pallets are managed using the reverse logistics model.

## CURRENT AND FUTURE FINANCIAL AND OTHER RESOURCES

RD MDR-A 69 a | 69 b

In 2024, LEROY MERLIN Spain has allocated 11.6 million euros in OpEx and CapEx to the following action related to the circular economy: Action 9 - Adequate waste management and increased control over its information and traceability.

The relationship with the most relevant amounts presented in the financial statements is as follows:

- OpEx is recorded in Other operating expenses - External services / Work performed by other companies - Procurement, and in the Waste treatment accounting account
- CapEx is included in Tangible Fixed Assets - Technical Installations.

The allocation of resources for 2025 has not yet been planned.

Regarding the other actions related to the circular economy, financial resources have been allocated for all actions. However, and in accordance with the significance criteria established by regulations, they are not reported in this document because they are not considered significant quantitatively, being below 0.2% of the company's turnover; nor qualitatively, because they do not represent a widespread negative or positive impact on stakeholders or the environment.

# Disclosure of information pursuant to Article 8 of Regulation (EU) 2020/852 on taxonomy

## 1. INTRODUCTION

Taxonomy<sup>2</sup> Regulation (EU) 2020/852, as part of the European Commission's Green Deal action plan, seeks to redirect capital flows to achieve a carbon-neutral economy by 2050, thereby creating a sustainable economic framework aligned with the Sustainable Development Goals.

The Taxonomy Regulation proposes the creation of an EU-wide classification system for environmentally sustainable economic activities. It thus establishes a common language that companies, investors, and other stakeholders can use to identify projects and economic activities with a substantial, positive impact on the climate and the environment. Furthermore, the Taxonomy introduces disclosure obligations for companies and financial market participants to standardize sustainability reporting methodologies.

In line with this Regulation, we have consulted the list of eligible economic activities, described in Commission Delegated Regulation (EU) 2021/2139<sup>3</sup> and Commission Delegated Regulation (EU) 2022/1214<sup>4</sup>, corresponding to the first two environmental objectives established: (1) climate change mitigation and (2) climate change adaptation. The incorporation and implementation of these regulations aims to facilitate the reorientation of investments towards initiatives that promote the use of more efficient technology and boost the growth of those companies committed to sustainability and the achievement of the EU climate objectives, the Paris Agreement and the United Nations Sustainable Development Goals.

During the 2023 fiscal year, new modifications were made to the taxonomy's regulatory framework. First, on June 27 of this year, Delegated Regulation (EU) 2023/2485 entered into force, expanding the number of activities covered under the taxonomy and also adding and modifying some of the additional technical selection criteria for determining the conditions under which an economic activity is considered to make a substantial contribution to climate change mitigation or adaptation.

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<sup>2</sup> Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 establishing a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088.

<sup>3</sup> Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council and establishing the technical screening criteria for determining the conditions under which an economic activity is considered to make a substantial contribution to climate change mitigation or adaptation and for determining whether that economic activity does not cause significant harm to any of the other environmental objectives

<sup>4</sup> Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022 amending Delegated Regulation (EU) 2021/2139 as regards economic activities in certain energy sectors and Delegated Regulation (EU) 2021/2178 as regards public disclosure of specific information on those economic activities.

Additionally, Delegated Regulation (EU) 2023/2486 was also published on June 27, establishing the technical selection criteria to determine under what conditions an economic activity is considered to contribute substantially to the rest of the environmental objectives, that is, to the sustainable use and protection of water and marine resources, to the transition to a circular economy, to the prevention and control of pollution, or to the protection and recovery of biodiversity and ecosystems.

Pursuant to the aforementioned Delegated Regulations, we have determined the Company's activities that are considered eligible for further alignment. In our analysis of fiscal year 2024, we have considered the following points:

**Eligible economic activities under the Taxonomy** are defined as those described as such in Annexes I or II to the aforementioned delegated act (Delegated Regulation (EU) 2021/2139 of 4 June 2021) and in the Annexes to Delegated Regulation 2023/2486 of 27 June 2023, in the section: "Description of the activity", regardless of whether that economic activity meets any or all of the technical selection criteria set out in those delegated acts. Furthermore, a non-eligible economic activity under the Taxonomy is any economic activity that is not described in those delegated acts.

activities **aligned** with the taxonomy are those eligible activities that also comply with the minimum required safeguards, with the technical criteria of substantial contribution and with the principle of not causing significant harm ("DNSH") to the rest of the objectives set out by the taxonomy as established by the regulations for the activity under analysis in accordance with article 3 of the Taxonomy Regulation <sup>5</sup>.

Finally, Delegated Regulation 2021/2178 of July 6, 2021,<sup>6</sup> described the different key indicators to be reported by companies subject to the obligation to publish Non-Financial Statements in accordance with Articles 19a and 29a of Directive 2013/34. For all of the Company's economic activities determined as eligible, both aligned and non-aligned, we have obtained the key performance indicators (KPIs) at the consolidated level of LME Spain (LME). These are associated with: revenue, capital expenditure (CapEx), and operating expenditure (OpEx) . Consequently, a breakdown of these indicators has been obtained for the proportions that refer to the eligibility and alignment of each activity.

While in fiscal year 2023 non-financial companies (including LME) had to disclose KPIs taking into account eligibility and alignment in the case of objectives related to Climate Change Mitigation and Adaptation, and only the eligibility of activities related to the rest of the objectives, in this fiscal year 2024 it will also be necessary to analyze and calculate KPIs related to the alignment of the activities defined in Delegated Regulations (EU) 2023/2485 and 2023/2486 of the objectives of sustainable use and protection of water and marine resources, transition to a circular economy, prevention and control of pollution, and protection and restoration of biodiversity and ecosystems.

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<sup>5</sup> Article 3 of the Taxonomy Regulation refers to the conformity of alignment based on: (1) Compliance with the technical selection criteria (according to the corresponding activity in terms of: a) substantial contribution to one or more environmental objectives and b) not significantly harming any of the remaining objectives ), and (2) compliance with the defined minimum safeguards.

<sup>6</sup> Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of the information to be disclosed by undertakings subject to Articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities and by specifying the methodology for complying with the disclosure obligation.

## 2. IDENTIFICATION OF ELIGIBLE ACTIVITIES

To calculate the key eligibility indicators, we thoroughly assessed the potential eligibility of all the economic activities carried out by our Company. In this analysis, we considered both revenue-generating activities for LME and cross-cutting, non-revenue-generating activities that still entail capital expenditure (CapEx) for the Company. It is worth mentioning that the eligibility analysis of the activities mentioned below was carried out through a collaborative effort across all our business areas.

To carry out this exercise to identify eligible activities, the activities listed in Delegated Regulations 2021/2139 and 2022/1214 were first studied. In this regard, only eligible activities with respect to the climate change mitigation objective have been identified, since, with respect to the climate change adaptation objective, no measures aimed at increasing the resilience of LME's activities or assets to potential physical climate risks have been identified, nor have any activities been identified within these Delegated Regulations that facilitate the climate change adaptation objective.

Thus, the following table lists the activities that, according to Delegated Regulations 2021/2139 and 2022/1214, may be classified as **eligible** for the climate change mitigation objective:

Reference to the Taxonomy activity (objective: climate change mitigation)	Summary of the activity carried out by LME
CCM 5.5 Collection and transportation of non-hazardous waste in fractions segregated at source	<ul style="list-style-type: none"> <li>Use of compacting presses and <i>software</i> for the separate collection of non-hazardous waste, with a view to preparing it for reuse or recycling.</li> </ul>
CCM 6.5 Transport by motorcycles, passenger cars and light commercial vehicles	<ul style="list-style-type: none"> <li>Use of company vehicles under a <i>rental agreement</i>.</li> </ul>
CCM 7.3 Installation, maintenance and repair of energy efficiency equipment	<ul style="list-style-type: none"> <li>Installation of energy-efficiency-related equipment for clients (insulation systems, doors and windows, lighting systems, air conditioning, and domestic hot water).</li> <li>Acquisition, installation, and maintenance of energy efficiency-related equipment at LME's own facilities.</li> </ul>
CCM 7.4 Installation, maintenance and repair of electric vehicle charging stations in buildings (and in parking spaces attached to buildings)	<ul style="list-style-type: none"> <li>Installation of electric charging systems for vehicles at the client's premises.</li> <li>Acquisition, installation, and maintenance of electric vehicle charging systems at LME's own facilities.</li> </ul>

CCM 7.5 Installation, maintenance and repair of instruments and devices to measure, regulate and control the energy efficiency of buildings

- Installation of intelligent control systems (such as thermostats or other climate control systems) on the client's computer.
- Acquisition, installation, and maintenance of intelligent control systems at LME's own facilities.
- Installation of renewable energy technologies (photovoltaic, solar thermal, and aero-thermal power generation systems).
- Acquisition, installation and maintenance of renewable energy technologies.

CCM 7.6 Installation, maintenance and repair of renewable energy technologies

Starting with CCM 5.5, LME has several non-hazardous waste compaction systems (balers) that allow for improved collection and management of certain types of waste (such as cardboard waste). LME also has software that helps ensure proper separation of the non-hazardous waste generated.

With respect to activities CCM 7.3, CCM 7.4, CCM 7.5, and CCM 7.6, LME carries out activities related to the installation of equipment related to the activity description at customer facilities, as well as activities related to the acquisition, installation, and maintenance of equipment related to the activity description at its own facilities. With respect to the first type of activity (installations at customers), it has been ensured that only the turnover corresponding to the installation packages themselves is computed, thus not considering the turnover associated with the acquisition of this equipment (since the sale of the systems described under these Taxonomy activities is not an eligible economic activity, according to the Taxonomy).

In relation to these activities, it should also be noted that, due to the characteristics of LME's clients and LME's facilities, these devices are installed "on-site" in buildings, primarily residential or commercial. This is consistent with the nature of the set of activities listed in Block 7 of Annex I of Delegated Regulation 2021/2139, as said block refers to actions carried out in buildings.

The activities listed in Delegated Regulations 2023/2485 and 2023/2486 were then reviewed. After analyzing these activities, the following were considered **eligible** for the circular economy transition objective:

Reference to the Taxonomy activity (objective): Circular Economy	Activity description
CE 2.3 Collection and transportation of hazardous and non-hazardous waste	<ul style="list-style-type: none"> <li>• Use of compacting presses and software for the separate collection of non-hazardous waste, with a view to preparing it for reuse or recycling.</li> </ul>
CE 5.1 Repair, refurbishment and remanufacturing	<ul style="list-style-type: none"> <li>• In-store refurbishment pilot project.</li> <li>• Warranty repair management</li> </ul>

through 'We Care'.

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CE 5.2 Sale of spare parts	• Request for spare parts managed through 'We Care'.
CE 5.5. Product as a Service and other circular service models oriented to use and results	• Equipment rental service, online or in-store.

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Regarding CE 5.1 activity, this includes the product reconditioning project currently underway in some LME stores. This project includes a repair phase managed through internal software (WeCare) as well as the pilot program for reconditioned electrical components, which are tested and adjusted before being put back on sale. This reconditioning entails a warranty from LME in addition to the one stipulated by law.

Regarding the eligibility of CE 5.2 activity, the criterion defined by the ADEO Group was used as a starting point. Only any spare part requested by customers through a request tool for this type of product is counted as a spare part, provided that the spare part is out of warranty, thus complying with the taxonomic criterion. These parts are managed through the 'WeCare' platform. These types of parts have been deemed to meet the definition of a spare part established by the regulation. This definition assumes that a product is considered a spare part if it does not have an independent function and can replace a part of a final product with an identical or similar function. Therefore, items such as consumables (such as paints, adhesives, oils, and batteries), as well as accessories and items not essential to the operation of the product to which they are incorporated, are not included as eligible. This criterion adopted this fiscal year is different from that adopted last year, with this new criterion being more restrictive regarding the items identified as spare parts.

Finally, regarding the eligibility of activity 5.5, LME provides an in-store (*offline equipment rental service*). The rented equipment relates to tools or other machinery whose primary purpose is the execution of small construction or DIY projects. Consequently, this type of machinery is considered to be related to the following NACE codes listed in the activity description: C28.23, "Manufacture of office machinery and equipment (except computers and peripherals)" and C28.24, "Manufacture of power-driven hand tools."

In addition to these activities, it has also been identified that, in the specific case of LME, the activity carried out in the area of non-hazardous waste management (eligible according to activity 5.5 of the mitigation objective: "Collection and transport of non-hazardous waste in fractions segregated at source") is also fully eligible under activity 2.3 of the circular economy objective: "Collection and transport of hazardous and non-hazardous waste."

### 3. ALIGNMENT ANALYSIS

Starting from the eligible economic activities under the Climate Change Mitigation and Circular Economy objectives listed in the tables above, we have consequently proceeded to carry out an analysis to assess: (I) compliance with the **technical selection criteria** (in terms of substantial contribution to the objective to which they refer and in terms of not significantly harming any of the remaining environmental objectives) and (II) compliance with the **minimum safeguards**.

Unlike the previous exercise, which only required comparing the alignment of activities under the Mitigation objective, the alignment analysis exercise was also performed with the activities listed in the table of eligible activities under the circular economy objective.

#### 3.1. Technical selection criteria

The following analysis is based on the provisions of Annex I to Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 for Climate Change Mitigation activities and Delegated Regulation (EU) 2023/2486 for Circular Economy Goal activities. These develop the technical selection criteria, which establish the conditions under which an economic activity is considered to contribute substantially to the environmental objective without causing significant harm to any of the other environmental objectives:

##### a. Criteria for substantial contribution to environmental objectives

To assess this criterion, the technical characteristics of each eligible activity were analyzed to determine whether or not they meet the applicable substantial contribution criteria. First, the analysis of the alignment of the activities under the Climate Change Mitigation objective:

- CCM 5.5. Collection and transportation of non-hazardous waste in fractions segregated at source: the company ensures the treatment, reuse, and/or recycling of non-hazardous waste related to assets identified as eligible (own balers for compacting recyclable waste and a waste generation monitoring tool). In this regard, through internal management procedures, LME classifies this waste at source to ensure its proper subsequent management by the authorized waste manager.
- CCM 6.5. Transport by motorcycles, passenger cars and light commercial vehicles: Passenger cars that meet this criterion are plug-in hybrid vehicles (PHEV) that make up the LME fleet, which comply with the emissions limit of 50 gCO2e/km computed for each model according to the WLTP CO2 emissions calculation standard (based on the provisions of Regulation (EU) 2019/631).
- CCM 7.3. Installation, maintenance and repair of energy efficiency equipment: This activity covers various categories of installations related to insulation, lighting, and air conditioning of spaces.

The Technical Building Code document "Basic Document HE - Energy Saving" has been taken as a basis, since this document transposes the European directive on energy efficiency in buildings, to which the Taxonomy refers within the section on substantial contribution of this activity, 7.3. (Directive 2010/31/EU). Specifically, the guideline value of thermal transmittance shown in Annex E for the winter climate zone D (corresponding to most of the central part of the peninsula) has been taken as a limit,

which is equal to  $1.6 \text{ W/m}^2 \text{ K}$ . Consequently, we consider that values equal to or lower than this figure in this type of products are indicative of their substantial contribution. On the other hand, with regard to the installation or replacement of luminaires, the installation or replacement of LED luminaires is considered to meet the criterion of substantial contribution, as they represent an energy-efficient light source.

Finally, energy-efficient solutions related to the installation, replacement, or maintenance of HVAC systems, whether heating, ventilation, or air conditioning, as well as domestic hot water, are assessed, verifying that these systems are highly efficient. To this end, and using information from the European Product Register for Energy Labeling (EPREL), the energy labels of HVAC and domestic hot water equipment were evaluated, and those with the highest first and second categories within their respective scales were considered.

This process of assessing compliance with technical criteria for substantial contribution has only been studied for equipment installed by LME for customers and not for equipment installed by LME in its own facilities.

- CCM 7.4 Installation, maintenance and repair of electric vehicle charging stations in buildings (and in parking spaces attached to buildings): The equipment included in this activity fits the description, with the constituent elements of an electric vehicle charging station being valued.
- CCM 7.5 Installation, maintenance and repair of instruments and devices to measure, regulate and control the energy efficiency of buildings: The criterion requires that the instruments installed, repaired, or maintained be capable of performing diverse functions, such as temperature regulation (thermostats) or lighting, building efficiency management (energy or lighting efficiency), smart gas metering or air conditioning systems, and solar protection or control systems for roofs and facades. All of these types of instruments are considered to make a substantial contribution.
- CCM 7.6 Installation, maintenance and repair of renewable energy technologies: in this regard, photovoltaic installations and auxiliary storage equipment, solar collectors and DHW systems, heat exchanger equipment and aerothermal systems, installed both for client buildings and in LME's own facilities, are considered to be a substantial contribution, in accordance with the Taxonomy in this section.

On the other hand, regarding the analysis of technical criteria of the activities related to the objective of Circular Economy:

- CE 2.3 Collection and transport of hazardous and non-hazardous waste: as already mentioned for activity CCM 5.5., the company ensures the treatment, reuse and/or recycling of non-hazardous waste and through internal management procedures, LME classifies this waste at source to ensure its proper subsequent management by the authorized waste manager.

**b. Do not significantly harm any of the environmental objectives ("DNSH" – *Do Not Significant Harm*)**

The second set of technical criteria requires that, for each of the potentially aligned activities (i.e., the company's eligible activities that meet point 1 of substantial contribution), it be

assessed and demonstrated that they do not significantly harm any of the other five environmental objectives.

The assessment of the "DNSH" criteria for climate change adaptation was carried out primarily at the corporate level, while compliance with the other "DNSH" criteria was carried out directly on an activity-by-activity basis.

Compliance with "DNSH" criteria related to adaptation to climate change:

Regarding this criterion, there is no physical climate risk assessment. Consequently, we consider that the eligible activities do not yet meet this "DNSH" criterion.

Compliance with "DNSH" criteria relating to environmental objectives:

On the one hand, and in relation to the criteria defined for activities related to the Climate Change Mitigation objective, as indicated in Annex I of Delegated Regulation 2021/2139, the "DNSH" criteria for the transition towards a circular economy and for the prevention and control of pollution in activities CCM 7.4, CCM 7.5 and CCM 7.6 would not be applicable and therefore, only in these cases, the validation of the technical criteria depends solely on the evaluation of the substantial contribution to climate change mitigation.

Additionally, with regard to the objectives of: "sustainable use and protection of water and marine resources" and "protection and recovery of biodiversity and ecosystems", as indicated in Delegated Regulation 2021/2139, it is not appropriate to assess this "DNSH" criterion in any of the Taxonomy activities for which their possible compliance with technical criteria is being studied, given the characteristics of this type of economic activities (activities CCM 5.5., CCM 6.5. and CCM 7.3.).

Regarding the validation of the "DNSH" criteria for CCM 5.5 activity, with regard to the "DNSH" approach to the transition to a circular economy, authorized waste collectors who collect non-hazardous waste, based on their operating authorization, are considered to have waste management procedures that ensure that waste collected at generation points and temporarily stored is not mixed with other natural waste or transferred. Furthermore, the "DNSH" criterion for pollution prevention and control is not applicable to CCM 5.5 activity.

Similar to the analysis carried out on the activities selected for the mitigation objective, an additional analysis is carried out on the activities determined by the Circular Economy objective, in this case taking into account the criteria indicated in Delegated Regulation (EU) 2023/2486.

Thus, for activity CE 2.3, it is verified that the company has internal management procedures that allow it to manage environmental, health, and safety risks.

### 3.2. Minimum Safeguards

This requirement involves demonstrating that the economic activity under evaluation is carried out in compliance with minimum social safeguards. To this end, we have ensured that all procedures implemented by the company guarantee that our activities are conducted in compliance with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights, including the principles and rights established in the eight fundamental conventions referred to in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, and the International Bill of Human Rights (as indicated in Article 18 of Regulation 2020/852).

To assess compliance with the minimum safeguards, we have specifically analyzed the four dimensions into which the requirement is divided, as outlined by the European Union Platform for Sustainable Finance, which are: (1) Human rights, including labor rights; (2) corruption and bribery; (3) taxation; and (4) fair competition.

To this end, an analysis was first carried out of the policies and procedures implemented within the Group that address each of these areas.

Regarding its efforts in the area of human rights, the Company has conducted a due diligence process following the provisions of the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights. First, we have formulated a commitment to responsible conduct and incorporated it into the Company's Code of Ethics. This document establishes the protection of human rights, including labor rights, as a guiding principle. LME also has other related corporate documents, such as the Supplier Code of Conduct for Responsible Purchasing and Indirect Purchasing. Subsequently, we periodically identify and assess adverse impacts associated with our business operations through the development and timely updating of the risk matrix, which allows us to visualize, evaluate, and assess the most significant impacts for the Company and our stakeholders. Additionally, in the previous fiscal year 2023, we completed the dual materiality analysis, which assessed the most relevant ESG (Environment, Social and Governance) risks and defined the most relevant issues for the Company in relation to its commitment to sustainability.

Following the identification and evaluation of the most significant impacts, and with the aim of implementing measures to halt, prevent, and mitigate adverse impacts, audits were conducted both at the Company's own operations and at suppliers affiliated with LME. The primary objective of the supplier audits and evaluation processes is to confirm compliance by the supplier and its factories with LME's quality and Corporate Social Responsibility requirements. The supplier's business units are assessed through social, quality, and environmental audits (if the supplier declares a high industrial impact). The audit process includes both self-assessments and *on-site audits* to confirm the veracity of the information provided by suppliers.

After completing the due diligence process for suppliers, LME is responsible for formulating corrective measures and action plans that describe the nonconformities identified during the audit process. The supplier is asked to establish a deadline for implementing the suggested measures and assign a person responsible for their execution. To ensure the effectiveness of the action plan, the supplier must submit evidence corroborating the implementation of the

described measures. To conclude the audit process, a final follow-up audit is conducted *on-site* to ensure that all actions have been implemented in the manner described in the evidence provided.

To publicly communicate and report our approach to Human Rights, the adverse impacts identified through the Due Diligence process, and the remediation mechanisms enabled by the LME, all employees have received Human Rights training through the Company's official "CAMPUS" platform. Internal communications are also sent periodically regarding the grievance and reporting mechanisms enabled and mentioned in the Company's Code of Ethics. To ensure that the remediation mechanisms included in the Code of Ethics are established and applied, we have an Ethics and Compliance Committee responsible for following up on complaints and claims reported through the reporting channel, guaranteeing maximum confidentiality and a timely response, as appropriate.

Furthermore, regarding consumer protection, LME provides a complaints and claims system and conducts product evaluations to safeguard our customers' health and safety. Further details on these aspects are provided in the "Customers" section of Chapter 04, SOCIAL, of this document.

Regarding the fight against corruption, LME has a Corporate Crime Prevention Policy and a Donation Policy, ensuring that ethical control procedures are properly followed in relation to donations of a social or environmental nature. Regarding the above, LME provides training to its employees on anti-corruption and ethical behavior (see Section 5 GOVERNANCE of this document, and particularly Action 42 - Ethics and Compliance Training). As previously mentioned, complaints of this nature can also be reported through the reporting channel established by the Company and addressed by the assigned Committee. The company has also designed a system of controls to address the specific anti-corruption risks identified.

Regarding taxes, we have a Tax Policy based on which we commit to complying with applicable tax regulations, avoiding tax risks in the execution of business decisions. Additionally, LME has tax risk assessment procedures in place to adequately address these risks.

Finally, regarding fair competition, the Code of Ethics includes respect for free competition as a principle, ensuring that we operate fairly in the markets, following and complying with current national regulations. We also carry out various training activities on competition protection and unfair competition.

Additionally, reference is made to Chapter 5, GOVERNANCE, of this document, which provides further details on the company's compliance control, analysis, and monitoring systems.

Likewise, LME has verified that there is no pending litigation against the Group that could undermine any of the areas indicated within the framework of minimum safeguards (human rights, corruption and bribery, taxation, and fair competition).

#### 4. KEY INDICATOR RESULTS (ELIGIBILITY and ALIGNMENT KPIs)

In order to demonstrate the eligibility and alignment of the assessed activities, the relevant information regarding the three key performance indicators (KPIs) defined by the Taxonomy is broken down below: revenue, capital expenditure (CapEx), and operating expenditure (OpEx).

The calculations have been carried out in accordance with Annex I of Delegated Regulation 2021/2178 of July 6, 2021, which specifies the calculation criteria to be applied to obtain the aforementioned KPIs. Consequently, in accordance with current regulations, the percentage of revenue, CapEx, and OpEx from its eligible and aligned activities during fiscal year 2024 has been obtained for the climate change and circular economy-related objectives identified in the previous analysis.

##### 4.1. Turnover KPI

Delegated Regulation 2021/2178 defines this KPI as the ratio of revenue associated with eligible and aligned activities (numerator) to total LME revenue (denominator). This revenue corresponds to revenue recognized in accordance with International Accounting Standard (IAS) 1, paragraph 82(a).

The denominator of this KPI, which is the Group's total ordinary revenue, corresponds to the net amount of LME's consolidated revenue, as shown in LME's Annual Accounts, in its profit and loss account.

Eligible and aligned revenues have been calculated based on the considerations detailed below, considering each activity individually to avoid double-counting of information.

In the case of the sales figure from the installation of equipment and technologies related to the activities of Taxonomy CCM 7.3., CCM 7.4., CCM 7.5. and CCM 7.6., information has been collected on the sales figure corresponding to the provision, by LME, of installation services for those specific types of equipment and technologies described by the Taxonomy, for each of these activities (CCM 7.3., CCM 7.4., CCM 7.5. and CCM 7.6.).

Specifically, in the case of CCM 7.3. activity, in order to determine the aligned sales figure, a study of the models installed in these installation services has been conducted to determine the proportion of the eligible sales figure corresponding to equipment and technologies that meet the technical selection criteria. Likewise, in the case of CCM 7.4. to CCM 7.6. activities, due to the nature of the technical criteria to be evaluated in these cases, it is considered that if they are eligible, they meet the technical selection criteria.

In relation to the sales figure eligible for activity CE 5.2., the sales figure associated with all products sold by LME that meet the definition of "spare parts" contemplated by the Taxonomy has been added (see the section of this chapter "2) Identification of eligible activities").

Finally, in relation to the sales figure eligible for CE 5.5 activity, the income derived from the rental of tools carried out by LME in its stores is computed.

KPI:	Total eligible economic activities (A1+A2)		Economic activities aligned according to the Taxonomy (A1)	
	2023	2024	2023	2024
Turnover	0.53%	0.53%	0.00%	0.00%

Compared to last year, the eligibility KPI has not changed substantially.

**Template: Proportion of turnover from products or services associated with economic activities that comply with the taxonomy-disclosure corresponding to the financial year 2023-2024 (Regulation 2021/2178)**

Financial year 2024	Year			Substantial contribution criteria						Criteria for absence of significant harm ("Does not cause significant harm").									
	Economic activities	Codes	Turnover (thousands of €)	Proportion of turnover, year 2024	Climate change mitigation	Adaptation to climate change	Water	Pollution	Circular economy	Biodiversity	Climate change	Adaptation to climate	Water	Pollution	Circular economy	Biodiversity	Minimum guarantees	Proportion of turnover that conforms to taxonomy (A.1) or is eligible	Facilitating activity category
<b>A. ELIGIBLE ACTIVITIES ACCORDING TO THE TAXONOMY</b>																			
<b>A.1. Environmentally sustainable activities (that fit the taxonomy)</b>																			
Turnover of environmentally sustainable activities (conforming to the taxonomy) (A.1)			0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%							0.00%		
Of which: facilitators			0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%							0.00%	F	
Of which: transitional			0	0.00%	0.00%												0.00%		T
<b>A.2. Activities eligible according to the taxonomy but not environmentally sustainable (activities that do not fit the taxonomy)</b>																			
Installation, maintenance and repair of energy-efficient equipment*	CCM 7.3	17,634	0.42%	HE	N/EL	N/EL	N/EL	N/EL									0.49%**		
Installation, maintenance, and repair of electric vehicle charging stations in buildings*	CCM 7.4	3.67	0.00%	HE	N/EL	N/EL	N/EL	N/EL									0.00%**		
Installation, maintenance and repair of instruments and devices for measuring, regulating and controlling the energy efficiency of buildings*	CCM 7.5	0.02	0.00%	HE	N/EL	N/EL	N/EL	N/EL									0.00%**		
Installation, maintenance and repair of renewable energy technologies*	CCM 7.6	526.58	0.01%	HE	N/EL	N/EL	N/EL	N/EL									0.02%**		
Repair, refurbishment and remanufacturing	CE 5.1	66	0.00%	N/EL	N/EL	N/EL	N/EL	HE	N/EL								0.00%		
Sale of spare parts	CE 5.2	456	0.01%	N/EL	N/EL	N/EL	N/EL	HE	N/EL								0.01%***		
Product as a Service and other circular service models oriented to use and results	CE 5.5	368	0.01%	N/EL	N/EL	N/EL	N/EL	HE	N/EL								0.01%		
Turnover of activities eligible according to the taxonomy but not environmentally sustainable (non-taxonomy activities) (A.2)		19.054	0.46%	0.44%	0.00%	0.00%	0.00%	0.02%	0.00%								0.53%		
<b>A. Turnover of eligible activities according to the taxonomy (A.1+A.2)</b>		19.054	0.46%	0.44%	0.00%	0.00%	0.00%	0.02%	0.00%								0.53%		
<b>B. ACTIVITIES NOT ELIGIBLE ACCORDING TO THE TAXONOMY</b>																			
Turnover of ineligible activities according to taxonomy (B)			3,570,564	99.47%															
<b>TOTAL</b>			<b>3,589,618</b>	<b>100%</b>															

\*With respect to CCM activity 7.3, €12,154,000 has been calculated to correspond to revenue from system installations that meet the criteria for a substantial contribution to the climate change mitigation objective, and the remaining €3,077,000 to system installations that have not been able to demonstrate or have not met the criteria for a substantial contribution. With respect to CCM activities 7.4, CCM 7.5, and CCM 7.6, these activities meet the applicable technical selection criteria, with the exception of the "DNSH" criterion for climate change adaptation. Consequently, all of these activities are eligible, not aligned (A.2.).

\*\* The eligibility percentages for CCM activities 7.3. through 7.6. for 2023 have been restated to more accurately reflect the associated eligibility percentage. This ensures that the 2023 figures are comparable with those for 2024.

\*\*\* The eligibility percentage for Activity CE 5.2 for 2023 has been restated to follow the calculation methodology explained in this chapter, which is different from that used in 2023. This ensures that the 2023 figures are comparable with those for 2024.

**Ratio of turnover/total turnover**

	that fits the Taxonomy by objective	eligible according to the taxonomy by objective
CCM	0.00%	0.51%
CCA	0.00%	0.00%
WTR	0.00%	0.00%
EC	0.00%	0.02%
PPC	0.00%	0.00%
BIO	0.00%	0.00%

#### 4.2. CapEx KPI

The CapEx KPI is defined by Delegated Regulation 2021/2178 as the ratio of CapEx associated with eligible and aligned activities (numerator) to the total LME CapEx (denominator). Total CapEx covers asset additions before depreciation, amortization, revaluations, and impairments (excluding changes in fair value), including asset additions resulting from business combinations. The types of asset additions to be accounted for, in accordance with the Taxonomy legislation, are defined by the following accounting standards:

- IAS 16 Property, plant and equipment, paragraph 73, letter e), sections i) and iii);
- IAS 38 Intangible Assets, paragraph 118(e)(i);
- IAS 40 Investment Property, paragraph 76, letters a) and b), (for the fair value model);
- IAS 40 Investment Property, paragraph 79(d)(i) and (ii) (for the cost model);
- IAS 41 Agriculture, paragraph 50, letters b) and e);
- IFRS 16 Leases, paragraph 53(h).

In the particular case of LME, and with respect to the denominator of this KPI, this has been obtained as the sum of the additions and provisions associated with intangible fixed assets (see note 5 of LME's annual accounts, row: "cost", column: "additions and provisions"), tangible fixed assets (see note 6 of LME's annual accounts, row: "cost", column: "additions and provisions"), as well as those corresponding to real estate investments (see note 7 of LME's annual accounts, row: "cost", column: "additions and provisions").

Likewise, regarding the numerator of this KPI, the additions have been evaluated individually, associating them with each of the activities to avoid double counting.

In the case of the CapEx associated with CCM activity 5.5 (which coincides with the CapEx associated with CE activity 2.3, which is expressed as a single line in the numerator to avoid double counting), this was determined by considering the addition of tangible fixed assets associated with the purchase of compactors.

Likewise, in the case of CapEx associated with CCM activities 7.3., 7.4., 7.5., and 7.6. of the climate change mitigation objective, this CapEx consists of the investments in equipment, systems, and technologies indicated by the Taxonomy in the aforementioned sections, which we have incorporated into our own facilities during the 2024 financial year.

KPI:	Total eligible economic activities (A1+A2)		Economic activities aligned according to the Taxonomy (A1)	
	2023	2024	2023	2024
CapEx	10.50%	12.82%	0.00%	0.00%

Compared to the previous fiscal year, 2023, the CapEx eligibility KPI was 10.50%. The upward change in the eligibility KPI is primarily due to a higher level of investment dedicated to the installation of solar photovoltaic power generation systems (activity 7.6 of the climate change mitigation objective).



**Template: Proportion of CapEx from products or services associated with economic activities that comply with the taxonomy-disclosure corresponding to the financial year 2023-2024 (Regulation 2021/2178)**

Financial year 2024 Economic activities	Year			Substantial contribution criteria							Criteria for absence of significant harm ("Does not cause significant harm").										
	Codes	CapEx (thousands of €)	Share of CapEx, year 2024	Climate change mitigation	Adaptation to climate change	Water	Pollution	Circular economy	Biodiversity	Climate change	Adaptation to climate	Water	Pollution	Circular economy	Biodiversity	Minimum guarantees	Proportion of CapEx that is taxonomy-compliant (A.1) or (A.1+2)	Facilitating activity category	Transition activity category		
<b>A. ELIGIBLE ACTIVITIES ACCORDING TO THE TAXONOMY</b>																					
<b>A.1. Environmentally sustainable activities (that fit the taxonomy)</b>																					
CapEx of environmentally sustainable activities (that fit the taxonomy) (A.1)		0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%								0.00%				
Of which: facilitators		0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%								0.00%	F			
Of which: transitional		0	0.00%	0.00%												0.00%		T			
<b>A.2. Activities eligible according to the taxonomy but not environmentally sustainable (activities that do not fit the taxonomy)</b>																					
Collection and transportation of non-hazardous waste in fractions segregated at source / Collection and transportation of hazardous and non-hazardous waste*	CCM 5.5 / CE 2.3	27	0.09%	HE	N/EL	N/EL	N/EL	HE	N/EL								0.13%				
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	1.886	6.18%	HE	N/EL	N/EL	N/EL	N/EL	N/EL								8.85%				
Installation, maintenance and repair of instruments and devices to measure, regulate and control the energy efficiency of buildings	CCM 7.5	66	0.22%	HE	N/EL	N/EL	N/EL	N/EL	N/EL								0.18%				
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	1931	6.33%	HE	N/EL	N/EL	N/EL	N/EL	N/EL								1.34%				
CapEx of activities eligible according to the taxonomy but not environmentally sustainable (non-taxonomy activities) (A.2)		3.910	12.82%	12.82%	0.00%	0.00%	0.00%	0.00%	0.00%								10.50%				
<b>A. CapEx of eligible activities according to the taxonomy (A.1+A.2)</b>		<b>3.910</b>	<b>12.82%</b>	<b>12.82%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>								<b>10.50%</b>				
<b>B. ACTIVITIES NOT ELIGIBLE ACCORDING TO THE TAXONOMY</b>																					
CapEx of ineligible activities according to taxonomy (B)		26,598	87.18%																		
<b>TOTAL</b>		<b>30,508</b>	<b>100%</b>																		

\* This activity also meets the substantial contribution criteria, as well as the DNSH criteria, with the exception of the DNSH criterion for Climate Change Adaptation.



**CapEx/Total CapEx ratio**

	eligible that fits the according to Taxonomy by the taxonomy objective by objective	
CCM	0.00%	12.82%
CCA	0.00%	0.00%
WTR	0.00%	0.00%
EC	0.00%	0.09%
PPC	0.00%	0.00%
BIO	0.00%	0.00%

#### 4.3. OpEx KPI

The OpEx KPI is defined by Delegated Regulation 2021/2178 as the quotient between the OpEx associated with eligible and aligned activities (numerators) and the total LME OpEx (denominator).

According to Delegated Regulation 2021/2178, OpEx is reduced to the accounting of non-capitalized operating expenses related to research and development, building renovation measures, short-term leases, maintenance and repairs, as well as other direct expenses related to the day-to-day maintenance of tangible fixed assets by the company or a third party to whom activities are subcontracted and which are necessary to ensure the continued and efficient operation of said assets.

In the specific case of LME, and with respect to the denominator of the OpEx KPI, this has been obtained by considering the following expenses categorized within note 15.4 External services of LME's annual accounts: "Leases", "Other leases and fees" and "Repairs and maintenance".

Likewise, with regard to the calculation of the KPI numerator, double counting has been avoided by individually associating each item with the corresponding evaluated activity.

In the case of OpEx associated with CCM 5.5. activity, the maintenance costs of the compacting presses related to this activity have been computed ; the monthly fees for the waste management software have also been charged, since this cost is considered comparable to an operating lease.

In the case of OpEx associated with CCM 6.5 activity, the expenses for leasing vehicles assumed by the company as part of its operating lease expenses have been computed, as well as the repair and maintenance expenses for these vehicles undertaken by LME. Likewise, the amount of OpEx with substantial contribution has been determined by distinguishing between the expenses incurred on vehicles with substantial contribution and those incurred on other vehicles.

In the case of OpEx associated with activities CCM 7.3, CCM 7.4, CCM 7.5, and CCM 7.6 of the climate change mitigation objective, this consists of expenses that, in accordance with the Taxonomy's definition of OpEx, are associated with equipment and technologies at our own facilities related to these Taxonomy activities.

KPI:	Total eligible economic activities (A1+A2)		Economic activities aligned according to the Taxonomy (A1)	
	2023	2024	2023	2024
OpEx	1.34%	1.35%	0.00%	0.00%

Compared to the previous fiscal year, the OpEx eligibility KPI was 1.34%, so the variation in the eligibility KPI has been very small between fiscal years.

**Template: Proportion of OpEx from products or services associated with economic activities that comply with the taxonomy-disclosure corresponding to the financial year 2023-2024 (Regulation 2021/2178)**

Financial year 2024		Year			Substantial contribution criteria						Criteria for absence of significant harm ("Does not cause significant harm").									
Economic activities	Codes	OpEx of (thousands of €)	OpEx ratio, year 2024	Climate change mitigation	Adaptation to climate change	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Adaptation to climate change	Water	Pollution	Circular economy	Biodiversity	Minimum guarantees	Proportion of OpEx that fits the taxonomy (A.1) or is eligible according to	Facilitating activity category	Transition activity category	
<b>A. ELIGIBLE ACTIVITIES ACCORDING TO THE TAXONOMY</b>																				
<b>A.1. Environmentally sustainable activities (that fit the taxonomy)</b>																				
OpEx of environmentally sustainable activities (that fit the taxonomy) (A.1)		0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%								0.00%			
Of which: facilitators		0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%								0.00%	F		
Of which: transitional		0	0.00%	0.00%												0.00%		T		
<b>A.2. Activities eligible according to the taxonomy but not environmentally sustainable (activities that do not fit the taxonomy)</b>																				
Collection and transportation of non-hazardous waste in fractions segregated at source / Collection and transportation of hazardous and non-hazardous waste*	CCM 5.5 / CE 2.3	543	0.27%	HE	N/EL	N/EL	N/EL	HE	N/EL								0.31%			
Transport by motorcycles, passenger cars and light commercial vehicles**	CCM 6.5	1.389	0.70%	HE	N/EL	N/EL	N/EL	N/EL	N/EL								0.72%			
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	46	0.02%	HE	N/EL	N/EL	N/EL	N/EL	N/EL								0.05%			
Installation, maintenance and repair of instruments and devices to measure, regulate and control the energy efficiency of buildings	CCM 7.5	0	0.00%	HE	N/EL	N/EL	N/EL	N/EL	N/EL								0.00%			
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	85	0.04%	HE	N/EL	N/EL	N/EL	N/EL	N/EL								0.00%			
Repair, refurbishment and remanufacturing	CE 5.1	82	0.04%	N/EL	N/EL	N/EL	N/EL	HE	N/EL								N/A			
Product as a Service and other circular service models oriented to use and results	CE 5.5	630	0.32%	N/EL	N/EL	N/EL	N/EL	HE	N/EL								0.26%			
OpEx of activities eligible according to the taxonomy but not environmentally sustainable (non-taxonomy-compliant activities) (A.2)		2.694	1.40%	0.99%	0.00%	0.00%	0.00%	0.36%	0.00%								1.34%			
<b>A. OpEx of eligible activities according to the taxonomy (A.1+A.2)</b>		2.694	1.40%	0.99%	0.00%	0.00%	0.00%	0.36%	0.00%								1.34%			
<b>B. ACTIVITIES NOT ELIGIBLE ACCORDING TO THE TAXONOMY</b>																				
OpEx of ineligible activities according to taxonomy (B)			196.190	98.60%																



<b>TOTAL</b>		<b>198,884</b>	<b>100%</b>
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\* This activity meets the criteria for a substantial contribution to climate change mitigation, as outlined in the Taxonomy (CCM 5.5.), as well as the applicable "DNSH" criteria, except for the "DNSH" criterion on climate change adaptation. This activity also meets the criteria for a substantial contribution to the circular economy, as outlined in the Taxonomy (CE 2.3.), as well as the applicable "DNSH" criteria, except for the "DNSH" criterion on climate change adaptation. Consequently, this activity is eligible, not aligned (A.2.).

\*\* For this activity, €680,000 has been estimated to correspond to expenditures for vehicles that meet the criteria for substantial contribution to climate change mitigation, as well as the applicable "DNSH" criteria, except for the "DNSH" criteria for climate change adaptation and pollution prevention and control; and €708,000 corresponds to expenditures for vehicles that could not demonstrate or do not meet the criteria for substantial contribution. Overall, this activity is eligible, not aligned (A.2.).

### OpEx/Total OpEx ratio

	eligible that fits the according to the Taxonomy by taxonomy by objective objective	
CCM	0.00%	0.99%
CCA	0.00%	0.00%
WTR	0.00%	0.00%
EC	0.00%	0.63%
PPC	0.00%	0.00%
BIO	0.00%	0.00%

**Template Activities related to nuclear energy and fossil gas (Delegated Regulation 2022/1214)**

Row	<b>Activities related to nuclear energy</b>	
1.	The company conducts, finances, or has experience in the research, development, demonstration, and deployment of innovative power generation facilities that produce energy from nuclear processes with minimal fuel cycle waste.	No
2.	The company undertakes, finances or has exposure to the construction and safe operation of new nuclear facilities for the production of electricity or process heat, including for district heating purposes or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3.	The company operates, finances, or has exposure to the safe operation of existing nuclear facilities that produce electricity or process heat, including for district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
	<b>Activities related to fossil gas</b>	
4.	The company carries out, finances, or has exposure to the construction or operation of electricity generating facilities that produce electricity from gaseous fossil fuels.	No
5.	The company undertakes, finances or has exposure to the construction, renovation and operation of combined heat/cooling and power generation facilities using gaseous fossil fuels.	No
6.	The company carries out, finances, or has exposure to the construction, renovation, and operation of heat generation facilities that produce heat/cooling from gaseous fossil fuels.	No

## 04. SOCIAL

ESRS S1 Own workforce<sup>7</sup>

### Own workforce

KEY MATERIAL TOPICS	<ul style="list-style-type: none"> <li>Quality employment</li> <li>Equality, diversity and inclusion</li> <li>Training and capacity building</li> <li>Occupational health and safety</li> <li>Comprehensive team well-being</li> </ul>		
MILESTONES 2024	<ul style="list-style-type: none"> <li>No. 12 of the 100 best companies in talent attraction and retention according to Merco Talento</li> <li>4th consecutive year among the best companies to work for according to Forbes</li> <li>Launch of the Flexible Compensation Plan</li> <li>Diversity, Equity, and Inclusion Strategic Plan 2024-2027</li> <li>Best Women Talent Company Award</li> <li>Wellbeing 3.0 pilot program.</li> </ul>		
IMPACTS	RISKS	OPPORTUNITIES	
<b>Quality employment</b>		<ul style="list-style-type: none"> <li>Positive and collaborative work environment that improves employee satisfaction and performance</li> <li>Increased ability to attract and retain talent through the company's perception as a good employer</li> <li>Increased productivity and engagement through employee engagement policies (employee shareholders)</li> </ul>	
<b>Equality, diversity and inclusion</b>		<ul style="list-style-type: none"> <li>Difficulty in attracting and retaining the talent necessary for the company's development</li> <li>Loss of employee satisfaction and productivity due to discrimination in their professional development (promotion, remuneration)</li> <li>Loss of employee satisfaction and productivity due to workplace harassment</li> </ul>	
<b>Training and capacity building</b>		<ul style="list-style-type: none"> <li>Improving working conditions through opportunities for training and vocational development</li> </ul>	
<b>Occupational health and safety</b>			

<sup>7</sup>The company's own personnel referred to in this report includes only employees who maintain an employment relationship with the company ("employees"). Quantitative information on "non-employees" is not available at the end of the fiscal year.

- Deterioration of the health and safety of employees due to the occurrence of accidents and/or occupational diseases
- Legal proceedings (fines, litigation) and/or loss of reputation due to accidents and/or occupational diseases

#### **Comprehensive team well-being**

- Improved work-life balance conditions through flexible working hours and teleworking measures for office workers
- Deterioration of work-life balance conditions for store employees due to schedules (weekend opening and extended hours)
- Deterioration in the satisfaction of some teams due to the perception of high workloads
- Deterioration of the health and well-being of employees due to the company's inability to implement an environment that promotes work-life balance
- Improving the health and well-being of employees through measures and initiatives for the overall well-being of teams
- Loss of employee satisfaction and productivity due to work overload
- Loss of employee satisfaction and productivity due to the inability to implement an environment that promotes work-life balance

## STRATEGY

### **Interests and opinions of stakeholders**

RD related to ESRS 2 SBM-2

See chapter [02 ON SUSTAINABILITY](#) ESRS 2 General information.

### **Material impacts, risks and opportunities and their interaction with the strategy and business model**

RD related to ESRS 2 SBM-3 | P. 14 | 14b | 14c | 14d | 14 e | 14 fi | 14 f ii | 14gi | 14g ii | 15 | 16

See chapter [02 ON SUSTAINABILITY](#) ESRS 2 General information.

RD related to ESRS 2 SBM-3 | P. 14 a

## MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES

### **Policies related to own personnel**

RD S1-1 P. 19 | P. 23 | P. 24 a | P. 24 b | P. 24 c | P. 24 d | AR 17 a | AR 17b

Our commitment to responsible management of the main impacts related to our own personnel is based on the following **policies**, which cover all salaried employees of the company.

### **Code of Ethics**

MDR-P 65 a

The LEROY MERLIN Spain Code of Ethics defines the values and principles of the company's ethical and business culture, seeking to consolidate honest, ethical, and responsible conduct. LEROY MERLIN Spain's ethical values are exemplary leadership, commitment to the company, integrity, transparency, professionalism, and social responsibility.

The Code serves as a framework for guiding staff actions and decisions. It also establishes guidelines for compliance with the law, addressing conflicts of interest, and teamwork. The Code also emphasizes the protection of human rights, respect for persons, the prevention of harassment, meritocracy, equal opportunities, and occupational health and safety. Regarding the absence of discrimination, the Code provides for non-discrimination based on racial and ethnic origin, color, sex, sexual orientation, gender identity, disability, age, religion, political opinion, national origin, or social origin.

It also promotes responsible customer relations, the rejection of corruption and fraud, excellence, quality, responsible advertising, and financial and accounting transparency. Finally, it addresses environmental protection, the responsible use of resources, data protection, and the use of technological assets.

MDR-P 65 a

The Code of Ethics reflects LEROY MERLIN Spain's commitment to its employees: respect for people, non-discrimination, equal opportunities, and the preservation of health and safety.

MDR-P 65 (a)

The Ethics and Compliance Committee is the body responsible for interpreting and ensuring compliance with the Code of Ethics, as well as promoting its training and dissemination among various stakeholders. For the daily performance of its functions, the Ethics and Compliance Committee has various internal support figures, such as the Anti-Corruption Representative and the Anti-Discrimination Representative.

MDR-P 65 b

Compliance with the Code of Ethics is mandatory for all members of the board of directors, executives, and professionals of LEROY MERLIN Spain. The company also promotes the adoption of similar principles among its business partners.

MDR-P 65 c

The highest-ranking official responsible for ensuring its implementation is the financial director of LEROY MERLIN Spain.

MDR-P 65 d | S1-1 P. 22

The Code of Ethics is aligned with recognized international standards such as the Universal Declaration of Human Rights, the OECD Guidelines for Multinational Enterprises, the United Nations Guiding Principles on Business and Human Rights, the Declaration of Fundamental Principles and Rights at Work, and the conventions of the International Labour Organization (ILO). Furthermore, it is aligned with the achievement of the Sustainable Development Goals (SDGs), specifically Goal 8, generating decent work and economic growth. The Code of Ethics, however, It does not include an explicit reference to human trafficking, forced labor, and child labor, although, as indicated, it does express its respect for the Human Rights recognized in the Universal Declaration of Human Rights, which in turn are related to these issues.

MDR-P 65 e

Stakeholders were not directly involved in the design of the Code of Ethics, but their interests were taken into account to protect their essential rights.

MDR-P 65 f

The LEROY MERLIN Spain Code of Ethics can be consulted on the company's corporate website.

### **LEROY MERLIN Spain's health, well-being, and prevention policy**

MDR-P 65 a

LEROY MERLIN Spain's Health, Well-being, and Prevention Policy focuses on the health and well-being of the company's employees, with the primary objective of ensuring the health and safety of employees by providing safe and healthy working conditions.

MDR-P 65 a

The policy relates to employee health and safety, occupational risk prevention, and compliance with prevention legislation.

MDR-P 65 a

The monitoring and proper implementation of the occupational risk prevention management system must be guaranteed by the regional management teams and each of the company's work centers. This will include the human and material resources necessary to comply with the protection and prevention measures required to guarantee safe and healthy working conditions, as well as ensuring proper consultation and participation of employees through their representative bodies.

MDR-P 65 b

The policy applies to all LEROY MERLIN Spain employees.

MDR-P 65 c

LEROY MERLIN Spain's Health, Wellness, and Prevention Policy has been approved by General Management. LEROY MERLIN Spain's Executive Director of People is responsible for implementing the policy. Furthermore, the Wellness Plan and its strategy are reported and presented as part of the overall People Strategy and, specifically, of the Employee Experience Department. All of this is taken into account when establishing OKRs and business objectives.

MDR-P - 65 d

LEROY MERLIN Spain's health, well-being, and prevention policy is aligned with the achievement of SDGs 3 (Health and Safety) and 8 (Decent Work and Economic Growth).

MDR-P 65 e

Stakeholders were not directly involved in the design of this policy, but the interests and needs of employees were taken into account, seeking to ensure their safety and health.

MDR-P 65 f

The Policy can be consulted on the company's corporate intranet.

### **Corporate Policy of the Internal Information System**

MDR-P 65 a

ADEO's Internal Information System Corporate Policy defines the company's commitment to conducting its business in compliance with the law and in an ethical, honest, and transparent manner, showing the utmost respect for its stakeholders.

*speak up* " culture and encourages its stakeholders to report any concerns about unethical behavior or regulatory non-compliance. The Policy's main objective is to establish the principles and guarantees that govern the operation of ADEO's Internal Information and Whistleblower Protection System.

MDR-P 65 a

The policy addresses compliance risk management, including the detection and prevention of internal and external regulatory non-compliance, as well as the promotion of ethics and transparency within the company. The policy also establishes various channels of communication with our internal and external stakeholders, fostering a culture of open, fluid, and transparent communication: the Ethics Channel, an online platform available at the corporate level and in compliance with the three harassment protocols (workplace harassment, sexual and gender-based harassment, and harassment against the LGBTI community), and in-person or videoconference meetings with the Internal Information System Manager upon request by the reporting party.

MDR-P 65 a

The ADEO Iberia Board of Directors promotes and approves this Policy, thereby fulfilling its role of establishing the foundations, establishing the instruments, and designing the mechanisms necessary for proper and efficient coordination of activities related to the Internal Information System.

MDR-P 65 b

The policy applies to all directors, managers, professionals, and individuals reporting to ADEO. Any individual or legal entity with a professional relationship with ADEO is encouraged to use the Internal Information System.

MDR-P 65 c

The ADEO Board of Directors appoints collegiate bodies responsible for the internal information system for each group of companies. At LEROY MERLIN Spain, the Ethics Committee is responsible.

MDR-P - 65 d

The policy is linked to the Code of Ethics, mandatory under the Whistleblower Protection Act; it includes an annex on protection against retaliation; and is accompanied by the ADEO Internal Information System Management Procedure. It is also aligned with the achievement of Sustainable Development Goals (SDGs) 16 (Peace, Justice, and Strong Institutions) and 8 (Decent Work and Economic Growth).

MDR-P 65 e

Stakeholders were not directly involved in the design of this policy, but the interests and needs of the main stakeholders identified in the dual materiality study (ESRS 2) were taken into account.

MDR-P 65 f

The policy is available on the corporate website, on the intranet of each of the dependent entities, as well as on the Ethics Channel platform itself.

## **Agreement regulating the right to digital disconnection for workers**

MDR-P 65 a

The Regulatory Agreement on the Right to Digital Disconnection for Employees at LEROY MERLIN Spain aims to guarantee the right to digital disconnection for all employees, enabling a work-life balance and promoting the responsible use of information and communication technologies.

MDR-P 65 a

The policy relates to the health and well-being of employees and the overall well-being of teams.

MDR-P 65 a

The management of LEROY MERLIN Spain will promote awareness-raising and training initiatives for managers and employees to inform them about the risks, challenges, and best practices related to the use of digital tools. Team leaders and superiors will promote and educate them through responsible technological practices to comply with the right to digital disconnection. The agreement is subject to updates if necessary due to changes in legislation.

MDR-P 65 b

The policy applies to all employees of LEROY MERLIN Spain, including management staff.

MDR-P 65 c

The Executive Director of People at LEROY MERLIN Spain is ultimately responsible for implementing the policy.

MDR-P - 65 d

The policy is based on Organic Law 3/2018, of December 5, on the Protection of Personal Data and the Guarantee of Digital Rights. It is also aligned with the achievement of SDGs 3 (Health and Safety) and 8 (Decent Work and Economic Growth).

MDR-P 65 e

Stakeholders were not directly involved in the design of this policy, but the interests of LEROY MERLIN Spain employees were taken into account, seeking to improve the work environment, work-life balance, and company productivity.

MDR-P 65 f

The Agreement can be consulted on the company's corporate intranet.

On the other hand, we have **specific policies** aimed at eliminating discrimination, promoting equal opportunities, and other forms of diversity, inclusion, and positive action, especially focused on people belonging to groups at particular risk of vulnerability.

These policies address the following grounds of discrimination: racial and ethnic origin, color, sex, sexual orientation, gender identity, disability, age, religion, political opinion, national origin, social origin, and other forms of discrimination contemplated in European Union and national legislation. These policies and their commitments to all people within the organization are detailed below, with special attention to the various groups of people at greater risk of vulnerability.

## **Diversity, Equity and Inclusion Policy**

MDR-P 65 a

Through this policy, LEROY MERLÍN Spain is committed to diversity, equity, and inclusion in all aspects of its organization. The policy seeks to create a culture where every person is valued, respected, and afforded equal opportunities, regardless of their racial or ethnic origin, color, sex, sexual orientation, gender identity, disability, age, religion, political opinion, national ancestry, or social origin.

MDR-P 65 a

The policy relates to talent management, employee attraction and retention, equality and inclusion of LGBTI and disability groups, and employee satisfaction and productivity.

MDR-P 65 a

The Department of People and the Office of Diversity and Inclusion oversee compliance with the policy, which is reviewed and updated regularly.

MDR-P 65 b

The policy applies to all aspects of the relationship between LEROY MERLÍN Spain and its employees, as well as to relationships between employees themselves. This includes job advertisements, recruitment, selection, training, development, promotion, working conditions, compensation, benefits, workplace conduct, disciplinary procedures, dismissals, and post-dismissal situations. The policy extends to the entire value chain, including partners, agency staff, contractors, volunteers, and other employees.

MDR-P 65 c

The Office of Diversity and Inclusion and the Diversity, Equity, and Inclusion Officer are responsible for developing, promoting, and executing the strategy and policy. The Director of People is also responsible for implementing the policy.

MDR-P - 65 d

The policy is aligned with the LEROY MERLÍN Spain Code of Conduct, the principles of the United Nations Universal Declaration of Human Rights, the Fundamental Conventions and Recommendations of the International Labour Organization (ILO), the Charter of Fundamental Rights of the European Union, and the achievement of SDGs 5 (Gender Equality) and 8 (Decent Work and Economic Growth).

MDR-P 65 e

Stakeholders were not directly involved in the design of this policy. However, the policy seeks to protect the interests of LEROY MERLÍN Spain's current and future employees.

MDR-P 6 f

The policy can be found on the company's corporate intranet.

## **Protocol for the prevention and treatment of situations of moral and sexual harassment**

MDR-P 65 a

The Protocol aims to comply with Article 48 of the Organic Law on Effective Equality between Women and Men (LO 3/2007), establishing a procedure for the prevention and treatment of situations of moral, sexual, and gender-based harassment in the workplace.

MDR-P 65 a

The protocol relates to equal opportunities and inclusion of LGBTI groups.

MDR-P 65 a

The protocol establishes preventive measures such as dissemination of the protocol, training for managers, counseling, and assistance in cases of harassment. It also establishes a procedure for action that includes filing a request for intervention in cases of harassment, establishing a Committee for the Handling of Harassment Situations (CITSA), investigating the incidents, adopting corrective measures, and imposing sanctions in cases of harassment. The Intercenter Committee is informed semiannually about the number of open cases and their outcome, in order to assess the effectiveness of this procedure.

MDR-P 65 b

The protocol applies to all LEROY MERLIN Spain work centers.

MDR-P 65 c

For each request for intervention in harassment, a Harassment Situation Investigation Committee (CITSA) will be established as the body responsible for handling the process outlined in the following Protocol.

The Investigative Committee will be formed by an odd number of people from outside the workplace where the alleged harassed person and the harasser work, with the following profiles, and trying to ensure that, to the extent possible, one of the members is of the same sex as the alleged harassed person:

- Regional Human Resources assigned to another region from the workplace where the complaint occurred.
- Head of the LEROY MERLIN Spain Prevention Service.
- Director of HR Management.
- A doctor assigned to the Health Surveillance Service, ensuring that this doctor has training in the subject in question.

MDR-P - 65 d

The protocol is aligned with the fundamental rights enshrined in the Spanish Constitution, the Workers' Statute, and the Equality Act (LO 3/2007). It is also linked to the achievement of Sustainable Development Goals (SDGs) 16 (Peace, Justice, and Strong Institutions) and 8 (Decent Work and Economic Growth).

MDR-P 65 e

Stakeholders were not directly involved in the design of the protocol. However, it seeks to protect the interests of LEROY MERLIN Spain employees by guaranteeing their dignity, integrity, and equal opportunities at work.

MDR-P 65 f

The protocol is distributed through the bulletin boards of all workplaces, and is sent to the Prevention Delegates, members of the Inter-Center Committee, staff representatives, and all people who are part of the company.

### **Protocol for the prevention of sexual and gender-based harassment**

MDR-P 65 a

In this protocol, LEROY MERLIN Spain expresses its zero tolerance for any behavior or action that constitutes sexual or gender-based harassment, committing to collaborate actively, effectively, and firmly to prevent, detect, correct, and punish any type of conduct that constitutes harassment.

MDR-P 65 a

The protocol reflects LEROY MERLIN Spain's commitment to ensuring a work environment that respects fundamental rights and prevents any type of discrimination.

MDR-P 65 a

For each complaint, a report is prepared with the conclusions reached and forwarded to the company's management for monitoring.

MDR-P 65 b

This protocol applies to all LEROY MERLIN Spain work centers and all employees.

MDR-P 65 c

The Chief People Officer, a member of the *Executive Leader Team*, has ultimate responsibility for equal treatment and opportunity and for the implementation of policies and procedures designed to guide equal employment practices.

MDR-P - 65 d

The protocol is linked to the fundamental rights enshrined in the Spanish Constitution, those contained in the Workers' Statute, and the Equality Act (LO 3/2007). It is also linked to the achievement of Sustainable Development Goals (SDGs) 16 (Peace, Justice, and Strong Institutions) and 8 (Decent Work and Economic Growth).

MDR-P 65 e

Stakeholders were not directly involved in the design of the protocol. However, it seeks to protect the interests of employees by ensuring their dignity, integrity, and equal opportunities at work.

MDR-P 65 f

The protocol can be consulted on the company's corporate intranet.

RD S1-1 P. 20 | P. 20 a | P. 20 b | P. 20 c | P. 22 | P. 32 b | RD S1-2 P. 27 d | P. 21

In relation to respect for the human rights of our own staff, we have the **Code of Ethics** as a global framework agreement that is aligned with recognized international standards, such as the Universal Declaration of Human Rights, the OECD Guidelines for Multinational Enterprises, the United Nations Guiding Principles on Business and Human Rights or the Declaration of Fundamental Principles and Rights at Work and conventions of the International Labour Organization (ILO).

In addition, the Code of Ethics establishes the following commitments to the human rights of its own personnel:

- Maximum respect for observance and compliance not only with current legislation, but also with the internal rules governing the company's professional conduct.

- The company's moral obligation to promote the well-being of its employees, third parties, and society as a whole, inspired by a work ethic that contributes positively to the lives of others.
- Promoting respect for human rights enshrined and recognized in the United Nations Universal Declaration of Human Rights within the company

To address human rights impacts, we have an ethics channel (Whispli), an Ethics Committee that manages any communication received through this channel, and a Harassment Handling Instruction Committee (CITSA). The company has also appointed three key representatives—a person responsible for equality, anti-discrimination, and a leader of diversity and inclusion—who can help any employee with an incident.

### **Processes for collaborating with own employees and employee representatives on impact issues**

#### **Active listening**

RD S1-2 P. 27 | P. 27a | P. 27 b | P. 27c | P. 27e | P. 28

At LEROY MERLIN Spain, our mission is to care for people, creating positive experiences and promoting their well-being. To achieve this goal, we actively and continuously monitor our teams through our annual **Employee Listening Plan**.

The effectiveness of our employees' collaboration is measured through indicators defined for each listening session: eNPS and engagement rate. During each listening session, and as part of our continuous improvement process, we generate results reports that identify lessons learned.

In relation to training and capacity building, staff opinions are also considered in decision-making processes and in activities aimed at managing impacts through the following process:

- Annual presentation of the Training Plan to the employees' legal representatives. They can make suggestions before approval, and we hold a quarterly follow-up meeting.
- At the end of each in-person training session, participants are invited to express their opinions on the content taught and to provide suggestions for improvement by completing a questionnaire.
- To create relevant training projects, we first carry out a pilot test (test training session), at the end of which participants express their assessment and suggestions for improvement.

We also work directly with employees to define and improve the initiatives included in the Wellbeing Plan. Employee representatives are part of this listening process through surveys, participation in *focus groups*, interviews, and meetings.

Access to all the information about the different listening sessions can be found on the corporate intranet, in the LEROY MERLIN Spain Collaborator Journey section.

Furthermore, both the Diversity and Inclusion Office and our Diversity and Inclusion Policy, which focus on individuals belonging to groups at particular risk of vulnerability, establish a framework for protecting and promoting diversity within the company and contribute to ensuring that the views of the most vulnerable groups are heard.

The most senior figure responsible for ensuring that people are heard and that their perspectives are considered in decision-making processes and integrated into the company's people strategy is the Chief People Officer, a member of the *Executive Leader Team*.

RD S1-1 AR 17d

Regarding Occupational Risk Prevention, we have an established procedure for workers who are particularly sensitive to work-related risks due to their personal characteristics or those with physical, mental, or sensory disabilities.

### **Internal communication**

RD S1-2 AR 25c

We provide understandable and accessible information to our staff through appropriate communication channels, as our goal is to ensure that messages reach our employees.

At LEROY MERLIN Spain, we have ad hoc channels to reach in-store employees, aware that these are remote profiles with whom we must specifically work on the tone, message, and format, as they have very limited time to obtain information. In this regard, we rely on the intranet, with different channels on the *Workplace social network* vertically divided into each store, and we host *streaming services* to communicate strategic projects or launches and review results. This ecosystem is completed by Communications Ambassadors in each of our stores, a key figure who communicates information to the teams and gathers their needs. Email is used when necessary, ensuring that employees receive operational and corporate information in a timely manner.

We also report progress bonuses four times a year; report the Profit Sharing Rate once a year; and report the revaluation of ADEO (VALADEO) stock prices once a year.

To reach all our employees, we also have the Wellbeing 3.0 platform, which provides access to all the company's health and wellness initiatives, workshops, and services.

### **Processes to repair negative impacts and channels for employees to express their concerns**

The negative impacts on own personnel that can be inferred from the materiality study carried out are the following:

- Deterioration of the health and safety of employees due to the occurrence of accidents and/or occupational diseases.
- Deterioration of work-life balance conditions for store employees due to schedules (weekend opening and extended hours).
- Deterioration in the satisfaction of some teams due to the perception of high workloads.
- Deterioration of the health and well-being of employees due to the company's inability to implement an environment conducive to work-life balance.

RD S1-3 P. AR 30 | P. 32 a | P. 32 b | P. 32 c | P. 32 d | P. 32 e | P. 33 | P. AR 29

At the process level for managing any type of impact, at LEROY MERLIN Spain we have a Corporate Policy for the Internal Information System that covers everything related to our channels, scope, and requirements, and incorporates an anti-retaliation protocol. Both the policy and the channels are described in the previous section on policies related to our own personnel.

We have a mechanism for handling complaints or grievances related to labor issues, and we disclose the processes through which the company supports the availability of these channels in the workplace for our own employees. There is a section on the intranet with information regarding this matter that all employees can access. Third-party mechanisms are accessible to all our employees.

The issues raised and addressed are monitored and controlled by a case instructor and a tracking file that is periodically reported to ADEO to ensure that the cases entering the channel are managed. It is also reported to the Ethics Committee and annually to the Board of Directors.

To assess and ensure awareness of channels and processes, we addressed these topics in the Employee Experience Index (EXI), conducted in two waves in 2024 to measure the work environment, and in each employee's performance evaluation meetings with their *manager*. Additionally, in 2024, as part of the second wave of the EXI (November 2024), a series of specific questions about ethics and conduct were asked to all employees to ensure awareness of the Code of Ethics and the ethics channel. The results were as follows:

- 91% of employees believe they understand how the Code of Ethics drives their daily activities.
- 88.7% of employees say they would use the ethical channel if they ever needed to.

RD S1-4 P. 39 | P. 40 a | P. 40 b | P. 41 | P. 43 | AR 43

The processes through which the company determines what actions are necessary and appropriate in response to a given actual or potential negative impact on its own personnel are:

- Updating and monitoring risk matrices every two years.
- Update every two years of the materiality study and identification of impacts, risks, and opportunities, as well as monitoring of these.
- Monitoring compliance with the Code of Ethics.
- Regular monitoring of employee eNPS and suggestions by the Employee Experience team.
- Correct functioning of the Ethics Committee and its representatives in various areas (Anti-corruption, Anti-discrimination, Anti-fraud, Data Protection, Cybersecurity and Health, Diversity and Inclusion).

In addition, LEROY MERLIN Spain evaluates the effectiveness of these initiatives through the Pulso EXI surveys, in which employees can rate their satisfaction with their work at the company, as well as include suggestions in an open-ended question.

In this way, these same processes also help ensure that our own practices do not have negative impacts on employees.

In 2024, no negative impacts associated with the energy transition on employees have been detected. To help educate all our employees on sustainability, the "Positive Ambassadors" program has been launched in stores, and training has been launched and updated on topics related to the company's positive impact strategy, such as the Home Index project and proper waste management.

On the other hand, to take advantage of material opportunities related to the workforce, employee satisfaction is constantly monitored through employee climate surveys or eNPS, and the company's so-called "sharing culture" is fostered by encouraging employees to access shareholder ownership.

## MATERIAL TOPICS

- Quality employment
- Equality, diversity and inclusion
- Training and capacity building
- Occupational health and safety
- Comprehensive team well-being

### QUALITY EMPLOYMENT

**At LEROY MERLIN Spain, we are firmly committed to creating a healthy, safe, and inspiring work environment for our employees. We want them to experience a unique personal and professional experience every day, one that inspires them to extend this positive impact to our customers and society at large. As a *Human First company*, our people are always at the heart of all our decisions. Together, we share our purpose and uphold our values.**

#### Our commitment

RD S1-4 P. 37 | MDR-T

COMMITMENT	GOAL 2024	ACHIEVEMENT 2024	UNIT OF MEASUREMENT AND TYPE OF OBJECTIVE	SCOPE MDR	VALUE AND REFERENCE YEAR	INTERMEDIATE MILESTONES
MDR-T 80 A	MDR-T 80 E		MDR-T 80 B	MDR-T 80 C	MDR-T 80 D	MDR-T 80 E
We improve and personalize the experience of more diverse, expert, secure, complete and stable teams.	eNPS >60	eNPS = 68 at the end of 2024	% Percentage - Relative	The entire staff	eNPS = 51 at the end of 2023	No intermediate milestones have been established
We reinforce commitment and stability through a <i>journey</i> tailored to each person and moment.	Rotation < 15%	Turnover = 18.1% at the end of 2024	% Percentage - Relative	The entire staff	Turnover = 21.3% at the end of 2023	No intermediate milestones have been established

MDR-T 80 a

These commitments are linked to our Code of Ethics, reflecting the principles of respecting people, ensuring equal opportunities, and preserving the safety and health of our employees.

MDR-T 80 f

See Goals and Other Parameters in the [Own Personnel subchapter](#) for the methodology used to calculate the eNPS indicator, and Characteristics of the Company's Employees for the methodology used to calculate turnover. Goals are always defined by the department responsible for managing them, taking into account the previous year's benchmark.

MDR-T 80 g

The objectives have been set based on LEROY MERLIN Spain's own criteria, although the eNPS (Employee Net Promoter Score) objective is an externally recognized indicator.

MDR-T 80 h

LEROY MERLIN Spain's stakeholders have not participated in the design of these objectives.

MDR-T 80 i

There have been no significant changes in the definition of objectives.

MDR-T 80 j

The eNPS target was achieved by the end of 2024. The turnover target was not achieved, although the figure was a few percentage points away. The goals for this year have been achieved. The target and, therefore, the parameter are monitored monthly. Progress is in line with the initially planned objective. There have been no significant changes in the company's performance toward achieving the target.

RD -T S1-5 P. 47 b

Employees participate in monitoring LME's performance against established objectives, both during the Q4 Progress Bonus (paid in February of the following year) and at the share revaluation date (March of the following year), when a summary of the OKR performance is presented to all employees.

### **The actions carried out**

RD S1-4 P. 38c | P. 40 a | P. 40 b

#### **IMPACTS, RISKS AND OPPORTUNITIES**

##### **Quality employment**

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##### **IMPACTS**

###### **POSITIVE IMPACTS**

- Improving job satisfaction through a positive and collaborative work environment
- Improved working conditions through opportunities for professional growth in the company
- Improved working conditions by contributing to the financial security of employees

- **Action 10:** Promoting listening to employees and monitoring their commitment and satisfaction
- **Action 11:** Analysis of the collaborator's life cycle, updating of *onboarding processes and consolidation of offboarding processes*
- **Action 13:** Creation and qualification of the Talent Acquisition Specialist team
- **Action 14:** Programs to promote professional growth and monitoring of employee performance

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##### **RISKS**

- Difficulty in attracting and retaining the talent necessary for the company's development
- **Action 10:** Promoting listening to employees and monitoring their commitment and satisfaction
- **Action 11:** Analysis of the collaborator's life cycle, updating of *onboarding processes and consolidation of offboarding processes*
- **Action 12:** Creation and qualification of the Talent Acquisition Specialists team
- **Action 13:** Programs to promote professional growth and monitoring of employee performance

#### OPPORTUNITIES

- Positive and collaborative work environment that improves employee satisfaction and performance
- Increased ability to attract and retain talent through the company's perception as a good employer
- Increased productivity and engagement through employee engagement policies (employee shareholders)
- **Action 10:** Promoting listening to employees and monitoring their commitment and satisfaction
- **Action 11:** Analysis of the collaborator's life cycle, updating of *onboarding processes and consolidation of offboarding processes*
- **Action 12:** Creation and qualification of the Talent Acquisition Specialists team
- **Action 13:** Programs to promote professional growth and monitoring of employee performance
- **Action 14:** Distribution of economic benefits among collaborators

MDR-A

#### QUALITY EMPLOYMENT

<b>ACTION 10</b>	<b>Promoting listening to employees and monitoring their commitment and satisfaction</b>
MDR-A_01 P. 68a	<p><b>Key actions</b></p> <ul style="list-style-type: none"> <li>• EXI (Employee Experience Index) pulses, aimed at 100% of employees with an employment relationship with LEROY MERLIN Spain (salaried employees).</li> <li>• Culture of Sharing, a survey of 100% of employees working with LEROY MERLIN Spain to understand how our culture is experienced.</li> <li>• Moments of truth: surveys conducted throughout the year to measure employee satisfaction with the process they've experienced: promotions, role changes, performance appraisal process evaluation, <i>offboarding</i>, etc.</li> </ul> <p><b>Achieving policy objectives and goals</b></p> <p>In 2024, we continued the strategic evolution of employee listening, the basis for developing projects and actions focused on improving their experience at LEROY MERLIN Spain. This action is aligned with the company's commitment to improving and personalizing the employee experience.</p>
MDR-A_02 P. 68 b	<p><b>Scope</b></p> <p>The various surveys are conducted among all LEROY MERLIN Spain employees. Therefore, employees are the stakeholder group involved in this initiative.</p>
MDR-A_03 P. 68 c	<p><b>Time horizon</b></p> <p>Reference period 2024, although it has been implemented since previous years and is expected to continue to be implemented over the coming years.</p>

MDR-A_04 P. 68 d	<b>Actions to mitigate negative impacts</b> There are no negative impacts.
MDR-A_05 P. 68 e	<b>Progress</b> In 2024, EXI pulses were conducted twice, a Culture of Sharing survey, and several Moments of Truth were conducted. The main indicator of employee experience is the <i>Employee Net Promoter Score</i> (eNPS), which in 2024 averaged 68 across the two pulses conducted.
<b>QUALITY EMPLOYMENT</b>	
<b>ACTION 11</b>	<b>Employee lifecycle analysis, updating <i>onboarding processes</i>, and consolidating <i>offboarding</i> processes</b>
MDR-A_01 P.68 a	<b>Key actions</b> <ul style="list-style-type: none"><li>Updated the onboarding process, simplifying and improving the process and resources such as the guide and welcome portal.</li><li><i>offboarding</i> process, especially the conduct of exit interviews.</li><li>CX-EX symmetry study (conducted again in 2024). By analyzing indicators (training hours, manager evaluation, results, etc.), we identify where to focus on improving employee satisfaction.</li></ul>
MDR-A_02 P. 68 b	<b>Achieving policy objectives and goals</b> The measures are aligned with LEROY MERLIN Spain's commitment to improving and personalizing the employee experience.
MDR-A_03 P. 68 c	<b>Scope</b> The onboarding process for all new employees, in the case of the <i>offboarding</i> process, affects those leaving the organization. On the other hand, the symmetry study considers data from all employees. Therefore, employees are the stakeholder group involved in this process.
MDR-A_04 P. 68 d	<b>Time horizon</b> Reference period 2024.
MDR-A_05 P. 68 e	<b>Actions to mitigate negative impacts</b> There are no negative impacts.
	<b>Progress</b> Consolidation of the Employee Journey Map as an employee experience management model, developing projects aimed at retaining talent and achieving maximum engagement from our teams.

## QUALITY EMPLOYMENT

### ACTION 12

#### Creation and qualification of the Talent Acquisition Specialists team

MDR-A\_01 P. 68 a

##### Key actions

- Creation and qualification of the Talent Acquisition Specialist team, with training, customized plans, and personalized support. The creation of this team has involved the local adoption of an inbound recruiting strategy aimed at attracting the right talent, converting them into valuable candidates, hiring efficiently and with quality, and securing their commitment to the company and its culture while improving their experience.

##### Achieving policy objectives and goals

The measures are aligned with LEROY MERLIN Spain's commitment to attracting the right talent, turning it into valuable candidates, hiring efficiently and with quality, and obtaining commitment to the company and its culture while improving the employee experience.

MDR-A\_02 P. 68 b

##### Scope

The action particularly affects the new Talent Acquisition Specialists team. It also affects all of the company's employees.

MDR-A\_03 P. 68 c

##### Time horizon

Reference period 2024.

MDR-A\_04 P. 68 d

##### Actions to mitigate negative impacts

There are no negative impacts. However, this action mitigates the risk identified as "Difficulty attracting and retaining the talent needed for the company's development."

MDR-A\_05 P. 68 e

##### Progress

Positive progress has been made at each stage (attraction, conversion, recruitment, and engagement) with concrete actions:

- Attraction - *Employer Branding strategy and actions, Career Page* , and specific portal pages; competitor and market analysis, with a biweekly newsletter to share knowledge with the entire team; Strategic Workforce Plan; internship and scholarship model; and recruitment of young talent.
- Conversion - *Inbound job offers & Social Recruiting* ; selection process by group, defining the level of service; establishing relational environments and workflows; dashboard with indicators and results.
- Contracting - legal framework and automation.
- Engagement - eNPS candidate analysis; internal communications ambassador project.

## QUALITY EMPLOYMENT

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<b>ACTION 13</b>	<b>Programs to promote professional growth and monitor employee performance</b>
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### Key actions

- Development accelerator programs that promote professional growth. In 2024, we have renewed our two core programs: *the Strategic Executive Program* and *the Evolution Management Program* .
- First accelerator program for salespeople with potential, “Growing Together.”
- Individualized career plans implemented with a limited number of high-potential candidates within the company.
- Establishing the strategy for corporate positions, core store positions, and strategic store positions.
- Employees are offered two areas of interest to further their professional development and enhance their training and language skills. Managers can also directly identify their successor and comment on their level of preparation.

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MDR-A\_01 P. 68a

### Achieving policy objectives and goals

Performance management and talent attraction are crucial for creating quality employment. We are based on recognition and continuous improvement, ensuring that each employee has the tools and support necessary to reach their full potential. In this regard, our actions are aligned with LEROY MERLIN Spain's commitments.

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MDR-A\_02 P. 68 b

### Scope

Programs to promote professional growth and performance involve employees. Each program targets a specific segment of employees:

- *Strategic Executive Program* : aimed at managers with growth potential in the company.
- Evolution Management program: aimed at middle managers with growth potential within the company.
- “Growing Together”: aimed at sellers with potential.
- Individualized career plans: aimed at a limited number of high-potential candidates in the company.

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MDR-A\_03 P. 68 c

### Time horizon

Reference period 2024, although it has been developed in previous years and is expected to continue in future years.

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MDR-A\_04 P. 68 d

### Actions to mitigate negative impacts

There are no negative impacts.

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MDR-A\_05 P. 68 e

### Progress

- We continue to be one of the 100 best companies to work for in Spain according to Forbes.
- We improved to number 12, up 6 points from the previous year, among the top 100 companies in talent attraction and retention according to Merco Talento.
- We have been certified as a Top Employer for the 11th consecutive year.

## QUALITY EMPLOYMENT

### ACTION 14 Distribution of economic benefits among collaborators

#### Key actions

- The company is committed to a "sharing culture," whose pillars include "Sharing the CREDIT": reaping the rewards of one's own actions and their results.
- Employee financial participation is realized in three ways: through the advancement bonus, which rewards each center's progress and results (locally, a store or warehouse); through profit sharing, which rewards the company's performance annually (nationally); and through shareholding, which gives all employees the opportunity to become shareholders in ADEO (internationally).

MDR-A\_01 P. 68a

#### Achieving policy objectives and goals

Participation policies are key to creating quality employment in the company and represent a differentiation in the market. The culture of sharing is embedded in the company's corporate values.

MDR-A\_02 P. 68 b

#### Scope

Participation policies positively affect all LEROY MERLIN Spain employees with more than 90 days' service.

MDR-A\_03 P. 68 c

#### Time horizon

The culture of sharing is a priority for the various companies within ADEO. At LEROY MERLIN Spain, these policies have been in place since at least 1998 and will continue to be implemented in the coming years.

MDR-A\_04 P. 68 d

#### Actions to mitigate negative impacts

There are no negative impacts.

MDR-A\_05 P. 68 e

#### Progress

In 2024, a total of 64 million euros were distributed at LEROY MERLIN Spain in participation policies.

## **Characteristics of the company's employees**

RD S1-6 50 a | P. 50 b | P. 50 c | P. 50 d | P. 50 d (i) | P. 50 d (ii) | P. 50 e

The number of employees is reported as a number of persons. Employee figures are reported as an average over the reference period, which represents a change from 2023, as they were reported at the end of the reference period, i.e., at the end of the year. In detail, the number of employees at the beginning of the month and at the end of the month are calculated, averaging these two figures over the 12 months. The final figure provided is the sum of the 12 figures, divided by 12. The 2023 figures have been restated using this same criterion to ensure comparability.

EMPLOYEE CHARACTERISTICS TOTAL AND SEX COMPOSITION		2023		2024		VARIATION	
<b>Women (no.)</b>		8.728		8.921		2.21%	
% of the total		50.35%		50.66%		0.62%	
<b>Men (no.)</b>		8.608		8.689		0.94%	
% of the total		49.65%		49.34%		-0.63%	
<b>Other (no.)</b>		0		0		0.00%	
% of the total		0.00%		0.00%		0.00%	
<b>Not notified (no.)</b>		0		0		0.00%	
% of the total		0.00%		0.00%		0.00%	
<b>TOTAL</b>		<b>17,336</b>		<b>17,610</b>		<b>1.58%</b>	
EMPLOYEE CHARACTERISTICS - COMPOSITION BY TYPE OF CONTRACT AND SEX		2023			2024		
		Men	Women	TOTAL	Men	Women	Other
<b>Permanent employees (no.)</b>		8.353	8.414	<b>16,766</b>	8.394	8.576	0
% of the total		48.18%	48.53%	<b>96.71%</b>	47.66%	48.70%	0.00%
<b>Temporary employees (no.)</b>		256	314	<b>570</b>	295	346	0
% of the total		1.47%	1.81%	<b>3.29%</b>	1.68%	1.96%	0.00%
<b>Non-guaranteed hours workers (no.)</b>		0	0	<b>0</b>	0	0	0
% of the total		0.00%	0.00%	<b>0.00%</b>	0.00%	0.00%	0.00%
<b>TOTAL</b>		<b>8.608</b>	<b>8.728</b>	<b>17,336</b>	<b>8.689</b>	<b>8.921</b>	<b>0</b>
<b>Full-time employees (full- time equivalent number)</b>		6010	5131	<b>11140</b>	6276	5410	0
% of the total		34.67%	29.60%	64.26%	35.64%	30.72%	0.00%
<b>Part-time employees (full- time equivalent or no.)</b>		2599	3597	<b>6196</b>	2412	3511	0
% of the total		14.99%	20.75%	35.74%	13.70%	19.94%	0.00%
EMPLOYEE CHARACTERISTICS ATTRITION AND TURNOVER RATE*				2023		2024	
Employees who have left the company (no.)				3.704		3.201	
Employee turnover rate (%)				21.37%		18.18%	

\*The turnover rate is calculated following the methodology established by Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council with regard to sustainability reporting standards. All employees who have left the company for the following reasons are counted: voluntary departure from employment (voluntary redundancy), transfer to another BU in the Group other than LMES (equivalent to voluntary redundancy), dismissal, retirement, or death in service. The number of employees is counted on the first and last days of the month, and data is extracted for those who left the company for the reasons stipulated in the definition during the month. This data is summed and divided by the 12 months to obtain the annual average. Finally, the data is divided by the organization's average total number of employees (employees) during the reference period. It is worth noting that there were 0 people in 2023 and 2024 who have caused abandonment due to death in service.

RD S1-6 50 f

The total employee data provided in the financial statements are calculated as full-time equivalents (FTE) and are as follows:

NUMBER OF EMPLOYEES – FULL-TIME EQUIVALENT (FTE)	2023	2024
Women	8.633	8.581
Men	8.372	8.385
<b>Total</b>	<b>17.005</b>	<b>16,966</b>
<b>Average number of people in the exercise</b>	<b>15.459</b>	<b>15,549</b>

NOTE: This information is provided in note 18.1 Personnel structure of the 2024 financial statements of Leroy Merlin Spain.

### **Adequate wages**

RD S1-10 P. 69

All employees receive an adequate salary, in accordance with applicable benchmarks.

LEROY MERLIN Spain's compensation and benefits strategy seeks to develop a differentiating and competitive value proposition to attract and retain talent. The main measures and initiatives launched in 2024 in relation to this strategy are as follows:

- Flexible compensation plan for all employees and new XserLeroy compensation portal.
- Tools to contribute to financial well-being: advance management, health insurance, training, etc.
- Variable compensation policies for new groups.
- Plan to adapt fixed salaries to the new reality of rising consumer goods prices.
- Evolution of the merit-based salary increase system.
- Creation of a remuneration structure for key groups.

### **Remuneration parameters (wage gap and total remuneration)**

RD S1-16 P. 97a | P. 97c

The calculation of remuneration in LMES includes the following items, received in the reference period:

- Monetary salary, which includes both gross salary and variable remuneration, if any
- Salary in kind, if any
- Salary received in the form of shares, generated through progress bonuses and the profit-sharing rate

The information on the gender pay gap in the last year, taking into account this remuneration, is as follows:

GENDER PAY GAP	2024
Women (average gross hourly wage)	15.62
Men (average gross hourly wage)	16.83
<b>Wage gap ratio</b>	<b>7.19%</b>

WAGE GAP RATIO*	2022	2023	2024
Wage gap ratio	7.46%	8.10%	7.19%

\*In 2024, and following the criteria of the reporting regulations, the gap is calculated based on the average gross remuneration per hour worked, including salary items in cash, in-kind, and in shares. In 2022 and 2023, the wage gap was calculated based on annual remuneration, including only gross and variable salary in those groups where it was available. Therefore, the figures may not be directly comparable with 2024. In any case, no significant differences were observed between the years.

RD S1-16 P. 97a | P.97b

The ratio of the highest-paid individual's total annual compensation to the median total annual compensation of all employees (excluding the highest-paid individual) for 2024 is nineteen. This calculation takes into account total compensation: cash, variable, and stock. The total annual compensation of each employee has been consolidated by adding the normalized gross annual total and the actual variable items received.

### **Work-life balance parameters**

RD S1-15 P. 91 | P.93b | P. 94

Our work-life balance and organization strategy aims to achieve sustainable, long-term improvements in the working conditions of all our employees. To promote work-life balance and shared responsibility, our Second Equality Plan includes more than 20 specific measures to be implemented in the coming years. These include:

- Ensure that people who benefit from any of the rights related to work-life balance (leave, reduced working hours, etc.) do not see their career development or promotion opportunities hindered.
- Conduct information and awareness-raising campaigns specifically targeting men on shared responsibility and balanced distribution of tasks.
- Establish that individuals on suspension of employment due to the birth or care of a minor may participate in training courses and promotion processes. This will be expressly reported at the time of initiating this leave, so that the individual can indicate the means by which they request to receive the information.
- Use new information technologies, whenever possible, to avoid constant travel or displacement.

100% of the company's employees are entitled to family leave through social policy or collective bargaining agreements.

WORK-LIFE BALANCE PARAMETERS - FAMILY LEAVE	2023	2024	VARIATION
Number of employees who are entitled to and have taken family leave (women)	347	333	-4.03%
Percentage of employees who are entitled to and have taken family leave (women) (%)	3.98%	3.73%	-6.11%
Number of employees who are entitled to and have taken family leave (men)	427	370	-13.35%
Percentage of employees who are entitled to and have taken family leave (men) (%)	4.96%	4.26%	-14.16%
Number of employees who are entitled to and have taken family leave (total)	773	703	-9.06%
Percentage of employees who are entitled to and have taken family leave (total) (%)	4.46%	3.99%	-10.47%

### **Coverage of collective bargaining and social dialogue**

RD S1-8 P. 60 a | P. 60 b | P. 60 c | P. 63 a | P. 63 b | P. AR 70

Our commitment is to maintain a fluid and constructive dialogue with the employees' legal representatives, addressing their concerns and finding common ground based on the company's needs that can be beneficial for both parties. We foster a constructive, ongoing, and transparent dialogue that facilitates employee legal representation and guarantees and ensures regulatory compliance and the maintenance of quality labor relations.

At LEROY MERLIN Spain, labor relations are managed through the National Association of Large Distribution Companies (ANGED), which includes the Department Stores' Association and the Inter-Center Committee at the company level. Through this association, the company participates in defining the strategic lines of the agreement, in its negotiation with the workers' legal representatives, and in its signing.

On the other hand, workers elect their representatives in their workplaces, who are staff representatives in smaller centers and Works Councils in larger centers. By 2024, there will be 873 union representatives representing all workers.

We hold meetings with the legal representatives of the employees. If the issue to be discussed affects only one workplace, it is discussed in meetings with staff representatives and/or the Works Council. If the issue affects more than one workplace, the forum is the Inter-Center Committee, a body regulated by Article 66 of the Department Stores Collective Agreement and made up of 13 members.

Typically, the consultation and participation process takes place during meetings between the company and employee representatives, which are held quarterly in stores and within the Inter-site Committee. Extraordinary meetings may also be held to discuss specific cases.

When it comes to meetings with Staff Representatives or the Works Council, the person responsible for ensuring collaboration with the legal representatives of the employees is the Store Leader, and in the case of the Inter-Center Committee, the Director of Human Resources Management.

100% of salaried staff are covered by a collective agreement in both 2024 and 2023, and there is both a Works Council and a European Works Council.

The main indicators on collective bargaining and social dialogue are reported below.

COVERAGE OF COLLECTIVE BARGAINING AND SOCIAL DIALOGUE*	2023	2024
Percentage of employees covered by employee representatives (%)	94.82%	94.67%

\*At LEROY MERLIN Spain, all employees are covered by legal representation, with the exception of employees whose workplace is headquarters/internal services.

**INFORMATION ON THE  
COVERAGE OF COLLECTIVE  
BARGAINING AND SOCIAL  
DIALOGUE**

Coverage rate	COLLECTIVE BARGAINING COVERAGE		SOCIAL DIALOGUE
	Employees - EEA (for countries with > 50 employees representing > 10% of the total)	Employees – Non-EEA (estimate for regions with > 50 employees representing > 10% of the total)	
	Name of the country	Name of the region	Name of the country
0-19%			
20-39%			
40-59%			
60-79%			
80-100%	Spain	N/A	Spain

**Social protection**

RD S1-11 P. 74a | P. 74b | P. 74c | P.74d | P. 74e | P.75

All LEROY MERLIN Spain employees are covered by social security, in accordance with current Spanish legislation, against loss of income due to the following events: illness, unemployment, work-related accidents and acquired disability, paternity/maternity leave (parental leave), and retirement. Under no circumstances is an employee without social security coverage for these life events.

**Periodic performance evaluation and capacity development parameters**

RD S1-13 P. 83a | P. 84 | P.85

The following shows the total number of employees participating in performance evaluations and the percentage of employees, broken down by gender, who participated in these evaluations, out of the total number of employees.

Participation in periodic evaluations of performance and professional development by gender - out of the total number of employees	2023	2024	VARIATION
Number of employees (women) who participated in periodic performance and professional development evaluations (no.)	7.097	7.324	3.20%
Number of employees (men) who participated in periodic performance and professional development evaluations (no.)	7,000	7.226	3.23%
<b>Number of employees (total) who participated in periodic performance and professional development evaluations (no.)</b>	<b>14.097</b>	<b>14,550</b>	<b>3.21%</b>
Percentage of employees who participated in periodic performance and professional development evaluations (women) (%) over the average employee	81.31%	82.09%	0.78 pp
Percentage of employees who participated in periodic performance and professional development evaluations (men) (%) over the average employee	81.32%	83.16%	1.84 pp
<b>Percentage of employees who participated in periodic performance and professional development evaluations (total) (%) over the average employee</b>	<b>81.32%</b>	<b>82.62%</b>	<b>1.3 pp</b>

However, not all employees are required to complete a performance evaluation. One is only required if the individual has been with the company for more than six months at the time the evaluation is initiated. For this reason, the total number of employees who have completed a performance evaluation compared to the total number of employees who should have completed one based on these criteria, and the resulting percentage, are included below, as this is a more realistic figure.

PARTICIPATION IN PERIODIC EVALUATIONS OF ACTION AND PROFESSIONAL DEVELOPMENT BY GENDER - OUT OF THE TOTAL NUMBER OF EMPLOYEES WHO MUST UNDERGO ACTION EVALUATION	2023	2024	VARIATION
Agreed number of performance evaluations by management for female employees (no.)	7.667	7.892	2.93%
Agreed number of performance evaluations by management for salaried employees (men) (no.)	7.425	7.634	2.81%
<b>Agreed number of performance evaluations by management for employees (total) (no.)</b>	<b>15.092</b>	<b>15.526</b>	<b>2.88%</b>
Percentage of employees who participated in evaluations in proportion to the number of evaluations agreed by management (women) (%)	92.57%	92.80%	0.23 pp
Percentage of employees who participated in evaluations in proportion to the number of evaluations agreed by management (men) (%)	94.28%	94.66%	0.38 pp
<b>Percentage of employees who participated in evaluations in proportion to the number of evaluations agreed by management (total) (%)</b>	<b>93.41%</b>	<b>93.71%</b>	<b>0.3 pp</b>

## EQUALITY, DIVERSITY AND INCLUSION

**At LEROY MERLIN Spain, we are creating an inclusive and psychologically safe environment where the company's talent can flourish and be its best, promoting equal opportunities, workforce diversity, and workplace inclusion.**

### Our commitment

RD S1-4 P. 37 | MDR-T

COMMITMENT	GOAL 2024	ACHIEVEMENT 2024	UNIT OF MEASUREMENT AND TYPE OF OBJECTIVE	SCOPE MDR	VALUE AND REFERENCE YEAR	INTERMEDIATE MILESTONES
MDR-T 80 a	MDR-T 80 e	2024	MDR-T 80 b	MDR-T 80 C	MDR-T 80 D	MDR-T 80 E
We are making progress in building a diverse and inclusive workforce	Women Leaders > 40% (by 2027)	23.65%	% Percentage - Relative	All employees	22.67% (data as of the end of 2023)	No intermediate milestones have been established
MDR-T 80 a	% of People with disabilities > 4%	3.28% percentage of people with disabilities in the workforce	% Percentage - Relative	All employees	3.37% (data as of the end of 2023)	No intermediate milestones have been established

MDR-T 80 a

This commitment is linked to our Diversity, Equity, and Inclusion Policy and the creation of a culture that fosters equal opportunities, as well as other ways of promoting diversity and inclusion.

MDR-T 80 f

The target percentage of female leaders is defined by taking into account the number of women in management positions in the company, key retail positions traditionally held by men, out of the total number of members in management positions. These positions are: Supply Manager, Global Supply Leader, Marketplace Leader, E-Commerce Director, Global and Markets Leader, and Steering Committee (CODIR).

The target percentage of people with disabilities is defined by taking into account the legal minimum required and stipulating a higher percentage, which is more ambitious and challenging for the company. The current regulations of the Ministry of Employment and Social Security are followed for calculating the indicators.

Objectives are always defined by the department responsible for managing them, taking into account the reference value from the previous year.

DR-T 80 g

The objectives have been set based on LEROY MERLIN Spain's own criteria, although the target percentage of people with disabilities in the workforce is measured and calculated following the calculation procedure established by the Ministry of Employment and Social Security.

MDR-T 80 h

LEROY MERLIN Spain's stakeholders have not participated in the design of these objectives.

MDR-T 80 i

There have been no significant changes in the definition of objectives.

MDR-T 80 j

By 2024, the company's leadership has reached 23.65%. The target has not been achieved, but it should be noted that the company's time horizon is 2027, so there are still two years left for the company to achieve the 40% target. The company is considered to be on a reasonable path to achieving the objective. The objective, and therefore the parameter, is monitored monthly. There have been no significant changes in the company's performance toward achieving the goal.

In 2024, the workforce reached 3.28% of people with disabilities, meaning the target of exceeding 4% could not be achieved. The company will continue working in 2025 to achieve this goal. The 2024 results are higher than the 2% reserve quota established in the General Disability Law. The target and, therefore, the parameter are monitored monthly. There have been no significant changes in the company's performance toward achieving the target.

RD -T S1-5 P. 47 b

Employees participate in monitoring LEROY MERLIN Spain's performance against the established targets, both in the fourth-quarter progress bonus (paid in February of the following year) and on the share revaluation date (March of the following year), when a summary of the target monitoring is presented to all employees.

RD S1-4

In 2022, the Equality Commission and the unions participating in the negotiations (FETICO, CCOO, UGT, and USO) signed the **2nd LEROY MERLIN Spain Equal Opportunities and Treatment Plan**. This plan consists of 108 measures in the following action blocks:

- Head of Equality
- Selection and hiring
- Professional classification
- Promotion
- Training
- Awareness and communication
- Conciliation and co-responsibility
- Occupational health
- Gender violence
- Sexual and sexual harassment
- Remuneration

The main objectives of the Plan are summarized as ensuring equal treatment and opportunities, integrating a gender perspective into the corporate culture, preventing gender-based discrimination in the workplace, promoting balanced representation of men and women in the company, guaranteeing the principle of equal pay, raising awareness on these issues, promoting work-life balance and co-responsibility, and preventing harassment. The Equality Plan Monitoring Committee is the body responsible for ensuring compliance with the agreed measures and assessing their effectiveness.

Furthermore, we have a **2024-2027 Diversity, Equity, and Inclusion Strategic Plan**, which aims to foster a diverse and inclusive environment, led by managers trained in diversity and inclusion management who can build a diverse, inclusive, and equitable culture with their teams that can support business needs.

## **The actions carried out**

RD S1-4 P.38c | P. 40 a

IMPACTS, RISKS AND OPPORTUNITIES	ACTIONS
<b>Equality, diversity and inclusion</b>	
<b>IMPACTS</b>	
<b>POSITIVE IMPACTS</b>	
<ul style="list-style-type: none"><li>• Commitment to equality and inclusion of LGBTI and disability groups through the promotion of initiatives and measures</li></ul>	<ul style="list-style-type: none"><li>• <b>Action 15:</b> Training and awareness-raising on diversity, equity and inclusion for employees</li><li>• <b>Action 16:</b> Promoting the labor inclusion of people with disabilities through the 'No less than 4%' project</li><li>• <b>Action 17:</b> Implementation of empowerment and development programs for women</li><li>• <b>Action 18:</b> Promoting the empowerment and development of the senior community through the 'Seniorly Responsible' project</li></ul>
<b>RISKS</b>	
<ul style="list-style-type: none"><li>• Loss of employee satisfaction and productivity due to discrimination in their professional development (promotion, remuneration)</li><li>• Loss of employee satisfaction and productivity due to workplace harassment</li></ul>	<ul style="list-style-type: none"><li>• <b>Action 15:</b> Training and awareness-raising on diversity, equity and inclusion for employees</li><li>• <b>Action 17:</b> Implementation of empowerment and development programs for women</li><li>• <b>Action 18:</b> Promoting the empowerment and development of the senior community through the 'Seniorly Responsible' project</li></ul>

MDR-A

## EQUALITY, DIVERSITY AND INCLUSION

ACTION 15	Training and awareness-raising on diversity, equity, and inclusion for employees
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MDR-A_01 P.68 a	<p><b>Key actions</b></p> <ul style="list-style-type: none"><li>• Itinerary of two specific training sessions for employees across the entire company.</li><li>• Cultural evolution and DEI approach to stores.</li><li>• Bias training as part of manager training prior to the employee performance evaluation process.</li><li>• E-learning “New paradigm of disability”.</li></ul>
	<p><b>Achieving policy objectives and goals</b></p> <p>The measures are aligned with the Diversity, Equity, and Inclusion Strategic Plan 2024-2027, which aims to foster a diverse and inclusive environment, led by managers trained in diversity and inclusion management who can build a diverse, inclusive, and equitable culture with their teams that can support business needs.</p>
MDR-A_02 P. 68 b	<p><b>Scope</b></p> <p>This action is aimed at all company employees. Furthermore, in the case of bias training, its scope specifically affects managers.</p>
MDR-A_03 P. 68 c	<p><b>Time horizon</b></p> <p>Reference period 2024, although it has been developed in previous years and is expected to continue in future years.</p>
MDR-A_04 P. 68 d	<p><b>Actions to mitigate negative impacts</b></p> <p>There are no negative impacts.</p>
MDR-A_05 P. 68 e	<p><b>Progress</b></p> <p>We have earned the Diversity Leading Company and Empowering Women certifications from Equipos y Talento for our commitment to diversity, equity, inclusion, and female talent. We were also finalists in the 2024 Intrama Awards for the best DEI 24-27 Strategic Plan.</p>

## EQUALITY, DIVERSITY AND INCLUSION

<b>ACTION 16</b> MDR-A_01 P.68 a	<b>Promoting the labor market inclusion of people with disabilities through the 'No Less than 4%' project</b>  <b>Key actions</b> <ul style="list-style-type: none"><li>● "No Less than 4%" project, with the goal of integrating at least 4% of people with disabilities into our work teams.</li></ul> <b>Achieving policy objectives and goals</b> The measures are aligned with the Diversity, Equity, and Inclusion Strategic Plan 2024-2027, which aims to foster a diverse, inclusive, and equitable culture across teams that can support business needs.
MDR-A_02 P. 68 b	<b>Scope</b> This action involves employees and society as a whole, especially people with disabilities.
MDR-A_03 P. 68 c	<b>Time horizon</b> Reference period 2024, although it has been developed in previous years and is expected to continue in future years.
MDR-A_04 P. 68 d	<b>Actions to mitigate negative impacts</b> There are no negative impacts.
MDR-A_05 P. 68 e	<b>Progress</b> We have 3.28% of employees with disabilities in our workforce.

## EQUALITY, DIVERSITY AND INCLUSION

<b>ACTION 17</b> MDR-A_01 P.68 a	<b>Implementation of empowerment and development programs for women</b>  <b>Key actions</b> <ul style="list-style-type: none"><li>● "Soft Skills Helastrick" Project. A female talent development program whose objective is to support the company's women in achieving a successful skills profile.</li><li>● Mentoring Empowering Women Talent. Participation in the female talent development program promoted by the specialized media outlet <i>Equipos y Talento</i>.</li></ul> <b>Achieving policy objectives and goals</b> The measures are aligned with the Diversity, Equity, and Inclusion Strategic Plan 2024-2027, which aims to foster a diverse, inclusive, and equitable culture across teams that can support business needs.
MDR-A_02 P. 68 b	<b>Scope</b> This performance especially involves the company's female collaborators.
MDR-A_03 P. 68 c	<b>Time horizon</b> Reference period 2024, although it has been developed in previous years and is expected to continue in future years.
MDR-A_04 P. 68 d	<b>Actions to mitigate negative impacts</b> There are no negative impacts.
MDR-A_05 P. 68 e	<b>Progress</b> We received the <i>Best Women Talent Company</i> award from <i>Intrrama</i> for our commitment to female talent. We also received the <i>Empowering Women certificate</i> from <i>Equipos y Talento</i> for our commitment to female talent.

## EQUALITY, DIVERSITY AND INCLUSION

<b>ACTION 18</b>	<b>Promoting the empowerment and development of the senior community through the "Seniorly Responsible" project</b>
MDR-A_01 P.68 a	<b>Key actions</b> <ul style="list-style-type: none"><li>“Seniorly Responsible” initiative, which aims to increase senior employees from 11% to 16%</li><li>“Let’s Talk About Seniors” Project. A program focused on the 360-degree care of senior talent.</li></ul>
	<b>Achieving policy objectives and goals</b> <p>The measures are aligned with the Diversity, Equity, and Inclusion Strategic Plan 2024-2027, which aims to foster a diverse, inclusive, and equitable culture across teams that can support business needs.</p>
MDR-A_02 P. 68 b	<b>Scope</b> <p>This action involves senior employees and also society, especially older people.</p>
MDR-A_03 P. 68 c	<b>Time horizon</b> <p>Reference period 2024, although it has been developed in previous years and is expected to continue in future years.</p>
MDR-A_04 P. 68 d	<b>Actions to mitigate negative impacts</b> <p>There are no negative impacts.</p>
MDR-A_05 P. 68 e	<b>Progress</b> <p>In the 2024 reference period, our workforce comprises more than 16% senior employees (over 50 years of age), and various measures related to the well-being, employability, development of this group, and their legacy have been implemented, which are summarized in a dedicated site on the corporate intranet.</p>

### Diversity parameters

RD S1-9 AR 71 | P. 66a | P.66b

The following tables detail the information related to the diversity parameters at LEROY MERLIN Spain. The number of employees is reported as a percentage of the total number of employees. The employee figures are reported as an average over the reference period, which represents a change from 2023, as they were reported at the end of the reference period, i.e., at the end of the year. In detail, the number of employees at the beginning of the month and at the end of the month is calculated; an average of these two figures is taken over the 12 months. The final figure provided is the sum of the 12 figures divided by 12. The 2023 figures have been restated using the same criteria to ensure comparability.

GENDER DISTRIBUTION IN SENIOR MANAGEMENT (CODIR)*	2023			2024		
	Men	Women	TOTAL	Men	Women	TOTAL
Members of senior management (no.)	23	4	<b>27</b>	23	4	<b>27</b>
Members of senior management (%)	85.19%	14.81%	100%	85.19%	14.81%	100%

\*Senior management refers to the National Steering Committee (Executive Leader Team and management profiles in regions and strategic areas), thus maintaining the definition of senior management of the Board of Directors.

AGE DISTRIBUTION OF THE STAFF	2023	2024	VARIATION
Distribution of employees (count) under 30 years old (no.)	3.919	3.896	-0.59%
Distribution of employees (count) between 30 and 50 years (no.)	10.869	10.756	-1.04%
Distribution of employees (count) over 50 years old (no.)	2.549	2.958	16.07%
<b>TOTAL</b>	<b>17,336</b>	<b>17,610</b>	1.58%

### **People with disabilities**

RD S1-12 AR. 76 | P. 79 | P.80

The following tables detail information related to the parameters for people with disabilities at LEROY MERLIN Spain.

PEOPLE WITH DISABILITIES - PERCENTAGE	2023	2024
Percentage of people with disabilities among employees (salaried) (%)	3.37%	3.28%
<i>NOTE: Although the perimeter of employees used to calculate the indicator is "employees with an employment relationship with LEROY MERLIN Spain," as with the other indicators in this document, the percentage of people with disabilities is calculated according to the technical criteria requested by the Labor Inspectorate of the Ministry of Employment and Social Security, which requires specific rules for performing the calculations. In this regard:</i>		
<ul style="list-style-type: none"> <li>- The reference period for the calculation is the immediately preceding 12 months, during which the average number of employees, including those hired part-time, is obtained across all the company's work centers. All employees who have been employed by the company with a permanent contract are counted. Each permanent employee counts as one in each month in which they were employed.</li> <li>- Workers linked by fixed-term contracts of more than one year are counted as permanent employees.</li> <li>- Workers hired for a term of up to one year are counted according to the number of days worked in the reference period: every 200 days worked or fraction thereof are counted as one more worker.</li> </ul>		

*The 2023 data has been restated using this same criterion to ensure comparability.*

PEOPLE WITH DISABILITIES - BREAKDOWN BY SEX	2023		2024	
	Men	Women	Men	Women
Percentage of people with disabilities among employees (salaried) (%)	3.84%	2.92%	3.70%	2.87%
Number of people with disabilities among employees (salaried)	336	261	328	262

### **Women leaders**

WOMEN LEADERS AT LEROY MERLIN SPAIN - PERCENTAGE	2023	2024
Percentage of women holding management positions in the company	22.67%	23.65%

## TRAINING AND CAPACITY BUILDING

**At LEROY MERLIN Spain, we want employees to be the protagonists of their professional careers and to be able to train in areas that motivate them and contribute to their development, in a context of transformation. This commitment is reflected in our talent attraction and retention strategy and policies, designed to inspire, value, and develop our employees' full potential.**

### Our commitment

RD S1-4 P. 37 | MDR-T

COMMITMENT	GOAL	ACHIEVEMENT	UNIT OF MEASUREMENT AND TYPE	SCOPE	VALUE AND REFERENCE	INTERMEDIATE
MDR-T 80 a	2024	2024	OF OBJECTIVE	MDR	YEAR	MILESTONES
We train teams with a focus on their mission and profitable sales.	MDR-T 80 e	Average training hours per employee: 30h	% Percentage - Relative	Store equipment	Average training hours per employee: 28.9 at the end of 2023	No intermediate milestones have been established
		Average training hours per employee: 27.8 hours	MDR-T 80 b		MDR-T 80 D	MDR-T 80 E

MDR-T 80 a

This commitment is established in accordance with the principles of integrity, professionalism, and social responsibility embodied in the Code of Ethics.

MDR-T 80 f

See the [Training Parameters section](#) of the Training and Capacity Building subchapter for the methodology for calculating the objective. Objectives are always defined by the department responsible for managing them, taking into account the previous year's baseline.

DR-T 80 g

The objective has been set based on LEROY MERLIN Spain's own criteria.

MDR-T 80 h

LEROY MERLIN Spain's stakeholders have not participated in the design of these objectives.

MDR-T 80 i

In 2024, the theoretical duration of each course was counted as the hours completed, to ensure accurate accounting. The data from the previous reference period has been restated using this same criterion to ensure comparability.

MDR-T 80 j

In 2024, the ambitious target was not achieved, although only by a difference of two hours per employee on average, which demonstrates the commitment and work carried out by the area. The target and, therefore, the benchmark are monitored monthly. There have been no significant changes in the company's performance toward achieving the goal.

RD -T S1-5 P. 47 b

Employees participate in monitoring LEROY MERLIN Spain's performance against the established targets, both in the fourth-quarter progress bonus (paid in February of the following year) and on the share revaluation date (March of the following year), when a summary of the target monitoring is presented to all employees.

### **The actions carried out**

RD S1-4 P.38c

IMPACTS, RISKS AND OPPORTUNITIES	ACTIONS
<b>Training and capacity building</b>	
<b>IMPACTS</b>	
<b>POSITIVE IMPACTS</b> Improving working conditions through opportunities for training and vocational development	<b>Action 19:</b> Promoting training actions aimed at ensuring technical, product, sales and trade knowledge, digital skills and cultural change

RD S1-4 P. 37

Our goal is to ensure that each employee has a comprehensive training program tailored to the needs of their position, from the moment they join and throughout their career with the company. In addition to specific training directly related to their current role, each employee has access to training that contributes to their development to face new challenges.

All training options are available on the intranet and on our Campus learning platform. There are three training options: e- *learning courses* , virtual classroom courses (in-person and online), and in-person courses. In addition to organizing the training options by mission (path), the training courses are organized by collections (topics or competencies):

Product	Health and well-being
Sale	Regulatory compliance
Job	Corporate Culture
Customer Experience	Digital transformation and <i>data driven</i>
Skills	Languages
Occupational Risk Prevention	Welcome to LEROY MERLIN

MDR-A

#### TRAINING AND CAPACITY BUILDING

<b>ACTION 19</b>	<b>Promoting training actions aimed at ensuring technical, product, sales and trade knowledge, digital skills and cultural change</b>
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##### **Key actions**

- Training activities aimed at ensuring the technical, product, sales, and trade knowledge of store teams. To this end, more than 4,000 salespeople have been trained in product development through hands-on workshops at the Matapiñonera Campus.
- Promoting trade academies, new training programs that formalize internal know-how at the level of strategic store missions.
- Training activities aimed at developing new digital skills in teams.
- Training activities aimed at strengthening and accelerating the cultural change that our business model represents.
- Launch of goFluent, a new language learning model with the integration of an accessible platform for all employees and twelve languages.

##### **Achieving policy objectives and goals**

The 2024 training program has been designed according to the three strategic learning pillars aligned with the business plan and addresses our goal of ensuring that each employee has a comprehensive training program tailored to the needs of their position, from the moment they join the company and throughout their career. In addition to specific training directly related to their current role, each employee has access to training that contributes to their development to face new challenges.

MDR-A\_02 P. 68 b

##### **Scope**

This action involves store teams in the case of technical, product, sales, and trade training. In the other actions, the scope extends to all company employees.

MDR-A\_03 P. 68 c

##### **Time horizon**

Reference period 2024, although it has been developed in previous years and is expected to continue in future years.

MDR-A\_04 P. 68 d

##### **Actions to mitigate negative impacts**

There are no negative impacts.

MDR-A\_05 P. 68 e

##### **Progress**

We have professionalized our teams through training activities aimed at ensuring the technical, product, sales, and professional knowledge of our store teams. We have also accelerated the improvement of digital and omnichannel skills through training activities aimed at developing new digital competencies in our teams. We have consolidated our leadership model through training activities aimed at strengthening and accelerating cultural change.

### **Training parameters**

RD S1-13 P. 83b

<b>TRAINING HOURS</b>	<b>2023</b>	<b>2024</b>	<b>VARIATION</b>
Total number of training hours per employee (total) (no.)	502.245	489,767	-2.48%
Average number of training hours per employee* (total) (no.)	28.97	27.81	-4.00%
<b>Training hours by gender</b>			
Total number of training hours per employee (women) (no.)	247,222	233,182	-5.68%
Total number of training hours per employee (men) (no.)	255.023	256,586	0.61%
Average number of training hours per employee (women) (no.)	28.33	26.14	-7.72%
Average number of training hours per employee (men) (no.)	29.63	29.53	-0.33%
<b>Training hours by category</b>			
Total number of training hours for Directors and/or functional area managers (no.)	9.707	9.896	1.95%
Total number of training hours for middle managers (no.)	97,964	103.975	6.14%
Total number of training hours for qualified professionals/technicians/specialists (no.)	303.437	265.254	-12.58%
Total number of training hours for operational/administrative/auxiliary positions (no.)	91.137	110,642	21.40%
Average number of training hours for Directors and/or functional area managers (no.)	42.89	42.73	-0.36%
Average number of training hours for middle managers (no.)	35.42	36.85	4.04%
Average number of training hours for qualified professionals/technicians/specialists (no.)	693.32	567.19	-18.19%
Average number of training hours for operational/administrative/auxiliary positions (no.)	6.55	7.85	19.82%

*\*The average number of training hours is calculated using the following formula: total training hours completed by employees during the reference period, divided by the average number of employees during the reference period. The 2023 data have been restated to apply the same criteria and promote comparability.*

## OCCUPATIONAL HEALTH AND SAFETY

**At LEROY MERLIN Spain, as a member of ADEO, we are committed to the safety and health of our people. Our *Safety First, Human First* management models place employee well-being at the heart of our business strategy.**

### Our commitment

RD S1-4 P. 37 | MDR-T

COMMITMENT	GOAL	ACHIEVEMENT	UNIT OF MEASUREMENT AND TYPE	SCOPE	VALUE AND REFERENCE	INTERMEDIATE
	2024	2024	OF OBJECTIVE	MDR	YEAR	E
MDR-T 80 a	MDR-T 80 e	MDR-T 80 b	MDR-T 80 c	MDR-T 80 d	MDR-T 80 e	MILESTONES
We consolidate our commitment to employee and customer safety	Frequency rate < 6	7.88	Frequency Rate - Relative	All employees	8.70 (at the end of 2023)	No intermediate milestones have been established

MDR-T 80 a

This commitment is established in accordance with the principles of generating a culture of prevention and ensuring safe and healthy working conditions outlined in the Health Policy.

MDR-T 80 f

See the [Health Parameters section](#) of the Occupational Health and Safety subchapter for the methodology for calculating the target. This target is defined by the department responsible for managing it, taking into account the previous year's reference value.

MDR-T 80 g

The objective has been set based on LEROY MERLIN Spain's own criteria, although it is a common indicator of human resources management and is recognized externally.

MDR-T 80 h

LEROY MERLIN Spain's stakeholders have not participated in the design of these objectives.

MDR-T 80 i

There have been no significant changes in the definition of objectives.

MDR-T 80 j

By the end of 2024, the ambitious goal of reducing the accident frequency rate to below 6 had not been achieved. In any case, the frequency rate was reduced by approximately 1 percentage point compared to the previous year, and LEROY MERLIN Spain's frequency rate is below the ADEO and industry averages. The objective, and therefore the parameter, is monitored monthly. There have been no significant changes in the company's performance in trying to achieve the target.

RD -T S1-5 P. 47 b

Employees participate in monitoring LEROY MERLIN Spain's performance against the established targets, both in the fourth-quarter progress bonus (paid in February of the following year) and on the share revaluation date (March of the following year), when a summary of the target monitoring is presented to all employees.

### **The actions carried out**

RD S1-4 P. 38a | P. 38b | P. 40 a

IMPACTS, RISKS AND OPPORTUNITIES	ACTIONS
<b>Occupational health and safety</b>	
<b>IMPACTS</b>	
<b>NEGATIVE IMPACTS</b>	
<ul style="list-style-type: none"><li>• Deterioration of the health and safety of employees due to the occurrence of accidents and/or occupational diseases</li></ul>	<ul style="list-style-type: none"><li>• <b>Action 20</b> : Improving the system for recording accidents and near misses</li><li>• <b>Action 21</b> : Promoting training and awareness on occupational risk prevention</li><li>• <b>Action 22</b> : Review of the company's preventive organization and sizing of the department's personnel and resources</li></ul>
<b>RISKS</b>	
<ul style="list-style-type: none"><li>• Legal proceedings (fines, litigation) and/or loss of reputation due to accidents and/or occupational diseases</li></ul>	<ul style="list-style-type: none"><li>• <b>Action 20</b> : Improving the system for recording accidents and near misses</li><li>• <b>Action 21</b> : Promoting training and awareness on occupational risk prevention</li><li>• <b>Action 22</b> : Review of the company's preventive organization and sizing of the department's personnel and resources</li></ul>

MDR-A

## HEALTH AND SAFETY

### ACTION 20

#### Improving the system for recording accidents and near-misses

MDR-A\_01 P. 68 a

##### Key actions

- Establishment of a system to internally record not only accidents resulting in sick leave, but also accidents without sick leave (those that do not require a medical report) and near misses (incidents that did not result in injury, illness, or damage, but had the potential to do so). Recording is done using the TIK incident reporting tool.
- Detailed procedures in the entire area of occupational risk prevention, such as the procedure for action, processing and investigation of accidents, with reviews of the appropriate risk assessments and establishment of corrective measures, if applicable.

##### Achieving policy objectives and goals

The measures are aligned with LEROY MERLIN Spain's commitment, outlined in its Health, Well-being, and Prevention Policy, to take care of our employees by ensuring safe workspaces that allow for the development of our activities under appropriate health and safety conditions.

MDR-A\_02 P. 68 b

##### Scope

These actions are aimed at improving the safety of all employees.

MDR-A\_03 P. 68 c

##### Time horizon

Reference period 2024.

MDR-A\_04 P. 68 d

##### Actions to mitigate negative impacts

This action mitigates the impact of "Deterioration of the health and safety of employees due to the occurrence of occupational accidents and/or illnesses."

MDR-A\_05 P. 68 e

##### Progress

Our frequency rate is below that of the industry and the ADEO overall. It's also worth noting that we have earned the highest rating ("Very Good") in the ADEO Safety Audit.

## QUALITY EMPLOYMENT

### ACTION 21

#### Promoting training and awareness-raising on occupational risk prevention

MDR-A P. 68a

##### Key actions

Risk prevention is integrated into the daily work of employees through information, training, and awareness-raising activities designed to communicate and disseminate the company's Occupational Risk Prevention policy and management system.

##### Achieving policy objectives and goals

The measures are aligned with LEROY MERLIN Spain's commitment, outlined in its Health, Well-being, and Prevention Policy, to take care of our employees by ensuring safe workspaces that allow for the development of our activities under appropriate health and safety conditions.

MDR-A\_02 P. 68 b

##### Scope

LEROY MERLIN Spain employees are the key stakeholders involved in this initiative. Special attention is paid to store employees.

**Time horizon**

MDR-A\_03 P. 68 c

This action, crucial to promoting risk prevention, has been carried out for more than five years, was developed during the 2024 reference period, and will continue in future years.

**Actions to mitigate negative impacts**

MDR-A\_04 P. 68 d

This action mitigates the impact of "Deterioration of the health and safety of employees due to the occurrence of occupational accidents and/or illnesses."

**Progress**

MDR-A\_05 P. 68 e

By 2024, more than 110,000 hours of training were dedicated to educating employees on Occupational Risk Prevention.

**QUALITY EMPLOYMENT**

**ACTION 22**

**Review of the company's preventive organization and sizing of the department's personnel and resources**

**Key actions**

Throughout 2024, the Occupational Risk Prevention department has grown in staff and resources to address the challenges in this area.

MDR-A\_01 P. 68 a

**Achieving policy objectives and goals**

The measures are aligned with LEROY MERLIN Spain's commitment, outlined in its Health, Well-being, and Prevention Policy, to take care of our employees by ensuring safe workspaces that allow for the development of our activities under appropriate health and safety conditions.

**Scope**

MDR-A\_02 P. 68 b

LEROY MERLIN Spain's employees are the key stakeholders involved in this initiative, although it also indirectly positively affects suppliers and customers.

MDR-A\_03 P. 68 c

**Time horizon**

Reference period 2024.

**Actions to mitigate negative impacts**

MDR-A\_04 P. 68 d

This action mitigates the impact of "Deterioration of the health and safety of employees due to the occurrence of occupational accidents and/or illnesses."

**Progress**

MDR-A\_05 P. 68 e

Our frequency rate is below that of the industry and ADEO as a whole and has been reduced compared to 2023. It is also worth noting that we have obtained the highest rating ("Very Good") in the ADEO Safety Audit.

The measures we are taking in this area are in line with the key themes of our **2022-2024 Occupational Risk Prevention Strategy**, which focuses on integrating risk prevention across the organization:

- In the facilities, and from design to maintenance, the workplace facilities are in perfect working order.
- In machinery and work equipment, ensuring that all machinery, power tools, and hand tools used by employees in the performance of their work are in good condition and do not pose additional risks.
- In all processes related to the product we sell. It considers the risks and necessary prevention and protection measures during the reception, storage, implementation, display, delivery, and collection of payment for the product to the customer at our facilities.
- In people (collaborators, clients, and suppliers), which includes all information, training, and awareness-raising actions carried out to communicate and disseminate the company's prevention policy and management system.

Furthermore, the workplaces have a **Health and Safety Committee** that meets quarterly. It is made up of an equal number of people based on the number of employees at the center. In most of our stores, three safety delegates and three people representing the company are appointed, typically the Store Leader, Human Resources *Business Partner*, Operational Efficiency Leader, or Maintenance Leader.

Meetings with the Health and Safety Commission are held quarterly and address issues of national relevance: ISO 45001 certification results, accident data, newly communicated procedures or work processes, etc.

#### **Health and safety parameters**

RD S1-14 AR 81 | P. 88a | P.88b | P.88c | 88d | 88e | P. 90

Since 2021, LEROY MERLIN Spain's risk prevention management system has been externally certified according to ISO 45001 and is audited annually. In 2024, ADEO also conducted an internal audit of the system, with an overall result of "Very Good."

The main results of the occupational health and safety parameters are presented below:

PERCENTAGE OF OWN STAFF COVERED BY THE COMPANY'S HEALTH AND SAFETY MANAGEMENT SYSTEM	2023	2024
Percentage of employees covered by the company's health and safety system (%)	100%	100%
<b>PERCENTAGE OF OWN STAFF COVERED BY THE COMPANY'S HEALTH AND SAFETY MANAGEMENT SYSTEM BASED ON LEGAL REQUIREMENTS AND THAT HAS BEEN AUDITED</b>		
Percentage of employees covered by the health management system based on legal requirements and audited (%)	100%	100%
<b>NUMBER OF DEATHS AS A RESULT OF WORK-RELATED INJURIES AND HEALTH PROBLEMS</b>		
2023	2024	
Salaried employees	Salaried employees	
Number of deaths from work-related injuries and health problems	0	0
Number of deaths of other workers working on the company's construction sites (no.)	0	0

RECORDABLE WORK ACCIDENTS FOR OWN PERSONNEL	2023	2024
	Salaried employees	Salaried employees
<b>Number of work accidents (no.) with sick leave</b>	<b>218</b>	<b>203</b>
Women	76	84
Men	142	119
<b>Number of work accidents (no.) without sick leave</b>	<b>349</b>	<b>282</b>
Women	133	90
Men	216	192
<b>Total number of work accidents (no.) (with and without sick leave)</b>	<b>567</b>	<b>485</b>
Women	209	174
Men	358	311
Work accident rate or frequency index* (number of work accidents with sick leave among hours worked, per 1,000,000)	8.70	7.88

\*The incidence rate by gender is 10.87 for men and 6.33 for women in 2023; and 8.91 for men and 6.77 for women in 2024.

NUMBER OF RECORDABLE CASES OF WORK-RELATED HEALTH PROBLEMS	2023	2024
	Salaried employees	Salaried employees
Cases of health problems recorded in employees (no.)*	4	1

\*The breakdown by gender is as follows: 3 cases of women and 1 case of men in 2023; 1 case of women in 2024.

NUMBER OF DAYS LOST AS A CONSEQUENCE OF WORKPLACE ACCIDENTS AND OCCUPATIONAL DISEASES	2023	2024
	Salaried employees	Salaried employees
Number of days (workdays) lost	6491	7135

SEVERITY INDEX (LAW 11/2018)	2023	2024
	Salaried employees	Salaried employees
Severity index* (Number of days lost due to work-related injuries and deaths as a result of work-related accidents / hours worked) *1000	0.26	0.28

\*Gender data for the severity rate in 2023 are not available. In 2024, it is 0.29 for men and 0.26 for women.

HOURS OF TRAINING IN OCCUPATIONAL RISK PREVENTION	2023	2024	VARIATION
	Salaried employees	Salaried employees	
Total number of training hours provided in Occupational Risk Prevention*	54,844	110.002	100.57%

\*Data calculated with 2024 employee perimeter. Any training course included in the "PRL collection" is included.

## COMPREHENSIVE TEAM WELL-BEING

**At LEROY MERLIN Spain, we are aware that if we want to be a company that is relevant to society, our duty is to contribute to collective well-being and positively impact our stakeholders, especially our employees.**

### Our commitment

RD S1-4 P. 37 | MDT-T

COMMITMENT	GOAL	ACHIEVEMENT	UNIT OF MEASUREMENT AND TYPE	SCOPE	VALUE AND REFERENCE	INTERMEDIATE
	2024	2024	OF OBJECTIVE	MDR	YEAR	E
MDR-T 80 a	MDR-T 80 e	MDR-T 80 b	MDR-T 80 c	MDR-T 80 d	MDR-T 80 e	
We promote employee well-being through a four-pillar interconnected model to ensure the 360-degree well-being and holistic health of our employees: physical, emotional and mental, financial, and social.	Knowledge of the Wellness Plan greater than 70%	79.9%	% - Relative	All employees	64.7% (value at the end of 2023)	No intermediate milestones have been established
MDR-T 80 a	More than 10,000 hours of training provided on well-being	16,395 hours by the end of 2024	Hours - absolute	All employees	7,119 hours by the end of 2023	No intermediate milestones have been established

MDR-T 80 a

This commitment is established in accordance with the principles of generating a culture of prevention and ensuring safe and healthy working conditions outlined in the Health Policy.

MDR-T 80 f

See the Parameters and Goals section. Objectives are always defined by the department responsible for managing them, taking into account the previous year's benchmark.

MDR-T 80 g

The objective has been set based on LEROY MERLIN Spain's own criteria.

MDR-T 80 h

LEROY MERLIN Spain's stakeholders have not participated in the design of these objectives.

MDR-T 80 i

There have been no significant changes in the definition of objectives.

MDR-T 80 j

Both objectives of the 2024 goals have been achieved. The objective and, therefore, the benchmark are monitored monthly. Progress is in line with the initially planned target. There have been no significant changes in the company's performance toward achieving the target.

RD -T S1-5 P. 47 b

Employees participate in monitoring LEROY MERLIN Spain's performance against the established targets, both in the fourth-quarter progress bonus (paid in February of the following year) and on the share revaluation date (March of the following year), when a summary of the target monitoring is presented to all employees.

### **The actions carried out**

RD S1-4 P. 38a | P. 38b | P.38c | P. 40 a

#### **IMPACTS, RISKS AND OPPORTUNITIES**

##### **Comprehensive team well-being**

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##### **IMPACTS**

###### **POSITIVE IMPACTS**

- Improved work-life balance conditions through flexible working hours and teleworking measures for office workers
- Improving the health and well-being of employees through measures and initiatives for the overall well-being of teams

**Action 23:** Promoting physical, financial, emotional, mental and social well-being among employees

###### **NEGATIVE IMPACTS**

- Deterioration of work-life balance conditions for store employees due to schedules (weekend opening and extended hours)
- Deterioration in the satisfaction of some teams due to the perception of high workloads
- Deterioration of the health and well-being of employees due to the company's inability to implement an environment that promotes work-life balance

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###### **RISKS**

- Loss of employee satisfaction and productivity due to work overload
- Loss of employee satisfaction and productivity due to the inability to implement an environment that promotes work-life balance.

**Action 23:** Promoting physical, financial, emotional, mental and social well-being among employees

MDR-A

#### COMPREHENSIVE TEAM WELL-BEING

<b>ACTION 23</b>	<b>Promoting physical, financial, emotional, mental, and social well-being among employees</b>
	<b>Key actions</b>
MDR-A_01 P. 68 a	<ul style="list-style-type: none"><li>• Wellbeing Plan 3.0. Launched in 2023, it has been given more strategic content, aligning with ADEO's <i>Make it Positive</i> strategy.</li><li>• Physical well-being. Raising awareness about improving healthy habits (physical activity, nutrition, sleep, etc.) and providing intervention through various services: a team of physiotherapists spread across all stores, medical checkups, and gym discounts through the Wellhub app.</li><li>• Financial well-being. We promote financial health and our Flexible Compensation Plan. In 2024, we are working on the Compensation Portal to provide a more personalized view.</li><li>• Emotional and mental well-being. In addition to promoting our digital disconnection policy, in 2024 we will continue to roll out the Positive Minds pilot program, which includes awareness-raising and training activities, as well as access to psychological and counseling sessions.</li><li>• Social well-being. We promote initiatives for events and commercial operations, as well as corporate volunteering. In 2024, we strengthened our family-oriented approach with our Positive Families School and the <i>Plennio program</i> for helping seniors, which includes telephone support for any employee's questions and a dedicated program of hours for caring for an elderly family member with a specialist.</li><li>• Guarantee that people who benefit from any of the rights related to work-life balance will not see their career development or promotion opportunities hindered.</li><li>• Awareness-raising campaigns specifically targeting men on shared responsibility and balanced distribution of tasks.</li><li>• Definition of a measure that establishes that people who are on suspension of their contract due to the birth or care of a minor may participate in training courses and promotion processes.</li><li>• Promoting the use of new information technologies, whenever possible, to avoid continuous travel or displacement.</li></ul>
	<b>Achieving policy objectives and goals</b>
	The measures are aligned with LEROY MERLIN Spain's commitment to promoting employee well-being through a four-pillar interconnected model, ensuring the 360-degree well-being and holistic health of our employees: physical, emotional and mental, financial, and social.
MDR-A_02 P. 68 b	<b>Scope</b> The well-being promotion actions cover all of the company's employees.
MDR-A_03 P. 68 c	<b>Time horizon</b> Reference period 2024, although the Wellbeing Plan was launched in 2023 and its development will continue over the coming years.

**Actions to mitigate negative impacts**

MDR-A\_04 P. 68 d

This action mitigates the impacts of "Deterioration of the work-life balance of store employees due to schedules (weekend opening and extended hours)", "Deterioration of the satisfaction of some teams due to the perception of heavy workloads", and "Deterioration of the health and well-being of employees due to the company's inability to implement an environment that promotes work-life balance".

**Progress**

MDR-A\_05 P. 68 e

In 2024, we launched *Wellbeing Analytics* (Global Wellbeing Index) and delved deeper into the emotional and mental wellbeing pillar through the Mental Health First Aiders Network. We also achieved INTRAMA's Top HDH Company 2024 certification for the third consecutive year.

**Parameters and goals**

INDICATORS OF INTEREST - WELL-BEING	2023	2024	VARIATION
Average result of knowledge of the Wellness Plan (EXI Survey)	64.70%	79.90%	15.20%
Wellness Plan Assessment (average) (EXI Survey)	S/D	9	-
<i>Active users of the Wellness platform</i> *	87.85%	92.30%	4.45%
<i>Active Wellhub (Gympass) members</i>	755	1588	47.54%
<i>Centers with Physiotherapy</i>	92.65%	99%	6.35%
<i>Number of hours of training in Well-being</i> **	7119.5	16395	43.42%
<i>Positive Minds Sessions (launched July 2023)</i> ***	174	691	25.18%
<i>Senior Care Services (Launching June 2024)</i> ****	S/D	75	-
<i>Senior Care Hours (Launching June 2024)</i> *****	S/D	208	-

\* Specific questions related to well-being are asked in the latest wave of the EXI survey, allowing for monitoring of employee awareness of the Wellness Plan. The target is based on 2023 data. This is the percentage of employees who report being aware of the Wellness Plan. The employee sample is the full sample used in the EXI survey.

\*\* Users registered on the Wellness platform who have accessed in the last 12 months

\*\*\* Total hours taught during the current year for the courses in the "Wellness and Health Collection" (in 2024) and for the wellness-related courses in 2023. The total number of hours taught throughout the year is calculated based on the theoretical duration of each course.

\*\*\*\* Psychology and counseling sessions (Positive Minds Program)

\*\*\*\*\* Elderly care services for employees provided by an external company, Plennio

## GOALS AND OTHER PARAMETERS

### **Goals related to managing material negative impacts, driving positive impacts, and managing material risks and opportunities**

RD S1-5 P. 46 | P. 47a | P. 47b | P. 47c | AR 49a | AR 49c

To establish goals related to managing impacts, risks, and opportunities linked to employees, the People Steering Committee establishes objectives and key results based on the 3-year Strategic Plan, which is based on five pillars: Leadership, Culture, Employee Experience, Attraction and Acquisition, Training and Development, and Transformation. Once the objectives are defined, the indicators associated with each are established.

On the other hand, in Employee Experience, the main indicator is the *Employee Net Promoter Score* (eNPS), which remains constant over the years as a reference indicator, allowing for analysis of its evolution over time. The eNPS is an international standard that helps standardize and compare data. It allows for measuring the work environment, loyalty, and commitment of teams. At LEROY MERLIN Spain, the objective is established at the national level based on the target set by ADEO, which establishes its goals in the Three-Year Strategic Plan. In 2024, ADEO's target is 50, and LEROY MERLIN Spain's is over 60. Measurement is carried out biannually: in June and November, using the EXI Pulses.

Employees and workforce representatives are generally not involved in the goal-setting process. However, all employees are aware of the strategic objectives (OKRs) for the following year thanks to the communication of these objectives once they have been finalized. Furthermore, employees participate in quarterly meetings organized to communicate the "progress bonus" and, once a year, in the meeting organized to communicate the "profit-sharing" program. These meetings share the financial figures, in which employees participate, as well as key information about the company's performance during different periods, key macroeconomic indicators, and trends affecting the company.

The listening process allows us to develop projects and processes that help improve indicators. The expected results are a high level of commitment and loyalty, reduced turnover, increased productivity, and a decrease in absenteeism.

MDR-M P. 77 b

As a general rule, the metrics established for managing material negative impacts, promoting positive impacts, and managing material risks and opportunities for the material theme of own employees have not been validated by an external body other than the auditor of this report, unless specified for a specific metric that has been externally validated.

### **Serious incidents, complaints and impacts related to human rights**

RD S1-17 P. 103a | P. 103b | 103 c | 103 d | P. 104 a | 104b | AR 106

Information regarding communications received related to discrimination is managed anonymously and confidentially by the Anti-Discrimination Officer, who is part of the Ethics Committee.

<b>NUMBER OF COMMUNICATIONS RECEIVED* RELATED TO DISCRIMINATION (INCLUDING HARASSMENT) IN OUR OWN STAFF**</b>	<b>2023</b>	<b>2024</b>	<b>VARIATION</b>
Number of communications related to employee discrimination (no.) received via Whispli	68	20	-70.59%
Total number of communications related to discrimination against own staff (no.) received via Whispli	68	20	-70.59%
Number of communications related to employee discrimination (no.) received via CITSA	3	7	133.33%
Total number of communications related to discrimination against own staff (no.) received via CITSA	3	7	133.33%
Number of communications related to employee discrimination (no.) received	71	27	-61.97%
<b>TOTAL NUMBER of communications related to discrimination against own staff (no.) received *</b>	<b>71</b>	<b>27</b>	<b>-61.97%</b>

*\*The number of communications received includes communications received through the ethics channel (Whispli) and through the Commission for the Treatment of Harassment Situations (CITSA), and both itemized and consolidated data are provided for these two communication reception channels.*

*\*\*Note: The total number of communications or incidents received from non-salaried employees during 2023 and 2024 was 0.*

<b>NUMBER OF CONFIRMED INCIDENTS OF DISCRIMINATION (INCLUDING HARASSMENT) IN OUR OWN STAFF*</b>	<b>2023</b>	<b>2024</b>	<b>VARIATION</b>
Number of employee discrimination incidents (no.) received and confirmed via Whispli	8	9	12.50%
<b>Total number of incidents of discrimination against own staff (no.) received and confirmed via Whispli</b>	<b>8</b>	<b>9</b>	<b>12.50%</b>
Number of incidents of employee discrimination (no.) received and confirmed via CITSA	1	1	0.00%
<b>Total number of incidents of discrimination against own staff (no.) received and confirmed via CITSA</b>	<b>1</b>	<b>1</b>	<b>0.00%</b>
Number of incidents of employee discrimination (no.) received and confirmed	9	10	11.11%
<b>TOTAL NUMBER of incidents of discrimination against own personnel (no.) received and confirmed</b>	<b>9</b>	<b>10</b>	<b>11.11%</b>

*\*The discrimination incident count includes incidents received and confirmed based on the communications received and reported in the table above, through both channels and on a consolidated basis.*

<b>DISCRIMINATION INCIDENT MANAGEMENT (INCLUDING HARASSMENT) *</b>	<b>2023</b>	<b>2024</b>	<b>VARIATION</b>
<b>TOTAL NUMBER of incidents of discrimination against own personnel (no.) received and confirmed</b>	<b>9</b>	<b>10</b>	<b>11.11%</b>
TOTAL NUMBER of discrimination incidents ANALYZED AND DISCARDED AFTER ANALYSIS	49	17	-65.31%

*\*Details are reported on both incidents of discrimination received and confirmed, as well as those that have been ruled out after analysis. As of the closing date of this report, no cases are under analysis.*

NUMBER OF COMPLAINTS SUBMITTED THROUGH CHANNELS FOR OWN STAFF TO RAISE CONCERNS	2023	2024	VARIATION
Total number of complaints received through the complaint channel: WHISPLI (no.)	114	94	-17.54%
Total number of complaints received through the complaint channel: CITSA (no.)	3	7	133.33%
Total number of complaints received through the complaint channel: ORDINARY MEETINGS OF THE INTERCENTER AND COMPANY COMMITTEE	33	27	-18.18%
<b>Total number of complaints received through internal complaint channels</b>	<b>150</b>	<b>128</b>	<b>-14.67%</b>
Total number of complaints lodged with OECD National Contact Points for Multinational Enterprises (no.)	0	0	-

*\*Complaints are considered to be all those received through the following channels: Ethics Channel (Whispli), the Commission for the Treatment of Harassment Situations (CITSA), and regular meetings of the Inter-Center Committee and the Company. Data is provided both broken down by channel and consolidated. At the end of 2024, a total of (3) compensation agreements have been processed as a result of legal cases, none of them serious, related to work-related accidents. The total amount of these compensation agreements is €45,000. These amounts are recorded in the financial statements as provisions in the Profit and Loss Account.*

*At the close of 2023 and 2024, no serious human rights incidents or problems related to our own employees were identified, nor were there any cases of non-compliance with the United Nations Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Business. To reach this understanding, a thorough review of the cases confirmed throughout the year was conducted and it was found that these were isolated cases and none could be considered serious. Similarly, no fines, sanctions, or damages were recorded for serious human rights incidents, and therefore, there were no incidents considered serious in which the company had to play a role to ensure redress for those affected.*

NUMBER OF CONCERN RECEIVED THROUGH OPEN QUESTIONS IN EXI SURVEY (NO.) *	2023	2024	VARIATION
Total number of concerns received through open questions in EXI SURVEY (no.)	6.697	5.451	-18.61%

*\*The EXI (Employee Experience Index) survey, which was sent to employees twice a year in 2024, includes an open-ended question where employees can share concerns about their day-to-day work. These concerns are not formal complaints, but are recorded and reviewed as part of the employee listening process.*

## CURRENT AND FUTURE FINANCIAL AND OTHER RESOURCES

RD MDR-A 69 a | 69 b

In 2024, LEROY MERLIN Spain has allocated 64.3 million euros in OpEx to the following action for its own staff: Action 14 - Distribution of economic benefits among collaborators.

The relationship with the most relevant amounts presented in the financial statements is as follows: the figure is an OpEx included in personnel expenses. The allocation of resources for 2025 has not yet been planned.

Regarding other actions for its own personnel, financial resources have been allocated for all actions. However, and in accordance with the significance criteria established by regulations, they are not reported in this document because they are not considered significant quantitatively, being below 0.2% of the company's revenue; nor qualitatively, because they do not represent a widespread negative or positive impact on stakeholders or the environment.

ESRS S 2 Value chain workers

## Workers in the value chain

KEY MATERIAL TOPICS		
MILESTONES 2024		
IMPACTS	RISKS	OPPORTUNITIES
Contribution to the protection of working conditions and human rights in the value chain through audits and internal control	<ul style="list-style-type: none"><li>• Responsible value chain</li><li>• Successful work on the two key objectives at the level of auditing merchandise suppliers</li><li>• Promoting relationships with suppliers and providing specialized training in sustainability</li></ul>	
Accidents and/or illnesses in suppliers as a result of their work for the company		

### STRATEGY

#### Interests and opinions of stakeholders

RD related to ESRS 2 SBM-2

See chapter [02 ON SUSTAINABILITY](#) ESRS 2 General information.

#### Material impacts, risks and opportunities and their interaction with the strategy and business model

RD related to ESRS 2 SBM-3

See chapter [02 ON SUSTAINABILITY](#) ESRS 2 General information.

### MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES

#### Policies related to workers in the value chain

RD S2-1 P. 17 | P. 17 b | P. 18 | P. 19

Our ethics and human rights policy commitments for workers in the value chain are based on the Responsible Purchasing Suppliers Code of Conduct (Goods) and the Indirect Purchasing Code of Conduct. These codes are the foundation upon which our relationship with suppliers and workers in the value chain is built.

These codes address the issues of human trafficking, forced labor, and child labor. Specifically, they specify:

- The prohibition of child labor in accordance with the strictest standard between applicable local legislation and ILO Convention 138, which defines 15 years as the minimum legal age for employment.
- The prohibition of all dangerous and night work for persons under 18 years of age.

- The abolition of forced labor and trafficking in persons through the prohibition of the use of slavery, bonded labor, debt bondage, or other forms of labor, as well as work or services performed or rendered involuntarily by a person under threat of punishment and without remuneration, as well as the prohibition of the use of prison labor.

### **Code of Conduct for Responsible Purchasing Suppliers (Goods)**

MDR-P 65 a

The LEROY MERLIN Spain Responsible Purchasing Supplier Code of Conduct establishes the principles that govern the relationship between the company and its merchandise suppliers, seeking ethical and responsible conduct in the supply chain.

MDR-P 65 a

The code reflects LEROY MERLIN Spain's commitment to protecting working conditions and human rights throughout the value chain, including zero tolerance for any manifestation of physical, psychological, or moral harassment, abuse of authority, or intimidating or offensive behavior against people's rights, as well as the protection and health of employees throughout the value chain and accident prevention.

MDR-P 65 a

LEROY MERLIN Spain promotes ethics and compliance among its suppliers through adherence to the code, communication, and training. Suppliers must formally commit to compliance with the code and communicate it to their employees.

To ensure that LEROY MERLIN Spain's suppliers comply with its Code of Conduct, the company may conduct audits, either internally through the Quality Department or through independent third parties, at any supplier's or related facilities. Suppliers must provide the information necessary for these audits. We also have an ethics channel (Whispli) to receive and manage any impacts that may arise related to human rights.

MDR-P 65 b

The code applies to all suppliers who provide commercial goods or services to LEROY MERLIN Spain.

MDR-P 65 c

The highest position in the company responsible for implementing the policy is the Chief Financial Officer.

MDR-P 65 d

The code is aligned with the LEROY MERLIN Spain Code of Ethics and adheres to the Universal Declaration of Human Rights, the Principles of the Global Compact, and the Sustainable Development Goals (SDGs), especially SDG 8 (Decent Work and Economic Growth).

MDR-P 65 e

Stakeholders were not directly involved in the design of this policy; however, it was established taking into account the interests and needs of LEROY MERLIN Spain's main stakeholders, especially employees in the value chain.

MDR-P 65 f

The Responsible Purchasing Suppliers' Code of Conduct is available on the LEROY MERLIN Spain corporate website.

### **Responsible Purchasing Policy for Wood Products**

MDR-P 65 a

LEROY MERLIN Spain's Responsible Wood Purchasing Policy seeks to ensure environmental and social sustainability in the acquisition of wood products, guaranteeing legality, responsible forest certification, and respect for ecosystems and local communities, engaging all stakeholders and promoting responsible consumption.

MDR-P 65 a

The Policy is linked to the protection of labor conditions and human rights by requiring suppliers to provide traceability and conditions of origin for their wood, as well as adherence to their commitments.

MDR-P 65 a

LEROY MERLIN Spain monitors compliance with the Responsible Wood Purchasing Policy by requesting information and documentation from suppliers to verify the legal and responsible origin of the wood, which is included in the established procedures. Qualification audits and field verification actions may be conducted. Furthermore, a continuous improvement process is established, and in the event of serious noncompliance, the business relationship with the supplier will be reconsidered or terminated.

MDR-P 65 b

The policy affects all products containing wood (including: fibers, composite wood, wood fuel, charcoal) sold in LME stores.

MDR-P - 65 c

The highest position in the company responsible for implementing the policy is the Chief Financial Officer.

MDR-P - 65 d

This policy is aligned with the Environmental Policy and the Code of Conduct for Responsible Purchasing Suppliers of LEROY MERLIN Spain, which adhere to the Universal Declaration of Human Rights, the Principles of the Global Compact and the Sustainable Development Goals (SDGs).

MDR-P 6 e

Stakeholders were not directly involved in the design of this policy, but the interests and needs of key stakeholders, particularly suppliers and customers, were taken into account.

MDR-P 65 f

The Responsible Purchasing Policy for wood products is available on the LEROY MERLIN Spain corporate website.

## **Code of Conduct for Indirect Purchasing Suppliers**

MDR-P 65 a

The Indirect Purchasing Code of Conduct establishes the principles and values that govern the relationship between the company and its indirect purchasing suppliers, promoting ethical and responsible behavior at all stages of the supply chain.

MDR-P 65 a

The code addresses the protection of working conditions and human rights in the value chain, accidents and/or illnesses among suppliers resulting from their work for the company, and legal proceedings associated with cases of moral or physical harassment toward an employee in the value chain.

MDR-P 65 a

LEROY MERLIN Spain monitors compliance with the Code of Conduct through various mechanisms, including risk assessment, supplier due diligence, training, and communication.

The Quality Department conducts social audits of suppliers. We also have an ethics channel (Whispli) to receive and manage any potential impacts related to human rights.

Suppliers are encouraged to report any breaches of the code, and penalties are provided for non-compliance.

MDR-P 65 b

The code applies to all of the company's indirect purchasing suppliers, including those that provide goods and services not intended for direct sale to the end customer.

MDR-P 65 c

The highest position in the company responsible for implementing the policy is the Chief Financial Officer.

MDR-P 65 d

The code is aligned with the LEROY MERLIN Spain Code of Ethics and adheres to the Universal Declaration of Human Rights, the Principles of the Global Compact, and the Sustainable Development Goals (SDGs), especially SDG 8 (Decent Work and Economic Growth).

MDR-P 65 e

Stakeholders were not directly involved in the design of this policy, but it was designed taking into account the interests and needs of LEROY MERLIN Spain's main stakeholders, especially those working in the value chain.

MDR-P 65 f

The Code of Conduct for Indirect Purchasing Suppliers is available on the LEROY MERLIN Spain corporate website. The codes reflect ADEO's strategy based on respect for and promotion of fundamental principles regarding human rights and working conditions.

RD S2-1 P. 17 a | P. 18

Our approach to respecting human rights relevant to workers in the value chain, especially those supplying goods, focuses on:

- Prohibition of child labor and hazardous work
- Abolition of forced labor and human trafficking
- Freedom of association and collective bargaining
- Employee remuneration and working hours in accordance with ILO conventions

RD S2-1 P. 17 c

The Quality Department conducts social audits of suppliers. We also have an ethics channel (Whispli) to receive and manage any potential impacts related to human rights.

RD S2-1 P. 19

#### **Processes for collaborating with value chain workers on impacts**

RD S2-2 P. 22 d

The Global Framework Agreement on respect for workers' human rights is included in supplier codes of conduct.

RD S2-2 P. 22 e

The effectiveness of interaction with employer companies is assessed through social audits and self-assessments, as well as through direct and periodic contact with supplier managers from the Supplier Relations Department and Supply Chain Managers. We plan to implement a similar process for indirect purchasing in the future.

RD S2 SBM-3 P. 22

The perspectives of value chain workers do not influence decisions or activities aimed at managing actual and potential impacts, and how.

Interaction occurs with the employing companies, not with the actual employees in the value chain or with credible representatives. Constant monitoring is conducted by each department that contracts with suppliers, and additional monitoring is conducted by the Supplier Relations Department (for merchandise suppliers) and the Indirect Purchasing Department (for indirect purchasing suppliers) in the case of bidding processes.

The figures within the company who are operationally responsible for ensuring that collaboration takes place and that the results inform the company's approach are the Chief Offering Officer and the Chief Financial Officer.

While the aforementioned forms of interaction exist, the company does not have a formal procedure for interacting with workers in the value chain. Therefore, the perspectives of specific groups that may be subject to greater vulnerability have not yet been integrated.

**Processes to remediate negative impacts and channels for value chain workers to express their concerns**

RD S2-3 P. 27 a | S1.SBM-3 14fi

The company's ethics channel, Whispli, is publicly accessible to any LEROY MERLIN Spain stakeholder, including employees across the value chain (suppliers). No incidents were reported through this channel in 2024.

Additionally, in the case of merchandise suppliers, all suppliers, as well as factories that supply private-label products, are assessed as standard. Initially, through a self-assessment to evaluate their quality management system, their social management system, and their environmental management system. Additionally, for factories that supply private-label products, this is achieved through three on-site audits at the factories, in which an accredited external company assesses the quality management system (based on the ADEO standard), the social management system (based on the ICS standard), and the environmental management system (based on the ICS standard).

If any of the assessments are negative, mechanisms are implemented to reverse the situation through an action plan. Leroy Merlin Spain has no operations with a significant risk of forced or compulsory labor incidents.

RD S2-3 P. 27 b | P. 27 c | AR 23

To enable workers in the value chain to raise concerns or needs directly with LEROY MERLIN Spain, we have the ethics channel (Whispli), which is public and open and can be accessed through our website.

RD S2-3 AR 25

Workers across the value chain can use this channel anonymously. Complaints are handled confidentially and with respect for privacy and data protection rights.

RD S2-3 P. 27 d

A company team manages alerts received through the ethics channel, following the information systems policy and procedure that LEROY MERLIN Spain has implemented since 2023. Monitoring is carried out through the file that compiles all cases submitted to the ethics channel. The auditor reviews any cases of corruption that have occurred annually, and internal or group audits are conducted periodically.

RD S2-3 P. 28

It is not possible to assess whether workers in the value chain understand and trust these processes because we do not have direct access to them, and therefore, we cannot conduct an ethical survey, similar to the one we conduct with the company's employees.

We have measures in place to protect against retaliation for individuals who use channels to raise concerns or needs. Specifically, these measures are specified in Annex III (Protocol on the Prohibition of Retaliation) of the Internal Reporting System Procedure.

Furthermore, to ensure responsible purchasing suppliers are listened to and to encourage dialogue with these types of suppliers, we conduct an anonymous NPS survey biannually. We have a supplier support email, a contact phone number, and a team of two internal and two external people to address questions, concerns, and queries. The Supplier Portal group tool provides relevant documentation so suppliers can obtain information based on their needs.

For indirect purchasing suppliers, we have *category managers*, collaborators specialized in different categories of indirect purchasing suppliers, available to review the follow-up of the operation with them.

## MATERIAL TOPICS

### RESPONSIBLE VALUE CHAIN

**A responsible value chain is essential to ensuring that our business practices have a positive impact on workers involved at every stage of the process. Our contribution to protecting working conditions and human rights throughout the value chain is a responsible practice.**

#### Our commitment

RD S2-4 P. 37 | MDR-T

COMMITMENT	GOAL 2024	ACHIEVEMENT 2024	UNIT OF MEASUREMENT AND TYPE OF OBJECTIVE	SCOPE MDR	VALUE AND REFERENCE YEAR	INTERMEDIATE MILESTONES
MDR-T 80 a	MDR-T 80 e	MDR-T 80 b	MDR-T 80 C	MDR-T 80 D	MDR-T 80 E	
Promoting the quality of our suppliers	90% of sales come from suppliers categorized as 'low risk' after the self-assessment.	89% of sales come from suppliers categorized as 'low risk' after the self-assessment.	% Percentage - Relative	Suppliers of goods	89% of sales come from suppliers categorized as 'low risk' after the self-assessment (value in 2023)	No intermediate milestones have been established
	100% of factories supplying own brand are qualified or qualified under conditions	99% of factories supplying own brand are qualified or qualified under conditions	% Percentage - Relative	Suppliers of goods	99% of factories supplying own-brand products are qualified or qualified under conditions (value in 2023)	No intermediate milestones have been established
Promote the use of sustainably managed wood	100% of product references containing wood come from sustainably managed forests	95.9% of product references containing wood come from sustainably managed forests	% Percentage - Relative	All products marketed by the company that contain wood	97.3% of product references containing wood come from sustainably managed forests (value in 2023)	No intermediate milestones have been established

NOTE: Additionally, the governance chapter of this report includes other objectives regarding suppliers with which the entity collaborates.

MDR-T 80 a

These commitments are linked to the Responsible Purchasing Suppliers Code of Conduct, which seeks to promote ethical and responsible conduct in the supply chain.

MDR-T 80 f

See [the Goals and Other Parameters section](#) of the Value Chain Workers subchapter for the methodology used to establish objectives. Objectives are always defined by the department responsible for managing them, taking into account the previous year's baseline.

MDR-T 80 g

The objectives have been set based on LEROY MERLIN Spain's own criteria.

MDR-T 80 h

LEROY MERLIN Spain's stakeholders have not participated in the design of these objectives.

MDR-T 80 i

There have been no significant changes in the definition of objectives .

MDR-T 80 j

At the end of 2024, the objectives set have been practically achieved. The failure to fully achieve these objectives is due to the rapidly fluctuating data required, as work is required on a daily basis, both due to the addition of new suppliers and factories that require initial evaluations, as well as the renewal of their evaluations. Furthermore, the objective and, therefore, the parameter are monitored monthly. There have been no significant changes in the company's performance to achieve the goal.

### **The actions carried out**

RD S2-4 P.32 a | P. 32 b | P. 32 c | P. 32 d | P. 35 | P.38

The main actions related to impacts, risks, and opportunities in the value chain are detailed below. These actions are carried out and supervised by the various internal departments responsible for managing supplier relationships. Through the actions described below, the company ensures that its own practices do not cause or contribute to material negative impacts on workers in the value chain. The company dedicates human and financial resources to adequately manage both positive and negative impacts.

#### **IMPACTS, RISKS AND OPPORTUNITIES**

#### **RESPONSIBLE VALUE CHAIN**

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#### **IMPACTS**

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#### **POSITIVE IMPACTS**

- Contribution to the protection of working conditions and human rights in the value chain through audits and internal control
- **Action 24:** Conducting social and environmental audits on merchandise suppliers
- **Action 25:** Updating the risk matrices and the double materiality study and monitoring of said risks
- **Action 26:** Monitoring the signing of codes of conduct by suppliers and potential breaches received through the ethics channel
- **Action 27:** Provision of training courses for suppliers

### NEGATIVE IMPACTS

- Accidents and/or illnesses among suppliers as a result of their work for the company\*

- **Action 28:** Accreditation of external workers through the Dokify tool to ensure compliance with occupational safety standards
- **Action 29:** Strengthening the product self-control process

### RISKS

- Legal proceedings (fines, litigation) associated with cases of moral or physical harassment towards an employee in the value chain (subcontractor/supplier)

- **Action 25:** Conducting social and environmental audits on merchandise suppliers
- **Action 25:** Updating the risk matrices and the double materiality study and monitoring of said risks
- **Action 26:** Monitoring the signing of codes of conduct by suppliers and potential breaches received through the ethics channel
- **Action 27:** Provision of training courses for suppliers
- **Action 28:** Accreditation of external workers through the Dokify tool to ensure compliance with occupational safety standards

*\*The use of Dokify is encouraged to ensure the health and safety of suppliers who perform work for the company. In the case of installation suppliers, there is a network manager within Leroy Merlin Spain, who manages any issues that arise. In the case of installation services, construction projects, or comprehensive renovations in the client's home, in addition to Dokify, there is a technical assistance protocol for occupational risk prevention to be carried out in processes involving construction or work with special risks. This protocol is supported by an external company, Preventium, which provides a health and safety coordinator and a preventive resource on-site and coordinates the actions. If you observe any deficiencies, you are obligated to report them immediately so that the necessary measures can be taken to correct them. In the event of an accident, you must immediately inform the prevention service and Leroy Merlin Spain so that an investigation can be requested and, if necessary, additional measures can be taken.*

MDR-A

### RESPONSIBLE VALUE CHAIN

ACTION 24	Conducting social and environmental audits on merchandise suppliers
	<p><b>Key actions</b> Conducting audits on referenced manufacturers to produce own-brand products.</p>
MDR-A_01 P. 68 a	<p><b>Achieving policy objectives and goals</b> This action is aligned with our ethics and human rights policy commitments for workers in the value chain: Code of Conduct for Responsible Purchasing Suppliers (Goods) and Code of Conduct for Indirect Purchasing.</p>
MDR-A_02 P. 68 b	<p><b>Scope</b> Social and environmental audits are conducted on manufacturers designated for the production of private-label products. Merchandise suppliers are the main stakeholder group involved in this effort.</p>
MDR-A_03 P. 68 c	<p><b>Time horizon</b> Reference period 2024, although audits have been carried out in previous years and will continue to be carried out in future years.</p>

**Actions to mitigate negative impacts**

MDR-A\_04 P. 68 d

This action mitigates the impact of "accidents and/or illnesses among suppliers as a result of their work for the company."

**Progress**

MDR-A\_05 P. 68 e

- Ninety-nine percent of existing factories are qualified under social audits.
- 98.33% of existing high-environmental-impact factories are qualified under environmental audits.
- No serious incidents related to human and labor rights have been detected in audits.

**RESPONSIBLE VALUE CHAIN**

**ACTION 25**

**Updating risk matrices and studying the dual materiality and monitoring of these risks**

**Key actions**

- Biennial update of risk matrices and the study of dual materiality and monitoring of said risks.

MDR-A\_01 P. 68 a

**Achieving policy objectives and goals**

This action is aligned with our ethics and human rights policy commitments for workers in the value chain: Code of Conduct for Responsible Purchasing Suppliers (Goods) and Code of Conduct for Indirect Purchasing.

**Scope**

MDR-A\_02 P. 68 b

The risk matrices and the dual materiality study are updated biennially. Suppliers are considered one of the stakeholders in the dual materiality study, and a sample of them are consulted to integrate their perspective.

**Time horizon**

MDR-A\_03 P. 68 c

Reference period 2024. This action has been implemented for more than five years and will continue in the coming years.

**Actions to mitigate negative impacts**

MDR-A\_04 P. 68 d

This action mitigates the impact of "accidents and/or illnesses among suppliers as a result of their work for the company."

**Progress**

MDR-A\_05 P. 68 e

In 2024, we conducted a dual materiality study and continue to periodically monitor risk matrices.

#### RESPONSIBLE VALUE CHAIN

<b>ACTION 26</b>	<b>Monitoring of supplier signatures of codes of conduct and potential breaches received through the ethics channel</b>
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##### **Key actions**

- Monitoring suppliers' signature of the Code of Conduct for Indirect Purchasing Suppliers and the Code of Conduct for Responsible Purchasing Suppliers.
- Information on the existence of the ethical channel
- Free access to the ethics channel for anyone, including a worker in the value chain, to report a potential incident.

MDR-A\_01 P. 68 a

##### **Achieving policy objectives and goals**

This action is aligned with our ethics and human rights policy commitments for workers in the value chain: Code of Conduct for Responsible Purchasing Suppliers (Goods) and Code of Conduct for Indirect Purchasing.

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##### **Scope**

MDR-A\_02 P. 68 b

All suppliers sign the corresponding codes of conduct. Furthermore, all merchandise suppliers complete a self-assessment that includes questions related to social and environmental aspects. Additionally, audits are conducted on manufacturers designated for the production of private-label products. Suppliers are the stakeholder group involved in this action.

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##### **Time horizon**

MDR-A\_03 P. 68 c

Reference period 2024, although monitoring of the signing of the Codes has been carried out in previous periods and will continue to be carried out in subsequent periods.

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##### **Actions to mitigate negative impacts**

MDR-A\_04 P. 68 d

This action mitigates the impact of "accidents and/or illnesses among suppliers as a result of their work for the company."

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##### **Progress**

MDR-A\_05 P. 68 e

By the end of 2024, Codes of Conduct signature rates of 99.6% had been achieved for merchandise purchasing suppliers and 81% for indirect purchasing suppliers.

#### RESPONSIBLE VALUE CHAIN

<b>ACTION 29</b>	<b>Strengthening the product self-control process</b>
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##### **Key actions**

- Random product reviews, performing 360-degree inspections, i.e., document reviews, product testing, etc.
- Preventive identification of potential legal and security breaches.
- Contact suppliers when their products are non-compliant to establish action plans.

### Achieving policy objectives and goals

We ensure that every product, before being marketed, complies with legal requirements as well as ADEO's internal policies.

ADEO has internal policies that affect all products: Sustainable Raw Materials Policy (including the Wood and Packaging Policy) and Hazardous Substances Policy. All suppliers agree to follow these policies before beginning their contractual relationship with LEROY MERLIN Spain by signing the Quality Annex, the Supplier Quality Manual, and the Code of Ethics.

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#### Scope

MDR-A\_02 P. 68 b

We ask all suppliers to submit evidence of compliance for all their products with applicable regulations to ensure safety for end customers.

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#### Time horizon

MDR-A\_03 P. 68 c

The action has been carried out in previous years and has been carried out throughout 2024.

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#### Actions to mitigate negative impacts

MDR-A\_04 P. 68 d

There are no negative impacts.

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#### Progress

MDR-A\_05 P. 68 e

In 2024, we reviewed more than 3,000 products and strengthened the self-monitoring process with random checks to ensure they meet regulatory requirements and are safe. The criteria followed may include: the product's risk level, its CV, legislative changes, etc.

## RESPONSIBLE VALUE CHAIN

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### ACTION 27

#### Availability of training courses for suppliers

##### Key actions

- Availability to suppliers of the "Sustainable Suppliers Training Program," promoted by the Global Compact.
- Home Index: *Streaming sessions*, hybrid and in-person format with suppliers from the project world and *streaming* with AFEB and partners.
- Meetings and training workshops in collaboration with the main national associations of manufacturers and distributors in the market and sector, focusing on projects or situations of greatest interest to their members, suppliers of LEROY MERLIN Spain.

##### Achieving policy objectives and goals

This action is aligned with our ethics and human rights policy commitments for workers in the value chain: Code of Conduct for Responsible Purchasing Suppliers (Goods) and Code of Conduct for Indirect Purchasing.

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##### Scope

MDR-A\_02 P. 68 b

Suppliers with economic activity in Spain are the stakeholder group involved in this action.

MDR-A_03 P. 68 c	<b>Time horizon</b> Reference period 2024, will be continued in future years.
MDR-A_04 P. 68 d	<b>Actions to mitigate negative impacts</b> There are no negative impacts.
MDR-A_05 P. 68 e	<b>Progress</b> In the first session of the Sustainable Suppliers Training Program, more than 60 suppliers were trained, improving their knowledge of social, environmental, and supply chain issues. As part of Home Index, we held four sessions with suppliers and one with AFEB and partners. More than 800 suppliers have been trained in Home Index.
<b>RESPONSIBLE VALUE CHAIN</b>	
<b>ACTION 28</b>	<b>Accreditation of external workers through the Dokify tool to ensure compliance with occupational safety standards.</b>
MDR-A_01 P. 68 a	<b>Key actions</b> Dokify tool available to certify compliance with occupational safety regulations for external workers, in the event they need to access a LEROY MERLIN Spain work center. <b>Achieving policy objectives and goals</b> This action is aligned with our ethics and human rights policy commitments for workers in the value chain: Code of Conduct for Responsible Purchasing Suppliers (Goods) and Code of Conduct for Indirect Purchasing.
MDR-A_02 P. 68 b	<b>Scope</b> Suppliers are the stakeholder group involved in this action and, indirectly, therefore, the suppliers' employees.
MDR-A_03 P. 68 c	<b>Time horizon</b> The Dokify tool has been available since 2020 and will continue to be available in subsequent reporting periods.
MDR-A_04 P. 68 d	<b>Actions to mitigate negative impacts</b> This action mitigates the impact of "accidents and/or illnesses among suppliers as a result of their work for the company."
MDR-A_05 P. 68 e	<b>Progress</b> The tool is available at the company, and its use is encouraged when necessary. By the end of 2024, it is widely used at the company's facilities, especially in stores. Its use ensures, through document control, that companies accessing the facilities comply with basic occupational risk prevention regulations.

RD S2-4 P.33 a | P. 33 b | P. 33 c

To identify what action is necessary in response to any material negative impact on workers in the value chain, we closely monitor the cases that occur. Depending on the accident and/or illness, we determine the approach to take. No serious impacts of this type have occurred at

the end of 2024 or 2023. Procedures are periodically reviewed to ensure their correct implementation.

RD S2-4 P.34 a

We do not have actions in place to mitigate material risks arising from the impacts and dependencies of workers in the value chain.

RD S2-1 P.19 | S2-4 P. 36

No serious human rights violations related to the value chain were detected in the audits conducted in either 2023 or 2024. Only one notification was received regarding occupational safety (unsafe machinery and equipment). In this regard, it is considered that there have been no cases of non-compliance with the United Nations Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises involving workers in the value chain, either upstream or downstream.

## GOALS AND OTHER PARAMETERS

### Goals related to managing material negative impacts, driving positive impacts, and managing material risks and opportunities

Below are our own indicators linked to compliance and risks in the value chain.

MANUFACTURING SUPPLIERS THAT SUPPLY OWN BRAND	2023	2024	VARIATION
Total number of referenced factories (with which we work during the year)	151	130	-13.91%
Total number of qualified factories (successfully passed the audit)	146	127	-13.01%
Percentage of qualified factories under quality audits (of total existing factories)*	99%	99%	-
Percentage of factories qualified under social audits (of total existing factories)**	98%	99%	0.66 pp.

\*100% of the referenced factories must be qualified in quality and social aspects. This indicator is updated every three years and may fluctuate.

\*\*100% of new factories must pass a favorable quality and social audit in order to serve the company.

SUPPLIERS AND MANUFACTURERS THAT SUPPLY HIGH-IMPACT* ENVIRONMENTAL OWN BRAND	2023	2024	VARIATION
Total number of existing high-impact factories	75	60	-20.00%
Total number of qualified high-impact factories (successfully passed the environmental audit)	74	59	-20.27%
Percentage of qualified high-impact factories (of total existing factories)	99%	98%	-0.27 pp.

\*Those whose production process has been deemed to have a high environmental impact in the prior self-assessment are considered 'high impact'.

**PERCENTAGE OF SALES FIGURE THAT COMES FROM  
EVALUATED SUPPLIERS**

	2023	2024	VARIATION
Percentage of sales figures from evaluated suppliers*	89%	89%	-

\*Supplier approval through a self-assessment in terms of quality, social and environmental performance.

**SUSTAINABLE WOOD REFERENCES**

	2023	2024	VARIATION
Total number of references containing wood*	40,067	39,456	-1.52%
Total number of references containing wood from sustainable forests	39,002	37,855	-2.94%
Percentage of wood products with sustainable forest management certification over the total	97.34%	95.94%	-1.40%

\*References containing wood or wood-based products (such as paper). Data extracted as of 01/07/2025. Wood certified as FSC or PEFC is considered 'wood from sustainable forests'.

**TOTAL PURCHASES FROM SUPPLIERS**

	2023	2024	VARIATION
Total purchases from merchandise suppliers	2,218,969,738 €	2,276,772,926 €	2.60%
% of purchases made from national suppliers*	74.85%	75.03%	0.18 pp
Total purchases from indirect purchasing suppliers	529,506,881 €	588,805,397 €	11.20%
% of purchases made from national suppliers*	92.61%	94.41%	0.08 pp

\*Suppliers with a Spanish CIF are considered national.

MDR-M P. 77 b

As a general rule, the metrics established for the management of material negative impacts, the promotion of positive impacts and the management of material risks and opportunities of the material topic have not been validated by an external body other than the auditor of this report, unless it is specified for a specific metric that it has been externally validated.

## CURRENT AND FUTURE FINANCIAL AND OTHER RESOURCES

RD MDR-A 69 a | 69 b

In 2024, financial, human, and material resources have been allocated to all actions related to employees across the value chain. However, in accordance with the significance criteria established by regulations, they are not reported in this document because they are not considered significant quantitatively, representing less than 0.2% of the company's revenue; nor qualitatively, because they do not represent a widespread negative or positive impact on stakeholders or the environment. Similarly, the allocation of resources for 2025 has not yet been planned.

ESRS S3 Affected Groups

## Local communities

KEY MATERIAL TOPICS	MILESTONES 2024	
IMPACTS	RISKS	OPPORTUNITIES
<b>Development of local communities</b>	<ul style="list-style-type: none"><li>• Development of local communities</li><li>• Improvements to the call for Decent Homes, by including in-kind donations</li><li>• Volunteer proposals with coverage in most of the regions where we have a presence</li></ul>	
		<p>Recognition as a company committed to the conditioning of spaces in which minors, the elderly, the homeless, people with disabilities, or those at risk of social exclusion live and/or spend the night.</p> <p>Recognition as a company committed to the development of local communities</p>

## STRATEGY

### Interests and opinions of stakeholders

RD related to ESRS 2 SBM-2

See chapter [02 ON SUSTAINABILITY](#) ESRS 2 General information.

### Material impacts, risks and opportunities and their interaction with the strategy and business model

RD related to ESRS 2 SBM-3

See chapter [02 ON SUSTAINABILITY](#) ESRS 2 General information.

## MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES

### Policies related to affected groups

MDR-P | RD S3-1 P. 14 | P. 16 | P. 16 b | P. 16 c | P. 17

Our commitment to responsible management of the main impacts related to the affected groups is based on the **Social Action Policy**.

### **Social action policy**

MDR-P 65.a

The objective of LEROY MERLIN Spain's social action policy is linked to the company's purpose: "To create environments for everyone to live better." The policy establishes two lines of action in this regard: social action and environmental action.

Social action focuses on developing projects to rehabilitate spaces where minors, senior citizens, and people with disabilities or homeless people at risk of social exclusion live and spend the night.

Environmental action is directed toward protecting the environment and ecosystems by promoting climate change mitigation, the circular economy, and responsible consumption.

A formal review process for the policy has not been proposed, but it can be reviewed at any time the social action department detects the need for it.

MDR-P 65.a

In its Social Action Policy, LEROY MERLIN Spain formalizes its commitment to the development of local communities; we understand that the best way to invest is locally, where we operate.

MDR-P 65 a

In accordance with the Social and Environmental Donations Procedure, a procedure linked to the Social Action Policy, the Positive Impact Department is responsible for establishing and coordinating the company's social action strategy, defining the areas of work. It is also responsible for validating all LEROY MERLIN Spain donations under the Social Action Policy, which will be charged to the company's donations account. This account is managed exclusively by the Positive Impact team. The Accounting Department is responsible for ensuring the correct accounting of the company's donations.

MDR-P 65 b

LEROY MERLIN Spain's social action encompasses the entire Spanish territory. Since the local impact of each action is a priority, the projects undertaken are distributed across each of the eleven regions where the company operates.

Efforts are focused on improving or refurbishing spaces where vulnerable groups live and spend the night, with the goal of providing them with decent homes. These spaces include not only private homes, but also foster homes, orphanages, senior residences, and other related facilities.

Likewise, activities will be promoted in these types of spaces by associations, NGOs, and other third-sector entities, provided that the funded activity focuses on social action and improving the quality of life of the beneficiaries, while avoiding any political or religious ties at all times.

In relation to environmental actions, the Policy aims to promote projects that combat or mitigate the climate emergency, that boost the circular economy, that promote the sustainable use and consumption of resources and the protection of ecosystems by entities previously validated for the development of projects within the framework of the national territory. Due to the importance of the technical nature of these actions, these may only be carried out by projects and entities previously validated by the Positive Impact Area, participating in initiatives or projects that it considers aligned with its resources and objectives.

The policy is aimed at employees responsible for managing the social action of LEROY MERLÍN Spain.

MDR-P 65 c

The highest-ranking organizational position responsible for implementing this policy is the Executive Director of Positive Impact.

MDR-P - 65.d

The Social Action Policy is aligned with the achievement of the Sustainable Development Goals (SDGs), specifically Goal 17, by creating partnerships to achieve a positive impact on the environment.

MDR-P 65 e

Stakeholders were not directly involved in the design of the policy. However, this policy was designed taking into account the interests and needs of the following LEROY MERLIN Spain stakeholders: society, with whom we partner for global improvement, and the planet.

MDR-P 65 f

The Social Action Policy can be consulted on the LEROY MERLIN Spain corporate website, in the Volunteering section.

RD S3-1 P. 16

While the policy does not explicitly commit to human rights relevant to the affected groups, its content and the donations made to vulnerable groups within the framework of the policy contribute to their protection, particularly:

- Right not to be discriminated against
- Minority rights
- Protection of children from social and economic exploitation
- Right to an adequate standard of living

To address any complaint or violation of human rights, we have a whistleblower channel (ethics channel - Whispli) available on the LEROY MERLIN Spain corporate website.

RD S3-1 P. 17

The policy is not aligned with internationally recognized frameworks or standards, including the UN Guiding Principles on Business and Human Rights. In 2023 and 2024, no cases of non-compliance or violations of the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines were identified. No human rights-related complaints were received from affected communities.

#### **Processes to collaborate with affected groups regarding impacts**

RD S3-2 P. 21 | P. 21 a | P. 21 b | P. 21 c | P. 21 d | P. 22 | P. 24

The Social Action Area, within the Positive Impact Department, is responsible for managing collaboration with the legitimate representatives of the affected groups. Specifically, it manages daily communication, relationships, and collaboration with various associations and non-profit organizations that represent the interests of the groups at risk of social exclusion defined in the Policy and with which the company signs a collaboration agreement.

This collaboration is ongoing, as we maintain direct contact with representatives of the various organizations. This ongoing relationship allows us to understand firsthand the needs of the groups the organizations support and to channel resources effectively.

We also monitor our position in the MERCO ESG Responsibility Ranking (social block), which surveys social organizations about their companies' reputations, allowing us to monitor our performance in this area. We also organize the annual Hogares Dignos event, where we recognize their work and collaboration by awarding diplomas to the winning organizations.

The highest-ranking role and position within the company operationally responsible for ensuring this collaboration takes place is the Executive Director of Positive Impact.

**Processes to repair negative impacts and channels for affected groups to express their concerns**

RD S3-3 P. 27 a | P. 27 b | P. 27 c | P. 27 d | P. 28 | P. 29

No negative impacts for the affected groups have been inferred in the materiality study. The affected groups, represented by the various non-profit organizations with which the company has a collaboration agreement, can convey their concerns directly to the Social Action Department via a dedicated email address. If necessary, they can also use the company's Ethics Channel, freely accessible through the corporate website.

Likewise, the Social Action team constantly monitors the activities carried out with affected groups, ensuring that affected groups are aware of and trust the specific channel for expressing their needs or concerns (social action email).

To date, no concerns have been received by email or through the ethics channel from the affected groups. Should the department receive such concerns, they will be forwarded to the ethics channel for appropriate ad hoc management, depending on the type of incident.

Information regarding the policies implemented regarding the protection of people using these channels is reported in accordance with ESRS G1-1 in the Governance chapter, section on Corporate Culture and Corporate Culture and Business Conduct Policies.

### **The actions carried out**

RD S3-4 P. 31 | 32 a | 32b | 32c | 33 c | 34 a | 34b

No negative impacts or risks for affected groups have been inferred in the materiality study.  
The measures taken to take advantage of the material opportunities are included below.

#### **IMPACTS, RISKS AND OPPORTUNITIES**

##### **Development of local communities**

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##### **IMPACTS**

###### **POSITIVE IMPACTS**

- Contribution to the development of local communities through financial and in-kind donations for the development of spaces where minors, the elderly, the homeless, people with disabilities, or those at risk of social exclusion live and/or spend the night.
- **Action 30:** Promoting monetary and in-kind donations
- **Action 31:** Transfer of store space to third sector entities for fundraising
- **Action 32:** Promoting corporate volunteering and expanding the range of available activities

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###### **OPPORTUNITIES**

- Recognition as a company committed to the conditioning of spaces in which minors, the elderly, the homeless, people with disabilities, or those at risk of social exclusion live and/or spend the night.
- Recognition as a company committed to the development of local communities

## MATERIAL TOPIC

### DEVELOPMENT OF LOCAL COMMUNITIES

At LEROY MERLIN Spain, we strive to be a supportive player that creates value in the local community where our stores and centers are located, with a special focus on homes, emergency situations, and the environment. Through various activities such as donations, volunteering, and employee awareness, we seek to promote local projects by forging alliances to positively impact the environment in which we operate, thereby strengthening the company's reputation.

#### Our commitment

RD S3-5 | MDR-T

COMMITMENT	GOAL 2024	ACHIEVEMENT 2024	UNIT OF MEASUREMENT AND TYPE OF OBJECTIVE	SCOPE MDR	VALUE AND REFERENCE YEAR	INTERMEDIATE MILESTONES
MDR-T 80 a	MDR-T 80 e	MDR-T 80 b	MDR-T 80 C	MDR-T 80 D	MDR-T 80 E	
Generate a positive impact wherever we are present, both in our clients' homes and in the most vulnerable households.	8% of the workforce will volunteer in 2024	10.9% (1,846 volunteers)	% Percentage - Relative	All volunteer activities carried out in the reported year.	1,380 volunteers, representing 8.15% of the workforce (value in 2023)	No intermediate milestones have been established
	10% increase in beneficiaries of our social action in 2024	12.77% (53,600 total beneficiaries, including 18,514 social action beneficiaries and 35,086 Hazlo Verde beneficiaries)	% Percentage - Relative	All donations made in the reported year.	47,354 direct and indirect beneficiaries, including social actions and Hazlo Verde (value in 2023)	No intermediate milestones have been established

MDR-T 80 a

These objectives align with our Social Action Policy, which reflects the company's commitment to the development of local communities.

MDR-T 80 f

See [the Parameters and Goals section](#) of the Local Community Development subchapter for the methodology for calculating the objectives. The objectives were defined by the Social Action department of Positive Impact.

MDR-T 80 g

The objectives have been set based on LEROY MERLIN Spain's own criteria.

MDR-T 80 h

LEROY MERLIN Spain's stakeholders have not participated in the design of these objectives.

MDR-T 80 i

There have been no significant changes in the definition of objectives.

MDR-T 80 j

Both objectives have been met. Their relevance will be assessed by 2025. The objective, and therefore the parameter, is monitored monthly. Progress is in line with the initially planned target. There have been no significant changes in the company's performance toward achieving the goal.

MS3-5 P. 42 b | P. 42 c

Affected communities are not involved in measuring the performance of the target nor are they directly involved in identifying improvements.

### **The actions carried out**

MDR-A

#### **DEVELOPMENT OF LOCAL COMMUNITIES**

<b>ACTION 30</b>	<b>Promotion of monetary and in-kind donations</b>
MDR-A_01 P. 68 a	<p><b>Key actions</b></p> <ul style="list-style-type: none"><li>• Third Call for Decent Homes Grants 2024. Open to all non-profit organizations, we have distributed €400,000 to 21 projects to renovate and refurbish spaces where minors, the elderly, people with disabilities, and/or homeless people at risk of social exclusion live and/or spend the night. The 2024 SERES Awards recognized this program as the best social innovation initiative.</li><li>• Product donations. From our stores, we collaborate with local organizations to supply products to improve housing, day care centers, and/or overnight stays for vulnerable groups. In 2024, we made donations to 28 organizations.</li><li>• Emergency Donations: In 2024, we partnered with six organizations to help alleviate the devastating effects of the Hurricane Irma on October 29, 2024, by donating essential items to help affected families, especially the elderly, rebuild their homes and regain some normalcy.</li></ul>
MDR-A_02 P. 68 b	<p><b>Achieving policy objectives and goals</b></p> <p>The measures are aligned with LEROY MERLIN Spain's commitment to improving the social environment by developing projects to refurbish spaces used and lived in by various groups at risk of social exclusion.</p>
MDR-A_03 P. 68 c	<p><b>Scope</b></p> <p>To achieve local community development, the direct involvement of store teams is essential, making them part of the positive impact generated in their surrounding areas. We establish partnerships not only with national organizations but also with local organizations, thus achieving a visible impact for teams and customers in all our stores.</p> <p>The main stakeholders involved in this action are employees and society.</p>
	<p><b>Time horizon</b></p> <p>In-kind/product donations have been implemented for over five years, while product donations to Hogares Dignos began in 2024. Both are expected to continue in the coming years. Emergency donations, meanwhile, were made on a one-off basis in 2024, and</p>

their continuation in 2025 will be assessed based on the occurrence of similar emergencies.

MDR-A_04 P. 68 d	<b>Actions to mitigate negative impacts</b> There are no negative impacts.
MDR-A_05 P. 68 e	<b>Progress</b> Since Hogares Dignos (Decent Homes) launched three years ago, €1,150,000 has been donated, benefiting nearly 26,000 people at risk of social exclusion. The third edition was held in 2024, allocating a total of €400,000 in direct aid to beneficiary organizations, the same amount allocated to this initiative in 2023. In-kind donations, which in 2023 reached nearly €100,000, exceeded €130,000 in 2024, including emergency donations made during the reporting period for the first time.

The effectiveness of donations is evaluated through ongoing monitoring by the LEROY MERLIN Spain Social Action team, which maintains direct contact with representatives of the nonprofit organizations. Additionally, the goal is monitored monthly.

## DEVELOPMENT OF LOCAL COMMUNITIES

ACTION 31	<b>Assignment of store space to third sector entities for fundraising</b>
MDR-A_01 P. 68 a	<b>Key actions</b> <ul style="list-style-type: none"><li>Collaboration with third-sector organizations by providing space in our stores so they can conduct fundraising activities, fundraising campaigns, and marketing campaigns.</li></ul>
MDR-A_02 P. 68 b	<b>Achieving policy objectives and goals</b> At LEROY MERLIN Spain, we understand that the best way to collaborate with vulnerable groups is to do so locally, through our stores, where we operate. This measure is fully aligned with LEROY MERLIN Spain's commitment to improving the social environment.
MDR-A_03 P. 68 c	<b>Scope</b> Space is allocated at the request of each entity based on its campaigns, with no specific frequency and subject to availability of dates for each store. A collaboration agreement is signed with the entity. On average, by 2024, 40 stores will have allocated their space. Society is the main stakeholder involved in this initiative.
MDR-A_04 P. 68 d	<b>Time horizon</b> This space transfer began in 2024. The project will continue throughout 2025.
MDR-A_05 P. 68 e	<b>Actions to mitigate negative impacts</b> There are no negative impacts.
	<b>Progress</b> This initiative began to be carried out professionally in 2024, so there has been no progress compared to previous years. In the reporting year, five organizations benefited from the use of space in our stores for their fundraising campaigns: UNICEF, Children's

Villages, the Red Cross, WWF, and Save the Children. The use of our space has allowed these organizations to recruit more than 1,000 new members.

The effectiveness of the allocation of spaces to third-sector entities is evaluated through constant monitoring by the LEROY MERLIN Spain Social Action team, which maintains direct contact with the entities' representatives.

#### DEVELOPMENT OF LOCAL COMMUNITIES

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<b>ACTION 32</b>	<b>Promoting corporate volunteering and expanding the range of available activities</b>
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##### **Key actions**

- Space or home improvement activities, awareness workshops on energy efficiency or other aspects of the home, as well as support for vulnerable groups.
- Solidarity December Campaign. Solidarity actions to support the most vulnerable groups.
- Nature protection activities, through natural space clean-up and reforestation.
- Hazlo Verde (Do It Green) is an environmental awareness program for schools, promoting responsible consumption and protecting the environment, serving students ages 6 to 16. Hazlo Verde offers free educational materials adapted to the LOMLOE (Spanish Organic Law on the Law of Education) for students in grades 1 to 6 of primary school, secondary school, and basic vocational training, as well as environmental workshops for the classroom taught by our partners. It includes a national school competition, which aims to promote the generation of ideas for creating more sustainable schools and awards a classroom experience to the best projects in each category.

MDR-A\_01 P. 68 a

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##### **Achieving policy objectives and goals**

The measures are aligned with LEROY MERLIN Spain's commitment to improving the social and environmental environment, as the Social Action Policy also includes actions related to environmental protection.

MDR-A\_02 P. 68 b

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##### **Scope**

To achieve local community development, the direct involvement of store teams is essential, making them part of the positive impact generated in their surrounding areas. We establish partnerships not only with national organizations but also with local organizations, thus achieving a visible impact for teams and customers in all our stores.

The main stakeholders involved in this action are employees, society, and the planet.

MDR-A\_03 P. 68 c

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##### **Time horizon**

- Corporate volunteering has existed in the company for more than five years. The project was professionalized throughout 2024. It will continue throughout 2025. The December Solidarity Campaign was carried out for the first time in 2024, and its repetition will be considered in 2025. Nature protection activities have been carried out in the company for more than five years, and will continue to be carried out in subsequent reference periods. The "Do It Green" program has been running for more

than eight years; therefore, it has been running for approximately eight years and will continue in the future.

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MDR-A\_04 P. 68 d

**Actions to mitigate negative impacts**

There are no negative impacts.

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MDR-A\_05 P. 68 e

**Progress**

Throughout 2024, we have collaborated with a total of 75 social and environmental organizations.

In the eighth edition of the Hazlo Verde program, 874 volunteers participated, benefiting 35,086 students from the 399 participating schools.

In 2024, we have boosted volunteer initiatives, ensuring that more than 10% of the core workforce from 2023, the year the company's target was set, will volunteer at the company.

The effectiveness of volunteer activities is evaluated through ongoing monitoring by the LEROY MERLIN Spain Social Action team, which has direct contact with representatives of the nonprofit organizations. Additionally, monthly monitoring of the objective is conducted. In the case of Hazlo Verde, the program has remained similar to the previous year and has also seen progress in the number of young people reached in the classrooms.

## **Parameters and goals**

MDR-M P. 75 | P. 77

<b>BENEFICIARIES OF OUR SOCIAL IMPACT INITIATIVES (DIRECT AND INDIRECT)</b>	<b>2023</b>	<b>2024</b>
Decent Homes Program	11.866	9.521
Other social initiatives	7.345	8.993
<b>TOTAL</b>	<b>19.211</b>	<b>18.514</b>

*NOTE: Direct beneficiaries are considered to be people in vulnerable situations belonging to impacted groups, and indirect beneficiaries are their families and employees of social organizations that provide direct services to these groups. This information is requested from the various social organizations when completing the project application form with LEROY MERLIN Spain.*

<b>BENEFICIARIES OF THE MAKE IT GREEN INITIATIVE (DIRECT)</b>	<b>2023</b>	<b>2024</b>
Make It Green Program	28.143	35.086

*NOTE: Schoolchildren who participated in the Hazlo Verde workshops in person are considered direct beneficiaries.*

<b>TEMPLATE THAT CARRIES OUT VOLUNTEERING</b>	<b>2023</b>	<b>2024</b>
Number of volunteers	1,380	1,846
% of the workforce that volunteers (based on the 2023 base workforce)	8.15%	10.9%

*NOTE: The participation of all employees registered throughout the year in the activities we promote through the volunteer portal is counted. The percentage of volunteers is calculated based on the base workforce at the end of 2023.*

<b>DONATIONS MADE (IN €)</b>	<b>2023</b>	<b>2024</b>
Total donations made to non-profit organizations (cash and in kind)	645,334 €	648,793 €

*NOTE: Donations made to various non-profit organizations, both cash and in kind, are counted in all activities that involve donations (volunteering, Hogares Dignos program, local requests, and emergency situations).*

MDR-M 77 b

As a general rule, the metrics established for managing material negative impacts, driving positive impacts, and managing material risks and opportunities for the material topic have not been validated by an external body other than the auditor of this report, unless specified for a specific metric that has been externally validated.

S3-5 RD 42 b | 42 c

Local communities are not involved in measuring the performance of the objectives nor have they been directly involved in identifying improvements.

## **CURRENT AND FUTURE FINANCIAL AND OTHER RESOURCES**

RD MDR-A 69 a | 69 b

In 2024, financial, human, and material resources have been allocated for all actions related to the affected groups. However, in accordance with the significance criteria established by regulations, they are not reported in this document because they are not considered significant quantitatively, representing less than 0.2% of the company's revenue; nor qualitatively, because they do not represent a widespread negative or positive impact on stakeholders or the environment. Similarly, the allocation of resources for 2025 has not yet been planned.

ESRS S4 Consumers and end users

## The clients

<b>KEY MATERIAL TOPICS</b>	<ul style="list-style-type: none"> <li>• Excellent customer service</li> <li>• Quality and security of solutions</li> <li>• Digitalization and innovation</li> </ul>	
<b>MILESTONES 2024</b>	<ul style="list-style-type: none"> <li>• Home Index Launch</li> <li>• Launch of the Leroy Merlin Club</li> </ul>	
<b>IMPACTS</b>	<b>RISKS</b>	<b>OPPORTUNITIES</b>
<b>Excellent customer service</b>		
<b>POSITIVE IMPACTS</b>		
<ul style="list-style-type: none"> <li>• Improved customer experience through the availability of clear and relevant information on the environmental and social impact of products.</li> <li>• Improved customer satisfaction through commitment to product affordability</li> <li>• Improving customer satisfaction through commitment to authentic experience and excellent service</li> </ul>		
<b>Quality and security of solutions</b>		
<ul style="list-style-type: none"> <li>• Legal proceedings (fines, litigation) and/or loss of reputation due to impacts on product quality or safety</li> <li>• Legal proceedings (fines, litigation) and/or loss of reputation due to accidents in stores that affect the integrity and/or safety of customers</li> <li>• Legal proceedings (fines, litigation) associated with cases of discrimination, moral or physical harassment by a subcontractor/supplier towards the client in the performance of installation work/services at the client's home</li> </ul>		
<b>Digitalization and innovation</b>		
<b>POSITIVE IMPACTS</b> <ul style="list-style-type: none"> <li>• Improving customer experience through new and innovative digital sales channels and after-sales service</li> <li>• New business opportunities due to investment in innovation in commercial solutions (products, services)</li> </ul>		

- Improving customer experience and service through innovation and new business solutions (products, services)
- Increased operational efficiency and industrialization thanks to process digitalization

## STRATEGY

RD related to ESRS 2 SBM-2

### **Interests and opinions of stakeholders**

See chapter [02 ON SUSTAINABILITY](#) ESRS 2 General information.

RD related to ESRS 2 SBM-3

### **Material impacts, risks and opportunities and their interaction with the strategy and business model**

See chapter [02 ON SUSTAINABILITY](#) ESRS 2 General information.

S4. SBM-3 P. 10 | P. 10 a | 10 a i-iv | 10 b | P. 10 c | P. 10 d | P. 11 | P. 12

Consumers and end-users who may be significantly affected by the company are included in the scope of disclosure under ESRS 2.

LEROY MERLIN Spain segments its customers into three general categories:

- Resident customer: end consumer, regardless of the purchasing channel (store, online, in an app, remote sales, etc.).
- PRO Client: Professional client who is professionally dedicated to construction and renovation.
- Corporate client: companies requesting the execution of major works and renovations.

The following are the types of consumers or end users affected by the material impacts:

CONSUMERS OR END USERS	IMPACTS
<ul style="list-style-type: none"> <li>Activities that lead to positive impacts: Home Index</li> <li>Types of consumers or end users that are or could be positively affected: Resident Customer, PRO Customer, Business Customer</li> </ul>	Improved customer experience through the availability of clear and relevant information on the environmental and social impact of products (Home Index)
<ul style="list-style-type: none"> <li>Activities that lead to positive impacts: Promotions and discounts, maintaining “first prices”</li> <li>Types of consumers or end users that are or could be positively affected: Resident Customer, PRO Customer</li> </ul>	Improved customer satisfaction through commitment to product affordability
<ul style="list-style-type: none"> <li>Activities that lead to positive impacts: Benefits through the Leroy Merlin Club, specialist salespeople in stores</li> <li>Types of consumers or end users that are or could be positively affected: Resident Customer, PRO Customer, Business Customer</li> </ul>	Improving customer satisfaction through commitment to authentic experience and excellent service

The material risks arising from impacts on consumers or end-users are as follows and affect several types of consumers or end-users:

RISKS	TYPES OF CONSUMERS OR END USERS AFFECTED
Legal proceedings (fines, litigation) and/or loss of reputation due to impacts on product quality or safety	All consumers/customers
Legal proceedings (fines, litigation) and/or loss of reputation due to accidents in stores that affect the integrity and/or safety of customers	Resident Client, PRO Client
Legal proceedings (fines, litigation) associated with cases of discrimination, moral or physical harassment by a subcontractor/supplier towards the client in the performance of installation work/services at the client's home	Resident client

However, these risks do not result in any material negative impact. It has been assessed and understood that consumer groups with specific characteristics may be exposed to greater risks of exclusion, such as people with disabilities or in vulnerable situations, which has led to the inclusion of a list of impacts related to these consumers or end-users, which has ultimately been classified as non-material.

The only impacts that have been material for consumers and users are positive:

- Improved customer experience through the availability of clear and relevant information on the environmental and social impact of products (Home Index)
- Improved customer satisfaction through commitment to product affordability
- Improving customer satisfaction through commitment to authentic experience and excellent service

No material opportunities related to consumers or end users have been identified either.

## MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES

### **Policies related to consumers and end users**

RD S4-1 P.15 | S4-1 P. 16 | P.16 a | P. 16 b | P. 16 c

#### **Code of Ethics**

MDR-P 65 a | MDR-P 65 b | MDR-P 65 c | MDR-P 65 d | MDR-P 65 e | MDR-P 65 f

See **Policies related to own personnel** in chapter [04 SOCIAL](#) (ESRS S1 Own Personnel).

MDR-P 65 a

The Code of Ethics reflects LEROY MERLIN Spain's commitment to contributing to more responsible consumption and sustainable living habits, promoting awareness-raising initiatives and constructive communication. It also reflects the company's commitment to excellence and quality in the products it offers, which comply with legal requirements and standards for quality and customer protection.

RD S4-1 | P. 16 a | P. 16 b | P. 16 c | P.17

Our Code of Ethics reflects LEROY MERLIN Spain's commitment to respecting the human rights enshrined and recognized in the United Nations Universal Declaration of Human Rights.

As with our own staff, the Whispli ethics channel for addressing any human rights impact is also available to our clients, as it is open and accessible on the corporate website for any stakeholder.

In accordance with the guiding principles of our relationship with our customers established in our Code of Ethics, we have internal documentation and procedures to ensure the best possible response to our customers, such as customer service procedures on social media, call logs, customer notification templates on the status of their order, procedures based on the type of impact (delays, broken products, or defective products, etc.), and order cancellation requests.

In the event of incidents, we have compensation scales for clients (for internal use) based on the type of impact. Approximately 80% of client requests are handled from the *front office*, and the remainder is forwarded to the *back office*. In 2024, all back-office processes were reviewed, applying more demanding indicators and objectives, which has reduced average response times by half. A compensation model for clients who fail to meet expectations and commitments is also included.

The Quality Platform implements procedures (self-monitoring, customer feedback analysis, and product certification) that allow for prevention and action in the event of product quality and safety impacts. In the event of a product recall, which occurs when it is dangerous to people, this is communicated through physical stores and the website. Stores are aware of the procedure to follow, and if there are any changes, they are communicated internally, and we inform the end customer of the risk.

At the end of 2023 and 2024, no human rights violations related to consumers and users have been reported.

## **Hazardous Substances Policy**

MDR-P 65 a

ADEO's Hazardous Substances Policy focuses on protecting human health and the environment by restricting customer exposure to hazardous substances contained in products and packaging.

MDR-P 65 a

The policy reflects LEROY MERLIN Spain's commitment to the quality and safety of its products, cultivating a responsible approach to choosing safer materials to replace hazardous substances with non-hazardous ones and developing safe and sustainable products.

MDR-P 65 a

*Corporate Quality Leader* promotes and approves this policy. To help stakeholders comply with ADEO's requirements, the group has developed specific Standard Operating Procedures (SOPs) for testing different products and verifying the presence of hazardous substances with different services.

MDR-P 65 b

The policy applies to both existing products marketed by LEROY MERLIN Spain and future products to be marketed.

MDR-P 65 c

The highest position responsible for ensuring its implementation is the Director of Quality.

MDR-P 65 d

The policy is aligned with the REACH Regulation (Registration, Evaluation, Authorisation and Restriction of Chemicals).

MDR-P 65 e

Stakeholders were not directly involved in the design of this policy; however, it was established taking into account the interests and needs of LEROY MERLIN Spain's main stakeholders, especially the company's customers.

MDR-P 65 f

The Policy can be consulted on the company's corporate intranet.

MDR-P 62

For the material topic of Digitalization and Innovation, no policies associated with clients have been established.

## **Processes for engaging with consumers and end-users on impacts**

RD S4-2 P. 20 | P. 20 a | P. 20 b | P. 20 c | P. 20d

### **Customer Service**

Customer satisfaction is primarily monitored through the Customer Service department, where we provide support through various contact channels (phone, chat, email, web form, social media).

The actions we take to gather firsthand feedback and implement corrective actions are based on NPS surveys. In addition, other areas such as Quality identify potential impacts and inform customers through outreach campaigns. In the event of incidents, once the issue is considered closed, an NPS survey is sent to the customer, who evaluates its effectiveness. We are working to improve this objective: we have modified the survey to include an open field where customers can leave their comments.

There is direct collaboration with affected consumers or end users, their representatives, or spokespersons who are aware of the situation.

The highest-ranking role and position within the company operationally responsible for ensuring this collaboration takes place is the Executive Director of Omnichannel and Business Development.

We are working on a regional Customer Service model that centralizes in-store complaint management. The new model is implemented in three regions, with a national rollout planned for 2025.

### **Loyalty**

RD S4-2 P.20 | P. 20 c

Customer NPS is monitored periodically, which serves as the basis for decisions and actions aimed at managing impacts.

### **Quality and safety**

RD S4-2 P.20 | P. 20 b | P. 20 d | P. 21

One of the pillars of the Quality Platform is customer engagement, which is implemented preventively, before the product is sold, and correctively, once the product is on the market.

Regarding preventive listening, we use *customer panels*, activities where real customers test products and provide feedback through forms. We use the information we receive to analyze their experience, which helps us make decisions. We evaluate the effectiveness of these panels by analyzing responses to questionnaires and customer comments posted on the website.

LEROY MERLIN Spain receives official customer complaints from various consumer organizations. Each of these complaints is reviewed, analyzed, and responded to within the established timeframe, and if necessary, an action plan is implemented. We maintain the necessary communications at a frequency determined by the type of case.

In the event of impacts that pose a risk to people, while we do not have specific procedures for vulnerable groups such as children, people with disabilities, pregnant women, the elderly, etc., we respond based on our corporate values, and our dedicated team handles these cases with special care.

**Processes to remediate negative impacts and channels for consumers and end-users to express their concerns**

RD S4-3 P. 25a | P. 25b | P. 25d | AR 20

We have established the following channels through LEROY MERLIN Spain for consumers to express their concerns or needs directly and to respond to them:

- Complaints via public administration (official claims)
- Stores
- Social Media / Customer Service
- Telephone channel
- Email
- Web form

Customer Service manages customer contacts and incidents received through these channels and those referred by public authorities (OMIC – Municipal Consumer Information Office; City Councils) or consumer organizations (OCU). All contacts are managed and categorized into different types and subtypes:

- Categories related to incidents /complaints:
- Complaint: This is used exclusively for creating cases in which the customer states they want to file a complaint, whether official or not. A complaint received through OMIC, OCU, or similar is always a case.
- Incidents: This includes all the issues the customer may encounter in their relationship with LEROY MERLIN. For example, a delay in their order, a poorly completed installation, etc. An incident requires the creation of a case, as various actions will be required to resolve it.
- Complaint: Used to record customer dissatisfaction with something related to LEROY MERLIN but unrelated to their individual or contractual relationship. For example, a customer complaining about the limited parking space.
- Other categories not related to incidents or complaints:
  - High Service
  - Consultation
  - Congratulation
  - Suggestion
  - Service Modification
  - Application
  - Transfer (a customer requesting to speak to a specific store)
  - Not useful (calls that are cut off or do not conclude)

When an incident is reported, a case number is assigned, which is communicated to the customer by email and used as a reference for subsequent inquiries and follow-up.

The issues raised are monitored and controlled almost daily. The customer experience in the claims process is evaluated through the NPS (National Customer Service Provider) for case closure. The [Legal Notice](#) and [Privacy Policy](#), in accordance with Spanish law, do not specify policies to protect individuals from retaliation when using these channels.

RD S4-3 AR 21 | AR 22

All mechanisms for filing complaints or expressing concerns regarding the company's activities are accessible to all consumers or end users.

We process all sensitive data in accordance with applicable laws, using protocols and tools audited by the privacy department and retaining the information solely for the management of reported incidents. All privacy-related information is specified in the [Privacy Policy](#).

Incidents and potential complaints are recorded in our CRM, and the information of the affected customer is required. For complaints not related to orders or services offered, we have our Ethics Channel, where complaints can be filed while maintaining the complainant's anonymity.

RD S4-3 P. 25c | P. 25d | P. 26

The Ethics and Compliance Committee is responsible for processing and resolving notifications and inquiries submitted through the Ethics Channel. In all cases, the rights and guarantees of the parties involved are respected. The author of a report submitted in good faith is protected with respect to the facts reported. Reporters of reports submitted in good faith may not be subject to sanctions, discriminatory measures, or direct or indirect retaliation, even if the reported facts are not substantiated after investigation.

A protocol for protecting whistleblowers against retaliation is available in Chapter [5. Governance](#), of this report.

No consumer/client surveys have been conducted regarding their awareness of these processes, primarily because no negative human rights impacts have been identified that could affect clients.

RD S4-3 AR 23

CONTACTS RECEIVED	2023	2024	VARIATION
Total contacts received through different channels	2,625,024	3,053,931	16.34%

CONTACTS RECEIVED, BY TYPES AND SUBTYPES	2023	2024	VARIATION
<b>Impacts , claims and complaints</b>	<b>2,284,858</b>	<b>2,591,881</b>	<b>13.44%</b>
<b>Official complaints (OMIC, OCU or similar) received</b>	3.610	4.046	12.08%
<b>Unofficial complaints (customer's statement of wanting to file a complaint)</b>	<b>17,508</b>	<b>21,554</b>	<b>23.11%</b>
> <i>Claim subtype: order</i>	2.729	3.353	22.87%
> <i>Claim subtype: EDD order</i>	1.257	1,084	-13.76%
> <i>Claim subtype: EDP order</i>	511	585	14.48%
> <i>Claim subtype: facilities</i>	3.313	3.924	18.44%
> <i>Claim subtype: other services</i>	1,479	1,854	25.35%
> <i>Claim subtype: budget</i>	117	128	9.40%
> <i>Claim subtype: product</i>	2.043	2,478	21.29%
> <i>Claim subtype: transport</i>	496	562	13.31%
> <i>Claim subtype: Leroy Merlin Club</i>	219	264	20.55%
> <i>Claim subtype: care received</i>	1,650	2,298	39.27%
> <i>Claim subtype: store</i>	556	671	20.68%
> <i>Claim subtype: Hogami</i>	69	146	111.59%
> <i>Claim subtype: returns</i>	2.592	3.635	40.24%
> <i>Claim subtype: payment methods</i>	362	425	17.40%
> <i>Claim subtype: web</i>	115	147	27.83%
<b>Impacts</b>	<b>1,120,684</b>	<b>1,269,731</b>	<b>13.30%</b>
<i>Impact subtype : order</i>	198,508	248.208	25.04%
<i>Impact subtype : EDD order</i>	423,821	454.024	7.13%
<i>Impact subtype : EDP order</i>	132,349	179,036	35.28%
<i>Impact subtype : facilities</i>	129,918	165,658	27.51%
<i>Impact subtype : other services</i>	2,850	3.337	17.09%
<i>Impact subtype : budget</i>	14,620	17,965	22.88%
<i>Impact subtype : product</i>	70,557	84,447	19.69%
<i>Impact subtype : transport</i>	1,857	1943	4.63%
<i>Impact subtype : Leroy Merlin Club</i>	25,705	18,490	-28.07%
<i>Impact subtype : care received</i>	439	464	5.69%
<i>Impact subtype : store</i>	2.143	1.229	-42.65%
<i>Impact subtype : Hogami</i>	3.364	9.831	192.24%
<i>Impact subtype : returns</i>	2.626	3.214	22.39%
<i>Impact subtype : payment methods</i>	36,929	43,629	18.14%
<i>Impact subtype : web</i>	74,998	38,256	-48.99%
<b>Complaints</b>	<b>4.864</b>	<b>5.265</b>	<b>8.24%</b>
> <i>Complaint subtype: returns</i>	501	547	9.18%
> <i>Complaint subtype: operational</i>	448	482	7.59%
> <i>Complaint subtype: product</i>	631	699	10.78%
> <i>Complaint subtype: services</i>	2.429	2,475	1.89%
> <i>Complaint subtype: store</i>	763	973	27.52%

>Complaint subtype: web	92	89	-3.26%
<b>Other categories not related to impacts or claims</b>	<b>340.166</b>	<b>462.050</b>	<b>35.83%</b>
<i>High Service</i>	12.856	27.207	111.63%
<i>Consultation</i>	62,550	106.029	69.51%
<i>Congratulation</i>	2.474	1,816	-26.60%
<i>Suggestion</i>	224	238	6.25%
<i>Service modification</i>	49,563	63,372	27.86%
<i>Application</i>	205,758	190,490	-7.42%
<i>Transfer</i>	5.871	71,973	1125.91%
<i>Not useful</i>	870	925	6.32%

RESOLUTION OF OFFICIAL COMPLAINTS	2023	2024	VARIATION
Official complaints (OMIC, OCU or similar) received	3.610	4.046	12.08%
Official complaints (OMIC, OCU or similar) processed	3.610	4.046	12.08%
Percentage of official complaints (OMIC, OCU or similar) resolved	100.00%	100.00%	-
Average resolution period (in days)	17	19	11.76%

### **The actions carried out**

RD S4-4 P. 31 a | P. 31 b | P. 31 c | P. 31 d | P. 32 b | P. 32 c | P. 33 a | P. 33 b | P. 34 | P. 25

IMPACTS, RISKS AND OPPORTUNITIES	ACTIONS
<b>IMPACTS</b>	
<b>Excellent customer service</b>	
<b>POSITIVE IMPACTS</b>	
<ul style="list-style-type: none"> <li>Improved customer experience through the availability of clear and relevant information on the environmental and social impact of products.</li> <li>Improved customer satisfaction through commitment to product affordability</li> <li>Improving customer satisfaction through commitment to authentic experience and excellent service</li> </ul>	<ul style="list-style-type: none"> <li><b>Action 33:</b> Review and update processes with a customer-centric orientation and reduction of customer response times</li> <li><b>Action 34:</b> Improving customer service channels</li> <li><b>Action 35:</b> Launch of the new Leroy Merlin Club</li> </ul>
<b>Digitalization and innovation</b>	
<b>POSITIVE IMPACTS</b>	
<ul style="list-style-type: none"> <li>Improving customer experience through new and innovative digital sales channels and after-sales service</li> <li>Improving customer experience and service through innovation and new business solutions (products, services)</li> </ul>	<ul style="list-style-type: none"> <li><b>Action 38:</b> Monitoring and promoting customer adoption of the new app</li> <li><b>Action 39:</b> Promoting company growth in digital channels</li> </ul>

## RISKS

### Quality and security of solutions

- Legal proceedings (fines, litigation) and/or loss of reputation due to impacts on product quality or safety
- Legal proceedings (fines, litigation) and/or loss of reputation due to accidents in stores that affect the integrity and/or safety of customers
- Legal proceedings (fines, litigation) associated with cases of discrimination, moral or physical harassment by a subcontractor/supplier towards the client in the performance of installation work/services at the client's home

- **Action 36:** Introduction of artificial intelligence in customer listening to detect potential product problems
- **Action 37:** Improvement in the management of non-conformities

## OPPORTUNITIES

### Digitalization and innovation

- New business opportunities due to investment in innovation in commercial solutions (products, services)
- Increased operational efficiency and industrialization thanks to process digitalization
- Increased operational efficiency and new management opportunities through the integration of AI into (non-material) sustainability management

- **Action 38:** Monitoring and promoting customer adoption of the new app
- **Action 39:** Promoting company growth in digital channels

The effectiveness of planned or ongoing actions to mitigate risks arising from impacts on consumers or end-users is monitored through:

- Tracking in-store accidents, including customer accidents, if identified.
- Follow-up on cases that may be reported through the Ethics Channel. There have been no client cases in 2024.

Actions related to positive impacts and opportunities are also monitored. User experience and satisfaction with the app and any other online sales channels are monitored, and user satisfaction with customer service and their experience with the Leroy Merlin club is regularly monitored.

## MATERIAL TOPICS

- Excellent customer service
- Quality and security of solutions
- Digitalization and innovation

### EXCELLENT CUSTOMER SERVICE

We are working to build a coherent, stable model aligned with LEROY MERLIN Spain's omnichannel strategy, seeking to improve our relationships with our customers to provide them with satisfying experiences.

#### Our commitment

##### Customer Service

MDR-T

COMMITMENT	GOAL 2024	ACHIEVEMENT 2024	UNIT OF MEASUREMENT AND TYPE OF OBJECTIVE	SCOPE MDR	VALUE AND REFERENCE YEAR	INTERMEDIATE MILESTONES
MDR-T 80 a	MDR-T 80 e		MDR-T 80 b	MDR-T 80 C	MDR-T 80 D	MDR-T 80 E
We're improving the omnichannel customer experience by focusing on the most promising touchpoints (store, online store, in-store pickup, etc.)	NPS 360° or global objective of 57 out of 100	NPS 360° or global of 59 out of 100	Number from 0 to 100 - Relative	Active customers of LEROY MERLIN Spain	360° or global NPS of 55 out of 100 (at the end of 2023)	No intermediate milestones have been established

MDR-T 80 a

This commitment is linked to our vocation for excellence, reflected in the company's Code of Ethics.

MDR-T 80 f

The overall customer NPS includes all types of customer contact with the company (purchase, installation, return, in-store pickup, etc.) and is calculated using customer responses to the question: Based on your last shopping experience with us, how likely are you to recommend LEROY MERLIN to your friends and family?

The customer is asked to rate this question on a scale of 0 to 10, where scores of 0 to 6 are considered 'detractors', scores of 7 and 8 are considered 'passives', and scores of 9 and 10 are considered 'promoters'. The NPS calculation is obtained by calculating the percentage of promoters, neutrals, and detractors out of the total responses, and performing the following subtraction: percentage of promoters - percentage of detractors

Objectives are always defined by the department responsible for managing them, taking into account the reference value from the previous year.

MDR-T 80 g

The objective is based on the externally recognized standard (NPS), one of the most common indicators for measuring customer satisfaction.

MDR-T 80 h

LEROY MERLIN Spain's stakeholders have not participated in the design of these objectives.

MDR-T 80 i

There have been no significant changes in the definition of objectives.

MDR-T 80 j

The company's overall NPS target was achieved in 2024, exceeding it by two points. The new target will be assessed in 2025. The target and, therefore, the benchmark are monitored monthly. There have been no significant changes in the company's performance toward achieving the goal.

At LEROY MERLIN Spain, we work to provide the right customer response at all times, striving to maintain high levels of satisfaction through a combination of ethics, training, sustainability, adaptability, and effective communication.

The Customer Service Department, responsible for monitoring customer satisfaction, is made up of:

- Front Office. Offers remote support through various communication channels (phone, web form, email, ChatLive, social media). Its goal is to ensure that customers can receive help and resolve their questions or problems efficiently and quickly.
- Back Office. Resolves queries, incidents, and critical cases, providing support in key areas such as addressing transportation-related issues, social media interactions, the marketplace, and official complaints. Its goal is to offer efficient and personalized solutions, working in coordination with other teams to achieve the most positive customer experience.
- Training and quality. Develops training programs tailored to employee needs, fostering key skills and aligning learning with the company's strategic objectives. Ensures compliance with high quality standards at all levels through the implementation of continuous improvement processes, internal audits, and procedural optimization.
- Efficiency and Excellence. Leads and coordinates digital Customer Service projects with the goal of finding and implementing solutions that improve efficiency, automation, and the quality of customer service with a focus on continuous improvement.
- Success. Identifies and coordinates the company's new proactive and preventive strategy in a comprehensive and unique manner, ensuring customer success and impacting the reduction of root causes that generate unnecessary contacts and dissatisfaction.

## Loyalty

MDR-T

COMMITMENT	GOAL 2024	ACHIEVEMENT 2024	UNIT OF MEASUREM ENT AND TYPE OF OBJECTIVE	SCOPE MDR	VALUE AND REFEREN CE YEAR	INTERMEDIA TE MILESTONES
MDR-T 80 a	MDR-T 80 e	MDR-T 80	MDR-T 80 b	MDR-T 80 C	MDR-T 80 D	MDR-T 80 E
We increased our customer base and their annual consumption thanks to a 5-star omnichannel experience	3% increase in Leroy Merlin club customers	9.8% increase in Leroy Merlin club customers (up to 5.9 million customers)	Percentage - relative	Leroy Merlin Club Customers	5.3 million customers by the end of 2023	No intermediate milestones have been established
	3% increase in consumption by Leroy Merlin club customers	7.4% increase in spending by Leroy Merlin club customers (up to €3.12 billion)	Percentage - relative	Leroy Merlin Club Customers	€2.88 billion in spending by Leroy Merlin club customers	No intermediate milestones have been established

MDR-T 80 a

This commitment is linked to our vocation for excellence, reflected in the company's Code of Ethics.

MDR-T 80 f

The objectives are defined by the Customer Loyalty and Knowledge area based on the total number of customers and their consumption at the end of the previous year.

MDR-T 80 g

The objectives have been set based on LEROY MERLIN Spain's own criteria .

MDR-T 80 h

LEROY MERLIN Spain's stakeholders have not participated in the design of these objectives .

MDR-T 80 i

There have been no significant changes in the definition of objectives.

MDR-T 80 j

Both objectives have been more than met, demonstrating the customer's approval of the new Club, their commitment, and loyalty. The objective and, therefore, the benchmark are monitored monthly. There have been no significant changes in the company's performance toward achieving the goal.

## **The actions carried out**

MDR-A

<b>ACTION 33</b>	<b>Review and update of processes with a customer-centric orientation and reduction of customer response times</b>
MDR-A_01 P. 68 a	<b>Key actions</b> <ul style="list-style-type: none"><li>Review of all back office processes described in this section, applying more demanding indicators and objectives</li><li>Reducing average response times by half, including a customer compensation model for failure to meet expectations and commitments.</li></ul>
	<b>Achieving policy objectives and goals</b> <p>The measures are aligned with LEROY MERLIN Spain's commitment to ensuring the best customer service: providing the right customer response at all times and maintaining high levels of satisfaction through a combination of ethics, training, sustainability, adaptability, and effective communication.</p>
MDR-A_02 P. 68 b	<b>Scope</b> <p>This action addresses all <i>back-office processes</i> with the company's clients, including inquiries, incidents, and critical cases.</p>
MDR-A_03 P. 68 c	<b>Time horizon</b> <p>The action was carried out during 2024 and will continue throughout 2025.</p>
MDR-A_04 P. 68 d	<b>Actions to mitigate negative impacts</b> <p>There are no negative impacts.</p>
MDR-A_05 P. 68 e	<b>Progress</b> <p>The company's 2024 customer satisfaction goal focuses on 360° NPS to improve the omnichannel customer experience, focusing on the most promising touchpoints (store, online store, installations, in-store pickup). In 2024, the target (NPS 57) was exceeded, achieving an NPS of 59 with a greater number of customer responses.</p>

## EXCELLENT CUSTOMER SERVICE (CUSTOMER SERVICE)

ACTION 34	Improving customer service channels
MDR-A_01 P. 68 a	<p><b>Key actions</b></p> <ul style="list-style-type: none"><li>Implementation of WhatsApp as an internal channel for impact management, increasing proximity and efficiency in communications.</li><li>Improved ChatLive's digital experience, refactored all bot flows, and integrated generative artificial intelligence to resolve contacts associated with FAQs and product advice. This virtual assistant has a 4 out of 5 star rating from its customer.</li><li>Incorporation of customer self-service systems for appointment and invoice management (Selfin and Timify).</li><li>Creation of a nationwide telephone line.</li></ul> <p><b>Achieving policy objectives and goals</b></p> <p>These measures are aligned with LEROY MERLIN Spain's commitment to ensuring the best customer service and improving the omnichannel customer experience.</p>
MDR-A_02 P. 68 b	<p><b>Scope</b></p> <p>This action involves all customer communication processes through digital and telephone channels.</p>
MDR-A_03 P. 68 c	<p><b>Time horizon</b></p> <p>The reported actions apply to the 2024 timeframe. We are working on a regional Customer Service model that centralizes in-store complaint management. The new model is implemented in three regions and is planned for national rollout by 2025.</p>
MDR-A_04 P. 68 d	<p><b>Actions to mitigate negative impacts</b></p> <p>There are no negative impacts.</p>
MDR-A_05 P. 68 e	<p><b>Progress</b></p> <p>The company's 2024 customer satisfaction goal focuses on 360° NPS to improve the omnichannel customer experience, focusing on the most promising touchpoints (store, online store, installations, in-store pickup). In 2024, the target (NPS 57) was exceeded, achieving an NPS of 59 with a greater number of customer responses.</p>

## EXCELLENT CUSTOMER SERVICE (LOYALTY)

### ACTION 35

#### Launch of the new Leroy Merlin Club

##### Key actions

Launch of the **Leroy Merlin Club**. Club members can enjoy multiple benefits:

###### Save

- The customer earns 1 point for every euro spent
- The customer earns a €5 check for every €250 spent
- 10% of renovation projects are returned to the customer in checks, activating the Renew Pack

###### Share

- Points are earned for sharing content in the LEROY MERLIN Community, an online meeting place for DIY enthusiasts where customers can share and resolve DIY questions, find inspiration, or sign up for in-store workshops.
- You earn points for leaving product reviews on the LEROY MERLIN website.

MDR-A\_01 P. 68 a

###### Transform

- Additional discounts are included for customers who purchase products with a lower social and environmental impact.
- Customers are given the opportunity to collaborate on charity projects in their nearest store.

##### Achieving policy objectives and goals

The measures are aligned with LEROY MERLIN Spain's commitment to better understand its customers in order to personalize communications, retain active customers, and reactivate inactive ones.

##### Scope

MDR-A\_02 P. 68 b

This action is aimed at Leroy Merlin Club members, reaching all of Spain, and has a positive impact on the company's customers and consumers who subscribe to it.

MDR-A\_03 P. 68 c

##### Time horizon

The action was completed throughout 2024. The Club will continue through 2025.

MDR-A\_04 P. 68 d

##### Actions to mitigate negative impacts

There are no negative impacts.

MDR-A\_05 P. 68 e

##### Progress

The Leroy Merlin Club has more than 5.9 million members, 9.8% more than the previous year.

### **Parameters and goals**

RD S4-5 Goals related to the management of material negative impacts, the promotion of positive impacts and the management of material risks and opportunities

RD S4-5 P. 41 | P. 41 a | P.41 b | P. 41 c | P. AR 42 b | P. AR 42 c

GLOBAL CUSTOMER NPS	2023	2024	VARIATION
LEROY MERLIN Spain's global NPS	55	59	7.27%
Number of customer responses received for calculating the NPS	187,075	283.155	51.36%

*The NPS calculation methodology is explained in section MDR-T 80f.*

LEROY MERLIN CLUB	2023	2024	VARIATION
Number of Club customers (in millions)	5.3	5.9	9.8%
Club customer consumption (in billions)	2.88	3.12	7.4%

As in 2023, we base our goals on data from the previous year and comparative *benchmarks* with other companies. Customer feedback is also indirectly taken into account. The NPS is our benchmark indicator, the most widely used by retail companies.

The company's 2024 customer satisfaction target focuses on the 360° NPS, which encompasses all communication channels. The company seeks to improve the omnichannel customer experience by focusing on the most promising touchpoints (store, online store, in-store pickup, and more). The 360° NPS target for the end of 2024 is 57 (up 3 points compared to the previous year's target).

In terms of the total number of Club customers and their spending, the goal is to boost customer loyalty and associated spending.

Customers are not involved in measuring the performance of objectives nor have they been directly involved in identifying improvements.

MDR-M 77 b

As a general rule, the metrics established for managing material negative impacts, promoting positive impacts, and managing material risks and opportunities linked to clients and consumers have not been validated by an external body other than the auditor of this report, unless specified for a specific metric that has been externally validated.

## QUALITY AND SAFETY OF SOLUTIONS

**Customer health and safety is a priority for LEROY MERLIN. Product certification and proper management of non-conformities are the foundation of our strategy in this area.**

### Our commitment

MDR-T

COMMITMENT	GOAL 2024	ACHIEVEMENT	UNIT OF MEASUREMENT AND TYPE	SCOPE MDR	VALUE AND REFERENCE YEAR	INTERMEDIATE MILESTONES
MDR-T 80 a	MDR-T 80 e	2024	MDR-T 80 b	MDR-T 80 C	MDR-T 80 D	MDR-T 80 E
Ensure the health and safety of customers who purchase products marketed by the company	100% of product references that require it have availability of product safety data sheets	91% of product references that require it have availability of product safety data sheets	% Percentage - Relative	All products marketed by the company that require a safety data sheet	94% of product references that require it have product safety data sheets available by the end of 2023.	No intermediate milestones have been established

MDR-T 80 a

This commitment is linked to our commitment to excellence, reflected in the company's Code of Ethics, as well as to environmental protection, also reflected in the Code of Ethics. The Hazardous Substances Policy also reflects the principle of restricting customer exposure to the most hazardous substances contained in products, thereby improving the indoor air quality of their homes.

MDR-T 80 f

the Parameters and Targets section of this chapter for the methodology used to calculate the target. This is always defined by the department responsible for managing them, taking into account the previous year's baseline.

MDR-T 80 g

The objective has been set based on LEROY MERLIN Spain's own criteria.

MDR-T 80 h

LEROY MERLIN Spain's stakeholders were not involved in the design of the objective.

MDR-T 80 i

There have been no significant changes in the definition of the objective.

MDR-T 80 ji

The objective was very close to being met. It is important to highlight how ambitious this objective was (100%); full compliance is complex due to the high fluctuation in data, and there are certain products that, due to their nature, might require an SDS but are not legally

required. The objective and, therefore, the parameter are monitored monthly. There have been no significant changes in the company's performance toward achieving the goal.

### **The actions carried out**

#### **QUALITY AND SAFETY OF SOLUTIONS**

<b>ACTION 36</b>	<b>Introduction of artificial intelligence in customer listening to detect potential product problems</b>
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##### **Key actions**

- Identification of the lowest-rated products and analysis of their feedback in order to implement changes and improvements.
- Detection of risk words in comments to quickly identify potentially dangerous products.

MDR-A\_01 P. 68 a

##### **Achieving policy objectives and goals**

The measures are aligned with LEROY MERLIN Spain's commitment to ensuring that all products comply with legal requirements and ADEO's internal policies before being marketed.

MDR-A\_02 P. 68 b

##### **Scope**

This action involves all of the company's clients, ensuring improved health and safety protection.

MDR-A\_03 P. 68 c

##### **Time horizon**

The action has been carried out throughout 2024 and will continue throughout 2025.

MDR-A\_04 P. 68 d

##### **Actions to mitigate negative impacts**

There are no negative impacts.

MDR-A\_05 P. 68 e

##### **Progress**

We have incorporated artificial intelligence into the opinion analysis process, conducting the first tests of the tool in 2024.

#### **QUALITY AND SAFETY OF SOLUTIONS**

<b>ACTION 37</b>	<b>Improvement in non-conformity management</b>
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##### **Key actions**

- In non-conformity management, we have expanded our containment actions to include our warehouses, enabling us to communicate the steps they should take to stores and warehouses in a single transaction.

MDR-A\_01 P. 68 a

##### **Achieving policy objectives and goals**

These measures are in line with LEROY MERLIN Spain's commitment to protecting customer health and safety at the product level through curative measures.

MDR-A\_02 P. 68 b

##### **Scope**

The action involves customers by providing faster resolution to non-conformity cases, improving the protection of customer health and safety from potentially hazardous products.

#### **Time horizon**

MDR-A\_03 P. 68 c

The action has been carried out in previous years and has been ongoing throughout 2024. It will continue in 2025.

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#### **Actions to mitigate negative impacts**

The effectiveness of planned or ongoing actions to mitigate risks arising from impacts on consumers or end users is monitored by tracking and following up on all detected nonconformities. We have a Nonconformity Management module that, based on the 8D methodology, allows us to record, track, and monitor detected nonconformities and implement containment actions.

MDR-A\_04 P. 68 d

At LEROY MERLIN Spain, products with potential non-conformities arrive from various channels: we analyze them and assess their risk. Once a product is declared non-conforming and poses a risk, a containment plan is established: sales and orders are blocked, and the product is removed from the website. The plan is communicated to the stores, which must take containment measures and confirm that they have been carried out. In the case of significant risk, the product is withdrawn from the market; that is, the units sold are recalled or repaired. To this end, we have a crisis management procedure that includes posting informational posters (in physical stores and online) and phone calls to identified customers. Before we can reopen sales, we require evidence of the improvements made and initiate stock compliance (reprocessing or return to origin, or destruction, if the former is not possible).

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#### **Progress**

MDR-A\_05 P. 68 e

Reduction to 10 days for store responses in case of non-compliance.

#### **Incident and non-conformity management process**

RD S4-4

We aim to be as agile as possible when responding to incidents and non-conformities that arise. To achieve this, in 2024 we established an official complaints procedure that helps us resolve cases much more quickly, allowing customers to have their incidents resolved sooner. Furthermore, in 2024 we launched the Home Index project, through which customers understand the impact of the products they purchase. The Quality department has compiled all the certificates that support suppliers' claims to create the index. Our goal is to ensure products achieve their highest scores by helping suppliers improve their products.

### **Parameters and goals**

RD S4-5 Goals related to the management of material negative impacts, the promotion of positive impacts and the management of material risks and opportunities

RD S4-5 P. 41 | P. 41 a | P.41 b | P. 41 c | P. AR 42 b | P. AR 42 c

PRODUCT SAFETY - PRODUCTS WITH SAFETY DATA SHEET*	2023	2024	VARIATION
Total number of products	281,581	338,756	20.30%
Total number of products that should require a safety data sheet	8.335	7.657	-8.13%
Total number of products with safety data sheets	7.837	6.968	-11.09%
Percentage of products with a safety data sheet out of the total number of products that should require one	94.03%	91.00%	3 pts.
Percentage of products with safety data sheets out of the total number of products	2.50%	2.06%	-0.44%

*\*There are certain products that, due to their specifications, require a safety data sheet (SDS), which provides information on a substance or mixture for safe use. The calculation is based on the total number of products with a safety data sheet, showing how many had one at year-end (specifically, the extraction was carried out on 01/06/2025). The calculations are based on the total number of references at year-end, regardless of whether or not they were sold during the year.*

PRODUCT SAFETY - RECALLS	2023	2024	VARIATION
Total number of product withdrawals at the end of the year due to health and safety reasons (MARKET withdrawals or recalls) **	10	10	0.00%
Total number of product withdrawals at the end of the year (withdrawals from SALE or withdrawals) ***	77	85	10.39%
Total number of cases of non-compliance at the product labeling level that have resulted in fines or sanctions	1	0	-100.00%
Total number of cases of non-compliance at the product labeling level that have resulted in a warning	8	15	87.50%
Total number of health and safety non-compliance cases****	26	18	-30.77%

*\*\*Market withdrawals or recalls: with a notice to customers. A notice is posted in the store or on the website for customers to see, in addition to making calls and notifying those we know have purchased the product. We personally notify those we know have purchased it, and we give general notice to those we don't know whether they have purchased it or not.*

*\*\*\*Sale Withdrawals: Withdrawn for any reason. Those for health and safety reasons eventually become recalls.*

*\*\*\*\*Cases of non-compliance at the health and safety level: all cases with risk to people or property are reported, with or without a sign.*

Customers are not involved in measuring the performance of objectives nor have they been directly involved in identifying improvements.

MDR-M 77 b

As a general rule, the metrics established for managing material negative impacts, driving positive impacts, and managing related material risks and opportunities have not been validated by an external body other than the auditor of this report, unless specified for a specific metric that has been externally validated.

Own topic

## DIGITALIZATION AND INNOVATION

**At LEROY MERLIN Spain, we understand that the only way to evolve is by improving all our areas through innovation. From the most common aspects of our business, improving our products to meet the needs of our citizens, to the digitalization of the company. Furthermore, our efforts are directed toward exploring new business models and sustainable distribution methods.**

### Our commitment

MDR-T

COMMITMENT	GOAL 2024	ACHIEVEMENT 2024	UNIT OF MEASUREMENT AND TYPE OF OBJECTIVE	SCOPE MDR	VALUE AND REFERENCE YEAR	INTERMEDIATE MILESTONES
MDR-T 80 a	MDR-T 80 e	MDR-T 80 b	MDR-T 80 c	MDR-T 80 d	MDR-T 80 e	MDR-T 80 f
We are promoting the adoption of the new App, as a driver of omnichannel and Lifetime Value	The app represents at least 25% of the market share (PDM) on digital sales	25%	Percentage - relative	Sales made through the app throughout 2024	S/D - the indicator was first defined for 2024	No intermediate milestones have been established
	30% increase in app users, surpassing 3 million users	31%	Percentage - relative	Users who have visited the app throughout 2024	Approximately 2.4 million users at the time of the previous app's closure (mid-2023)	No intermediate milestones have been established

MDR-T 80 a

This commitment is linked to our vocation for excellence, reflected in the company's Code of Ethics.

MDR-T 80 f

Tracking customer app usage is key to securing our position in digital sales. Goals are defined based on customer app usage to make a potential purchase, as well as the number of users. Goals are always defined by the department responsible for managing them, taking into account the benchmark value of the previous app. A user (visitor) is counted each time a person visits the app. This counting is done automatically and can include multiple visits if the person accesses the app from different devices, or if the person uninstalls and reinstalls the app.

MDR-T 80 g

The objective has been set based on LEROY MERLIN Spain's own criteria.

MDR-T 80 h

LEROY MERLIN Spain's stakeholders have not participated in the design of these objectives.

MDR-T 80 i

There have been no significant changes in the definition of objectives.

MDR-T 80 j

Both objectives of the 2024 goals have been achieved. The objective and, therefore, the benchmark are monitored monthly. Progress is in line with the initially planned target. There have been no significant changes in the company's performance toward achieving the target.

### **The actions carried out**

#### **DIGITALIZATION AND INNOVATION**

<b>ACTION 38</b>	<b>Monitoring and promoting customer adoption of the new app</b>
MDR-A_01 P. 68 A	<p><b>Key actions</b> The launch of the new customer app will be monitored throughout 2024, after being launched in the third quarter of 2023. The app, with new features, allows customers to more easily make purchases or check their Club points balance, among other benefits.</p>
MDR-A_02 P. 68 b	<p><b>Achieving policy objectives and goals</b> The measure is related to our commitment to our customers, as stated in our Code of Ethics: a strong commitment to excellence and quality for our customers, our main asset.</p>
MDR-A_03 P. 68 c	<p><b>Scope</b> All LEROY MERLIN Spain customers and consumers who have used the app during 2024.</p>
MDR-A_04 P. 68 d	<p><b>Time horizon</b> Reference period 2024.</p>
MDR-A_05 P. 68 e	<p><b>Actions to mitigate negative impacts</b> There are no negative impacts.</p>
	<p><b>Progress</b> The objectives for customer use of the new app will be achieved throughout 2024.</p>

## DIGITALIZATION AND INNOVATION

<b>ACTION 39</b>	<b>Promoting business growth through digital channels</b>
MDR-A_01 P. 68 A	<p><b>Key actions</b> Boosting the company's sales growth through digital channels, especially through the Leroy Merlin app</p> <p><b>Achieving policy objectives and goals</b> The measure is related to our commitment to our customers, as stated in our Code of Ethics: a strong commitment to excellence and quality for our customers, our main asset.</p>
MDR-A_02 P. 68 b	<p><b>Scope</b> All LEROY MERLIN Spain customers and consumers who have used the app during 2024.</p>
MDR-A_03 P. 68 c	<p><b>Time horizon</b> Reference period 2024.</p>
MDR-A_04 P. 68 d	<p><b>Actions to mitigate negative impacts</b> There are no negative impacts.</p>
MDR-A_05 P. 68 e	<p><b>Progress</b> By 2024, the company's goal of having the app represent 25% of its digital sales will be achieved.</p>

### Parameters and goals

RD S4-5 P. 41 | P. 41 a | P.41 b | P. 41 c | P. AR 42 b | P. AR 42 c

DIGITALIZATION AND INNOVATION - MAIN INDICATORS	2024
% that the app represents on digital sales	25%
App users (millions)*	3.1

\*A user is counted each time a person visits the app. This counting is done automatically and may count multiple visits if the person accesses the app from different devices, or if the person uninstalls and reinstalls the app.

Customers are not involved in measuring the performance of objectives nor have they been directly involved in identifying improvements.

MDR-M 77 b

As a general rule, the metrics established for managing material negative impacts, driving positive impacts, and managing material risks and opportunities have not been validated by an external body other than the auditor of this report, unless specified for a specific metric that has been externally validated.

## CURRENT AND FUTURE FINANCIAL AND OTHER RESOURCES

RD MDR-A 69 a | 69 b

In 2024, LEROY MERLIN Spain has offered discounts worth 10 million euros in connection with Action 32 - Launch of the new Leroy Merlin Club.

The relationship with the most relevant amounts presented in these financial statements is as follows: the resource is reflected in the Profit and Loss Account as discounts, reducing sales revenue. The allocation of resources for 2025 has not yet been planned.

Regarding other actions related to clients and consumers, financial resources have been allocated for all actions. However, in accordance with the significance criteria established by regulations, they are not reported in this document because they are not considered significant quantitatively, being below 0.2% of the company's revenue; nor qualitatively, because they do not represent a widespread negative or positive impact on stakeholders or the environment.

# ADDITIONAL DATA: PERSONNEL

## INFORMATION CORRESPONDING TO

### LAW 11/2018

The following tables present the personnel data required by Law 11/2018. The 2023 figures have been restated using the 2024 criterion to ensure comparability, since the 2023 data may have been modified after the 2023 report. In addition, the company ensures that the data is provided by year-end (31/12) for 2024.

#### Composition and recruitment indicators

TEMPLATE BY GENDER (AT THE CLOSING OF THE YEAR)	2023	2024	VARIATION
Women (number)	8,578.0	8,619	0.48%
<i>% of the total</i>	50.58%	50.76%	
Men (number)	8,381	8,362	-0.23%
<i>% of the total</i>	49.42%	49.24%	
<b>Total (no.)</b>	<b>16,959</b>	<b>16,981</b>	<b>0.13%</b>

STAFF BY AGE (AT THE CLOSING OF THE YEAR)	2023	2024	VARIATION
Under 30 years old	3,659	3,452	-5.66%
<i>% of the total</i>	21.58%	20.33%	
Between 30 and 50 years old	10,593	10,420	-1.63%
<i>% of the total</i>	62.46%	61.36%	
Over 50 years old	2,707	3,109	14.85%
<i>% of the total</i>	15.96%	18.31%	
<b>Total</b>	<b>16,959</b>	<b>16,981</b>	<b>0.13%</b>

STAFF BY PROFESSIONAL CATEGORY (AT THE CLOSING OF THE YEAR)	2023	2024	VARIATION
Directors and/or functional area managers	228	235	3.07%
<i>% of the total</i>	1.34%	1.38%	
Middle management	2,778	2,815	1.33%
<i>% of the total</i>	16.38%	16.58%	
Qualified professionals / technicians / specialists	441	490	11.11%
<i>% of the total</i>	2.60%	2.89%	
Operational / administrative / auxiliary positions	13,512	13,441	-0.53%
<i>% of the total</i>	79.67%	79.15%	
<b>TOTAL</b>	<b>16,959</b>	<b>16,981</b>	<b>0.13%</b>

TEMPLATE BY TYPE OF CONTRACT (AT THE CLOSING OF THE YEAR)			2023	2024	VARIATION			
Permanent contract			16.523	16.565	0.25%			
Temporary contract			436	416	-4.59%			
<b>TOTAL</b>			<b>16.959</b>	<b>16.981</b>	<b>0.13%</b>			
STAFF BY TYPE OF WORKDAY (AT THE CLOSING OF THE YEAR)			2023	2024	VARIATION			
Full-time			11.084	11.627	4.90%			
Part-time			5.875	5.354	-8.87%			
<b>TOTAL</b>			<b>16.959</b>	<b>16.981</b>	<b>0.13%</b>			
ANNUAL AVERAGE NUMBER OF CONTRACTS BY GENDER, AGE AND PROFESSIONAL CATEGORY		2023		2024				
		Men	Women	TOTAL	Men			
		Women	TOTAL	Men	VARIATION			
Directors and/or functional area managers	Under 30 years old	0	1	<b>1</b>	1	0	<b>1</b>	0.00%
	Between 30 and 50 years old	108	41	<b>149</b>	108	39	<b>147</b>	-1.35%
	Over 50 years old	69	8	<b>76</b>	73	11	<b>84</b>	10.71%
Middle management	Under 30 years old	138	125	<b>264</b>	122	105	<b>227</b>	-13.97%
	Between 30 and 50 years old	1246	853	<b>2100</b>	1233	886	<b>2119</b>	0.91%
	Over 50 years old	266	136	<b>403</b>	308	168	<b>476</b>	18.23%
Qualified professionals / technicians / specialists	Under 30 years old	27	31	<b>58</b>	25	33	<b>58</b>	1.23%
	Between 30 and 50 years old	96	214	<b>310</b>	110	213	<b>323</b>	4.03%
	Over 50 years old	15	55	<b>70</b>	20	67	<b>87</b>	24.02%
Operational / administrative / auxiliary positions	Under 30 years old	1890	1706	<b>3596</b>	1898	1712	<b>3610</b>	0.39%
	Between 30 and 50 years old	3881	4429	<b>8310</b>	3780	4388	<b>8168</b>	-1.71%
	Over 50 years old	871	1129	<b>2000</b>	1011	1301	<b>2311</b>	15.57%
<b>TOTAL</b>		<b>8608</b>	<b>8728</b>	<b>17336</b>	<b>8690</b>	<b>8921</b>	<b>17610</b>	<b>1.58%</b>

ANNUAL AVERAGE OF PERMANENT CONTRACTS BY		2023			2024			VARIATIO N
		Men	Women	TOTAL	Men	Women	TOTAL	
Directors and/or functional area managers	Under 30 years old	0.00	1.00	<b>1.00</b>	1.00	0.00	<b>1.00</b>	0.00%
	Between 30 and 50 years old	108.38	40.71	<b>149.08</b>	108.38	38.71	<b>147.08</b>	-1.34%
	Over 50 years old	68.33	7.50	<b>75.83</b>	73.13	11.29	<b>84.42</b>	11.32%
Middle management	Under 30 years old	138.13	125.25	<b>263.38</b>	121.25	104.96	<b>226.21</b>	-14.11%
	Between 30 and 50 years old	1246.25	853.38	<b>2099.63</b>	1232.92	885.71	<b>2118.63</b>	0.90%
	Over 50 years old	264.92	136.25	<b>401.17</b>	304.50	167.75	<b>472.25</b>	17.72%
Qualified professionals/ technicians/ specialists	Under 30 years old	26.46	30.38	<b>56.83</b>	25.42	32.79	<b>58.21</b>	2.42%
	Between 30 and 50 years old	96.29	212.33	<b>308.62</b>	109.71	213.00	<b>322.71</b>	4.56%
	Over 50 years old	15.13	54.75	<b>69.88</b>	19.88	66.79	<b>86.67</b>	24.03%
Operational/ administrative/ auxiliary positions	Under 30 years old	1742.96	1556.71	<b>3299.67</b>	1727.83	1532.79	<b>3260.63</b>	-1.18%
	Between 30 and 50 years old	3794.17	4287.54	<b>8081.71</b>	3681.29	4245.88	<b>7927.17</b>	-1.91%
	Over 50 years old	851.67	1107.83	<b>1959.50</b>	989.21	1276.13	<b>2265.33</b>	15.61%
<b>TOTAL</b>	<b>TOTAL</b>	<b>8,352.67</b>	<b>8,413.62</b>	<b>16,766.29</b>	<b>8,393.58</b>	<b>8,575.79</b>	<b>16,969.38</b>	1.21%

GENDER, AGE AND PROFESSIONAL CATEGORY	2023			2024			VARIATION
	Men	Women	Total	Men	Women	Total	
	Under 30 years old	0.00	0.00	0.00	0.00	0.00	0.00%
Directors and/or functional area managers	Between 30 and 50 years old	0.00	0.00	0.00	0.00	0.00	0.00%
	Over 50 years old	1.00	0.00	1.00	0.00	0.00	-100.00%
	Under 30 years old	0.75	0.75	0.75	0.94	0.94	25.93%
Middle management	Between 30 and 50 years old	0.83	0.00	0.83	0.80	0.80	-4.00%
	Over 50 years old	1.38	0.00	1.38	3.42	3.67	166.91%
	Under 30 years old	0.50	0.88	1.00	0.00	0.00	-100.00%
Qualified professionals / technicians / specialists	Between 30 and 50 years old	0.00	2.22	2.22	0.00	0.50	-77.50%
	Over 50 years old	0.00	0.00	0.00	0.00	0.00	0.00%
	Under 30 years old	147.29	149.29	296.58	170.54	179.17	17.91%
Operational / administrative / auxiliary positions	Between 30 and 50 years old	86.42	141.71	228.13	98.79	141.67	240.46
	Over 50 years old	19.58	20.79	40.38	21.46	24.42	13.62%
	<b>TOTAL</b>	<b>TOTAL</b>	<b>255.63</b>	<b>314.17</b>	<b>569.80</b>	<b>295.25</b>	<b>345.58</b>
						<b>640.83</b>	12.47%

ANNUAL AVERAGE OF PART-TIME CONTRACTS BY GENDER, AGE AND PROFESSIONAL CATEGORY		2023			2024			VARIATION
		Men	Women	TOTAL	Men	Women	TOTAL	
Directors and/or functional area managers	Under 30 years old	0.0	0.0	<b>0.0</b>	0.0	0.0	<b>0.0</b>	0.00%
	Between 30 and 50 years old	0.0	0.0	<b>0.0</b>	0.0	0.0	<b>0.0</b>	0.00%
	Over 50 years old	1.0	0.0	<b>1.0</b>	0.0	0.0	<b>0.0</b>	-100.00%
Middle management	Under 30 years old	0.8	0.0	<b>0.8</b>	0.0	0.8	<b>0.8</b>	0.00%
	Between 30 and 50 years old	1.0	3.3	<b>4.3</b>	1.0	4.2	<b>5.2</b>	20.93%
	Over 50 years old	1.3	2.4	<b>3.7</b>	3.4	2.7	<b>6.1</b>	64.86%
Qualified professionals / technicians / specialists	Under 30 years old	1.0	2.4	<b>2.8</b>	0.0	1.0	<b>1.0</b>	-64.29%
	Between 30 and 50 years old	2.8	6.1	<b>8.9</b>	3.0	4.5	<b>7.5</b>	-15.73%
	Over 50 years old	0.0	1.2	<b>1.2</b>	1.0	23	<b>3.3</b>	175.00%
Operational / administrative / auxiliary positions	Under 30 years old	1304.9	1252.0	<b>2556.9</b>	1220.5	1197.5	<b>2418.0</b>	-5.43%
	Between 30 and 50 years old	1142.3	1944.1	<b>3086.4</b>	1035.7	1867.6	<b>2903.3</b>	-5.93%
	Over 50 years old	145.5	385.5	<b>531.0</b>	147.9	431.8	<b>579.7</b>	9.17%
<b>TOTAL</b>	<b>TOTAL</b>	<b>2598.7</b>	<b>3597.0</b>	<b>6195.7</b>	<b>2412.4</b>	<b>3511.3</b>	<b>5923.7</b>	-4.39%

### Rotation indicators

DISMISSELS*	2023			2024			VARIATION	
	Women	Men	TOTAL	Women	Men	TOTAL		
Directors and/or functional area managers	Under 30 years old	0	0	0	0	0	-	
	Between 30 and 50 years old	0	2	2	2	2	-	
	Over 50 years old	0	0	0	0	2	-	
Middle management	Under 30 years old	6	8	12	4	5	9	-25%
	Between 30 and 50 years old	18	31	49	29	38	67	36.73%
	Over 50 years old	1	5	6	5	13	18	200%
Qualified professionals / technicians / specialists	Under 30 years old	0	1	1	1	1	2	100%
	Between 30 and 50 years old	2	4	6	1	4	5	-16.67%
	Over 50 years old	1	0	1	2	0	2	100%
Operational / administrative / auxiliary positions	Under 30 years old	16	49	65	20	38	58	-10.77%
	Between 30 and 50 years old	81	132	213	62	112	174	-18.31%
	Over 50 years old	24	29	53	19	21	40	-24.53%
<b>TOTAL</b>	<b>149</b>	<b>261</b>	<b>410</b>	<b>143</b>	<b>236</b>	<b>379</b>	<b>-7.56%</b>	

\*Dismissals, whether disciplinary or objective, are considered grounds for dismissal. The 2023 information has been restated using this calculation criterion.

### Hours of absenteeism

Hours of absenteeism*	2023	2024	VARIATION
Total hours of absenteeism	1,681,781.81	1,892,341.16	12.52%

### **Average remuneration indicators**

<b>Average remuneration of leaders by gender*</b>	<b>2024</b>
Women	159,937.96€
Men	204,535.29€

*\*The information reported in 2024 is not directly comparable to the information reported in 2023, given that in 2024 the criterion for "executive" was adjusted to include first and second lines of management, as required by Law 11/2018, and the following salary items are included: cash, in kind, and shares. The data reported in 2023, corresponding to the categories of "director" and "assimilated to director," are as follows: €85,051.52 for men and €68,497.74 for women.*

<b>Average remuneration by sex*</b>	<b>2023</b>	<b>2024</b>
Women	€19,187.69	€21,713.30
Men	€20,879.64	€25,871.09

*\*The information may not be directly comparable with the previous year, as compensation in 2024 was calculated with a greater number of salary items.*

<b>Average remuneration by professional category*</b>	<b>2023</b>	<b>2024</b>
Directors and/or functional area managers	81,286.07€	€107,070.08
Middle management	45,287.63€	€40,441.34
Qualified professionals / technicians / specialists	26,981.02€	€26,410.15
Operational / administrative / auxiliary positions	16,939.45€	€18,965.25

*\*The information may not be directly comparable with the previous year, as compensation in 2024 was calculated with a greater number of salary items.*

<b>Average salary by age group*</b>	<b>2023</b>	<b>2024</b>
Under 30 years old	17,033.81€	€16,848.08
Between 30 and 50 years old	20,813.05€	€24,857.15
Over 50 years old	23,001.51€	€28,890.78

*\*The information may not be directly comparable with the previous year, as compensation in 2024 was calculated with a greater number of salary items.*

# 05 GOVERNANCE

ESRS G1 Business Conduct

## Business conduct

KEY MATERIAL TOPICS	<ul style="list-style-type: none"><li>• Responsible culture, good governance and transparency</li><li>• Responsible value chain</li><li>• Data protection and cybersecurity</li></ul>	
MILESTONES 2024	<ul style="list-style-type: none"><li>• Implementation of the Corporate Crime Monitoring Plan, conducting an internal audit on high risks (business corruption) that has generated improvement plans.</li><li>• ADEO's internal audit of corruption risk prevention, based on the French anti-corruption law SAPIN II, yielded positive results in terms of governance, training, alert channels, integrity, and internal controls.</li><li>• The Ethics Committee has been renewed, appointing newly created figures, such as the Anti-Fraud Officer, the Diversity Officer, the Data Protection Officer, and the Security Officer. The position of a Regional Director has also been added to the Committee, and the new requirements of ADEO's updated Ethics Governance have been integrated.</li><li>• Training for all members of the Board of Directors on crime prevention, money laundering, and terrorist financing.</li><li>• Launch of the Supplier Reputability Project, which includes new categories of suppliers for whom we conduct reputational reports, checking international sanctions and lists of crimes, among other aspects, prior to establishing a contractual relationship with the supplier.</li></ul>	
IMPACTS	RISKS	OPPORTUNITIES
<b>Responsible culture, good governance and transparency</b>		
	<ul style="list-style-type: none"><li>• Inadequate management of ethical alerts or complaints</li></ul>	<ul style="list-style-type: none"><li>• A culture of ethical and responsible conduct in the company that strengthens its reputation among stakeholders.</li><li>• Positioning the company in sustainability that increases reputation and recognition</li><li>• Participation in alliances to promote sustainability that foster collaboration and the creation of shared knowledge</li></ul>
<b>Responsible value chain</b>		

#### POSITIVE IMPACTS

- Protection of sustainability and ethical principles in the value chain through audits and internal control
- Legal proceedings (fines, litigation) associated with cases of moral or physical harassment towards an employee in the value chain (subcontractor/supplier)

#### Data protection and cybersecurity

- Loss of information and personal data of clients, collaborators, suppliers and other stakeholders due to cybersecurity breaches
- Exposure to security breaches or leaks of company and stakeholder information
- Loss of customer confidence due to phishing attacks (fraudulent messages with the image of LEROY MERLIN)

## GOVERNANCE

### The role of the administrative, management and supervisory bodies

RD related to ESRS 2 GOV-1

See chapter [02 ON SUSTAINABILITY](#) ESRS 2 General information.

## MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES

### Description of the processes for determining and assessing material impacts, risks and opportunities

RD related to ESRS 2 IRO-1

See chapter [02 ON SUSTAINABILITY](#) ESRS 2 General information.

### Corporate culture and corporate culture and business conduct policies

RD related to MDR-P G1-1 P. 7 | RD G1-1 P. 9 | RD G1-1 P. 10 a | RD G1-1 P. 10 b | RD G1-1 P. 10 c | RD G1-1 P. 10 e | RD G1-1 P. 10 g | RD G1-1 P. 10 h

MDR-P 65

LEROY MERLIN Spain has various **policies** related to business conduct issues that allow us to establish, develop, foster, and evaluate our corporate culture.

### **Code of Ethics**

MDR-P 65 a | MDR-P 65 (a) | MDR-P 65 (b) | MDR-P 65 c | MDR-P 65 d | MDR-P 65 e | MDR-P 65 f

See **Policies related to own personnel** in chapter 04 SOCIAL (ESRS S1 Own Personnel).

MDR-P 65 a

The Code of Ethics reflects LEROY MERLIN Spain's commitment to human rights and, therefore, to a responsible value chain. It also undertakes to guarantee the integrity and security of the data the company accesses in connection with its professional activities.

The company is committed to protecting those who report conduct contrary to the Code of Ethics. To this end, the author of a report submitted in good faith is protected with respect to the reported facts and may not be subject to sanctions, discriminatory measures, or direct or indirect retaliation, even if the reported facts prove unjustified after investigation. In this regard, the whistleblower protection processes are specified in Annex III (Protocol on the Prohibition of Retaliation) of the Internal Reporting System Procedure, in compliance with Directive (EU) 2019/1937 of the European Parliament and of the Council.

Employees have access to these policies through various channels, such as the intranet, the application installed on all company computers, or the dedicated Ethics and Compliance site on our public corporate website.

Regarding knowledge in this area, an Ethics and Compliance Training Plan is developed annually in conjunction with the Talent Department. It includes all the different training modalities for all employees, focusing on crime prevention under the Spanish Penal Code, the Code of Ethics, anti-money laundering, and anti-corruption, among others. In 2024, a new Code of Ethics training program was offered with content on this policy.

Training related to the Code of Ethics is mandatory and is renewed each time it is updated. On the other hand, training on anti-corruption issues is mandatory for at-risk populations and must be renewed every two years.

In addition, those responsible for managing communications received regarding the Code of Ethics receive specific training on how to properly handle them.

#### **Code of Conduct for Responsible Purchasing Suppliers (Goods)**

MDR-P 65 a | MDR-P 65 (a) | MDR-P 65 (b) | MDR-P 65 c | MDR-P 65 d | MDR-P 65 e | MDR-P 65 f

See Policies related to value chain workers in Chapter [04 SOCIAL](#) (ESRS S2 Value Chain Workers).

MDR-P 65 a

This Code reflects LEROY MERLIN Spain's commitment to protecting the principles of sustainability and ethics throughout the value chain, to protecting working conditions and human rights, and to safeguarding the health and safety of suppliers. The Code also requires suppliers to act with the same diligence as LEROY MERLIN Spain regarding current data protection regulations.

### **Code of Conduct for Indirect Purchasing Suppliers**

MDR-P 65 a | MDR-P 65 (a) | MDR-P 65 (b) | MDR-P 65 c | MDR-P 65 d | MDR-P 65 e | MDR-P 65 f

See Policies related to workers in the value chain in the chapter [04 SOCIAL](#) (ESRS S2 Value chain workers).

MDR-P 65 a

This Code reflects LEROY MERLIN Spain's commitment to upholding the principles of sustainability and ethics throughout the value chain, protecting working conditions and human rights, and safeguarding the health and safety of suppliers. Suppliers are also required to comply with current data protection regulations.

### **Corporate policy on compliance and prevention of criminal risks**

MDR-P 65 a

The main objective of this policy is to foster a strong corporate culture of integrity, transparency, and professionalism, in which ethics and regulatory compliance are central elements. The policy establishes the principles and guidelines for developing professional conduct consistent with the company's ethical principles and serves as a framework for the Compliance and Criminal Risk Prevention Model.

The commission of any type of crime is strongly condemned, establishing this policy as a framework for the prevention of criminal risks. Furthermore, the policy seeks to ensure that no crime is justified based on a benefit to the organization.

MDR-P 65.a

The policy relates to ethical and responsible conduct within the company, as well as throughout the value chain, which consolidates LEROY MERLIN Spain's reputation among stakeholders.

MDR-P 65 a

This policy, which has been approved by the Board of Directors, will be subject to continuous review and improvement when required by regulatory, social, business, or other circumstances. The monitoring and oversight system allows for ongoing validation of the implementation of LEROY MERLIN Spain's compliance program, periodically verifying the effectiveness of the internal regulations and controls implemented.

MDR-P 65 b

The policy is corporate in nature and therefore applies to members of the company's governing bodies, executives, and employees, as well as to third parties acting on behalf of and representing the group.

MDR-P 65 c

The highest function responsible for policy is the Board of Directors, which approves it. The Compliance Function (Compliance Department) is responsible for ensuring the proper functioning of the compliance program.

MDR-P - 65.d

The policy is based on the Code of Ethics and is aligned with the achievement of the Sustainable Development Goals (SDGs), specifically Goal 8 (Decent Work and Economic Growth).

MDR-P 65 e

Stakeholders were not directly involved in the design of this policy. However, the Corporate Compliance and Criminal Risk Prevention Policy seeks to protect the interests and needs of the parent company (ADEO), its employees, and third parties who may act on its behalf and on its behalf.

MDR-P 65.f

The Corporate Policy on Compliance and Prevention of Criminal Risks can be found on the company's corporate intranet. Furthermore, the mechanisms for detecting, reporting, and investigating problems related to illicit behavior or behavior contrary to ethical and conduct principles are:

#### **Corporate Policy and Procedure for Internal Information Systems**

MDR-P 65 a | MDR-P 65 (a) | MDR-P 65 (b) | MDR-P 65 c | MDR-P 65 d | MDR-P 65 e | MDR-P 65 f

See [Policies related to own personnel](#) in chapter [04 SOCIAL](#) (ESRS S1 Own Personnel).

MDR-P 65 a

The policy relates to the proper management of ethical alerts or complaints within the framework of a responsible, good governance, and transparent culture.

#### **Information security policy**

MDR-P 65 a

This policy aims to design, implement, and monitor an effective set of measures to minimize the risks of compromising the confidentiality, integrity, and availability of the company's data and information.

MDR-P 65.a

The policy reflects LEROY MERLIN's commitment to preserving the confidentiality, integrity, and availability of information and the information assets that support it. This is vital to LEROY MERLIN. It establishes appropriate criteria for assessing information security risks, with the aim of addressing and minimizing them to acceptable levels; defining and reviewing information security objectives; establishing the necessary means to guarantee the continuity of operations and services provided to customers; and promoting and implementing appropriate measures to ensure the training, capacity building, and awareness-raising of all staff in information security.

MDR-P 65 a

This policy has been approved by the company's Management Committee, which is ultimately responsible for its implementation.

MDR-P 65 b

This policy covers all company information of any type and applies to all users of LEROY MERLIN's information systems (internal or external collaborators, suppliers, and third-party users).

MDR-P 65 c

The policy has been approved by the Steering Committee. The highest-ranking position within the organization responsible for implementing this policy is the Chief Executive Officer of Digital Tech & Data.

MDR-P - 65.d

The information security policy has been developed taking into account the following regulations:

- UNE-ISO/IEC 27001:2013 Information Security Management System.
- UNE-ISO/IEC 27002:2013 Code of good practice for information security controls.
- Organic Law 3/2018, of December 5, on the Protection of Personal Data and Guarantee of Digital Rights (LOPDGDD).

MDR-P 65.e

Stakeholders were not directly involved in the design of this policy; however, it seeks to protect the interests and needs of the company and its users.

MDR-P 65.f

The Policy can be consulted on the company's corporate intranet.

### **Policy on the use of technological media and equipment (PUMET)**

MDR-P 65.a

The purpose of this policy is to regulate the use of the technological means and resources that LEROY MERLIN Spain makes available to its employees for the performance of their work, as well as to guarantee the confidentiality, integrity, availability, privacy, and traceability of communications and information systems and, in general, to support the ethical and effective fulfillment of activities and other administrative tasks that emanate from the strictly work-related sphere.

MDR-P 65.a

The policy reflects LEROY MERLIN Spain's commitment to the security of information and the personal data of customers, employees, suppliers, and other stakeholders in the event of cybersecurity breaches or data leaks. It is also linked to the company's reputation resulting from its ethical and responsible conduct.

MDR-P 65.a

*Chief Information Security Officer (CISO)* and he or she is responsible for its implementation.

MDR-P 65.b

This policy applies to all employees who have access to one or more assets.

MDR-P 65.c

The highest-ranking organizational position responsible for implementing this policy is the Chief Digital Tech & Data Officer.

MDR-P - 65.d

One of the pillars of the policy is the scope of powers of Article 20.3 of the Workers' Statute.

MDR-P 65.e

Stakeholders were not directly involved in the design of this policy; however, it was established to protect the interests and needs of the parent company (ADEO), its employees, customers, and suppliers.

MDR-P 65.f

The Policy on the Use of Media and Technological Equipment can be found on the company's corporate intranet.

### **Artificial Intelligence Media and Services Use Policy (PUMSIA)**

MDR-P 65 a

The policy aims to establish guidelines and guidelines for the responsible and safe use of artificial intelligence services by LEROY MERLIN Spain employees.

MDR-P 65.a

The policy reflects LEROY MERLIN Spain's commitment to the security of information and the personal data of its customers, employees, suppliers, and other stakeholders. It is also linked to the company's reputation, resulting from its ethical and responsible conduct.

MDR-P 65 a

This policy has been approved by the *Chief Information Officer (CIO)*. It is the responsibility of all employees to familiarize themselves with and comply with the principles and guidelines set forth in this policy, as well as to seek clarification or additional guidance from the Cybersecurity Department and/or the Data Protection Officer.

MDR-P 65 b

This policy applies to all employees of LEROY MERLIN Spain.

MDR-P 65 c

The highest-ranking organizational position responsible for implementing this policy is the Chief Digital Tech & Data Officer.

MDR-P - 65.d

This policy contains the precepts of the Information Security Policy for LEROY MERLIN Spain, which are mandatory. It is based on the Policy on the Use of Technological Media and Equipment and the provisions of the Department Store Collective Agreement.

MDR-P 65 e

Stakeholders were not directly involved in the design of this policy. The policy seeks to protect the interests and needs of the parent company (ADEO), employees, customers, and suppliers.

MDR-P 65.f

The Artificial Intelligence Media and Services Usage Policy can be found on the company's corporate intranet.

## **Supplier Relationship Management**

RD G1-2 P. 14 | RD G1-2 P. 15a | RD G1-2 P. 15b

LEROY MERLIN Spain has two different types of suppliers:

### **Suppliers of goods or responsible purchases**

LEROY MERLIN Spain establishes a framework agreement ("Goods Agreement") as a commercial relationship with suppliers. Signing this agreement validates two appendices related to supplier quality: the "Supplier Quality Assurance Annex" and the "Code of Conduct for Responsible Purchasing Suppliers." In addition, the "Supplier Quality Manual" is available to suppliers. We also require suppliers to sign the Home Index appendix.

These documents reaffirm our commitment to working with suppliers whose priorities are ethics, human rights, and sustainability. They also enable the implementation of the supplier evaluation process.

In relation to the type of supplier evaluations that LEROY MERLIN Spain carries out, two scopes are distinguished:

- **Supplier evaluation.** This objective is to evaluate all of the company's suppliers, using as a monitoring indicator the percentage of the company's sales figures that come from suppliers assessed as low risk relative to total sales figures. This rating (low risk/high risk) is obtained after a self-assessment by the supplier on our quality management platform, using three questionnaires related to their quality management system, their social management system, and their environmental management system.
- **Factory Assessment.** Its objective is to identify and assess all manufacturers that supply marketed "own-brand" products, using the percentage of qualified factories relative to the company's total number of factories as a monitoring indicator. This rating (qualified / qualified with risk / unqualified) is obtained after conducting three *on-site audits* at the factories, in which an accredited external company assesses the quality management system (based on its own ADEO standard), the social management system (based on the ICS standard), and the environmental management system (based on the ICS standard). While quality and social management system audits are mandatory for all factories, environmental management system audits are mandatory only in factories whose production processes have been previously identified as having a high environmental impact.

The main social and environmental criteria that are part of both the self-assessment and the audits are:

- **Social criteria:** social management system, child labor, forced labor, discrimination, disciplinary practices, freedom of association, working hours, remuneration, safety and health.
- **Environmental criteria:** environmental management system, energy consumption, water consumption, wastewater effluent treatment, air emissions, waste management, prevention of pollution by hazardous substances, and prevention and management of major accidents.

At the product level, various applicable certificates are required to ensure environmental requirements (e.g., certified wood).

RD G1-6 | MDR-M

### **Indirect purchasing suppliers**

Our goal is to ensure that we work with suppliers who align with our values and comply with the law, including human, social, and environmental rights. Therefore, our suppliers must sign the Supplier Code of Ethics, and before that, several qualitative aspects of the company's performance are evaluated during the supplier evaluation process.

Our strategy with indirect purchasing suppliers is based on:

- We regularly monitor suppliers who have signed the Code of Conduct .
- All supplier registrations go through the Purchasing department to ensure that the categories negotiated by the department comply with the legal commitments agreed upon with our partners. This way, we avoid *compliance risks* .
- In supplier tenders, both a qualitative and technical evaluation of the company and the products and services to be contracted are carried out, as well as a financial/economic evaluation. Depending on the type of tender, other specific questions are added, for example regarding certifications. Social and environmental criteria are part of a qualitative and technical evaluation, with different questions for materials or services.

Another important area of supplier relationship management is payment terms. LEROY MERLIN Spain agrees with its suppliers on payment terms that comply with local and European laws and regulations. In the case of indirect purchasing suppliers, this is based on Law 3/2004, amended by Law 15/2010, known as the Late Payment Law.

The company's standard payment term for indirect purchasing suppliers is 60 days. The average payment term for indirect purchasing suppliers in 2024 was 35.99 days. The percentage of invoices paid below the standard term (60 days) is 81.03%, and the percentage paid on time (60 days) is 13.38%. In other words, 94.41% of invoices were paid within the standard term or below it.

The average payment term for indirect purchasing suppliers is calculated based on the invoice date and the due date for the payment issued for the adjustment. The calculation is based on a weighted average. Information is extracted from the internal tool with all the necessary data.

In the case of merchandise suppliers, the payment relationship is governed by a private agreement between the parties, in accordance with the provisions of the Retail Trade Regulation Act.

The company offers all suppliers access to a *confirming service* , with advantageous market conditions, so that any supplier can receive early payment on their invoices before they are due. The Cash Management team, part of the Finance department, is responsible for managing supplier payments.

To streamline the payment of invoices to suppliers, the Company is working across various departments to improve the channels for sending invoices to suppliers by automating accounting and reducing the time required for invoice processing.

At the end of 2024, there were no legal proceedings at LEROY MERLIN Spain related to payment delays.

#### **Prevention and detection of corruption and bribery**

RD G1-3 P. 18 a | RD G1-3 P. 18 b | RD G1-3 P. 18 c | RD G1-3 P. 20 | RD G1-3 P. 21 a | RD G1-3 P. 21 b | RD G1-3 P. 21 c

To prevent, detect, and address allegations or cases of corruption or bribery, we have a Corporate Internal Information System Policy.

This system has an investigative committee, the Ethics Committee. If a member of the Ethics Committee is involved in a potential complaint, there is a separate access to protect both the complainant and the Committee.

The results of the internal information system are communicated to the Management Committee and the Board of Directors by the system manager. At least annually and whenever necessary, all information requested regarding system activity is reported, preserving the confidentiality and security of the information and ensuring full respect for the guarantees and rights of users established in the Internal Information System Corporate Policy.

As part of our preventive measures, we communicate policies to ensure they are accessible and their implications are understood by:

- Collaborators: *onboarding* and specific training.
- Suppliers: Signing the Code of Conduct for Indirect Purchasing Suppliers or the Code of Conduct for Responsible Purchasing Suppliers.

and anti-bribery training programs :

- Training in research for impacted profiles (Human Resources Business Partner and regional human resources).
- Specific anti-corruption training for at-risk populations.

In 2024, we launched a new Crime Prevention Course open to the entire workforce.

In 2024, 8,840 hours of ethics and conduct training were provided, 5,801 hours not including Code of Ethics training. These courses range in length from 30 minutes for general topics to up to 3 hours for more specific training.

The administrative and management bodies (Board of Directors and Steering Committee) also receive specific training. Specifically:

- Board of Directors:
  - Compliance training, specifically in: Spanish Penal Code, SAPIN II Law (French anti-corruption regulations) and Law 10/2010 on the Prevention of Money Laundering
- Steering Committee:
  - Specific training in anti-corruption and corporate crime prevention, as this is a population at risk.

Specific information on at-risk positions covered by the training programs is detailed below:

POSITIONS AT RISK* COVERED BY ANTI-CORRUPTION AND ANTI-BRIBERY TRAINING PROGRAMS	2023	2024
Number of positions at risk in the company	456	465
Number of existing at-risk positions in the company trained in the fight against corruption and bribery	329	385
Percentage of at-risk positions covered by training programs (%)	72.15%	82.8%

*\*All members of CODIR and the Council are considered at-risk population.*

## MATERIAL TOPICS

- Responsible culture, good governance and transparency
- Responsible value chain
- Data protection and cybersecurity

### RESPONSIBLE CULTURE, GOOD GOVERNANCE AND TRANSPARENCY

**Integrity, trust, and transparency are fundamental to our responsible and ethical culture and our good governance model. Furthermore, at LEROY MERLIN Spain, we are promoting a sustainable cultural transformation that integrates sustainability into all aspects of our business and company culture.**

#### Our commitment

COMMITMENT	GOAL 2024	ACHIEVEMENT	UNIT OF MEASUREMENT AND TYPE OF OBJECTIVE	SCOPE	VALUE AND REFERENCE YEAR	INTERMEDIATE MILESTONES
MDR-T 80 a	MDR-T 80 e	2024	MDR-T 80 b	MDR-T 80 C	MDR-T 80 D	MDR-T 80 E
Promote the values and principles intrinsic to LEROY MERLIN Spain's ethical and business culture and consolidate honest, ethical, and responsible conduct.	98% of collaborators trained in the Code of Ethics	98% of employees trained in the Code of Ethics by the end of 2024	% Percentage - Relative	The entire Leroy Merlin Spain staff	82% of employees trained in the Code of Ethics (as of 2023)	No intermediate milestones have been established

MDR-T 80 a

This objective is linked to our Code of Ethics, reflecting our commitment to ensuring that all employees are aware of and understand the internal and external regulations required to fulfill their responsibilities.

MDR-T 80 f

The target is defined based on the previous year's baseline and includes all employees with a working relationship with Leroy Merlin Spain. It includes unique employees trained in the company's Code of Ethics. The data is consolidated year by year (an employee trained in 2023 is counted as trained in 2024).

MDR-T 80 g

The objectives have been set based on LEROY MERLIN Spain's own criteria.

MDR-T 80 h

LEROY MERLIN Spain's stakeholders have not participated in the design of these objectives.

MDR-T 80 i

There have been no significant changes in the definition of objectives.

MDR-T 80 j

By the end of 2024, the proposed goal of nearly 100% of employees being trained in ethics and conduct has been achieved.

LEROY MERLIN Spain's commitment to human rights, ethics, and combating corruption and bribery is reflected in our internal codes and policies, explained in the *Corporate Culture and Corporate Culture and Business Conduct Policies section*.

In addition, we have an **Ethics Committee**, responsible for reviewing all aspects related to ethics and regulatory compliance, composed of:

- Chief Financial Officer
- People Leader
- Legal Director
- Anti-discrimination reference
- Anti-fraud reference
- A Regional Director, representing this position
- Director of Compliance
- Compliance Officer

The Data Protection Officer, the Health and Safety Officer, and the Diversity, Equity, and Inclusion Officer also serve on the Committee as non-permanent members. The Committee meets quarterly and reports directly to the Board of Directors.

In terms of responsible and ethical culture, there are objectives set globally by ADEO and locally by LEROY MERLIN Spain. An activity plan is available, with a schedule and milestones.

As part of our responsible culture, we are firmly committed to sustainable cultural transformation—a comprehensive and holistic transformation that integrates sustainability at all levels of the company, from strategy and operations to team culture and values. In this regard, it is important to highlight the importance of employees' awareness of sustainability, which contributes to their commitment and sense of belonging, coherence, innovation, and a culture of sustainability.

## The actions carried out

IMPACTS, RISKS AND OPPORTUNITIES	ACTIONS
<b>Responsible culture, good governance and transparency</b>	
<b>RISKS</b>	
<ul style="list-style-type: none"> <li>Inadequate management of ethical alerts or complaints</li> </ul>	<ul style="list-style-type: none"> <li><b>Action 40:</b> Monitoring and updating risk matrices</li> <li><b>Action 41:</b> Conducting internal audits</li> <li><b>Action 42:</b> Ethics and compliance training</li> <li><b>Action 43:</b> Renewal of the Ethics Committee</li> <li><b>Action 44:</b> Promoting training and awareness in sustainability</li> </ul>
<b>OPPORTUNITIES</b>	
<ul style="list-style-type: none"> <li>A culture of ethical and responsible conduct in the company that strengthens its reputation among stakeholders.</li> <li>Positioning the company in sustainability that increases reputation and recognition</li> <li>Participation in alliances to promote sustainability that foster collaboration and the creation of shared knowledge</li> </ul>	<ul style="list-style-type: none"> <li><b>Action 40:</b> Monitoring and updating risk matrices</li> <li><b>Action 41:</b> Conducting internal audits</li> <li><b>Action 42:</b> Ethics and compliance training</li> <li><b>Action 43:</b> Renewal of the Ethics Committee</li> <li><b>Action 44:</b> Promoting training and awareness in sustainability</li> <li><b>Action 45:</b> Promoting positioning and communication on sustainability</li> </ul>

MDR-A

### RESPONSIBLE CULTURE, GOOD GOVERNANCE AND TRANSPARENCY

<b>ACTION 40</b>	<b>Monitoring and updating risk matrices</b>
MDR-A_01 P. 68a	<p><b>Key actions</b></p> <ul style="list-style-type: none"> <li>Update of LEROY MERLIN Spain's strategic risk matrix; highlights include the new Top 6 risks related to customer satisfaction and experience, technology and digital transformation, economic performance, crisis management in logistics, sustainability and positive impact, and talent attraction and retention.</li> <li>Implementation of action plans, with the areas involved, related to these risks.</li> <li>Development of a due diligence risk matrix based on the French Duty of Vigilance Act, which includes mitigating elements and action plans for higher-level risks.</li> </ul> <p><b>Achieving policy objectives and goals</b></p> <p>This action is aligned with LEROY MERLIN Spain's commitment to ethical and responsible conduct, which includes identifying risks and developing action plans to mitigate them.</p>
MDR-A_02 P. 68 b	<p><b>Scope</b></p> <p>The various areas involved in managing the main risks participate in developing action plans. Furthermore, the Top 6 risks affect customers, suppliers, employees, and the planet. The parent company is also involved due to the potential impact on its reputation if the risk is not mitigated.</p>
MDR-A_03 P. 68 c	<p><b>Time horizon</b></p> <p>Reference period 2024, although monitoring and updating of matrices has been carried out since previous years and will continue to be done in subsequent years.</p>
MDR-A_04 P. 68 d	<p><b>Actions to mitigate negative impacts</b></p> <p>There are no negative impacts.</p>

MDR-A\_05 P. 68 e

#### Progress

In 2024, we updated the risk matrix, implemented action plans, and developed the due diligence risk matrix based on the French Duty of Vigilance Act.

### RESPONSIBLE CULTURE, GOOD GOVERNANCE AND TRANSPARENCY

ACTION 41

#### Conducting internal audits

MDR-A\_01 P. 68a

#### Key actions

- Implementation of the Corporate Crime Monitoring Plan through an internal audit of high risks associated with business corruption. This audit resulted in improvement action plans.
- Conducted an internal audit of ADEO on corruption risk prevention, based on the French anti-corruption law SAPIN II, which yielded positive results in terms of governance, training, alert channels, integrity, and internal controls.

#### Achieving policy objectives and goals

This action is aligned with LEROY MERLIN Spain's commitment to ethical and responsible conduct, which includes monitoring corporate crimes and preventing corruption risks.

MDR-A\_02 P. 68 b

#### Scope

The stakeholders linked to this action are the parent company (ADEO) and its collaborators.

MDR-A\_03 P. 68 c

#### Time horizon

Reference period 2024, although internal audits have been carried out since previous years and will continue to be carried out in subsequent years.

MDR-A\_04 P. 68 d

#### Actions to mitigate negative impacts

There are no negative impacts.

MDR-A\_05 P. 68 e

#### Progress

Regarding ADEO's internal audit, whose mission was to evaluate the degree of development and implementation of the eight pillars of the *compliance program*, the results reflected a good level of performance. Furthermore, recommendations were obtained that have been translated into action plans on key topics such as supplier selection processes and potential *tenders*, as well as expanding the scope of suppliers on which due diligence and reputation checks are performed.

#### RESPONSIBLE CULTURE, GOOD GOVERNANCE AND TRANSPARENCY

<b>ACTION 42</b>	<b>Ethics and compliance training</b>
MDR-A_01 P. 68a	<p><b>Key actions</b> Training in ethics and conduct, crime prevention, and the prevention of money laundering and terrorist financing.</p> <p><b>Achieving policy objectives and goals</b> This action is aligned with LEROY MERLIN Spain's commitment to ethical and responsible conduct.</p>
MDR-A_02 P. 68 b	<p><b>Scope</b> The training is aimed at all LEROY MERLIN Spain employees.</p>
MDR-A_03 P. 68 c	<p><b>Time horizon</b> Reference period 2024, although training has been developed since previous years and will continue in future years.</p>
MDR-A_04 P. 68 d	<p><b>Actions to mitigate negative impacts</b> There are no negative impacts.</p>
MDR-A_05 P. 68 e	<p><b>Progress</b> Training for employees and all members of the Board of Directors on crime prevention, anti-money laundering, and terrorist financing. A total of 8,840 hours of ethics and conduct training were provided in 2024.</p>
<b>RESPONSIBLE CULTURE, GOOD GOVERNANCE AND TRANSPARENCY</b>	
<b>ACTION 43</b>	<b>Renewal of the Ethics Committee</b>
MDR-A_01 P. 68a	<p><b>Key actions</b></p> <ul style="list-style-type: none"> <li>● Renewal of the Ethics Committee with the appointment of newly created figures:           <ul style="list-style-type: none"> <li>○ Anti-Fraud Referent</li> <li>○ Diversity Reference</li> <li>○ Data Protection Officer</li> <li>○ Security Reference</li> </ul> </li> <li>● Inclusion of a Regional Director in the Committee.</li> <li>● Integration of ADEO's new ethical governance requirements.</li> </ul> <p><b>Achieving policy objectives and goals</b> This action is aligned with LEROY MERLIN Spain's commitment to ethical and responsible conduct.</p>
MDR-A_02 P. 68 b	<p><b>Scope</b> The stakeholders linked to this action are the parent company (ADEO) and its collaborators.</p>
MDR-A_03 P. 68 c	<p><b>Time horizon</b> Reference period 2024. The Ethics Committee is updated if it is deemed necessary to include new references of interest to employees. There is no specific time period for updating the Committee.</p>
MDR-A_04 P. 68 d	<p><b>Actions to mitigate negative impacts</b> There are no negative impacts.</p>
MDR-A_05 P. 68 e	<p><b>Progress</b> The Ethics Committee has been revamped, with a more multidisciplinary composition and a clear framework for employees based on the various topics.</p>

## RESPONSIBLE CULTURE, GOOD GOVERNANCE AND TRANSPARENCY

### ACTION 44

#### Promoting training and awareness in sustainability

##### Key actions

- Positive Impact School, with specific training on Home Index and waste management for all employees, as well as training focused on management and strategy for the circular economy and climate change.
- Internal and external communication plans to raise awareness about sustainability, disseminating information about the strategy, achievements, and best practices.
- Network of in-store ambassadors to promote sustainability, share knowledge with colleagues, and drive the Positive Impact strategy.

##### Achieving policy objectives and goals

This action is aligned with the company's positioning on sustainability and its participation in alliances to promote it.

##### Scope

MDR-A\_02 P. 68 b

Collaborators are the stakeholder group involved in this action through their participation in training and the ambassador network.

##### Time horizon

MDR-A\_03 P. 68 c

Reference period 2024, although work will continue into the next fiscal year.

##### Actions to mitigate negative impacts

MDR-A\_04 P. 68 d

There are no negative impacts.

##### Progress

MDR-A\_05 P. 68 e

In 2024, the network of in-store ambassadors was defined, and they began their awareness-raising work. Various training programs were also developed for employees based on their profile. Finally, we implemented the Lakaa digital platform, which, once launched in 2025, will facilitate access to sustainability information, the implementation of in-store initiatives, and collaboration between ambassadors and teams.

## RESPONSIBLE CULTURE, GOOD GOVERNANCE AND TRANSPARENCY

### ACTION 45

#### Promoting positioning and communication on sustainability

MDR-A\_01 P. 68a

##### Key actions

- Throughout 2024, work has been done to build a sustainable brand positioning.
- The company's participation in various specialized associations, such as DIRSE and Forética, has been promoted.
- In collaboration with the Communications teams at LEROY MERLIN Spain, the company's presence has been strengthened in forums, interviews, business breakfasts, and other types of actions to bring our voice to various national and specialized media outlets.

##### Achieving policy objectives and goals

This action is aligned with various values expressed in the LEROY MERLIN Spain Code of Ethics, such as exemplary leadership, which means exerting a positive influence on others and promoting constructive innovation; and social responsibility.

MDR-A\_02 P. 68 b

##### Scope

This action affects the company nationwide and is specifically implemented in the Omnicommerce and Positive Impact areas. It impacts external stakeholders such as the media, professional and specialized organizations, and society at large through communications.

MDR-A\_03 P. 68 c

##### Time horizon

Reference period 2024, although the work will continue into 2025.

MDR-A\_04 P. 68 d

##### Actions to mitigate negative impacts

There are no negative impacts.

MDR-A\_05 P. 68 e

##### Progress

In 2024, the push toward positioning and communication has allowed us to increase our impact and audience compared to the previous year, and achieve various recognitions.

## IN PRACTICE

### POSITIVE AMBASSADORS

At LEROY MERLIN, we believe that each of us has the power to transform our environment and, in turn, the world. It's not just a belief, but a mission. That's why we launched our Positive Ambassadors program, an initiative that helps us deploy our positive impact, diversity, and well-being strategy across the company, while also acting as a source of feedback for our teams to continue improving.

#### Strategic axes:

- **Positive impact:** We want to make our employees the true protagonists of change toward a positive future. We encourage their participation in environmental and social initiatives to help our customers build more sustainable homes, through products and services that contribute to environmental protection and generate a positive social impact.
- **Diversity and inclusion:** We promote a culture where every individual feels respected and valued, regardless of their background, gender, age, sexual orientation, or abilities.
- **Corporate well-being:** We want to be an example of a positive work environment that significantly impacts each person's life.

Throughout the year, Positive Ambassadors are presented with various challenges. An *Ambassador's Guide* (including a 30-minute *online explanatory session*) and the *Ambassador's Challenge* are available. This document explains the steps to follow, how to measure the impact of messages, and how to communicate the completed challenge within the Positive Ambassadors community on the intranet.

### Parameters and goals

Over the past year, these have been the main results of the drive toward sustainable cultural transformation:

MDR-M P. 75

SUSTAINABLE CULTURAL TRANSFORMATION	2023	2024	VARIATION
Number of sustainable cultural transformation initiatives developed	S/D	6	-
<b>Trained employees</b>			
Number of employees trained in Waste Management	2.604	954	-63.36%
Number of employees trained in Home Index	4.202	14.129	236.24%
Number of employees trained in Climate Mural	S/D	98	-
Number of employees trained at Power Leader Lab	S/D	175	-
Number of employees trained in sustainability (unique employees)	6.431	12.863	100.02%
% of employees trained in sustainability out of the total number of employees	37%	73%	36 pp
<b>Hours of training provided</b>			
Training hours in waste management	1,821.64	715.5	-60.72%
Home Index training hours	3,811.85	9,922.91	160.32%
Training hours at the Climate Mural	S/D	294	-
Training hours at Power Leader Lab	S/D	1225	-
<b>Total training hours provided on sustainability</b>	<b>5,633.49</b>	<b>12,157.41</b>	<b>115.81%</b>

MDR-M P. 77 a

To calculate the indicators, the details of sustainability-related courses, unique employees trained, and the hours dedicated to each training course were identified from the total courses and training hours provided to the company's employees. Data is provided both by course or topic and consolidated. The percentage of employees trained in sustainability is calculated by dividing the unique employees trained in one of these topics by the average number of employees in the company during 2023 and 2024.

MDR-M P. 77 b

As a general rule, the metrics established for the management of material negative impacts, the promotion of positive impacts and the management of material risks and opportunities of the material topics included in the chapter have not been validated by an external body other than the auditor of this report, unless it is specified for a specific metric that it has been externally validated.

## RESPONSIBLE VALUE CHAIN

**At LEROY MERLIN Spain, we want to transform our offering, leading the improvement of the environment around us, alongside our suppliers. We seek to maintain medium- and long-term relationships with suppliers, encouraging both parties to participate in the development of the sector. To this end, we invite our suppliers to embark on the various industrialization, responsible purchasing, and sustainability projects we are working on.**

### Our commitment

COMMITMENT	GOAL 2024	ACHIEVEMENT	UNIT OF MEASUREMENT AND TYPE OF OBJECTIVE	SCOPE	VALUE AND REFERENCE YEAR	INTERMEDIATE MILESTONES
MDR-T 80 a	MDR-T 80 e	2024	MDR-T 80 b	MDR-T 80 C	MDR-T 80 D	MDR-T 80 E
Promote the values and principles intrinsic to LEROY MERLIN Spain's ethical and business culture and consolidate honest, ethical, and responsible conduct.	73.5 % of responsible purchasing suppliers signing the Code of Conduct	99.6%	% Percentage - Relative	Suppliers of goods	87.13% - figure as of the end of 2023	No intermediate milestones have been established
	73.5% of indirect purchasing suppliers signed the Code of Conduct	81%	% Percentage - Relative	Indirect purchasing suppliers	72.9% - figure as of the end of 2023	No intermediate milestones have been established

### MDR-T 80 a

These objectives are linked to our Code of Conduct for Responsible Purchasing Suppliers and Code of Conduct for Indirect Purchasing, responding to the ethical principles established therein.

### MDR-T 80 f

The target is defined by identifying the total number of suppliers of each type that have signed the Code, based on the total number of suppliers of each type. Targets are always defined by the department responsible for managing them, taking into account the previous year's benchmark.

### MDR-T 80 g

The objectives have been set based on LEROY MERLIN Spain's own criteria.

MDR-T 80h | S2-5 P. 42 | S2-5 P. 43 a

LEROY MERLIN Spain's stakeholders were not involved in the design of these objectives. Therefore, value chain employees, representatives, or spokespersons are not involved in the processes for monitoring the results of the objectives or identifying related learning or improvements.

MDR-T 80 i

There have been no significant changes in the definition of objectives.

MDR-T 80 j

Both objectives of the 2024 goals have been achieved. The objective and, therefore, the benchmark are monitored monthly. Progress is in line with the initially planned target. There have been no significant changes in the company's performance toward achieving the target.

At LEROY MERLIN Spain, we are committed to advancing responsibility and sustainability in our value chain. To improve supplier management and relationships, we differentiate between them by:

- Merchandise suppliers: related to the products we sell.
- Indirect purchasing suppliers: They supply general products or services for the company's operations.

### **Suppliers of goods**

In addition to signing the **Responsible Purchasing Code of Conduct**, our merchandise suppliers also adhere to our Sustainable Materials Policy, Responsible Wood Products Procurement Policy and Packaging Policy, Hazardous Substances Policy, and the ADEO Safety Framework.

#### **Indirect purchasing suppliers**

Our goal is to ensure that we work with suppliers who align with our values and comply with the law, including human, social, and environmental rights. Therefore, our suppliers must sign the **Code of Conduct for Indirect Purchasing Suppliers**; several qualitative aspects of the company are previously assessed, for example, through questions about the availability of sustainability certifications.

## **The actions carried out**

IMPACTS, RISKS AND OPPORTUNITIES	ACTIONS
<b>Responsible value chain</b>	
<b>IMPACTS</b>	
<b>POSITIVE IMPACTS</b>	
<ul style="list-style-type: none"> <li>Protection of sustainability and ethical principles in the value chain through audits and internal control</li> </ul>	<ul style="list-style-type: none"> <li><b>Action 25:</b> Conducting social and environmental audits on merchandise suppliers</li> <li><b>Action 26:</b> Monitoring the signing of codes of conduct by suppliers and potential breaches received through the ethics channel</li> <li><b>Action 46:</b> Launch of the supplier integrity project</li> <li><b>Action 47:</b> Promoting communication and relationships with merchandise suppliers</li> </ul>

MDR-A\_01 P. 68a | MDR-A\_02 P. 68 b | MDR-A\_03 P. 68 c | MDR-A\_04 P. 68 d | MDR-A\_05 P. 68 e | MDR-A\_06 P. 69

See **Actions 1 and 3** in Chapter 04 SOCIAL (ESRS S2 Value Chain Workers).

RESPONSIBLE VALUE CHAIN	
ACTION 46	Launch of the supplier integrity project
MDR-A_01 P. 68A	<p><b>Key actions</b></p> <ul style="list-style-type: none"> <li>Supplier integrity project. It includes new categories of suppliers for whom LEROY MERLIN Spain compiles integrity reports and verifies international sanctions and lists of crimes, among other issues, before establishing a contractual relationship. This review is carried out both prior to supplier registration and periodically and subsequently to monitor compliance with Human Rights.</li> </ul>
<b>Achieving policy objectives and goals</b>	
	<p>This action is aligned with LEROY MERLIN Spain's commitment to a responsible value chain, which follows the principles of sustainability and ethics and protects the working conditions and human rights of its employees.</p>
MDR-A_02 P. 68 b	<p><b>Scope</b></p> <p>The stakeholders linked to this action are the suppliers.</p>
MDR-A_03 P. 68 c	<p><b>Time horizon</b></p> <p>Reference period 2024, although the program will continue in future years.</p>
MDR-A_04 P. 68 d	<p><b>Actions to mitigate negative impacts</b></p> <p>This action mitigates the impact of "accidents and/or illnesses among suppliers as a result of their work for the company."</p>
MDR-A_05 P. 68 e	<p><b>Progress</b></p> <p>We have included new categories of suppliers that are monitored for compliance with human rights and the absence of sanctions and crimes.</p>

#### RESPONSIBLE VALUE CHAIN

ACTION 47	Promoting communication and relationships with merchandise suppliers
MDR-A_01 P. 68a	<p><b>Key actions</b></p> <ul style="list-style-type: none"> <li>• Holding of the first two trade fairs for commercial suppliers in the technical world and garden world.</li> <li>• Participation in information and educational sessions on our own projects that affect our suppliers, along with manufacturers' and distributors' associations (Home Index and the Association of DIY and Hardware Manufacturers, AFEB).</li> <li>• Creation of the first supplier-directed communications calendar, establishing a single format and including corporate and operational communications, newsletters, support documentation, videos, etc.</li> <li>• Creation of a pioneering supplier care and support system in the sector. It consists of a proprietary CRM (<i>Customer Relationship Management</i>) that allows for receiving, categorizing, and measuring supplier inquiries, questions, and incidents, as well as establishing follow-up indicators such as response time, resolution time, and number of cases managed.</li> </ul>
MDR-A_02 P. 68 b	<p><b>Achieving policy objectives and goals</b> This action is aligned with LEROY MERLIN Spain's commitment to a responsible value chain.</p>
MDR-A_03 P. 68 c	<p><b>Scope</b> This initiative involved suppliers participating in trade shows, manufacturers' and distributors' associations, as well as all the company's suppliers who receive our communications and are included in the Supplier CRM. The stakeholders linked to this initiative are the suppliers.</p>
MDR-A_04 P. 68 d	<p><b>Time horizon</b> Reference period 2024, although it will continue in future years.</p>
MDR-A_05 P. 68 e	<p><b>Actions to mitigate negative impacts</b> Regular contact with suppliers fosters close dialogue and allows us to understand their needs firsthand.</p>
	<p><b>Progress</b> More than 60 suppliers and 400 collaborators participated in the first two trade fairs.</p>

As a result of the awareness-raising measures, the following is the proportion of suppliers that have signed the corresponding Codes of Conduct:

SIGNING OF THE CODE OF CONDUCT BY SUPPLIERS	2023	2024	VARIATION
Percentage of merchandise suppliers (%) that have signed the Responsible Purchasing Code of Conduct	87.1%	99.6%	+12.5 pp
Percentage of new merchandise suppliers (%) that have signed the Responsible Purchasing Code of Conduct	100%	100%	-
Percentage of indirect purchasing suppliers that have signed the Indirect Purchasing Code of Conduct* (%)	73%	81%	+ 8 pp

\*Out of a total of 430 suppliers with a turnover of more than €150,000 and special risk cases.

To ensure responsible purchasing suppliers are listened to and to foster dialogue with these types of suppliers, we conduct an anonymous NPS survey biannually. We have a supplier support email, a contact phone number, and a team of two internal and two external people to address questions, concerns, and queries. The Supplier Portal group tool provides relevant documentation so suppliers can obtain information based on their needs.

In the case of indirect purchasing suppliers, we have *category managers*, collaborators specialized in different categories of indirect purchasing suppliers, available to review the follow-up of the operation with them.

## DATA PROTECTION AND CYBERSECURITY

**Technology is key to improving our customers' experience and optimizing operations, so we work to integrate new technologies responsibly, prioritizing data security and the cybersecurity of information and communications.**

### Our commitment

The policies covering data protection and cybersecurity impacts are the Information Security Policy, the Policy on the Use of Technological Media and Equipment (PUMET), and the Policy on the Use of Artificial Intelligence Media and Services (PUMSIA). Details of these policies are included at the beginning of this chapter.

COMMITMENT	GOAL 2024	ACHIEVEMENT 2024	UNIT OF MEASUREMENT AND TYPE OF OBJECTIVE	SCOPE MDR	VALUE AND REFERENCE YEAR	INTERMEDIATE MILESTONES
MDR-T 80 a	MDR-T 80 e	2024	MDR-T 80 b	MDR-T 80 C	MDR-T 80 D	MDR-T 80 E
Promote employee training and awareness in cybersecurity and data protection	+60% of employees trained in cybersecurity	74.4% of employees trained in cybersecurity	Percentage - relative	The entire staff	42% of employees will be trained in cybersecurity by the end of 2023	No intermediate milestones have been established
	+60% of employees trained in privacy	69.4% of employees trained in privacy	Percentage - relative	The entire staff	38% of employees will be trained in privacy by the end of 2023	No intermediate milestones have been established
Maintain a proactive and preventative approach to ensure a rapid recovery of the company in the event of an incident.	+15 real-life tests of the Disaster Recovery Plan (DRP) carried out during the year	25 real-life tests of the Disaster Recovery Plan (DRP) conducted during the year	Number - absolute	All applications identified as critical to LMES	N/A - the indicator is established for the first time for 2024, throughout 2023 this exercise was not carried out, so there is no reference value.	No intermediate milestones have been established

MDR-T 80 a

Both the training-related objectives and the objective linked to the real-life testing of the Disaster Recovery Plan are closely related to the assessment and minimization of information security risks, as established by the Information Security Policy, the Policy on the Use of Technological Media and Equipment (PUMET) and the Policy on the Use of Artificial Intelligence Media and Services (PUMSIA).

MDR-T 80 f

The two training-related objectives are calculated by identifying, within the total number of training courses and training hours completed by employees, the unique users of the cybersecurity course and the privacy course, both throughout 2023 and 2024, due to the fact that the training courses were launched in 2023. The unique users trained in each of the courses are divided by the average number of LEROY MERLIN Spain employees in 2024 to generate the percentage of employees trained out of the total number of employees.

Regarding the objective of carrying out real tests of the Disaster Recovery Plan (DRP), they are calculated by counting, at the end of the year, how many tests have been carried out

Objectives are always defined by the department responsible for managing them, taking into account the reference value from the previous year.

MDR-T 80 g

The objectives have been set based on LEROY MERLIN Spain's own criteria.

MDR-T 80 h

LEROY MERLIN Spain's stakeholders have not participated in the design of these objectives.

MDR-T 80 i

There have been no significant changes in the definition of objectives.

MDR-T 80 j

The three objectives identified for 2024 have been achieved. Training objectives, and therefore the end-of-month benchmark, are being monitored monthly; and the DRP testing target is being monitored annually. Progress is in line with the initially planned objective. There have been no significant changes in the company's performance toward achieving the goal.

We have an information security management system endorsed by AENOR through the **ISO 27001 information security certification**. We also have a strategy and action plan to advance and manage the technological environment, data security, and cybersecurity. This strategy is based primarily on continuous improvement, regulatory compliance, risk management, employee awareness and training, and technological control and monitoring.

To prevent computer system disruptions and cyberattacks, we implement security measures, such as systems that block unauthorized access, intrusion detection and prevention systems that identify and neutralize potential attacks, and surveillance systems that monitor our networks for any suspicious activity.

We also have robust access controls so that only authorized individuals can access information, security policies that we must all follow, regular updates to our systems to address potential vulnerabilities, and risk management that allows us to anticipate potential threats.

In the event of an incident, we have response procedures, a dedicated team, and business continuity plans to ensure we can continue operating and restore systems as quickly as possible. We regularly conduct periodic testing to ensure all these measures are working properly.

### The actions carried out

IMPACTS, RISKS AND OPPORTUNITIES	ACTIONS
<b>Data protection and cybersecurity</b>	
<b>IMPACTS</b>	
<b>NEGATIVE IMPACTS</b>	<ul style="list-style-type: none"> <li>• Loss of information and personal data of clients, collaborators, suppliers and other stakeholders due to cybersecurity breaches</li> </ul>
<b>RISKS</b>	<ul style="list-style-type: none"> <li>• Exposure to security breaches or leaks of company and stakeholder information</li> <li>• Loss of customer confidence due to phishing scams (fraudulent messages depicting LEROY MERLIN Spain)</li> </ul>
<b>DATA PROTECTION AND CYBERSECURITY</b>	
<b>ACTION 48</b>	<b>Publication and implementation of the Artificial Intelligence Media and Services Use Policy (PUMSIA)</b>
MDR-A_01 P. 68a	<p><b>Key actions</b> Publication and implementation of the Artificial Intelligence (AI) Media and Services Use Policy to promote responsible use of AI within the company and by employees. AI-related training sessions have been developed in conjunction with the Policy's launch.</p> <p><b>Achieving policy objectives and goals</b> This action is aligned with LEROY MERLIN Spain's commitment to data protection and information security.</p>
MDR-A_02 P. 68 b	<p><b>Scope</b> The main stakeholder group linked to this action is the collaborators.</p>
MDR-A_03 P. 68 c	<p><b>Time horizon</b> Reference period 2024, will be continued in future years.</p>
MDR-A_04 P. 68 d	<p><b>Actions to mitigate negative impacts</b> This action mitigates the impact of "Loss of information and personal data of clients, collaborators, suppliers, and other stakeholders due to cybersecurity breaches."</p>
MDR-A_05 P. 68 e	<p><b>Progress</b> By implementing this policy, we ensure our adaptation to the new European Regulation on Artificial Intelligence and culturally foster responsible use of artificial intelligence tools among our teams.</p>
<b>DATA PROTECTION AND CYBERSECURITY</b>	
<b>ACTION 49</b>	<b>Promoting employee training and awareness in cybersecurity and data protection</b>

MDR-A\_01 P. 68a

**Key actions**

- Employee training and awareness strategy to support the policy. It includes cybersecurity and data protection courses on the internal training platform, as well as weekly postings on these topics on the company's internal social media channels.
- email campaign.

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**Achieving policy objectives and goals**

This action is aligned with LEROY MERLIN Spain's commitment to data protection and information security.

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MDR-A\_02 P. 68 b

**Scope**

The main stakeholder group linked to this action is the collaborators.

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MDR-A\_03 P. 68 c

**Time horizon**

Reference period 2024, although training in these subjects has been provided in previous years and will continue in future years.

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MDR-A\_04 P. 68 d

**Actions to mitigate negative impacts**

This action mitigates the impact of "Loss of information and personal data of clients, collaborators, suppliers, and other stakeholders due to cybersecurity breaches."

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MDR-A\_05 P. 68 e

**Progress**

We have strengthened internal awareness of cybersecurity and privacy through a training and awareness strategy that includes cybersecurity and data protection courses for employees on the internal training platform. Furthermore, through phishing email campaigns carried out throughout 2024, we have seen an exponential reduction in the number of clicks on malicious links by employees.

We have also maintained the ISO 27001 certification for information security of LEROY MERLIN Spain's information security management system.

**Parameters and goals**

MDR-M P. 75

MAIN INDICATORS RELATED TO CYBERSECURITY	2024
Percentage of employees trained in cybersecurity	74.4%
Percentage of employees trained in privacy	69.4%
Number of actual tests of the Disaster Recovery Plan performed	25

MDR-M P. 77a

See **MDR-T 80 f** in this chapter for the methodology for calculating the indicators.

MDR-M P. 77 b

The indicators are reviewed by an independent third party as part of the audit conducted to achieve ISO 27001 information security certification.

## PARAMETERS AND GOALS

### Confirmed cases of corruption or bribery

RD G1-4 P. 24a | RD G1-4 P. 24b | RD G1-4 P. 25a | RD G1-4 P. 25b | RD G1-4 P. 25c

In 2023 and 2024, no convictions or fines were recorded in corruption and bribery cases.

In the last two years, there have also been no cases of corruption or bribery within the organization. Therefore, there are no confirmed cases of staff members being dismissed or disciplined, nor have there been any cases in which contracts with business partners have had to be terminated or not renewed for reasons related to these matters.

The following tables provide details of the actions taken to address violations of anti-corruption and anti-bribery procedures and standards, both targeting employees and the company's governing bodies.

COMMUNICATION, SIGNATURE AND FORMATION OF ETHICAL CODES AND OTHER ANTI-CORRUPTION PROCEDURES - EMPLOYEES	2023*	2024	VARIATION
Percentage of employees informed about the existence of the Code of Ethics	100%	100%	-
Percentage of employees who have SIGNED the Code of Ethics	85%	83%	-2 pp
Percentage of employees trained in the Code of Ethics	82%	98%	+16 pp

*\* The new Code of Ethics was published at the beginning of the second quarter of 2023, and a communication and training campaign was subsequently launched. The figure may therefore not be directly comparable.*

Communication, signing, and creation of ethical codes and other anti-corruption procedures - government organizations*	2023	2024	VARIATION
Percentage of Board and CODIR members (senior management) to whom anti-corruption policies and procedures are communicated	100%	100%	0.00%
Percentage of members of the Board and CODIR (senior management) who have SIGNED the Code of Ethics	87.50%	88%	-0.5 pp
Percentage of Council and Committee members who have completed Code of Ethics TRAINING	78.13%	95%	+16.8 pp

*\* The CODIR (Steering Committee) is composed of 27 members. The Board of Directors is composed of five members.*

MDR-M P. 77 a

Regarding the indicators related to the signing and implementation of the Code of Ethics, data is monitored monthly. All employees with a working relationship with Leroy Merlin Spain are considered as the denominator for calculating the percentages.

MDR-M P. 77 b

As a general rule, the metrics established for managing material negative impacts, promoting positive impacts, and managing material risks and opportunities included in the chapter have not been validated by an external body other than the auditor of this report, unless specified for a specific metric that has been externally validated.

### **Political influence and lobbying activities**

RD G1-5 P. 29a | RD G1-5 P. 29b | RD G1-5 P. 29c | RD G1-5 P. 29d | RD G1-5 P. 30 | RD G1-5 AR 13

Responsibility for liaison regarding the company's activities and commitments related to the exercise of political influence falls to the Legal Department, which also involves other areas of the company depending on the topic at hand. In this regard, LEROY MERLIN Spain does not make financial or in-kind political contributions.

On the other hand, in the last two years, there have been no cases of appointment of any member of the administrative, management, and supervisory bodies who has held a comparable position in the public administration (including regulators).

As for pressure groups, the following associations, of which LEROY MERLIN Spain is a member, are considered:

- National Association of Large Distribution Companies (ANGED)
- Association of Manufacturers and Distributors (AECOC)
- Association of Hardware and DIY Distributors (ADFB)

Throughout 2024, these associations addressed topics related to: employment and talent in the sector; commerce, consumption, and business hours; sustainability; and technology and innovation. The topics covered relate to the impacts, risks, and opportunities of LEROY MERLIN Spain and to strategic issues for the company.

LEROY MERLIN Spain's position on the topics discussed is that established by the associations of which it is a member. The evolution of these topics affects the company's management of material impacts, risks, and opportunities, based on regulatory changes or sectoral positioning that may arise from these activities.

LEROY MERLIN Spain is not registered in the EU Transparency Register or in an equivalent transparency register of a Member State, nor is ADEO. Although the company is not legally required to be a member of a chamber of commerce or other organization representing its interests, LEROY MERLIN Spain belongs to the Franco-Spanish Chamber of Commerce.

### **CURRENT AND FUTURE FINANCIAL AND OTHER RESOURCES**

RD MDR-A 69 a | 69 b

In 2024, financial, human, and material resources have been allocated for all governance-related actions. However, and in accordance with the significance criteria established by regulations, they are not reported in this document because they are not considered significant quantitatively, being below 0.2% of the company's revenue; nor qualitatively, as they do not represent a widespread negative or positive impact on stakeholders or the environment. Similarly, the allocation of resources for 2025 has not yet been planned.

# ANNEXES

## Annex 1. Table of contents required by Law 11/2018 on Non-Financial Information and Diversity

TABLE OF CONTENTS LAW 11/2018 AND CORRESPONDENCE WITH CSRD				
Information requested by Law 11/2018	Reference to CSRD requirement	Chapter or direct report	Page	
<b>General Information</b>				
A brief description of the business model including its business environment, organization and structure	(ESRS 2) SBM-1	02 ON SUSTAINABILITY	>STRATEGY	37
Markets in which it operates	(ESRS 2) SBM-1	02 ON SUSTAINABILITY	>STRATEGY	39-40
Objectives and strategies of the organization	(ESRS 2) SBM-1 MDR-P MDR-A MDR-T	02 ON SUSTAINABILITY	>STRATEGY	40-43
Main factors and trends that may affect its future evolution	(ESRS 2) SBM-2 SBM-3 IRO-1 IRO-2	02 ON SUSTAINABILITY	>STRATEGY	40-43
Reporting framework used	ESRS 1 ESRS 2	02 ON SUSTAINABILITY	>GENERAL BASIS FOR THE PREPARATION OF THE SUSTAINABILITY STATEMENT	14
Principle of materiality	(ESRS 2) SBM-2 SBM-3 IRO-1 IRO-2	02 ON SUSTAINABILITY	>IMPACT, RISK, AND OPPORTUNITY MANAGEMENT	83-90
<b>Environmental Issues</b>				
Management approach: description and results of policies relating to environmental issues	(ESRS 2) SBM-1 MDR-P MDR-A MDR-T	02 ON SUSTAINABILITY	Climate Change: Impact, Risk, and Opportunity Management >Resource use and circular economy>Managing impacts, risks, and opportunities	99-101 / 118-126
<b>Detailed general information</b>				
Detailed information on the current and anticipated effects of activities on the environment and health	IRO-1 E1-1 E5-1	02 ON SUSTAINABILITY	>STRATEGY	48-82
Environmental assessment or certification procedures	E1-2	03 ENVIRONMENT	Climate change Strategy	93-94 / 223
Resources dedicated to the prevention of environmental risks	E1-9 E5-6	03 ENVIRONMENT	>Climate Change>FINANCIAL RESOURCES >Circular economy>FINANCIAL RESOURCES	98-101 / 117
Application of the precautionary principle	E1-9 E5-6	03 ENVIRONMENT	Climate Change Parameters and Goals	104
Amount of provisions and guarantees for environmental risks	E1-9 E5-6	03 ENVIRONMENT	>Climate Change>FINANCIAL RESOURCES >Circular economy>FINANCIAL RESOURCES	98-101 / 117
<b>Pollution</b>				

Measures to prevent, reduce or repair emissions that affect the environment	It is not material to the entity			
Including noise and light pollution	It is not material to the entity			
<b>Circular economy and waste prevention and management</b>				
Waste Generated	E5-5 (37a) / E5-5 (39)	03 ENVIRONMENT	>Resource use and circular economy>Parameters and goals	133
Measures for prevention, recycling, reuse, etc. forms of waste recovery and disposal	E5-5	03 ENVIRONMENT	>Resource use and circular economy>Parameters and goals	130-134
Actions to combat food waste	Short answer: We have a free <i>Tupperware system</i> . All employees who have leftover food in the cafeteria, or who want to buy takeout, can purchase a container to take home. This is managed through an app (Bumerang) and is free of charge. Additionally, we give food a second chance at <i>catering services</i> at our corporate offices, distributing cardboard containers so leftover food doesn't get thrown away.			
<b>Sustainable use of resources</b>				
Water consumption and supply in accordance with local limitations	It is not material to the entity			
Consumption of raw materials and measures to improve their efficiency	It is not material to the entity			
Direct and indirect energy consumption	E1-5 (37) / E1-5 (38)	03 ENVIRONMENT	Climate Change Parameters and Goals	105
Measures taken to improve efficiency energy	E1-2 / E1-5	03 ENVIRONMENT	Climate Change: Impact, Risk, and Opportunity Management	104-105
Use of renewable energies	E1-5 (37) / E1-5 (39)	03 ENVIRONMENT	Climate Change Parameters and Goals	105-106
<b>Climate change</b>				
Greenhouse gas emissions generated as a result of the company's activities, including the use of the goods and services it produces	E1-6	03 ENVIRONMENT	Climate Change Parameters and Goals	108-109
Measures taken to adapt to the consequences of climate change	E1-1 (SBM-3) / E1-3	03 ENVIRONMENT	Climate Change: Impact, Risk, and Opportunity Management	96-110
Voluntarily set reduction targets medium and long term to reduce greenhouse gas emissions and the means implemented to this end	E1-1 / E1-4	03 ENVIRONMENT	Climate Change Parameters and Goals	102
<b>Protection of biodiversity</b>				
Measures taken to preserve or restore biodiversity	It is not material to the entity			
Impacts caused by activities or operations in protected areas	It is not material to the entity			
<b>Social and Personnel Issues</b>				
Management approach: description and results of policies relating to these issues, as well as the main risks related to these issues linked to the group's activities	(ESRS 2) SBM-1 MDR-P MDR-A MDR-T	04 SOCIAL	>Own workforce>IMPACT, RISK, AND OPPORTUNITY MANAGEMENT > MATERIAL TOPICS	159-170
<b>Employment</b>				
Total number and distribution of employees by country, sex, age, professional classification and types of employment contract	Internal Framework	04 SOCIAL	>ADDITIONAL DATA: PERSONNEL INFORMATION CORRESPONDING TO LAW 11/2018	261-262

Annual average of permanent contracts, temporary contracts and part-time contracts by sex	S1-6 (50 a, b) / S1-9 (66 b)	04 SOCIAL	>Quality Employment>Characteristics of the company's employees	263-265
Annual average of permanent contracts, temporary contracts and part-time contracts by age and professional classification	Internal Framework	04 SOCIAL	>ADDITIONAL DATA: PERSONNEL INFORMATION CORRESPONDING TO LAW 11/2018	263-265
Number of layoffs by sex, age and professional classification	Internal Framework	04 SOCIAL	>ADDITIONAL DATA: PERSONNEL INFORMATION CORRESPONDING TO LAW 11/2018	266
Average salaries and their evolution broken down by sex, age and professional classification	Internal Framework	04 SOCIAL	>ADDITIONAL DATA: PERSONNEL INFORMATION CORRESPONDING TO LAW 11/2018	267
Wage gap, remuneration for equal positions or the average in society	S1-16	04 SOCIAL	>Quality employment>Adequate wages	179-180
Average remuneration of directors and executives, including variable remuneration, allowances, compensation, payments to long-term savings pension systems and any other income broken down by sex	Internal Framework	04 SOCIAL	>ADDITIONAL DATA: PERSONNEL INFORMATION CORRESPONDING TO LAW 11/2018	267
Implementation of work disconnection policies	S1-1	04 SOCIAL	>Own workforce>IMPACT, RISK, AND OPPORTUNITY MANAGEMENT	163 / 180
Number of employees with disabilities	S1-12	04 SOCIAL	>Equality, diversity and inclusion>People with disabilities	190
<b>Work Organization</b>				
Organization of working time	S1 (SBM-3) S1-1 / S1-8 / S1-11 / S1-15	04 SOCIAL	>Own workforce>IMPACT, RISK, AND OPPORTUNITY MANAGEMENT >Quality employment>	157-170 / 163 / 180-182
Number of hours of absenteeism	Internal Framework	04 SOCIAL	>ADDITIONAL DATA: PERSONNEL INFORMATION CORRESPONDING TO LAW 11/2018	266
Measures aimed at facilitating conciliation and co-responsibility	S1-4 / S1-15	04 SOCIAL	>Own workforce>IMPACT, RISK AND OPPORTUNITY MANAGEMENT>MATERIAL TOPICS / Comprehensive team well-being>Actions carried out	180 / 201-203
<b>Health and Safety</b>				
Health and safety conditions at work	S1-1 / S1-14	04 SOCIAL	>Own workforce>IMPACT, RISK, AND OPPORTUNITY MANAGEMENT >Occupational health and safety	195 / 199-200
Work accidents, frequency, severity and occupational diseases	Internal Framework	04 SOCIAL	Occupational Health and Safety > Health and Safety Parameters	199-200
<b>Social Relations</b>				
Organization of social dialogue included procedures for informing, consulting, and negotiating with staff	S1-2 S1-2 AR (25) / S1-2 AR (28) S1-3	04 SOCIAL	>IMPACT, RISK, AND OPPORTUNITY MANAGEMENT >Quality employment>Collective bargaining and social dialogue coverage	181-182

Percentage of employees covered by collective bargaining agreement by country	S1-8 / S1-8 AR	04 SOCIAL	>Quality employment>Collective bargaining and social dialogue coverage	181
Review of collective agreements, particularly in the field of health and safety at work	S1-8 / S1-14 (88 a)	04 SOCIAL	>Quality employment>Collective bargaining and social dialogue coverage >Occupational Health and Safety>Health and Safety Parameters	181-182
Mechanisms and procedures that the company has in place to promote employee involvement in company management, in terms of information, consultation and participation	S1-1 / S1-2 / S1-3	04 SOCIAL	>Own workforce>IMPACT, RISK AND OPPORTUNITY MANAGEMENT / GOALS AND OTHER PARAMETERS	167 / 169 / 207
<b>Training</b>				
Policies implemented in the field of training	S1-1 / S1-1 AR (17 a, c, f, h) / S1-13	04 SOCIAL	>Own workforce>MATERIAL TOPICS>Training and capacity building	191-194
Total number of training hours by professional category	Internal Framework	04 SOCIAL	Training and capacity building > Training parameters	194
<b>Universal Accessibility</b>				
Universal accessibility for people with disabilities	S1-1 AR (17 d) / S2-2 (23) S4-2 (21) / S4-5 AR (44) / S4 (SBM-3 10 c)	04 SOCIAL	>Own workforce>IMPACT, RISK, AND OPPORTUNITY MANAGEMENT >Workers in the value chain> MANAGING IMPACTS, RISKS, AND OPPORTUNITIES >Customers> STRATEGY	168 / 212 / 241 / 253
<b>Equality</b>				
Measures adopted to promote equal treatment and opportunities between women and men	S1-2 / S1-3 / S1-4 / S1-15 / S1-16	04 SOCIAL	>Own workforce>IMPACT, RISK, AND OPPORTUNITY MANAGEMENT >Equality, diversity and inclusion>The actions carried out Quality Employment > Work-Life Balance Parameters Quality Employment > Compensation Parameters	159-168 / 183-190
Equality plans, measures adopted to promote employment, protocols against sexual and gender-based harassment	S1-1 (20, 24 a, b, c) / S1-1 AR (14, 17 b) S1-17 (102, 103) / S1-17 AR (104 b, c)	04 SOCIAL	>Own workforce>IMPACT, RISK, AND OPPORTUNITY MANAGEMENT Own workforce>Goals and other parameters	159-168 / 183-190
Integration and universal accessibility for people with disabilities	S1-1 AR (17 d) S2-2 (23) S4-2 (21) / S4 (SBM-3 10 c)	04 SOCIAL	>Own workforce>IMPACT, RISK, AND OPPORTUNITY MANAGEMENT >Workers in the value chain> MANAGING IMPACTS, RISKS, AND OPPORTUNITIES >Customers> STRATEGY	168 / 212 / 241 / 253
Policy against all types of discrimination and, where appropriate, diversity management	S1-1 / S1-2 / S1-3 / S1-4	04 SOCIAL	>IMPACT, RISK, AND OPPORTUNITY MANAGEMENT	159-168 / 183-190
<b>Respect for Human Rights</b>				

Management approach: description and results of policies relating to these issues, as well as the main related risks	(ESRS 2) SBM-1 MDR-P MDR-A MDR-T	05 GOVERNANCE	>Business Conduct>Managing Impacts, Risks, and Opportunities	269-278
Application of due diligence procedures	(ESRS 2) GOV-4 (ESRS 2) MDR-P S1-1 / S1-17 S2-1 S3-1 S4-1	02 ON SUSTAINABILITY 04 SOCIAL	>GOVERNANCE >Own workforce>IMPACT, RISK, AND OPPORTUNITY MANAGEMENT Own workforce>GOALS AND OTHER PARAMETERS >Value chain workers>Managing impacts, risks, and opportunities >Local communities> MANAGING IMPACTS, RISKS AND OPPORTUNITIES >Clients>IMPACT, RISK, AND OPPORTUNITY MANAGEMENT	18/ 34-35 / 96-98 / 159 / 120-121 / 159-170 / 208-207 / 208-214 / 224-226 / 238-240 / 269-274 / 281 / 297-298
Application of due diligence procedures in the field of human rights and prevention of risks of human rights violations and, where appropriate, measures to mitigate, manage and remedy possible abuses committed	(ESRS 2) MDR-A (ESRS 2) MDR-T S1-2 / S1-3 / S1-4 S2-2 / S2-3 / S2-4 S3-2 / S3-3 / S3-4 S4-2 / S4-3 / S4-4	04 SOCIAL	>Own workforce>IMPACT, RISK, AND OPPORTUNITY MANAGEMENT >Value chain workers>Managing impacts, risks, and opportunities >Local communities> MANAGING IMPACTS, RISKS AND OPPORTUNITIES >Clients>IMPACT, RISK, AND OPPORTUNITY MANAGEMENT	18/ 34-35 / 96-98 / 159 / 120-121 / 159-170 / 208-207 / 208-214 / 224-226 / 238-240 / 269-274 / 281 / 297-298
Complaints about cases of human rights violations	S1-17 S2-4 (36) S3-4 (36)	04 SOCIAL	>Own workforce>GOALS AND OTHER PARAMETERS >Workers in the value chain>Responsible value chain Local communities > Managing impacts, risks, and opportunities	207 / 222 / 228
Promotion and compliance with the provisions of the fundamental ILO Conventions related to respect for freedom of association and the right to collective bargaining	S1-8	04 SOCIAL	>Quality employment>Collective bargaining and social dialogue coverage	181-182
Elimination of discrimination in employment and occupation	S1-1(24) S2-1(17)	04 SOCIAL	>Own workforce>IMPACT, RISK, AND OPPORTUNITY MANAGEMENT >Value chain workers>Managing impacts, risks, and opportunities	159-168 / 212
Elimination of forced or compulsory labor	S1-1(22) S2-1(18) S3-1(16) S4-1(16)	04 SOCIAL	Own workforce>IMPACT, RISK, AND OPPORTUNITY MANAGEMENT >Value chain workers>Managing impacts, risks, and opportunities Local communities > Managing impacts, risks, and opportunities >Clients>IMPACT, RISK, AND OPPORTUNITY MANAGEMENT	159-160 / 210 / 226 / 241

Effective abolition of child labor	S1-1 (22)	04 SOCIAL	Own workforce>IMPACT, RISK, AND OPPORTUNITY MANAGEMENT	162 / 209-11 / 224-225 / 239
	S2-1 (18)		>Value chain workers>Managing impacts, risks, and opportunities	
	S3-1 (16)		Local communities > Managing impacts, risks, and opportunities	
	S4-1 (16)		>Clients>IMPACT, RISK, AND OPPORTUNITY MANAGEMENT	
<b>Fight against Corruption and Bribery</b>				
Management approach: description and results of the policies relating to these issues as well as the main risks related to these issues linked to the group's activities	(ESRS 2) SBM-1 MDR-P MDR-A MDR-T	05 GOVERNANCE	>Business Conduct>Managing Impacts, Risks, and Opportunities	268 / 279-280 / 281-285 / 290-291 / 298
Measures taken to prevent corruption and bribery	G1-1 / G1-3 / G1-4		>Business Conduct>Managing Impacts, Risks, and Opportunities >Conduct>PARAMETERS AND GOALS	18-19 / 278-283 / 298
Measures to combat money laundering	G1-1 / G1-3 / G1-4	05 GOVERNANCE	>Business Conduct>Managing Impacts, Risks, and Opportunities >Conduct>PARAMETERS AND GOALS	18-19 / 278-283 / 298
Contributions to foundations and non-profit organizations	Internal Framework	04 SOCIAL	>Local community development>Parameters and goals	234
<b>Information about the Company</b>				
Management approach: description and results of the policies relating to these issues as well as the main risks related to these issues linked to the group's activities	(ESRS 2) SBM-1 MDR-P MDR-A MDR-T	04 SOCIAL	Local communities	224-234
<b>Company commitments to sustainable development</b>				
Impact of the company's activity on employment and local development	S3-1 / S3-2 / S3-3 / S3-4 / S3-5	04 SOCIAL	Local communities	224-234
Impact of society's activities on local populations and the territory	S3-1 / S3-2 / S3-3 / S3-4 / S3-5	04 SOCIAL	Local communities	224-234
Relationships maintained with local community actors and the modalities of dialogue with them	S3-1 / S3-2 / S3-3 / S3-4 / S3-5	04 SOCIAL	Local communities	224-234
Partnership or sponsorship actions	Internal Framework	01 ABOUT LEROY MERLIN SPAIN 04 SOCIAL	>Key alliances >Development of local communities>Actions carried out	11 / 224-234
<b>Subcontracting and Suppliers</b>				
Inclusion of social, gender equality and environmental issues in the purchasing policy	SBM-1 (42) MDR-P (65 b) S2-1 (18)	04 SOCIAL	>Value chain workers>Managing impacts, risks, and opportunities	37-38 / 208-212
Consideration in relations with suppliers and subcontractors of their social and environmental responsibility	SBM-1 (42) MDR-P (65 b) S2-1 (18)	04 SOCIAL	>Value chain workers>Managing impacts, risks, and opportunities	37-38 / 208-212
Monitoring and audit systems and their results	Internal Framework	04 SOCIAL 05 GOVERNANCE	>Workers in the value chain	215-223 288-292

>Business Conduct>Managing  
Impacts, Risks, and  
Opportunities

**Consumers**

Measures to ensure the health and safety of consumers	S4-1/S4-2/S4-3/ S4-4	04 SOCIAL	>Clients>IMPACT, RISK, AND OPPORTUNITY MANAGEMENT	235-256
Complaint systems, complaints received and their resolution	S4-3/S4-4	04 SOCIAL	>Clients>IMPACT, RISK, AND OPPORTUNITY MANAGEMENT	242-245

**Tax Information**

The benefits obtained country by country	Internal Framework	01 ABOUT LEROY MERLIN	Tax and financial information	13
Taxes on profits paid	Internal Framework	01 ABOUT LEROY MERLIN	Tax and financial information	13
Public subsidies received	Internal Framework	01 ABOUT LEROY MERLIN	Tax and financial information	13

## Annex 2. List of data points included in cross-cutting rules and thematic rules derived from other EU legislation

This appendix is part of ESRS 2. The table below illustrates the data points covered in ESRS 2 and the thematic NEISs derived from other EU legislation.

### ESRS 2 IRO-2: List of data points included in cross-cutting standards and thematic standards derived from other EU legislation

Disclosure requirement and related data point	Reference to the Regulation on Sustainability Disclosures in the Financial Services Sector	References (pillar 3)	Reference to the Regulation on benchmarks (pillar 3)	Reference to European Climate Legislation	Location in EIN and Sustainability Information 2024 or direct reporting	Page
ESRS 2 GOV-1 Gender diversity of the board of directors section 21, letter d)	Indicator No. 13 of Table 1 of Annex 1	Commission Delegated Regulation (EU) 2020/1816 (5), Annex II			Chapter 02. On Sustainability > GOVERNANCE >> The role of the administrative, management and supervisory bodies	20-21
ESRS 2 GOV-1 Percentage of board members who are independent, paragraph 21 e)		Delegated Regulation (EU) 2020/1816, Annex II			Chapter 02. On Sustainability > GOVERNANCE >> The role of the administrative, management and supervisory bodies	20
ESRS 2 GOV-4 Due Diligence Statement Section 30	Indicator No. 10 of Table 3 of Annex 1				Chapter 02. On Sustainability > GOVERNANCE >> Due Diligence Statement	34-35
ESRS 2 SBM-1 Participation in activities related to fossil fuels section 40, letter d), subparagraph h i)	Indicator No. 4 of Table 1 of Annex 1	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 (6), Table 1: Qualitative information on environmental risk and Table 2: Qualitative information on societal risk	Delegated Regulation (EU) 2020/1816, Annex II		It is not material	

ESRS 2 SBM-1 Participation in activities related to the production of chemical substances section 40, letter d), subparagraph h ii)	Indicator No. 9 of Table 2 of Annex 1	Delegated Regulation (EU) 2020/1816, Annex II	It is not material
ESRS 2 SBM-1 Participation in activities related to controversial weapons section 40(d)(iii)	Indicator No. 14 of Table 1 of Annex 1	Delegated Regulation (EU) 2020/1818 (7), Article 12, paragraph 1 Delegated Regulation (EU) 2020/1816, Annex II	It is not material
ESRS 2 SBM-1 Participation in activities related to the cultivation and production of tobacco section 40, letter d), subparagraph h iv)		Delegated Regulation (EU) 2020/1818, Article 12, paragraph 1 Delegated Regulation (EU) 2020/1816, Annex II	It is not material
ESRS E1-1 Transition plan to achieve climate neutrality by 2050 section 14		Regulation (EU) 2021/1119, Article 2, paragraph 1	Chapter 03. Planet > Climate change >> STRATEGY 91- >>> Transition plan 94 for climate change mitigation
ESRS E1-1 Companies excluded from the benchmarks harmonized with the Paris Agreement section 16, letter g)	Article 449(a) of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking portfolio – Climate change transition risk: credit quality of exposures by sector, issue and remaining maturity	Delegated Regulation (EU) 2020/1818, Article 12, paragraph 1, letters d) to g), and Article 12, paragraph 2	Chapter 03. Planet > Climate change >> STRATEGY 91- >>> Transition plan 94 for climate change mitigation

ESRS E1-4 GHG Emission Reduction Targets Section 34	Indicator No. 4 of Table 2 of Annex 1  Article 449(a) of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: 2020/1818, Article 6 Banking portfolio – Climate change transition risk: harmonization parameters	Delegated Regulation (EU) Chapter 03. Planet > Climate change >> PARAMETERS AND GOALS 102  >>> Goals related to climate change mitigation and adaptation
ESRS E1-5 Energy consumption from non-renewable fossil fuels, disaggregate d by source (only sectors with high climate impact) section 38	Indicator No. 5 of Table 1 and Indicator No. 5 of Table 2 of Annex 1  Indicator No. 5 of Table 1 of Annex 1	Chapter 03. Planet > Material topic Decarbonization and adaptation of the activity >> PARAMETERS AND GOALS 105  >>>Energy consumption and mix
ESRS E1-5 Energy consumption and mix section 37	Indicator No. 5 of Table 1 of Annex 1	Chapter 03. Planet > Material topic Decarbonization and adaptation of the activity >> PARAMETERS AND GOALS 105  >>>Energy consumption and mix
ESRS E1-5 Energy intensity related to activities in sectors with high climate impact sections 40 to 43	Indicator No. 6 of Table 1 of Annex 1  Indicator No. 6 of Table 1 of Annex 1	Chapter 03. Planet > Climate change >> PARAMETERS AND GOALS 106  >>> Energy consumption and mix
ESRS E1-6 Gross GHG emissions of scope 1, 2 and 3 and total GHG emissions section 44	Indicator No. 1 and 2 of Table 1 of Annex 1  Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: 2020/1818, Article 5(1) and Articles 6 and 8(1) Banking portfolio – Climate change transition risk:	Delegated Regulation (EU) Chapter 03. Planet > Climate change >> PARAMETERS AND GOALS 108- >>> Gross GHG emissions of scope 1, 2 and 3 and total GHG emissions 109

		credit quality of exposures by sector, issue and remaining maturity	
ESRS E1-6 Gross GHG emissions intensity sections 53 to 55	Indicator No. 3 of Table 1 of Annex 1	<p>Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking portfolio – Climate change transition risk: harmonization parameters</p> <p>Delegated Regulation (EU) 2020/1818, Article 8, paragraph 1</p>	<p>Chapter 03. Planet &gt; Climate change &gt;&gt; PARAMETERS AND GOALS &gt;&gt;&gt; Gross GHG emissions of scope 1, 2 and 3 and total GHG emissions</p> <p>110</p>
ESRS E1-7 GHG Removals and Carbon Credits Section 56		<p>Regulation (EU) 2021/1119, Article 2, paragraph 1</p>	<p>Chapter 03. Planet &gt; Climate change &gt;&gt; PARAMETERS AND GOALS &gt;&gt;&gt; GHG removals and GHG mitigation projects financed through carbon credits</p> <p>110</p>
ESRS E1-9 Benchmark portfolio exposure to climate-related physical risks section 66		<p>Delegated Regulation (EU) 2020/1818, Annex II</p> <p>Delegated Regulation (EU) 2020/1816, Annex II</p>	<p>By the end of 2024, a detailed analysis of the physical and transition risks associated with climate change had not been conducted to address these requirements.</p> <p>110</p>
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risks section 66, letter a) ESRS E1-9 Location of significant assets exposed to significant physical risks section 66, letter c).		<p>Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, paragraphs 46 and 47; Template 5. Banking portfolio. Physical risk linked to climate change: exposures subject to physical risk.</p>	<p>By the end of 2024, a detailed analysis of the physical and transition risks associated with climate change had not been conducted to address these requirements.</p> <p>110</p>

ESRS E1-9 Breakdown of the carrying value of its real estate assets for energy efficiency section 67, letter c).	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, paragraph 34; Template 2: Banking book - Climate-related transition risk: loans secured by immovable property collateral — Energy efficiency of collateral	By the end of 2024, a detailed analysis of the physical and transition risks associated with climate change had not been conducted to address these requirements.	110
ESRS E1-9 Degree of portfolio exposure to climate-related opportunities section 69	Delegated Regulation (EU) 2020/1818, Annex II	By the end of 2024, a detailed analysis of the physical and transition risks associated with climate change had not been conducted to address these requirements.	110
ESRS E2-4 Quantity of each pollutant listed in Annex II of the European PRTR Regulation (European Pollutant Release and Transfer Register) released to air, water and soil, paragraph 28	Indicator No. 8 of Table 1 of Annex 1, Indicator No. 2 of Table 2 of Annex 1, Indicator No. 1, of Table 2 of Annex 1, Indicator No. 3 of Table 2 of Annex 1	It is not material	

ESRS E3-1 Water and marine resources section 9	Indicator No. 7 of Table 2 of Annex 1	It is not material
ESRS E3-1 Specific policies section 13	Indicator No. 8 of Table 2 of Annex 1	It is not material
ESRS E3-1 Sustainable management of oceans and seas section 14	Indicator No. 12 of Table 2 of Annex 1	It is not material
ESRS E3-4 Total water recycled and reused, section 28, letter c	Indicator No. 6.2 of Table 2 of Annex 1	It is not material
ESRS E3-4 Total water consumption in m3 by net income from own operations section 29	Indicator No. 6.1 of Table 2 of Annex 1	It is not material
ESRS 2 - SBM 3 - E4 section 16, letter a), section i)	Indicator No. 7 of Table 1 of Annex 1	It is not material
ESRS 2 - SBM 3 - E4 section 16, letter b)	Indicator No. 10 of Table 2 of Annex 1	It is not material
ESRS 2 - SBM 3 - E4 section 16, letter c)	Indicator No. 14 of Table 2 of Annex 1	It is not material

ESRS E4-2 Sustainable agricultural or land-use practices or policies, section 24, letter b)	Indicator No. 11 of Table 2 of Annex 1	It is not material
ESRS E4-2 Sustainable marine or ocean practices or policies section 24, letter c)	Indicator No. 12 of Table 2 of Annex 1	It is not material
ESRS E4-2 Policies to address deforestation section 24, letter d)	Indicator No. 15 of Table 2 of Annex 1	It is not material
ESRS E5-5 Non-recycled waste section 37, letter d)	Indicator No. 13 of Table 2 of Annex 1	Chapter 03. Planet > Use of resources and circular economy >> PARAMETERS AND GOALS >>> Resource outputs 133
ESRS E5-5 Hazardous waste and radioactive waste section 39	Indicator No. 9 of Table 1 of Annex 1	Chapter 03. Planet > Use of resources and circular economy >> PARAMETERS AND GOALS >>> Resource outputs 133
ESRS 2 – SBM 3 – S1 Risk of forced labour cases section 14, letter f	Indicator No. 13 of Table 3 of Annex 1	It is not material
ESRS 2 – SBM-3 – S1 Risk of child labor cases section 14, letter g)	Indicator No. 12 of Table 3 of Annex 1	It is not material

ESRS S1-1 Political commitments on human rights section 20	Indicator No. 9 of Table 3 and Indicator No. 11 of Table 1 of Annex I	Chapter 04. Social > Own workforce >> MANAGEMENT OF IMPACTS, RISKS 159- AND 161 OPPORTUNITIES >>> Policies related to own personnel
ESRS S1-1 Due diligence policies regarding matters referred to in fundamental conventions 1 to 8 of the International Labour Organization, paragraph 21	Delegated Regulation (EU) 2020/1816, Annex II	Chapter 04. Social > Own workforce >> MANAGEMENT OF IMPACTS, RISKS 159- AND 161 OPPORTUNITIES >>> Policies related to own personnel
ESRS S1-1 Processes and measures for the prevention of trafficking in human beings section 22	Indicator No. 11 of Table 3 of Annex I	Chapter 04. Social > Own workforce >> MANAGEMENT OF IMPACTS, RISKS 159- AND 161 OPPORTUNITIES >>> Policies related to own personnel
ESRS S1-1 Workplace Accident Prevention Policies or Management System Section 23	Indicator No. 1 of Table 3 of Annex I	Chapter 04. Social > Own workforce >> MANAGEMENT OF IMPACTS, RISKS 160- AND 161 OPPORTUNITIES >>> Policies related to own personnel
ESRS S1-3 Mechanisms for handling complaints or claims, section 32, letter c)	Indicator No. 5 of Table 3 of Annex I	Chapter 04. Social > Own workforce >> MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES 169- >>> Processes to 170 repair negative impacts and channels for own workers to express their concerns
ESRS S1-14 Number of fatalities and number and rate of occupational accidents section 88, letters b) and c)	Indicator No. 2 of Table 3 of Annex I	Chapter 04. Social > Own workforce >> MATERIAL 199- TOPICS 200 >>> Health and safety parameters
ESRS S1-14 Number of days lost due to injuries,	Indicator No. 3 of Table 3 of Annex I	Chapter 04. Social > Own workforce >> MATERIAL 200 TOPICS

accidents, deaths or illness section 88, letter e)			>>> Health and safety parameters
ESRS S1-16 Gender pay gap, unadjusted, section 97, letter a)	Indicator No. 12 of Table 1 of Annex I	Delegated Regulation (EU) 2020/1816, Annex II	Chapter 04. Social > Own workforce >> MATERIAL TOPICS 179- >>> Compensation 180 parameters (wage gap and total compensation)
ESRS S1-16 Excessive pay gap between CEO and employees section 97(b)	Indicator No. 8 of Table 3 of Annex I		Chapter 04. Social > Own workforce >> MATERIAL TOPICS >>> Compensation 180 parameters (wage gap and total compensation)
ESRS S1-17 Cases of discriminatio n section 103, letter a)	Indicator No. 7 of Table 3 of Annex I		Chapter 04. Social > Own workforce >> GOALS AND OTHER PARAMETERS >>> Incidents, complaints and serious incidents related to human rights 206
ESRS S1-17. Non- compliance with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines, paragraph 104(a).	Indicator No. 10 of Table 1 and Indicator No. 14 of Table 3 of Annex I	Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Article 12, paragraph 1	Chapter 04. Social > Own workforce >> GOALS AND OTHER PARAMETERS >>> Incidents, complaints and serious incidents related to human rights 207
ESRS 2 - SBM3 - S2 Significant risk of child labour or forced labour in the value chain section 11, letter b)	Indicators No. 12 and 13 of Table 3 of Annex I		Chapter 02. On Sustainability > STRATEGY >> Material impacts, risks and opportunities and their interaction with the strategy and business model 77- 78
ESRS S2-1 Political commitments on human rights section 17	Indicator No. 9 of Table 3 and Indicator No. 11 of Table 1 of Annex 1		Chapter 04. Social > Value chain workers >> MANAGEMENT OF IMPACTS, RISKS 208- AND 212 OPPORTUNITIES >>> Policies related to workers in the value chain

ESRS S2-1 Policies related to heat chain workers section 18	Indicators No. 11 and 4 of Table 3 of Annex 1	Chapter 04. Social > Value chain workers >> MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES >>> Policies related to workers in the value chain
ESRS S2-1 Non-compliance with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines, paragraph 19	Indicator No. 10 of Table 1 of Annex 1	Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Article 12, paragraph 1
ESRS S2-1 Due diligence policies regarding matters referred to in fundamental conventions 1 to 8 of the International Labour Organization, paragraph 19		Chapter 04. Social > Own workforce >> MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES >>> Policies related to own personnel
ESRS S2-4 Human rights issues and incidents related to upstream and downstream stages of your value chain section 36	Indicator No. 14 of Table 3 of Annex 1	Delegated Regulation (EU) 2020/1816, Annex II
ESRS S3-1 Political commitments on human rights section 16	Indicator No. 9 of Table 3 and Indicator No. 11 of Table 1 of Annex 1	Chapter 04. Social > Local communities >> MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES >>> Policies related to affected groups
ESRS S3-1 Non-compliance with the UN Guiding Principles on Business and Human Rights, the	Indicator No. 10 of Table 1 of Annex 1	Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Article 12, paragraph 1

ILO Principles and the OECD Guidelines, paragraph 17			
ESRS S3-4 Human Rights Issues and Incidents Section 36	Indicator No. 14 of Table 3 of Annex 1	Non-material	
ESRS S4-1 Policies related to consumers and end users section 16	Indicator No. 9 of Table 3 and Indicator No. 11 of Table 1 of Annex 1	Chapter 04. Social > The clients >> MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES >>> Policies related to consumers and end users	238- 239
ESRS S4-1 Non-compliance with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines, paragraph 17	Indicator No. 10 of Table 1 of Annex 1	Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Article 12, paragraph 1	Chapter 04. Social > The clients >> MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES >>> Policies related to consumers and end users
ESRS S4-4 Human Rights Issues and Incidents Section 35	Indicator No. 14 of Table 3 of Annex 1	LME has not identified any material negative impacts from its dual materiality. The general section related to its due diligence procedure is detailed in DR S4-3.	239
ESRS G1-1 United Nations Convention against Corruption paragraph 10, letter b)	Indicator No. 15 of Table 3 of Annex 1	Chapter 05. Governance > Business conduct >> MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES >>> Corporate culture and corporate culture and business conduct policies	270- 273
ESRS G1-1 Protection of whistleblowers section 10, letter d)	Indicator No. 6 of Table 3 of Annex 1	The company has whistleblower protection policies	272
ESRS G1-4 Fines for violating anti-corruption and bribery laws, section 24(a)	Indicator No. 17 of Table 3 of Annex 1	Delegated Regulation (EU) 2020/1816, Annex II	Chapter 05. Governance > Business conduct >> PARAMETERS AND GOALS

		>>> Confirmed cases of corruption or bribery
ESRS G1-4 Anti- corruption and anti- bribery rules section 24, letter b)	Indicator No. 16 of Table 3 of Annex1	Chapter 05. Governance > Business conduct >> PARAMETERS AND GOALS 297 >>> Confirmed cases of corruption or bribery

## Annex 3. IRO-2: Disclosure requirements covered by the Sustainability Statement of LEROY MERLIN Spain

### ESRS 2 IRO-2: Requirements covered by the Sustainability Statement

Standard	Chapter	Paragraph	Page
<b>ESRS 2: General Requirements</b>			
BP-1: Basis for the preparation of the sustainability declaration	02 ON SUSTAINABILITY	> GENERAL BASIS FOR THE PREPARATION OF THE SUSTAINABILITY STATEMENT	14
BP-2: Information relating to specific circumstances	02 ON SUSTAINABILITY	>>INFORMATION RELATING TO SPECIFIC CIRCUMSTANCES	14-17
GOV-1: The role of the administrative, management and supervisory bodies	02 ON SUSTAINABILITY	>GOVERNANCE	18-28
GOV-2: Information provided to the company's administrative, management and supervisory bodies and sustainability issues addressed by them	02 ON SUSTAINABILITY	>GOVERNANCE	29-31
GOV-3: Integrating sustainability-related performance into incentive systems	02 ON SUSTAINABILITY	>GOVERNANCE	31-34
GOV-4: Due Diligence Statement	02 ON SUSTAINABILITY	>GOVERNANCE	34-35
GOV-5: Risk management and internal controls for sustainability disclosures	02 ON SUSTAINABILITY	>GOVERNANCE	35-37
SBM-1: Strategy, business model and value chain	02 ON SUSTAINABILITY	>STRATEGY	37-43 / 280
SBM-2: Stakeholder Interests and Opinions	02 ON SUSTAINABILITY	>STRATEGY	44-47
SBM-3: Material impacts, risks and opportunities and their interaction with the strategy and business model	02 ON SUSTAINABILITY	>STRATEGY	48-73 / 73-79 /
	03 ENVIRONMENT	>IMPACT, RISK, AND OPPORTUNITY	79-80 / 80-82 /
	04 SOCIAL	MANAGEMENT	95 / 213 / 236-237
IRO-1: Description of processes for determining and assessing material impacts, risks and opportunities	02 ON SUSTAINABILITY	>IMPACT, RISK, AND OPPORTUNITY MANAGEMENT	43-44 / 83-90 / 96 / 119
IRO-2: Disclosure requirements set out in the ESRS covered by the company's sustainability statement	02 ON SUSTAINABILITY	>IMPACT, RISK, AND OPPORTUNITY MANAGEMENT	90 / 318-323
MDR-P: Policies adopted to manage sustainability issues of relative importance	03 ENVIRONMENT		18 / 96-98 / 120-121
	04 SOCIAL	>IMPACT, RISK, AND OPPORTUNITY MANAGEMENT	159-166
	05 GOVERNANCE		209-212
			224-226

			238- 239
			270-274
			280 / 293 / 295
			98-101
MDR-A: Actions and resources related to sustainability issues of relative importance	03 ENVIRONMENT	>IMPACT, RISK, AND OPPORTUNITY MANAGEMENT	112-114 / 117 121-126 /135
			172-177 /186- 189 / 192 / 196-198 /202- 204 / 207
			216-221 /223
MDR-A: Actions and resources related to sustainability issues of relative importance	04 SOCIAL 05 GOVERNANCE	>MATERIAL TOPICS	230- 233 249-251 /254- 255 / 258- 259
			281-285 /290- 291 / 295- 296 / 298
MDR-M: Parameters relating to sustainability issues of relative importance	04 SOCIAL 05 GOVERNANCE	>MATERIAL TOPICS	104 /134 /205 / 223 / 234 / 252 / 256 / 259 / 276 / 287 / 296- 297
MDR-T: Monitoring the effectiveness of policies and actions through targets	03 ENVIRONMENT 04 SOCIAL 05 GOVERNANCE	>MATERIAL TOPICS	102-103 /111-112 /129 / 171-172 / 183-184 /191- 192 / 195-196 /201- 202 / 205 / 215-216 /229- 230 / 246- 249 /

				253-
				254 /
				257-
				258 /
				279-
				280 /
				288-
				289 /
				293-
				294

<b>ESRS E1: Climate Change</b>			
GOV-3: Integrating sustainability-related performance into incentive systems	02 ON SUSTAINABILITY	>GOVERNANCE	31-34
E1-1: Climate Change Mitigation Transition Plan	03 ENVIRONMENT	>STRATEGY	91-94
SBM-3: Material impacts, risks and opportunities and their interaction with the strategy and business model	02 ON SUSTAINABILITY 03 ENVIRONMENT	>STRATEGY >IMPACT, RISK, AND OPPORTUNITY MANAGEMENT	48-73 / 73-79 / 79-80 / 80-82 / 95
IRO-1: Description of processes for determining and assessing material impacts, risks and opportunities	02 ON SUSTAINABILITY 03 ENVIRONMENT	>IMPACT, RISK, AND OPPORTUNITY MANAGEMENT	43-44 / 83-90 / 96 / 119
E1-2: Policies related to climate change mitigation and adaptation	03 ENVIRONMENT	>IMPACT, RISK, AND OPPORTUNITY MANAGEMENT	96-98
E1-3: Actions and resources related to climate change policies	03 ENVIRONMENT	>IMPACT, RISK, AND OPPORTUNITY MANAGEMENT	98-101 / 113-114 / 117
E1-4: Targets related to climate change mitigation and adaptation	03 ENVIRONMENT	>PARAMETERS AND GOALS	102-104
E1-5: Energy consumption and combination	03 ENVIRONMENT	>PARAMETERS AND GOALS	105-106
E1-6: Gross GHG emissions of scope 1, 2 and 3 and total GHG emissions	03 ENVIRONMENT	>PARAMETERS AND GOALS	106-109
E1-7: GHG removals and GHG mitigation projects financed through carbon credits	03 ENVIRONMENT	>PARAMETERS AND GOALS	110
E1-8: Internal carbon pricing system	03 ENVIRONMENT	>PARAMETERS AND GOALS	110
E1-9: Expected financial effects of material physical and transition risks and potential opportunities related to climate change	03 ENVIRONMENT	>PARAMETERS AND GOALS	110
<b>ESRS E5: Resource Use and Circular Economy</b>			
IRO-1: Description of processes for determining and assessing material impacts, risks and opportunities	02 ON SUSTAINABILITY 03 ENVIRONMENT	>IMPACT, RISK, AND OPPORTUNITY MANAGEMENT	43-44 / 83-90 / 96 / 119
E5-1: Policies related to the use of resources and the circular economy	03 ENVIRONMENT	>IMPACT, RISK, AND OPPORTUNITY MANAGEMENT	119-121
E5-3: Goals related to resource use and the circular economy	03 ENVIRONMENT	>MATERIAL TOPICS	111-112 / 127-128
E5-5: Resource outputs	03 ENVIRONMENT	>PARAMETERS AND GOALS	130-133

E5-6: Expected financial effects of impacts, risks and opportunities related to resource use and the circular economy	02 ON SUSTAINABILITY	>STRATEGY	135
<b>ESRS S1: Own workforce</b>			
SBM-2: Stakeholder Interests and Opinions	02 ON SUSTAINABILITY	>STRATEGY	44-47
SBM-3: Material impacts, risks and opportunities and their interaction with the strategy and business model	02 ON SUSTAINABILITY 03 ENVIRONMENT 04 SOCIAL	>STRATEGY >IMPACT, RISK, AND OPPORTUNITY MANAGEMENT	48-73 / 73-79 / 79-80 / 80-82 / 95 / 213 / 236- 237
S1-1: Policies related to own personnel	04 SOCIAL	>IMPACT, RISK, AND OPPORTUNITY MANAGEMENT	159-166
S1-2: Processes for collaborating with own workers and worker representatives on impacts	04 SOCIAL	>IMPACT, RISK, AND OPPORTUNITY MANAGEMENT	167-168
S1-3: Processes to repair negative impacts and channels for own workers to express their concerns	04 SOCIAL	>IMPACT, RISK, AND OPPORTUNITY MANAGEMENT	169-170
S1-4: Adoption of measures related to material impacts on own personnel, approaches to mitigate material risks and exploit material opportunities related to own personnel and effectiveness of such actions	04 SOCIAL	>MATERIAL TOPICS	170 / 183-188 / 196- 198 / 202- 204
S1-5: Goals related to managing material negative impacts, driving positive impacts, and managing material risks and opportunities	04 SOCIAL	>MATERIAL TOPICS >GOALS AND OTHER PARAMETERS	172 / 184-185 / 192 / 196 / 202 / 205
S1-6: Characteristics of the company's employees	04 SOCIAL	>MATERIAL TOPICS	177-179
S1-8: Coverage of collective bargaining and social dialogue	04 SOCIAL	>MATERIAL TOPICS	181-182
S1-9: Diversity parameters	04 SOCIAL	>MATERIAL TOPICS	189-190
S1-10: Adequate wages	04 SOCIAL	>MATERIAL TOPICS	179
S1-11: Social protection	04 SOCIAL	>MATERIAL TOPICS	182
S1-12: People with disabilities	04 SOCIAL	>MATERIAL TOPICS	190
S1-13: Training and capacity development parameters	04 SOCIAL	>MATERIAL TOPICS	182-183 / 194
S1-14: Health and safety parameters	04 SOCIAL	>MATERIAL TOPICS	199-200
S1-15: Work-life balance parameters	04 SOCIAL	>MATERIAL TOPICS	180
S1-16: Compensation parameters (pay gap and total compensation)	04 SOCIAL	>MATERIAL TOPICS	179-180
S1-17: Serious incidents, complaints and impacts related to human rights	04 SOCIAL	>GOALS AND OTHER PARAMETERS	206- 207
<b>ESRS S2: Value chain workers</b>			
SBM-2: Stakeholder Interests and Opinions	02 ON SUSTAINABILITY	>STRATEGY	44-47

SBM-3: Material impacts, risks and opportunities and their interaction with the strategy and business model	02 ON SUSTAINABILITY 03 ENVIRONMENT 04 SOCIAL	>STRATEGY >IMPACT, RISK, AND OPPORTUNITY MANAGEMENT	48-73 / 73-79 / 79-80 / 80-82 / 95 / 213 / 236- 237
S2-1: Policies related to workers in the value chain	04 SOCIAL	>IMPACT, RISK, AND OPPORTUNITY MANAGEMENT	208-212 / 22
S2-2: Processes for collaborating with value chain workers on impacts	04 SOCIAL	>IMPACT, RISK, AND OPPORTUNITY MANAGEMENT	212-213
S2-3: Processes to repair negative impacts and channels for value chain workers to express their concerns	04 SOCIAL	>IMPACT, RISK, AND OPPORTUNITY MANAGEMENT	213-214
S2-4: Adoption of measures related to material impacts on workers in the value chain, approaches to managing material risks and exploiting material opportunities related to workers in the value chain, and the effectiveness of such actions	04 SOCIAL	>MATERIAL TOPICS	215-222
S2-5: Goals related to managing material negative impacts, driving positive impacts, and managing material risks and opportunities	04 SOCIAL	>MATERIAL TOPICS	215-216 / 288- 289
<b>ESRS S3: Affected groups</b>			
SBM-2: Stakeholder Interests and Opinions	02 ON SUSTAINABILITY	>STRATEGY	44-47
SBM-3: Material impacts, risks and opportunities and their interaction with the strategy and business model	02 ON SUSTAINABILITY 03 ENVIRONMENT 04 SOCIAL	>STRATEGY >IMPACT, RISK, AND OPPORTUNITY MANAGEMENT	48-73 / 73-79 / 79-80 / 80-82 / 95 / 213 / 236- 237
S3-1: Policies related to affected groups	04 SOCIAL	>IMPACT, RISK, AND OPPORTUNITY MANAGEMENT	224- 226
S3-2: Processes for collaborating with affected groups regarding impacts	04 SOCIAL	>IMPACT, RISK, AND OPPORTUNITY MANAGEMENT	226- 227
S3-3: Processes to repair negative impacts and channels for affected groups to express their concerns	04 SOCIAL	>IMPACT, RISK, AND OPPORTUNITY MANAGEMENT	227
S3-4: Adoption of measures related to material impacts on affected groups, approaches to managing material risks and exploiting material opportunities related to affected groups, and effectiveness of such actions	04 SOCIAL	>IMPACT, RISK, AND OPPORTUNITY MANAGEMENT	228- 233
S3-5: Goals related to managing material negative impacts, driving positive impacts, and managing material risks and opportunities	04 SOCIAL	>MATERIAL THEME	229
<b>ESRS S4: Consumers and end users</b>			
SBM-2: Stakeholder Interests and Opinions	02 ON SUSTAINABILITY	>STRATEGY	44-47
SBM-3: Material impacts, risks and opportunities and their interaction with the strategy and business model	02 ON SUSTAINABILITY 03 ENVIRONMENT	>STRATEGY	48-73 / 73-79 / 79-80 / 80-82 /

	04 SOCIAL	>IMPACT, RISK, AND OPPORTUNITY MANAGEMENT	95 / 213 / 236- 237
S4-1: Policies related to consumers and end users	04 SOCIAL	>IMPACT, RISK, AND OPPORTUNITY MANAGEMENT	238- 239
S4-2: Processes for engaging with consumers and end-users on impacts	04 SOCIAL	>IMPACT, RISK, AND OPPORTUNITY MANAGEMENT	240-241
S4-3: Processes to remediate negative impacts and channels for consumers and end-users to express their concerns	04 SOCIAL	>IMPACT, RISK, AND OPPORTUNITY MANAGEMENT	241-244
S4-4: Adoption of measures related to material impacts on consumers and end-users, approaches to mitigate material risks and exploit material opportunities related to consumers and end-users, and the effectiveness of such actions	04 SOCIAL	>MATERIAL TOPICS	245- 246 / 249-251 / 254- 255 / 258- 259
S4-5: Goals related to managing material negative impacts, driving positive impacts, and managing material risks and opportunities	04 SOCIAL	>MATERIAL TOPICS	248 / 253 / 257
<b>ESRS G1: Business Conduct</b>			
GOV-1: The role of the administrative, management and supervisory bodies	02 ON SUSTAINABILITY	>GOVERNANCE	18-28
IRO-1: Description of processes for determining and assessing material impacts, risks and opportunities	02 ON SUSTAINABILITY	>IMPACT, RISK, AND OPPORTUNITY MANAGEMENT	43-44 / 83-90 / 96 / 119
G1-1: Corporate culture and corporate culture and business conduct policies	02 ON SUSTAINABILITY 05 GOVERNANCE	>GOVERNANCE >IMPACT, RISK, AND OPPORTUNITY MANAGEMENT	18-19 270-274 / 280
G1-2: Supplier Relationship Management	05 GOVERNANCE	>IMPACT, RISK, AND OPPORTUNITY MANAGEMENT	275-276 / 289- 290
G1-3: Prevention and detection of corruption and bribery	05 GOVERNANCE	>IMPACT, RISK, AND OPPORTUNITY MANAGEMENT	277-278
G1-4: Confirmed cases of corruption or bribery	05 GOVERNANCE	>PARAMETERS AND GOALS	297
G1-5: Political influence and lobbying activities	05 GOVERNANCE	>PARAMETERS AND GOALS	298
G1-6: Payment practices	05 GOVERNANCE	>IMPACT, RISK, AND OPPORTUNITY MANAGEMENT	276-277

## Annex 4. Taxonomy Information

### REGULATION (EU) 2020/852 - TAXONOMY

Information	Regulations	Paragraph	Page
<b>Qualitative information</b>			
Accounting policy	Regulation (EU) 2020/852 Regulation (EU) 2021/2178	03 ENVIRONMENT Disclosure of information pursuant to Article 8 of Regulation (EU) 2020/852 on taxonomy	136-147
Assessment of compliance with Regulation (EU) 2020/852	Regulation (EU) 2020/852 Regulation (EU) 2021/2178	03 ENVIRONMENT Disclosure of information pursuant to Article 8 of Regulation (EU) 2020/852 on taxonomy	136-147
Contextual information	Regulation (EU) 2020/852 Regulation (EU) 2021/2178	03 ENVIRONMENT Disclosure of information pursuant to Article 8 of Regulation (EU) 2020/852 on taxonomy	136-147
<b>Quantitative information</b>			
Eligibility and revenue volume alignment	Regulation (EU) 2020/852 Regulation (EU) 2021/2178 Regulation (EU) 2021/2139 Regulation (EU) 2023/2486	03 ENVIRONMENT Disclosure of information pursuant to Article 8 of Regulation (EU) 2020/852 on taxonomy	146-149
CapEx Eligibility and Alignment	Regulation (EU) 2020/852 Regulation (EU) 2021/2178 Regulation (EU) 2021/2139 Regulation (EU) 2023/2486	03 ENVIRONMENT Disclosure of information pursuant to Article 8 of Regulation (EU) 2020/852 on taxonomy	150-152
OpEx Eligibility and Alignment	Regulation (EU) 2020/852 Regulation (EU) 2021/2178 Regulation (EU) 2021/2139 Regulation (EU) 2023/2486	03 ENVIRONMENT Disclosure of information pursuant to Article 8 of Regulation (EU) 2020/852 on taxonomy	153-155

## Annex 5. Limited Verification Report

**Informe de Verificación Limitada emitido  
por un Verificador sobre el Estado de  
Información No Financiera e Información  
sobre Sostenibilidad correspondiente al  
ejercicio anual finalizado  
el 31 de diciembre de 2024**

**LEROY MERLIN ESPAÑA, S.L.U.**



**The better the question.  
The better the answer.  
The better the world works.**



**Shape the future  
with confidence**



**Shape the future  
with confidence**

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## **INFORME DE VERIFICACIÓN LIMITADA EMITIDO POR UN VERIFICADOR SOBRE EL ESTADO DE INFORMACIÓN NO FINANCIERA E INFORMACIÓN SOBRE SOSTENIBILIDAD**

Al Socio Único de LEROY MERLIN ESPAÑA, S.L.U.:

### **Conclusión de verificación limitada**

De acuerdo con el artículo 49 del Código de Comercio hemos realizado la verificación limitada del Estado de Información No Financiera adjunto (en adelante EINF) correspondiente al ejercicio anual finalizado el 31 de diciembre de 2024 de LEROY MERLIN ESPAÑA, S.L.U. (en adelante, la "Entidad") que forma parte del Informe de Gestión de la Entidad.

El contenido del EINF incluye información adicional a la requerida por la normativa mercantil vigente en materia de información no financiera, en concreto incluye la Información sobre Sostenibilidad preparada por la Entidad correspondiente al ejercicio anual terminado el 31 de diciembre de 2024 (en adelante, la "Información sobre Sostenibilidad") siguiendo lo establecido en la Directiva (UE) 2022/2464 del Parlamento Europeo y del Consejo, de 14 de diciembre de 2022, sobre Información Corporativa en Materia de Sostenibilidad (CSRD, por sus siglas en inglés). Dicha Información sobre Sostenibilidad también ha sido objeto de verificación limitada.

Basándonos en los procedimientos realizados y en las evidencias que hemos obtenido, no ha llegado a nuestro conocimiento ninguna cuestión que nos lleve a pensar que:

- a) El Estado de Información no Financiera de la Entidad correspondiente al ejercicio finalizado el 31 de diciembre de 2024 no ha sido preparado, en todos sus aspectos significativos, de acuerdo con los contenidos recogidos en la normativa mercantil vigente y siguiendo los criterios seleccionados de las Normas Europeas de Información sobre Sostenibilidad (NEIS o ESRS, por sus siglas en inglés), así como aquellos otros criterios descritos de acuerdo a lo mencionado para cada materia en la tabla del "ANEXO III - Índice de contenidos de la Ley 11/2018, de 28 de diciembre, en materia de información no financiera y diversidad" del citado Estado.
- b) La Información sobre Sostenibilidad en su conjunto no ha sido preparada, en todos los aspectos significativos, de conformidad con el marco de información sobre sostenibilidad aplicado por la Entidad y que se identifica en el apartado "2. Bases para la formulación del Estado de Información No Financiera e Información de Sostenibilidad (NEIS-2)" adjunto, incluyendo:
  - Que la descripción proporcionada del proceso para identificar la Información sobre Sostenibilidad incluida en el apartado "Descripción del proceso para determinar y evaluar los impactos, riesgos y oportunidades materiales (análisis de materialidad)" es coherente con el proceso implantado y que permite identificar la información material a ser revelada según las prescripciones de las NEIS.
  - El cumplimiento de las NEIS.

- El cumplimiento de los requisitos de divulgación, incluidos en el apartado "2.2.1 Taxonomía" de la sección sobre medio ambiente de la Información sobre Sostenibilidad con lo establecido en el artículo 8 del Reglamento (UE) 2020/852, del Parlamento Europeo y del Consejo, de 18 de junio de 2020, relativo al establecimiento de un marco para facilitar las inversiones sostenibles.

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### Fundamento de la conclusión

Hemos realizado nuestro encargo de verificación limitada de conformidad con las normas profesionales de general aceptación aplicables en España y específicamente con las pautas de actuación contenidas en las Guías de Actuación 47 Revisada y 56 emitidas por el Instituto de Censores Jurados de Cuentas de España sobre encargos de verificación de información no financiera y considerando el contenido de la nota publicada por el ICAC en fecha 18 de diciembre de 2024 (en adelante, "normas profesionales de general aceptación").

La extensión de los procedimientos aplicados en un encargo de verificación limitada es menor en comparación con los que se requieren en un encargo de verificación razonable. En consecuencia, el grado de seguridad que se obtiene en un encargo de verificación limitada es menor que el grado de seguridad que se hubiera obtenido si se hubiera realizado un encargo de seguridad razonable.

Nuestras responsabilidades de acuerdo con dicha normativa se describen con más detalle en la sección *Responsabilidades del verificador* de nuestro informe.

Hemos cumplido con los requerimientos de independencia y demás requerimientos de ética del Código Internacional de Ética para Profesionales de la Contabilidad (incluidas las normas internacionales de independencia) del Consejo de Normas Internacionales de Ética para Profesionales de la Contabilidad (Código de ética del IESBA por sus siglas en inglés) que está basado en los principios fundamentales de integridad, objetividad, competencia y diligencia profesionales, confidencialidad y comportamiento profesional.

Nuestra firma aplica la Norma Internacional de Gestión de la Calidad (NIGC) 1, que requiere que se diseñe, implante y opere un sistema de gestión de la calidad que incluya políticas y procedimientos relativos al cumplimiento de los requerimientos de ética, normas profesionales y requerimientos legales y reglamentarios aplicables.

Consideramos que la evidencia que hemos obtenido es suficiente y adecuada para proporcionar una base sobre la que sustentar nuestra conclusión.

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### Responsabilidades de los Administradores

La formulación del EINF incluido en el Informe de Gestión de la Entidad, así como el contenido del mismo, es responsabilidad de los Administradores de LEROY MERLIN ESPAÑA, S.L.U. El EINF se ha preparado de acuerdo con los contenidos recogidos en la normativa mercantil vigente y siguiendo los criterios de las NEIS seleccionados, así como aquellos otros criterios descritos de acuerdo a lo mencionado para cada materia en la tabla del "ANEXO III - Índice de contenidos de la Ley 11/2018, de 28 de diciembre, en materia de información no financiera y diversidad" del citado Estado.

Esta responsabilidad incluye asimismo el diseño, la implantación y el mantenimiento del control interno que se considere necesario para permitir que el EINF esté libre de incorrección material, debida a fraude o error.

Los Administradores de LEROY MERLIN ESPAÑA, S.L.U. son también responsables de definir, implantar, adaptar y mantener los sistemas de gestión de los que se obtiene la información necesaria para la preparación del EINF.

En relación con la Información sobre Sostenibilidad, los Administradores de la Entidad son responsables de desarrollar e implantar un proceso para identificar la información que se debe incluir en la información sobre sostenibilidad de conformidad con el contenido de la CSRD, de las NEIS y con lo establecido en el artículo 8 del Reglamento (UE) 2020/852, del Parlamento Europeo y del Consejo, de 18 de junio de 2020 y de divulgar información sobre este proceso en la propia Información sobre Sostenibilidad en el apartado "Descripción del proceso para determinar y evaluar los impactos, riesgos y oportunidades materiales (análisis de materialidad)". Dicha responsabilidad incluye:

- ▶ Conocer el contexto en el que se desarrollan las actividades y relaciones de negocio de la Entidad, así como sus grupos de interés, en relación con los impactos que tiene la Entidad sobre las personas y el medio ambiente.
- ▶ Identificar los impactos reales y potenciales (tanto negativos como positivos), así como los riesgos y oportunidades que podrían afectar, o de los que razonablemente se podría esperar que afecten, a la situación financiera, los resultados financieros, los flujos de efectivo, el acceso a la financiación o el coste de capital de la Entidad en el corto, medio o largo plazo.
- ▶ Evaluar la materialidad de los impactos, riesgos y oportunidades identificados.
- ▶ Realizar hipótesis y estimaciones que sean razonables en función de las circunstancias.

Los Administradores son asimismo responsables de la preparación de la Información sobre Sostenibilidad, que incluya la información identificada por el proceso, de conformidad con el marco de información sobre sostenibilidad aplicado, incluyendo el cumplimiento de la CSRD, el cumplimiento de las NEIS y el cumplimiento de los requisitos de divulgación, incluidos en el apartado "2.2.1. Taxonomía" de la sección sobre medio ambiente de la Información sobre Sostenibilidad, con el artículo 8 del Reglamento (UE) 2020/852, del Parlamento Europeo y del Consejo, de 18 de junio de 2020, relativo al establecimiento de un marco para facilitar las inversiones sostenibles.

Esta responsabilidad incluye:

- ▶ Diseñar, implantar y mantener el control interno que los Administradores consideren relevante para permitir la preparación de la Información sobre Sostenibilidad que esté libre de incorrecciones materiales, debidas a fraude o error.
- ▶ Seleccionar y aplicar métodos apropiados para la presentación de la Información sobre Sostenibilidad y la realización de asunciones y estimaciones que sean razonables, considerando las circunstancias, sobre las divulgaciones específicas.

#### **Limitaciones inherentes en la preparación de la información**

De acuerdo con las NEIS, los Administradores de la entidad están obligados a preparar información prospectiva sobre la base de asunciones e hipótesis, que han de incluirse en la Información sobre Sostenibilidad, acerca de hechos que pueden ocurrir en el futuro, así como posibles acciones futuras que, en su caso, podría tomar la Entidad. El resultado real puede diferir de forma significativa del estimado, ya que se refiere al futuro y los acontecimientos futuros frecuentemente no ocurren como se esperaba.

Para determinar las revelaciones de la Información sobre Sostenibilidad, los Administradores de la entidad interpretan términos legales y de otro tipo que no se encuentran claramente definidos que pueden ser interpretados de forma diferente por otras personas, incluyendo la conformidad legal de dichas interpretaciones y, en consecuencia, están sujetas a incertidumbre.

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### Responsabilidades del verificador

Nuestros objetivos son planificar y realizar el encargo de verificación con el fin de obtener una seguridad limitada sobre si el EINF y la Información sobre Sostenibilidad están libres de incorrección material, ya sea debida a fraude o error, y emitir un informe de verificación limitada que contiene nuestras conclusiones al respecto. Las incorrecciones pueden deberse a fraude o error y se consideran materiales si, individualmente o de forma agregada, puede preverse razonablemente que influirán en las decisiones que los usuarios toman basándose en esta información.

Como parte de un encargo de verificación limitada, aplicamos nuestro juicio profesional y mantenemos una actitud de escepticismo profesional durante todo el encargo. También:

- ▶ Diseñamos y aplicamos procedimientos para evaluar si el proceso para identificar la información que se incluye tanto en el EINF como en la Información sobre Sostenibilidad es congruente con la descripción del proceso seguido por la Entidad y permite, en su caso, identificar la información material a ser revelada según las prescripciones de las NEIS.
- ▶ Aplicamos procedimientos sobre el riesgo, incluido obtener un conocimiento de los controles internos relevantes para el encargo con el fin de identificar la información a revelar en la que es más probable que surjan incorrecciones materiales, debido a fraude o error, pero no con la finalidad de proporcionar una conclusión acerca de la eficacia del control interno de la Entidad.
- ▶ Diseñamos y aplicamos procedimientos que responden a las divulgaciones contenidas tanto en el EINF como en la Información sobre Sostenibilidad en las que es probable que surjan incorrecciones materiales. El riesgo de no detectar una incorrección material debida a fraude es más elevado que en el caso de una incorrección material debida a error, ya que el fraude puede implicar colusión, falsificación, omisiones deliberadas, manifestaciones intencionalmente erróneas o la elusión del control interno.

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### Resumen del trabajo realizado

Un encargo de verificación limitada incluye la realización de procedimientos para obtener evidencia que sirva de base para nuestras conclusiones. La naturaleza, momento de realización y extensión de los procedimientos seleccionados depende del juicio profesional, incluida la identificación de la información a revelar en que es probable que surjan incorrecciones materiales, debido a fraude o error, en el EINF y en la Información sobre Sostenibilidad.

Nuestro trabajo ha consistido en indagaciones ante la dirección, así como a las diversas unidades y componentes de la Entidad que han participado en la elaboración del EINF e Información sobre Sostenibilidad, en la revisión de los procesos para recopilar y validar la información presentada en el EINF e Información sobre Sostenibilidad y en la aplicación de ciertos procedimientos analíticos y pruebas de revisión por muestreo, que se describen a continuación:

En relación con el proceso de verificación del EINF:

- ▶ Reuniones con el personal de la Entidad para conocer el modelo de negocio, las políticas y los enfoques de gestión aplicados, los principales riesgos relacionados con esas cuestiones y obtener la información necesaria para la revisión externa.
- ▶ Análisis del alcance, relevancia e integridad de los contenidos incluidos en el EINF del ejercicio 2024 en función del análisis de materialidad realizado por la Entidad y descrito en el apartado en el apartado "Descripción del proceso para determinar y evaluar los impactos, riesgos y oportunidades materiales (análisis de materialidad)", considerando contenidos requeridos en la normativa mercantil en vigor.
- ▶ Análisis de los procesos para recopilar y validar los datos presentados en el EINF del ejercicio 2024.
- ▶ Revisión de la información relativa a los riesgos, las políticas y los enfoques de gestión aplicados en relación con los aspectos materiales presentados en el EINF del ejercicio 2024.
- ▶ Comprobación, mediante pruebas, en base a la selección de una muestra, de la información relativa a los contenidos incluidos en el EINF del ejercicio 2024 y su adecuada compilación a partir de los datos suministrados por las fuentes de información.

En relación con el proceso de verificación de la Información sobre Sostenibilidad:

- ▶ Realización de indagaciones ante el personal de la Entidad:
  - Para conocer el modelo de negocio, las políticas y los enfoques de gestión aplicados, los principales riesgos relacionados con estas cuestiones y obtener información necesaria para la revisión externa.
  - Con el fin de conocer el origen de la información utilizada por la dirección (por ejemplo, la interacción con los grupos de interés, los planes de negocio y los documentos de estrategia); y la revisión de la documentación interna de la Entidad sobre su proceso.
- ▶ Obtención, a través de indagaciones ante el personal de la Entidad, del conocimiento de los procesos de la entidad de recopilación, validación y presentación de información relevantes para la elaboración de su Información sobre Sostenibilidad.
- ▶ Evaluación de la concordancia de la evidencia obtenida de nuestros procedimientos sobre el proceso implantado por la Entidad para la determinación de la información que debe incluirse en la Información sobre Sostenibilidad con la descripción del proceso incluida en dicha información, así como evaluación de si el citado proceso implantado por la Entidad permite identificar la información material a ser revelada según las prescripciones de las NEIS.
- ▶ Evaluación de si toda la información identificada en el proceso implantado por la Entidad para la determinación de la información que debe incluirse en la Información sobre Sostenibilidad está efectivamente incluida.

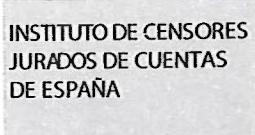
- ▶ Evaluación de la concordancia de la estructura y la presentación de la Información sobre Sostenibilidad con lo dispuesto en las NEIS y el resto del marco normativo de información sobre sostenibilidad aplicado por la Entidad.
- ▶ Realización de indagaciones al personal pertinente y procedimientos analíticos sobre información divulgada en la Información sobre Sostenibilidad considerando aquella en la que es probable que surjan incorrecciones materiales, debido a fraude o error.
- ▶ Realización, en su caso, de procedimientos sustantivos por muestreo sobre información divulgada en la Información sobre Sostenibilidad seleccionada considerando aquella en la que es probable que surjan incorrecciones materiales, debido a fraude o error.
- ▶ Obtención, en su caso, de los informes emitidos por terceros independientes acreditados anexos al Informe de Gestión en respuesta a exigencias de la normativa europea y, en relación con la información a la que se refieren y de acuerdo con las normas profesionales de general aceptación, comprobación, exclusivamente, de la acreditación del verificador y de que el alcance del informe emitido se corresponde con el exigido por la normativa europea.
- ▶ Obtención, en su caso, de los documentos que contengan la información incorporada por referencia, los informes emitidos por auditores o verificadores sobre dichos documentos y, de acuerdo con normas profesionales de general aceptación, comprobación, exclusivamente, de que, en el documento al que se refiere la información incorporada por referencia, se cumplen las condiciones descritas en las NEIS para poder incorporar información por referencia en la Información sobre Sostenibilidad.
- ▶ Obtención de una carta de manifestaciones de los Administradores y la Dirección en relación con el EINF y la Información sobre Sostenibilidad.

#### Otra información

Las personas encargadas del gobierno de la entidad son responsables de la otra información. La otra información comprende las cuentas anuales y resto de la información incluida en el Informe de Gestión, pero no incluye ni el informe de auditoría de las cuentas anuales ni los informes de verificación emitidos por terceros independientes acreditados exigidos por el derecho de la Unión Europea sobre divulgaciones concretas contenidas en la información sobre sostenibilidad y que figuran como anexo del Informe de Gestión.

Nuestro informe de verificación no cubre la otra información y no expresamos ningún tipo de conclusión de verificación sobre ésta.

En relación con nuestro encargo de verificación de la Información sobre Sostenibilidad, nuestra responsabilidad consiste en leer la otra información identificada anteriormente y, de este modo, considerar si la otra información presenta incongruencias materiales con la información sobre sostenibilidad o con el conocimiento que hemos adquirido durante el encargo de verificación que pudieran ser indicativas de la existencia de incorrecciones materiales en la Información sobre Sostenibilidad.



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María del Tránsito Rodríguez Alonso

11 de junio de 2025

2025 Núm. 01/25/08251  
SELLO CORPORATIVO: 30,00 EUR

Sello distintivo de otras actuaciones

