



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 - 2016

Groupe SEB today is the world leader in Small Household Equipment, with more than 25,000 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 2016

HUMAN RIGHTS

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.”

Developments 2015-2016

Human rights

Respect for Human Rights forms an integral part of the Groupe SEB code of ethics as well as the training offered in this regard to international HR Managers. As a signatory of the Global Compact since 2003, the Group decided to evaluate its teams' practices in relation to Human Rights in subsidiaries employing more than 10 people, starting in 2007. To achieve this, up until 2014 it used the HRCA (Human Rights Compliance Assessment) Quick Check self-assessment tool, developed by the Danish Institute for Human Rights and, for sites operated by its Chinese subsidiary Supor, the CBSSC (China Business and Social Sustainability Check) a version of the HRCA, specially adapted for China. These self-assessments, which were carried out every couple of years or so, covered almost 99% of the workforce and resulted in corrective action plans where necessary. In seven years, they enabled all sites to gain a high level of awareness of this issue.

In 2015, Groupe SEB decided to take things to another level by applying the same ethical, social and environmental audit procedure that it operates with its suppliers to its industrial sites in hazard areas, using the same specialist consulting firm (Intertek). Audits will be accompanied by action plans to correct any non-compliances. These plans will be monitored by the Sustainable Development department and forwarded to the Audit and Organisation department, which can verify their application during internal audits. For the industrial sites in question, which will be audited every two years, this system, similar to the one used for the Group's suppliers, will allow to make external comparisons and to generate audits on which the Group's customers can rely. In 2016, these types of audits will be conducted on the Group's industrial sites in Colombia, China (SSEAC) and Vietnam. Supor, the Group's Chinese subsidiary, is not subject to this process since it has already embarked upon the

SA 8000 (basic Human Rights of workers) certification process, which, by its very nature, includes these types of audit. Supor's first site to be SA 8000 certified was Shaoxing, in 2015.

REGISTRATION DOCUMENT AND ANNUAL FINANCIAL REPORT 2015, p.88

Responsible purchasing

With more than 14,000 suppliers worldwide, Groupe SEB bears great responsibility in terms of the manufacturing of its products under ethical conditions. For this reason, the Group has committed to a responsible purchasing policy and has implemented reporting and control systems to ensure that its suppliers comply with its ethical, labour and environmental requirements. Since 2012, this policy has been bolstered with numerous projects:

■ **Responsible purchasing charter**, in conjunction with the Group's code of ethics. Sent to listed suppliers, it explains what the Group requires from its suppliers in relation to Human Rights and its ethical, social and environmental principles. This Charter was sent to all of the Group's listed suppliers (including Supor). Around 90% of suppliers who received the Responsible purchasing charter have signed up to its requirements or have been deemed to be compliant thanks to their own existing policies ;

■ **social and environmental criteria** in the preliminary evaluation of new suppliers. CSR criteria account for 25% of the score given to new suppliers of raw materials/components and finished products. Moreover, since 2013, if just one of the social or environmental criteria is rated unsatisfactory, the supplier will be struck off. For the environmental portion, these criteria primarily include the following aspects: ISO 14001 certification, visible pollution (water, ground and air), and use of hazardous products. For the social portion, the main criteria involve: existence of a formal ethical/social policy or the signature of Groupe SEB's Responsible purchasing charter, working conditions, observance of employment law (age, working hours, etc.) and of safety rules. To evaluate new indirect (non-production) suppliers, the CSR criteria account for 15% of the score;

■ **ethical, social and environmental audits**. Since 2015, these audits have been conducted by the consulting firm, Intertek, which replaced SGS. In addition to more detailed audit criteria (approximately twice as many checkpoints), Intertek offers a highly effective global audit management tool with immediate and specific listed supplier monitoring. This tool also makes it possible to compare the results obtained by the Group's suppliers with those of companies listed in the Intertek database, which includes over 30,000 audits. The procedure is very formal. During an initial in-depth audit (involving one to three days on site, depending on the size of the company), the auditors review nearly 300 checkpoints taken from the WCA (Workplace Condition Assessment) audit criteria. Each checkpoint is assessed according to a four-level scale of compliance ranging from "zero tolerance" (forced labour, blocked emergency exits) to minor non-compliance, with moderate and major non-compliance (no pay slip, faulty electrical installation etc.) in between. The final score, calculated out of 100, is ranked according to four performance levels: high performance (85 to 100), average (71 to 84), poor (51 to 70) and very poor (0 to 50). The audit report is sent to the Group's Purchasing department. One single "zero tolerance" non-compliance (e.g. failure to comply with the legal working age) triggers the following actions: a letter from the Group's Purchasing Director requiring the implementation of a corrective action plan within two weeks, immediate suspension of any new consultation and follow-up audit (by Intertek) three months later to check that the issue has been resolved. If not, the Group ends the collaboration. With scores of less than 50, the regional Head of Purchasing sends a formal letter warning the company to correct the breach and follows this up with an audit three months later. Every year the Group audits about a quarter of its listed suppliers of raw materials/components and finished products in terms of their compliance with its ethical, social and environmental requirements. In 2015, the Group carried out 134 first-time audits (vs 153 in 2014 and 145 in 2013), all of which were handled by Intertek. These involved

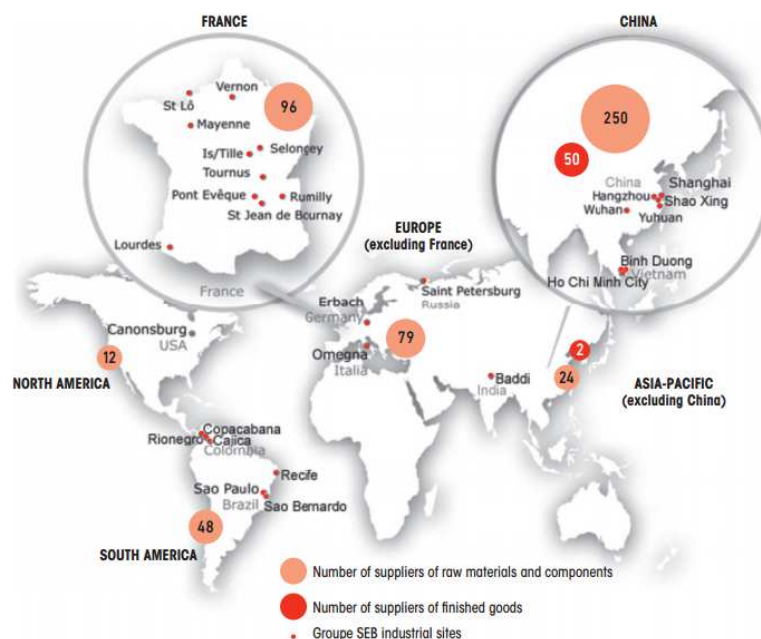
suppliers in Asia, South America, Europe and Turkey. Four suppliers presented “zero tolerance” non-compliances. In all four cases, this related to blocked emergency exits. Three other suppliers obtained a score of less than 50, primarily due to non-compliance in relation to wages and working hours. These companies all undertook corrective action in the manner suggested by the Group and no suppliers were removed from the list. A total of nearly 30 follow-up audits were conducted in 2015. Intertek also hands out an Achievement Award (AA) label to suppliers who have an overall score of at least 85 and do not present any major or zero tolerance-type non-compliances. In addition, the Group recognised 5 suppliers as being “compliant” with the Group’s audit policy upon presentation of the results of their BSCI (Business Social Compliance Initiative) audit.

■ **charter of ethical, social and environmental audits.** Drafted in 2013, it was updated in 2015 to incorporate the new audit procedure following the change of consulting firm. For the sake of transparency, this document is sent to suppliers, along with the points on which they will be rated during the audit. To help suppliers make progress on social and environmental matters, the Group organises training sessions for their benefit on this topic. In 2015, three meetings (in Shenzhen and Shanghai) were held with the representatives of 70 Chinese suppliers and were attended by Group buyers responsible for monitoring said suppliers;

■ **internal global network of Social Audit Leaders.** Ten Purchasing Directors, from Asia (4), South America (3) and Europe (3) make up the network of Social Audit Leaders. They are responsible for the completion of audits falling within their remit and for progress plans undertaken by suppliers. The network is kept active with quarterly meetings chaired by the Group Purchasing Director, covering reports on the audits, analysis of results, exchange of best practices, etc.;

■ **raising the awareness of the Purchasing community in relation to sustainable development.** Purchasing teams total 300 people worldwide. To galvanise this community, the Purchasing department is using hour-long Web Forums, organised on a monthly basis on specific topics. The November 2015 Web Forum was devoted to the introduction of sustainable development into Groupe SEB purchasing, with a focus on ethical, social and environmental audits. It was facilitated by the Group’s Sustainable Development director.

+ MAPPING OF SUPPLIERS OF RAW MATERIALS/COMPONENTS AND FINISHED GOODS AS OF 31/12/2015



Health and safety

For several years, Groupe SEB has taken steps to reduce the number of workplace accidents and limit the number of work-related health conditions, primarily musculoskeletal disorders (MSDs). In order to put health and safety at the forefront of all its employees' minds, in 2012 a Strategic Health and Safety Committee was set up, involving three members of the Executive Committee, as well as an international Operational Committee. The Strategic Committee sets health and safety policy and direction for the Group and defines priorities. The Operational Committee identifies the necessary actions and standards to implement the Strategic Committee's decisions. These Committees meet alternately each quarter. The health and safety policy is steered by the Quality department, with two persons dedicated to it full-time. It is based on a global network of 28 Environmental Health and Safety Coordinators (EHS), who became fully operational in 2014. They cover all industrial and logistics sites. Tertiary sites for their part have EHS reference contacts. Since 2007, the Group has been committed to the certification of its health and safety management system (OHSAS 18001), with 89.5% of industrial and logistical entities certified at the end of 2015.

Safety

Groupe SEB gave new impetus to its safety efforts in 2012 when it launched the global "Safety in SEB" programme. This approach is backed by the highest levels of management, as shown by the letter sent by Thierry de La Tour d'Artaise to all employees on this issue in 2013. The CEO has also made a video presenting the Group's safety policy, which has been translated into eight languages and disseminated widely among the teams, with the support of local management. In 2015, the Group continued to deploy its safety standards worldwide. These procedures formalise the Group's minimum requirements, above and beyond compliance with national and international regulations. These standards are incorporated into safety management procedures and are written in English, French and Chinese. They apply to all teams worldwide. Some standards concern safety organisation and management, whilst others target the prevention of specific risks (falls from a height, machine protection etc.). An internal audit was conducted to ensure their application. At the end of 2015, 14 standards were operational and 8 others were due to become operational by the end of 2016. Being aware that over 80% of accidents could be avoided by a change of behaviour, the Group included a set of tools in these standards such as Behavioural Safety Inspections (BSI). The aim of this tool is to eliminate dangerous practices and conditions on the basis of dialogue between "inspected" employees and their line managers. On average, every production or logistics site employee is inspected twice a year. Training in how to conduct Behavioural Safety Inspections continued in 2015 (USA, Germany, Brazil, Shanghai) and a Behavioural Safety Inspection monitoring indicator was introduced in France in 2015. It will be extended to cover international sites in 2016. Another good practice which has become a Group standard is: The Safety Pyramid. This aims to detect future events likely to result in accidents so that these can be prevented. And so, faced with a potentially hazardous situation or a near miss, the individual has to take immediate action to prevent the risk and to report it so that corrective measures can be taken. Since 2013, every accident that has a direct relation to work is reported to all site managers and to EHS coordinators in Groupe SEB to strengthen preventive measures (Flash Safety Vigilance tool). Each plant and logistics site also defined five "unbreakable rules" to address major risks, no deviation from which will be tolerated.

Health

The Groupe SEB Health Plan focuses on fighting musculoskeletal disorders (MSDs) to the upper body and back pain. The aim is to prevent them from appearing and slow their deterioration. This is a major issue for the plants, particularly in Europe, exacerbated by the ageing of the workforce and extensions to the pension age. The Group's response involves awareness raising and training measures, taking MSD prevention into account from the design phase forward and carrying out specific measures in the sites. Every French industrial

and logistics site has a Steering Committee for Musculoskeletal Disorders and one or more MSD Specialists who will ensure risks will be taken into account upstream, at the product design stage, and downstream, by amending workstations where appropriate. Ergonomic improvements to workstations, training and staff rotation, warm-up and cool-down exercises, as well as quick response whenever an employee indicates discomfort while working have helped reduce, since 2010, the number of MSDs reported. The approach is gradually being rolled out internationally, in ways suited to local contexts. In 2014, the Group reviewed the product development process so as to take account of health issues at each phase and prevent MSDs for the line workers responsible for their manufacture. In early 2015, the Groupe SEB University and the Industry department launched a training programme, primarily aimed at Methods teams, several modules of which are devoted to the prevention of MSDs (School of Methods).

OHSAS 18001 certification

Since 2007, the Group has involved all its sites in the certification of its health and safety management system (OHSAS 18001). At year-end 2015, 89.5% of the Group's industrial and logistics entities now hold this workplace health and safety certification. Action plans aiming to bring this figure to 100% by the end of 2017 have been approved.

REGISTRATION DOCUMENT AND ANNUAL FINANCIAL REPORT 2015, p.98-100

LABOR STANDARDS

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 2015-2016

Social Dialogue

Groupe SEB is committed to respecting freedom of association everywhere in the world and encourages social dialogue at its subsidiaries, on both an individual and collective basis. It also works to create employee representation bodies in all countries in which it operates. This commitment was reaffirmed in the Group's code of ethics. In France, to encourage the exercise of trade union rights, in 2007 Groupe SEB signed a specific agreement with labour unions. It sets forth additional measures to accompany the careers of employees who are union representatives. In addition, team managers also receive training in staff-management dialogue. Groupe SEB has a European Group Committee with employee representatives from 15 European Union countries.

Collective agreements

A total of 110 collective agreements were signed in 2015. 32% of these agreements related to remuneration (35), over 25% to health and safety (27) and 17% to social dialogue (19). In France, the Group renewed its collective agreement on gender equality at the end of 2015. At end-2015, almost 90% of Groupe SEB's staff were covered by a collective agreement. In countries where the Group has industrial facilities, this percentage stands at 97%.

Diversity

Because diversity is a source of vitality, creativity and innovation, the Group promotes all aspects of diversity: gender equality; ethno-social diversity; age-group balance, inclusion of persons with disabilities, etc. Groupe SEB has a non-discrimination policy to ensure that all employees are treated equally as regards their recruitment, remuneration and career paths within the Group, in accordance with our Code of ethics.

In France, Groupe SEB has been a signatory of the Diversity charter since 2005. Numerous actions have been implemented to support this policy at local sites and raise employee awareness. A Diversity Monitoring Commission and a Diversity Council, with participation from the LICRA were thus created to promote diversity and combat all forms of discrimination. The Diversity Monitoring Commission monitors application of Diversity action plans. It met three times in 2015. The Diversity council provides mediation services and recourse to employees regarding any type of diversity or discrimination related issues that are not successfully resolved by local bodies within the Group. In addition, each site in France has a local Diversity Committee. All the local committees were trained in 2014 in indicators and measurement of diversity by the specialised body ISM Corum. Groupe SEB has had an in-house guide to the subject of religion since 2013. Drafted by the Diversity Monitoring Commission with the support of the LICRA, it provides the HR community and Group managers with rules and recommendations to follow when dealing with questions from any employees regarding religious practice. For example, it covers the topics of structure of work, arrangements for special diets, prayer or even clothing. This guide was updated in 2015.

A fair remuneration

Groupe SEB is committed to the implementation of a fair and transparent remuneration policy, understandable by all. It is committed to paying wages in every country in line with current regulations and minimum industry standards, enabling employees to cover their basic needs and to benefit from disposable income. Using job evaluation tools, each situation can be assessed in relation to others in terms of remuneration and responsibility. The

remuneration of all managers who have a certain level of responsibility comprises a variable part related to the results of the Group and those of the entity in which they work.

REGISTRATION DOCUMENT AND ANNUAL FINANCIAL REPORT 2015, p.91-101

ENVIRONMENT

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 2015-2016

From a product's design to its end of life, the Group takes measures to limit its environmental footprint (eco-design, eco-production, ecologistics, recycling etc.). It does so by means of its product eco-design guide and ISO 14001 international certification. In the factories, offices, laboratories or warehouses all employees and contractors of the Group are made aware of the importance of respecting the environment. Groupe SEB's environmental strategy is supervised by the Quality Standards and Environment department and is coordinated across the sites by Environmental Health and Safety Coordinators.

4 environmental commitments to meet by 2020

In 2013 the Group set four ambitious targets to be met by 2020:

- 20% less energy consumption by electrical goods;
- 20% less energy consumption by production plants;
- at least 20% recycled materials in new products;
- 20% less greenhouse gas emissions from transporting products (per unit transported).

Eco-design of products

Groupe SEB's policy of eco-design of products aims to reduce the environmental footprint of the Group's products throughout their life cycle. To make progress in this area, it employs an eco-design guide, completely revised in 2013. The new guide clearly incorporates all stages of the life cycle of products and their packaging (extraction of raw materials, manufacturing, transport, use, end-of-life). More complete and operational than its predecessor, it is structured around the Group's eco-design priorities: energy efficiency, recyclability, reparability, use of recycled materials and bio-sourced polymers, reduction of carbon footprint during transport, etc. For each priority, the guide sets out the Group's ambitions and defines performance levels based on measurable criteria. Eco-design is embedded within the

product design process and allows project teams to select the appropriate performance level for each new product based on the specifications.

Energy efficiency

Since a large part of the environmental impact of household appliances stems from their electrical consumption, Groupe SEB has several efforts under way to reduce it and has made great progress in this regard. Vacuum cleaners provide a good illustration. In four years, the Group's R&D teams have succeeded in cutting by more than half the energy consumption of vacuum cleaners with no trade-off in cleaning power. In 2015 all the new Rowenta vacuum cleaners had 750 to 900 watts of power, which is well below the new European regulatory threshold set at 1,600 watts. To achieve this level of performance, the Group developed low input/high output motors, designed more effective suction nozzles and improved all the air flows to reduce charge losses. It is continuing this work, particularly on new motor technologies. Another example is the latest (Rowenta) Eco Intelligence iron, which came onto the market in late 2014 and which consumes 30% less energy with no loss of performance. It received the support of the WWF, to whom a portion of the purchase price is contributed for their work on behalf of the environment. Being aware of the importance of this energy issue, in 2015, the Group decided to ramp up its coordination of these types of initiatives. The Smart Energy Products project was created by a team combining the Quality, Standards and Environment department, the Sustainable Development department and the Research department and working closely with Strategic business areas. The first stage consisted of identifying the Group product families with the greatest impact in terms of energy consumption, given their individual consumption and the volumes sold. The Group will focus its efforts on these product families both in terms of technology (energy performance) and aspects of marketing. In terms of energy consumption on stand-by, all the Group's products are below the thresholds set by European regulations, applicable since 07/01/2013 (0.5W on stand-by without display and 1W with display).

Recyclability

All the Group's products are evaluated in terms of their potential recyclability, using a harmonised approach. To increase this rate, the Group gives preference to materials that can be recycled (metallic components, certain plastics like polypropylene) and seeks to reduce the number of different materials used in its products to facilitate sorting. It also provides for quick and easy disassembly of its appliances. The average potential recyclability for new product families designed in 2015 reached nearly 79%. As for cookware, the materials of these items are about 80% recyclable, essentially comprising metals (aluminium and steel).

Use of recycled materials

Groupe SEB is using more and more recycled materials in its products. For instance, since 2009, Tefal's Enjoy spatulas have been made of 95% recycled PET plastic, and its Natura cookware range has been made of 100% recycled aluminium. In 2014, the Group ramped up its work on incorporating recycled plastics into its products, spurred on by the Purchasing, Quality, Standards Environment and Research departments: collaboration with recyclers to improve the quality of plastics, verification of their compliance with regulations, performing injection and prototype testing, launch of pre-series, etc. The result being that, in 2015, the Group launched a shell for a steam generator made of polypropylene recycled from electrical and electronic devices. Numerous tests are under way on other products and using other types of plastics (ABS, PET, etc.). At the same time, training and awareness raising initiatives were organised at the end of the year for the teams affected (design offices, laboratories, quality, marketing etc.), including during the Innovation Forum in November. This recycled plastics initiative was reported in the media and attracted the attention of the European Commission which invited the Group to make a presentation at a study day, applauding its voluntary commitment in this area.

Reparability

Extending the product lifetimes is helpful both to the consumer (economic benefit) and to the environment (reducing the resources consumed and the waste produced). The Group is convinced of this and took early leadership with its reparability policy initiated back in 2008. Reparability is one of the key elements of the Group's ecodesign guide. Right from the start, products are designed to be easily disassembled and reassembled so that only the worn parts have to be replaced. In 2015, 67% of the total volume of household appliances sold were fully repairable and 97% were partially repairable. A product is considered to be fully repairable when all the components that can be changed are available and none costs more than half the price of the product. A product is considered partially repairable if one or two spare parts (maximum) are not available or cost more than half the price of the product. Whether or not the products are under warranty, the Group encourages its consumers to have them repaired in preference to exchanging them by pointing them towards the approved repair centres in its network (over 6,500 worldwide). To achieve this, it is increasing the number of information channels, with product documentation, brand websites, explanatory videos etc. As a result, the percentage of products repaired in approved centres is increasing. In Western Europe, for example, the percentage rose from 77% in 2013 to nearly 81% in 2015 for products under warranty, and was up by 24% for products out of warranty. To encourage product repairs, the Group guarantees its repair centres that some 36,000 listed spare parts will be available for as long as 10 to 15 years after the product ceases to be manufactured, at the cheapest possible price (down by 30% in 2012). In Western Europe, spare parts are delivered to repair centres within 24 to 48 hours, rising to a maximum of four days in other parts of the world. Over five million spare parts are stored in the Group's warehouse in Faucogney in Franche-Comté (France). In addition, in a growing number of countries, consumers can order accessories, consumables or spare parts on the www.accessories.home-and-cook.com website or on brand websites. This was the case in 2015 in 13 countries in Europe and North America, with orders up 20% on 2014. This service was extended to 11 new countries in early 2016. The Group is also exploring new methods such as 3D printing of spare parts. Manufacturing parts on demand would simplify stock control and extend availability almost indefinitely. A project relating to this issue was launched in 2015 and qualification testing is under way.

A study conducted by Groupe SEB in 2014 in France and Germany showed that consumers were in favour of product repair but that they were rather poorly informed about this option. The Group decided to improve its communication strategy, starting with France via the two flagship brands, Seb and Rowenta. Since June 2015, each brand's website has displayed the "10-year repairable product" logo, offering videos demonstrating this commitment and explaining to consumers how they can get their products repaired. The Group also turned to the media to bring this issue into the spotlight. Numerous newspapers and TV programmes echoed the Group's reparability policy, applauding the exemplary nature of its commitment and the leadership shown in this area. In late 2015, Group research conducted with a representative panel of 816 consumers showed that the "10-year repairable product" logo was perceived positively by consumers and had a significant impact in terms of purchasing decisions. In addition, within the context of changes in French consumer rights legislation, Groupe SEB was invited to present its reparability initiative to members of parliament, consumer associations and NGOs with an interest in the issue. In several markets (like France, the US, Turkey and Germany) the Group has also been exploring ways to help consumers who wish to repair their products themselves. For example, in France in June 2015, together with Gifam and the support of Ademe, it opened its first three self-repair centres, designed in the spirit of "repair cafes". Located in Limoges, Périgueux and Tours, they are housed in Group product repair centres. Consumers can come to the workshop with, or without, an appointment (timeslots can be booked online). Consumers can access technical documentation, advice and all the necessary spare parts, within a dedicated and well-equipped area. The Group wants to extend this innovative service across its 250-strong network of approved repair centres in France.

Eco-production

Since 2003, the Group has adopted a worldwide environment management system. It aims, first and foremost, to control the use of resources (water and energy) and to reduce waste and emissions. This approach has resulted in the gradual ISO 14001 certification of the sites. The Group is committed to adhering to the guidelines set forth in the standard: compliance with the regulations and laws in force, as well as continuous improvement and pollution prevention. In 2012, with a view to sharing best practices, the Group asked each French industrial site to present at least one “eco-innovative” project focusing, for example, on improved recycling, innovative waste sorting methods and the use of renewable energy. This initiative was extended to Europe in 2014 then to all the Groups production and logistics sites worldwide. As many as one quarter of the 41 projects listed at the end of 2015 focused on replacing existing lighting (particularly fluorescent tubes) with LED systems that use between 50% and 75% less energy. Knowing that lighting is one of the sites’ main items of energy consumption, this operation will not only result in a reduction in the energy footprint but will also generate significant savings. Conducted in France, Germany, Colombia, Brazil, the USA and China, these projects are a testament to the Group’s drive to reduce its energy consumption, spurred on by the Category team Energy. Another energy-related initiative destined to be shared: in Italy, the Omega site has taken advantage of two existing 80m wells (used for its industrial processes) to introduce a reversible cooling/heating system for its offices. The system is based on the fact that, at that depth, water remains at a stable temperature (around 10°C), whatever the season. Passing through a circuit which does the rounds of the site premises, the water cools the buildings in summer and can heat them in winter. To move forward with energy optimisation, the Group draws on the Category team Energy launched in 2011 by the Purchasing department in conjunction with the Sustainable Development department, the Quality department and the Buildings and Energy managers for the French sites. Its members meet every six months to share their experiences, analyse different energy conservation routes (processes and buildings), define good practices and determine the indicators for monitoring their application. In 2015, the team welcomed a new member: the Cookware Energy Coordinator (a newly created post). Generally speaking, Groupe SEB takes environmental considerations into account in the development of its industrial processes. An example of this is the preparation of the aluminium disks for coating purposes when manufacturing pans and pots. A few years ago, at its Rumilly site in France, the Group adopted a mechanical treatment (brushing) that requires little water and abrasive, to partially replace the chemical treatment that it previously used. This process is just as effective, but is more environmentally friendly and compatible with a wider variety of aluminium. The São Bernardo do Campo plant in Brazil has also adopted this process.

ISO 14001 Certification

Groupe SEB’s goal is for all of its industrial and logistics entities to be ISO 14001 certified worldwide.

At end 2015 92.1 % of the Groupe’s entities are certified. The Supor site in Vietnam and the corporate headquarters in Écully obtained certification in 2014. Asia Fan and Groupe SEB India, both acquired in 2011, are part of the certification scope but not yet certified. Action plans are in place to bring them up to the standards of Groupe SEB.

Greenhouse gas emissions

Groupe SEB’s sites and activities are not directly impacted by climate change given the nature of its current facilities. The Group did, however, set up a climate change-related risk assessment and has all the necessary insurances to cover any financial consequences. With regard to volatile organic compounds (VOCs), Groupe SEB regularly tests its emissions (which are relatively small in terms of volume) in order to treat and control these emissions. The Group has made significant capital expenditure, totalling several million euros, to improve the sites most concerned by VOCs (e.g. Rumilly). These investments aimed to treat emissions as well as to overhaul processes in order to eliminate VOCs entirely

Eco-logistics

The transport of products, as well as the raw materials and components used to make them, is the main source of greenhouse gas emissions within Groupe SEB, which clearly hopes to reduce these emissions. Reducing the carbon footprint is one of the main priorities of the eco-design guide. An initial balance sheet for greenhouse gas emissions related to transport was drawn up by the Group in 2009 and the reliability of the data in this assessment has been improving year on year. To improve the carbon footprint of its logistics activities, Groupe SEB is focusing on two main areas: increasing the loading rate of transport units (lorries or containers) and developing new modes of low-impact transport as alternatives to road transport (water transport, rail, etc.).

Groupe SEB's Supply Chain department oversees the Group's ecologistics policy and strategy. It coordinates all actions, in France and internationally, and consolidates annual data using the Tennaxia sustainable development reporting system.

In 2015, Groupe SEB emitted 195,295 tonnes of CO₂ equivalent. 32.7% from maritime transport, 41% from road transport, 21.6% from distribution and 4.7% from air transport. The sharp drop in CO₂ emissions from maritime transport was primarily due to changes to the container fleet (introduction of "Mega Vessels") which, over the years, have emitted much lower quantities of CO₂, thus leading service providers to revise their methods for calculating carbon emissions. Compared with 2014, road transport-related emissions are up 2%. This rise is linked to the increase in volumes being transported. Air transport-related emissions were down 11%. This reduction was due to the fact that this method of transport was used much less frequently in 2015 than in 2014. The total weight of goods transported by air was down 22%, generating a saving of €1.5 million.

Loading transport units

To reduce CO₂ emissions from the transport of products and components, the Group continues to improve the loading rate of the transport units. It makes particular use of the EffyPACK (which stands for PACKagin system for supply chain EFFiciencY) approach, which optimises packaging dimensions according to pallet size. For example, it only took cutting a few centimetres off the Fresh Express packaging (in 2014) to increase the number of products per pallet by 50%. In 2015, the Group decided to push the EffyPACK logic further by reducing, as far as possible, the percentage of empty space inside the packaging. This project began at the end of last year and, in the future, the aim is to incorporate this parameter into the product design process. Transporting less empty space means emitting less CO₂ whilst cutting costs.

Selecting and arranging modes of transport

The Group also fosters research into transportation solutions with lower environmental impact. For long distances, primarily departing from China, the maritime route emits the lowest levels of CO₂ and is the least costly. Emissions have also been improved by the use of new high-performance container ships: in 15 years, they have cut CO₂ emissions per tonne transported by half. In other cases (pre- and post-shipments to/from ports, transport between the Group's plants and platforms or those of its subsidiaries), the Group prioritises non-road transport: rail and waterway. In the future, road transport must become the exception rather than the rule. In 2015, in Spain, 85% of products imported from Asia arrived at the central warehouse from the port by train rather than by road. Results: 83% less CO₂ emissions, at a lower cost (-7%). In 2015, to improve the oversight of this initiative, the Group created a tracking chart to monitor the percentage of non-road transport for pre- and post-shipment to/from ports. For each entity (plant, depot, marketing subsidiary etc.), changes in this percentage have a two-fold impact in terms of cost and CO₂ emissions. In the first instance, this table was completed for France (pre- and post-shipment) and other European countries (pre-shipment). It will be completed with all itineraries and extended worldwide in 2016. By way of example, in 2015, the French production sites of Pont-Évêque and Saint-Jean de Bournay achieved a rate of 82% non-road transport (mainly by barge) for goods

arriving from the port of Fos (+12% on 2014). This equates to an 80% reduction in CO₂ emissions and a 6% cost saving compared with road transport. Across all French entities, the percentage of non-road transport from, or to, ports rose from 29% in 2014 to 40% in 2015. Across Europe as a whole, the pre and post-shipment percentage was up by 16% (rising from 24% to 40%). In 2015, the Group also conducted tests on rail transport between China and Europe. The objective is to be able to make use of this solution rather than using air travel in the event of urgent demand for supplies. Transport by rail cuts the maritime freight time by almost half, which is often enough, and savings in terms of cost and carbon footprint are extremely favourable (CO₂ emissions down by 98%). The Group also optimises the organisation of transport flows, for example, by developing direct shipments from its plants to marketing subsidiaries, without passing through redistribution platforms. In France, these direct shipments were up more than 30% by volume in 2015, with an accompanying reduction in costs (-44%) and CO₂ emissions (-16%).

Product end of life

In Europe, the collection and processing of small domestic appliances are managed by eco-organisations. Groupe SEB is especially involved in this endeavour in France, as part of Éco-Systèmes, the country's largest eco-organisation for WEEEs. Still, frying pans, saucepans and casseroles have as yet no specific process set up for them. Since 2012, Groupe SEB France has worked with Éco-systèmes and the major retailers to set up a recycling chain for end-of-life cookware: consumers are asked to deposit their old products in stores, for a discount voucher. The products are then sorted and a sufficient quantity of lumped material is recycled. 2015 saw the arrival of two new partner retailers, making it possible to extend the operation to nearly 1,600 hypermarkets. Since 2012, 580,000 items of cookware have been collected, then recycled, as a result of these operations. This initiative won Groupe SEB the 2015 CSR Grand Prix of Responsible Consumer Industries organized by the ESSEC Business School in the Resource Management category. Other countries have been implementing these types of initiatives for several years now. In the Netherlands, for example, more than four times as many items of end-of-life cookware were collected in 2015 than in 2014, with major involvement on the part of retailers committed to this initiative. Thailand has also been moving in this direction since 2013. In that country, products collected were turned over to a local association that manufactures prostheses (artificial legs) largely made of aluminium. In 2015 in the USA, All-Clad launched an innovative initiative to give its pans, known for their extreme longevity, a second life. Pans are refurbished and offered to chef customers at half the price of new pans. Everyone is a winner, the customer and the environment.

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COMBATING CORRUPTION

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 2014-2015

This topic was incorporated in the Code of ethics that applies to all employees worldwide. It provides, in particular, that Groupe SEB strictly prohibits any form of corruption in its dealings with commercial and institutional partners as well as with the government. No financial rewards or other types of benefits may be offered in an effort to seek an advantage or be received in exchange for preferential treatment. In addition, in 2003, the Group signed up to the UN's Global Compact, its tenth principle requiring businesses to work against corruption. The Audit and Organisation department includes risk of fraud and corruption in its assessments. Given the economic environment in which the Groupe SEB subsidiaries operate, the principal risks are related to the purchasing process (passive corruption of the purchaser) and sales (active corruption of customers' employees). These risks are mitigated for each of these two processes by specific rules; compliance with these rules is checked when the subsidiaries are audited. The great majority of subsidiaries have retailers as their customers (often several hundreds), with whom they deal directly without an intermediary.

REGISTRATION DOCUMENT AND ANNUAL FINANCIAL REPORT 2015, p.90

Countries/Zones: France, World

Key words: Code of Ethics, responsible Purchasing, Human Rights, health and safety, social dialogue, non-discrimination, diversity, eco-design, eco-production, eco-logistics, green IT, reparability, recycling, fight against corruption

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