



AIRBAKE ALL-CLAD ARNO CALOR CLOCK IMUSA KRUPS LAGOSTINA MIRRO MOULINEX PANEX  
PENEDO REGAL ROCHEDO ROWENTA SAMURAI SEB SUPOR TEFAL T-FAL UMCO WEAREVER



## BEST PRACTICES - 2012

Groupe SEB today is the world leader in Small Household Equipment, with more than 24,000 employees spanning 50 countries.

The Group's growth and success draws on the sound corporate values deeply rooted in our history. The principles of the Global Compact, to which we subscribed in 2003, are in tune with our commitment to responsible corporate values.

I would like to renew my commitment to the 10 principles of the Global Compact and illustrate their application to our actions through these best practice codes.

**Thierry de La Tour d'Artaise**  
Chief Executive Officer of Groupe SEB

## COMMUNICATION ON PROGRESS – JULY 2012

### Preamble

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In 2011-2012, Groupe SEB made important headway, underlining its level of progress concerning the principles of the United Nations Global Compact. There were two particularly significant developments: the establishment of a Code of Ethics and the drafting of a Responsible Purchasing Charter.

The **Code of Ethics** encompasses all of the Global Compact's principles. Developed through collaborative effort, it will be rolled-out to Groupe SEB's 24,000 employees worldwide from September 2012. It formally defines the core rules of conduct that guarantee the Group's ethical principles are respected, in line with its values. The Code of Ethics also provides a common reference framework for the teams, against a background of external growth. In its preamble, the Code of Ethics emphasizes the fact that Groupe SEB goes beyond respecting the laws in force in each country, to also applying the international regulations laid down by the UN, and that the Group is a signatory to the Global Compact. In particular, the Group adheres to the Universal Declaration of Human Rights, to the core conventions of the International Labor Organization (ILO) and to the guiding principles of OECD guidelines for multinational enterprises<sup>1</sup>.

The **Responsible Purchasing Charter**, finalized in June 2012, applies to all Groupe SEB suppliers worldwide as well as to all of the Group's global buyers. It emphasizes the Group's commitment to the principles of the Global Compact and those of the CECED Code of Conduct<sup>2</sup>, and equally the Group's commitments to its suppliers: objective selection, equal treatment, respecting confidentiality of information, combating corruption, etc. It then describes all the social and environmental requirements expected of suppliers and brings together various documents previously sent out separately (environmental statement, labor statement, etc.).

**For each category of principles of the Global Compact, this document sets out a synopsis of Groupe SEB's commitments formalized in its Code of Ethics, along with the key developments of 2011-2012.**

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<sup>1</sup> OECD: Organization for Economic Cooperation and Development

<sup>2</sup> CECED: European Committee of Domestic Equipment Manufacturers

## HUMAN RIGHTS

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### Global Compact Principles

Principle 1: businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: ensure no company entity is complicit in any kind of human rights abuses.

### Commitments: excerpts from Groupe SEB Code of Ethics

#### Responsibility extended to our suppliers

*"We require all of our suppliers to respect our ethical commitments. These commitments are set out in detail in the Groupe SEB Responsible Purchasing Charter, which is applicable to all suppliers without exception."*

*"We check that our suppliers respect our ethical requirements. If we detect any kind of non-conformity, we react immediately in order to remedy the situation."*

#### Health and safety

*"We have set up a health and safety policy aiming to guarantee a healthy and safe working environment for each employee. This policy is applicable in all countries in which we operate. Each and every one of us must enforce this health and safety dimension in the way we work, by respecting instructions and raising the alarm for any potential risk."*

#### Social commitment

*"We fulfil our economic and social responsibilities in the territories in which we operate. Going beyond the jobs we generate, we support the development of local companies, including those that are key players in the social and solidarity economy."*

*"In all countries, we encourage the social commitment of our employees and their involvement in associations, whether this is on a personal level or within the framework of actions carried out by the Group or by its Foundation. The Foundation drives and coordinates the Group's corporate philanthropy by focusing on the promotion of social integration."*

### Developments 2011-2012

#### Self-evaluation with regard to Human Rights

##### **99% of workforce covered by self-evaluation concerning Human Rights**

In 2011, all Groupe SEB entities, with more than 10 employees, throughout the world undertook a Human Rights self-evaluation and implemented corrective measures. The Chinese subsidiary, Supor, carried out this procedure for the first time, using the **CBSSC**<sup>3</sup> tool. For the other entities, it was the second wave of self-evaluation, carried out, as in 2008, using the **HRCA Quick Check**<sup>4</sup>.

The first wave brought a dozen nonconformities to light in need of immediate correction. They mainly concerned supplier relations and, more specifically, the absence of explicit contractual reference to Human Rights. Though 2011's results revealed continued improvement, Supplier monitoring remains an area for improvement. This gave rise to

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<sup>3</sup> CBSSC: Chinese Business and Social Sustainability Check

<sup>4</sup> HRCA: Human Rights Compliance Assessment

Groupe SEB's decision to implement a global supplier monitoring tool to cover sustainable development issues, involving third parties.

#### Health / safety measures

##### **78.8% of industrial and logistics units with OHSAS 18001<sup>5</sup>-certification (excluding new acquisitions)**

The OHSAS 18001 program is progressing within Groupe SEB, with a new unit certified in January 2012, namely the Canonsburg (USA) site. **In three years, the global accident frequency rate fell from 6.34% to 4.04%**, exceeding our targets. Today, the Group would like to go further and create a true culture of safety within its teams, starting with France where there are a large number of sites and where safety performance remains below target. This is the aim of the Sécurité-SEB plan launched in 2011 across all French sites. The plan aims to halve the number of accidents over a 3-year period. This is the first step in a global plan, directed by the highest levels of management, to be launched in autumn of 2012.

#### Responsible purchasing

##### **44 social audits of Asian providers in 2011.**

In order to check supplier practices, Groupe SEB carries out yearly social audits that subsequently give rise to improvement plans and corrective actions. Up to now, the majority of these audits were carried out by in-house resources. In order to improve this international surveillance operation, notably on ethical, social, and environmental issues, the Group has chosen to strengthen external audits, entrusting them to the **specialized outfit - SGS**. SGS is a world leader in surveying, inspection, analysis, and certification services. In 2012, SGS will undertake audits on suppliers in China, Brazil, Columbia, India and Europe

#### Human Rights and external growth

In 2011, the Strategy Department decided to integrate a **questionnaire** on Corporate Social Responsibility into its Preliminary Take-over Studies, based, in particular, on the HRCA Quick Check.

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<sup>5</sup> OHSAS 18001: For "Occupational Health and Safety Assessment Series", British health and safety standard

## LABOR STANDARDS

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### Principles of the Global Compact

Principle 3: businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labor;

Principle 5: the effective abolition of child labor;

Principle 6: the elimination of discrimination in respect of employment and occupation.

### Commitments: excerpts from Groupe SEB Code of Ethics

#### Social dialogue

*"We respect freedom of association all over the world and we encourage social dialogue within our subsidiaries, at both an individual and a group level. Going beyond the procedures that are already in place, dialogue is part of our managerial values and we put it into practice as widely as possible."*

#### Working conditions

*"We reject any form of illegal employment or working conditions. (...) We forbid all forms of forced or compulsory labor within the Group or its subsidiaries, and any form of undeclared work. (...) We prohibit the use of child labor."*

#### Equity and diversity

*"We are committed to treating our employees equally and to providing them with equal opportunities. Only their professional ability shall be taken into account when it comes to their recruitment, remuneration and development within the Group."*

*"We believe that diversity is an important resource for the company. We encourage initiatives that may help increase the diversity of our teams in many different ways - male/female equality, mixing of ethnic and social origins, places allocated to young as well as senior people, integration of disabled people."*

### Developments 2011-2012

#### Collective agreements

##### **85 collective agreements signed worldwide in 2011**

In most countries, Groupe SEB subsidiaries include trade unions and staff representatives. In 2011, the Group signed 85 collective agreements worldwide, with significant improvements in some regions: for example, between 2009 and 2011, the number of agreements signed rose from 0 to 10 in North America and from 5 to 16 in Asia.

#### Non-discrimination and diversity

A signatory of the Diversity Charter in France since 2005, Groupe SEB endeavors to foster its teams' diversity in all aspects: gender equality, ethnic and social diversity, inclusion of young adults and seniors, integration of people with disabilities... In 2011, the Group defined a set of indicators to measure progress in these various domains. The Group also entered

into partnership with the **LICRA**<sup>6</sup>, an internationally-recognized association combating discrimination that will assist us in this effort through advice and training. The LICRA also has a seat on the **Diversity Council** created by the Group in 2011. This joint trade union/management structure provides employees with an entity that plays a role of mediation and arbitration. Its mission is to provide advisory opinions on problems related to diversity and all forms of discrimination that remain unresolved by the Group's internal legal entity.

### Gender equality

#### **33% of the group's managerial positions are held by women**

With regard to gender equality, a **collective agreement** was signed in France in December 2011. It formalizes and contractualizes the actions set in motion over recent years, particularly concerning salary and assignment of positions. In addition to remuneration, career development, and training, the agreement deals with working conditions, access to technical professions and the relationship between work and family life. Across all subsidiaries, the percentage of women in management continues to grow: today 33% of managerial posts worldwide are held by women, compared with only 20% in 2002.

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<sup>6</sup> LICRA: International League Against Racism and Anti-Semitism

## ENVIRONMENT

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### Principles of the Global Compact

Principle 7: businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

### Commitment: excerpt from Groupe SEB Code of Ethics

*"We ensure that respect for the environment is an important consideration throughout the entire lifecycle of our products. We also make it a part of our everyday business by aiming to reduce our water, energy and paper consumption and we support all those initiatives that help to preserve the environment across all our areas of activity."*

### Developments 2011-2012

#### ➤ Production, logistics and tertiary sectors

#### ISO 14001 Certification<sup>7</sup>

**78.8% of industrial and logistics units ISO 14001 certified** (*excluding new acquisitions*)

Concerning environmental policy, 78.8% of industrial and logistics units are ISO 14001-certified in accordance with Groupe SEB standards (excluding recent acquisitions: Imusa in Colombia, Asia Fan in Vietnam and Maharaja in India). Acquired entities are also committed to this approach. Among them, the site Omegna (Italy) was certified in 2011: the Canonsburg site (USA) and 2 Supor sites (China) aim to be certified in 2012.

#### Greenhouse gas emissions

Groupe SEB is continuing efforts to reduce greenhouse gas emissions, in particular in its industrial and logistics units and with respect to transport (optimization of truck and container loading, seeking alternative solutions to road transport...).

Development 2011 / 2010, on a constant scope basis:

- **Direct emissions from industrial and logistics units:**  
4% reduction, despite an increase in group production
- **Emissions linked to transport of products, raw materials and components:**  
6% reduction, despite an increase in Group turnover

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<sup>7</sup> ISO 14001: Environmental management standard

### Chemical substance traceability

Groupe SEB requires all its suppliers to contractually undertake to avoid the use of any substance forbidden by the regulations of countries in which products are sold. This commitment covers RoHS<sup>8</sup> / REACH<sup>9</sup> European directives and involves targeted analysis. In the face of increasingly complex regulations and a rising number of concerned substances, Groupe SEB decided to employ the services of **cabinet EcoMundo's**, to ensure substance management and traceability. Specialized in regulatory compliance linked with chemical substances. EcoMundo provides the suppliers concerned with a dedicated internet portal via which they can enter the required information.

### Towards responsible eco-management of computer equipment

Actions aiming to encourage printer sharing and the adoption of good printing practices have been taken at a global level. In France, this has allowed us to **reduce printing equipment by more than 10 %** in one year and to cut printing costs by more than 40%. Another global initiative: **computer server consolidation** on a reduced number of computers, carried out between January 2010 and April 2012, will allow us to save around 1,330MWh each year, equivalent to the annual energy consumption of 190 French families.

#### ➤ Products

##### New products with a strong environmental focus

Progressively, Groupe SEB is broadening its range of particularly environmentally-friendly products. Consequently, the highly energy efficient **Rowenta Eco Intelligence** range was improved in 2011 with the introduction of an iron and a central steam iron using 30% less energy. The **Tefal's Natura** range saw its first 100% recycled aluminum food mould, having previously introduced the use of this material in 2010 for cookware (saucepans, pot, pans...).

##### Development of product reparability

###### **77% fully repairable products in 2011**

###### **3,500 authorized repairers across 64 countries**

Favoring product repair over exchange is beneficial not only for the environment but also for the consumer. Set in motion in 2008, Groupe SEB's product reparability policy continues to gather momentum: in 2011, 77% of products sold were designed to be fully repairable and the **network of authorized repairers** grew to 200 members in just one year. They employ the equivalent of around 1,000 technicians, assigned on a full-time basis, to repairing the Group's products. **Parts** are available for at least 5 years after the discontinuation of a product line and their prices were revised downwards to make them more affordable. Consumers may also obtain consumables, accessories or various parts online directly.

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<sup>8</sup> RoHS: "Restriction Of Hazardous Substances" European Directive limiting the use of certain hazardous substances in electric and electronic equipment

<sup>9</sup> REACH: "Registration, Evaluation, Authorization and restriction of Chemical substances", European Regulation relating to chemical substance management



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## COMBATING CORRUPTION

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### Principle of Global Compact

**Principle 10:** businesses should work against corruption in all its forms, including extortion and bribery

### Commitment: excerpt from Groupe SEB Code of Ethics

*"We are strongly against any kind of corruption in our relationships with our commercial and institutional partners and with the government. No financial reward or benefits in kind may be given with a view to gaining an advantage or received in return for preferential treatment of a company or a person."*

### Developments 2011-2012

The **formalization** of this commitment to fight against corruption in the Groupe SEB Code of Ethics and in the Responsible Purchasing Charter is among the advances made in this domain between 2011 and 2012.

### Countries/Zones: France, World

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**Key words:** Code of Ethics, Responsible Purchasing, Human Rights, health safety, social dialogue, non-discrimination, diversity, eco-design, eco-production, eco-logistics, eco-computing, reparability

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