



THE GLOBAL COMPACT

GOOD PRACTICES 2007



ARNO. CALOR. KRUPS. MOULINEX. ROWENTA. SEB. TEFAL



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FIRM: GROUPE SEB

MESSAGE OF THE CHAIRMAN :

I renew my engagement in the Global Compact and illustrate the principles 1 and 2, relative to Human Rights, via this good practice.

Thierry de La Tour d'Artaise
Chairman of Groupe SEB

TITLE: SOCIAL SUPPORT TO FACE UP TO INDUSTRIAL REORGANIZATION

GC PRINCIPLES taken into account:

Principles 1 and 2 relating to the **Human Rights**.

ACTIONS

GROUPE SEB, market leader in small domestic appliances, is composed of some 13,800 women and men spread over the four corners of the globe.

In view of today's constantly changing economic climate, the Group provides support and guidance in career planning for all its employees and works to ensure good labour dialogue and fair treatment for everyone.

In the area of human resources, Groupe SEB is faced with two main challenges today: globalization of trade and social changes (mainly in Europe). The Group has to adapt to the shift of the centre of gravity of its business toward emerging countries, and consequently, it needs to reorganize its industrial base, particularly in France.

Early in 2006, Groupe SEB announced the reorganization of its industrial facilities in France in order to remain competitive with products coming from Asia. This refocusing involves plant closures at Fresnay (Sarthe), Dampierre (Jura) and Le Syndicat (Vosges), and rescaling of Vernon (Eure) plant to produce top-range products.

► **Real support for employees**

Groupe SEB has done everything possible to establish a good atmosphere in industrial relations and to limit the social impact of restructuring by ensuring fair treatment for everyone in the companies affected by this plan.



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Loyal to its corporate values, Groupe SEB undertook to carry out this restructuring with full consideration for its staff, and to offer each of them an adapted solution within two years.

Precedence was given to re-employment solutions within the Group: from the start, it was able to offer to every employee another position at a French site, and assistance with moving. It also set in motion several measures for early retirement and supported any staff who had a personal project. The key elements of the plan (internal mobility and early retirement measures) were negotiated with labour unions.

► Mobilizing energies

The re-industrialization of certain employment areas is another way to maintain jobs as well as local economy. Therefore, revitalization of employment areas was a key concern for the Group: to encourage new industry at the sites marked for closure, the Group made every effort possible including working with specialist outside consultants, public authorities, local politicians, and local chambers of commerce and industry.

The total cost of the measures taken by the Group for its industrial reorganization plan was €70 million at the end of 2006.

► A solution for everyone

In the framework of the industrial reorganization plan conducted in France, Groupe SEB used a pre-emptive approach to ensure that no employee would be neglected. By the end of 2006, 873 potential solutions had been found for the 890 employees concerned (i.e. a potential solution for 98% of staff), and other avenues were being explored for the rest of the staff (17 persons).

Thanks to ethical and moral behaviour, to a listening and to the understanding of its employees, the Group is able to lead its industrial reorganization in the respect for the dignity of persons.

► To make sure that our partners respect social rules

With 2,535 industrial suppliers worldwide, Groupe SEB wants to make sure that its partners are not involved in Human Rights abuses.

Groupe SEB is also concerned to ensure that its suppliers comply with local labour regulations. That is why it set up social rules and constraints which must be respected by its suppliers.



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In view of the growing number of Asian purchases, the Group drew up a labour rights statement based on the SA 8000 (international standard) as a priority for the suppliers in this area. By filling this statement, the suppliers commit themselves to respect local labour regulations. In 2006, this statement was signed by 100% of suppliers. In a near future, this initiative will also be applied in other areas such as South America, where Human Rights situation can still be a strong concern.

The Group carried out 31 detailed follow-up inspections in order to verify the accuracy of these statements (Eleven of them were conducted by outside experts).

Points examined during these on-the-spot investigations, which last a minimum of two days, include child labour, forced labour, health and safety, freedom of association and working hours.

If a supplier is found to be not conforming to local labour regulations, the Group immediately suspends new invitations to tender and imposes a monitored programme of corrective measures. Resumption of working relations is conditional on final compliance.

Moreover, our general conditions of purchase include our Global compact and CECED commitments. So, our suppliers guarantee these principles.

COUNTRIES/AREAS: France and Asia

KEYWORDS: Human Resources Policy, Human Rights, suppliers, labour rights statement.

CONTACT: sustainabledevelopment@groupeseb.com

LINKS: <http://www.groupeseb-devdurable.com/>