



UNIVERSAL REGISTRATION DOCUMENT  
AND ANNUAL FINANCIAL REPORT

| **2019**

# CONTENTS

Message from the Chairman	4
An extensive and diversified offering	6
Business model	8
Corporate Social Responsibility	10
Board of Directors	12
Key figures	14

<b>1</b> Introduction to the Group	<b>17</b>
1.1. Business sector	18
1.2. A profitable growth strategy	21
1.3. Organization and internal control	33
1.4. Risk factors	40

<b>2</b> Corporate governance	<b>57</b>
2.1. Implementation framework for corporate governance principles	58
2.2. Management structure	58
2.3. Composition, organization and operation of the Board of Directors	59
2.4. Group management bodies	85
2.5. Remuneration policy	86

<b>3</b> Corporate Social Responsibility	<b>111</b>
3.1. Commitment and management	112
3.2. Non-Financial Performance Statement (DPEF)	115
3.3. Vigilance Plan	117
3.4. Stakeholders	122
3.5. Objectives for 2023	125
3.6. Reporting process	126
3.7. People matter	128
3.8. Sustainable innovation	155
3.9. Circular revolution	164
3.10. Climate action	169
3.11. Report by one of the Statutory Auditors, appointed as an independent third party, on the consolidated non-financial statement included in the Group management report	181

<b>4</b> Commentary on the financial year	<b>185</b>
4.1. 2019 Highlights	186
4.2. Commentary on consolidated sales	191
4.3. Commentary on the consolidated results	197
4.4. Commentary on SEB S.A.'s results	198
4.5. Outlook	200
4.6. Post-balance sheet events	200

<b>5</b> Consolidated Financial Statements	<b>201</b>
5.1. Financial statements	202
5.2. Notes to the Consolidated Financial Statements	207
5.3. Statutory Auditors' report on the consolidated financial statements	270
5.4. History of significant consolidated items and ratios	275

<b>6</b> Company financial statements	<b>277</b>
6.1. Financial statements	278
6.2. Notes to the SEB S.A. financial statements	280
6.3. Five-year financial summary	294
6.4. Statutory auditors' report on the financial statements	295

<b>7</b> Information concerning the company and its share capital	<b>301</b>
7.1. Information concerning the company	302
7.2. Information on share capital	305
7.3. Financial authorizations	311
7.4. Employee shareholding	313
7.5. Stock market and dividend information	316

<b>8</b> Annual General Meeting	<b>319</b>
8.1. Agenda for the Combined Annual General Meeting of 19 May 2020	320
8.2. Draft resolutions and Board of Directors' report to the Combined Annual General Meeting of 19 May 2020	321
8.3. Statutory auditors' report on regulated agreements	339

<b>9</b> Additional information	<b>343</b>
9.1. Glossary	344
9.2. Declaration by the person responsible for the Universal Registration Document containing the annual report	347
9.3. Statutory auditors and audit fees	348
9.4. Cross-reference table for the Annual Financial Report, Management Report and Corporate Governance Report	349
9.5. Cross-reference table for the Universal Registration Document	351
9.6. Cross-reference table, Grenelle II, GRI and global compact	354

Information required for Annual financial report, pursuant to Article L. 451-1-2 of the Monetary and Financial Code are identified in the correspondence table in Chapter 9.4 page 349

# Universal Registration Document

& Annual Financial Report 2019



**€7,354 million**

2019 SALES



**+5.8%**

ORGANIC SALES GROWTH



**-9.4%**

EVOLUTION IN NET PROFIT



**34 000**

EMPLOYEES WORLDWIDE

## The world leader in Small Domestic Equipment,

**Groupe SEB** pursues a **multi-specialist** strategy with top-ranking positions in small electrical appliances and a strong global leadership in cookware. Its mission is **making consumers' everyday lives easier and more enjoyable and contributing to better living all around the world.**

**Operating in nearly 150 countries**, Groupe SEB has built strong positions across continents through a product offering, both global and local, addressing consumer expectations throughout the world.

This offering is enhanced by an **exceptional brand portfolio.**

The Group's success is rooted in its **long-term vision**, committed to achieving the **right balance between growth and competitiveness** in order to create value for all its stakeholders.

On top of the Consumer business, Groupe SEB has recently moved into the professional segment, and in particular the professional coffee market.

AUTORITE  
DES MARCHÉS FINANCIERS  
**AMF**

This Universal Registration Document has been filed on April 9, 2020 with the AMF, as competent authority under Regulation (EU) 2017/1129, without prior approval pursuant to Article 9 of the said regulation. The Universal Registration Document may be used for the purposes of an offer to the public of securities or admission of securities to trading on a regulated market if completed by a securities note and, if applicable, a summary and any amendments to the Universal Registration Document. The whole is approved by the AMF in accordance with Regulation (EU) 2017/1129.



# Message


from the Chairman  
and CEO

“ 2019 marks for the Group another year of organic growth above 5%, for the sixth consecutive year. All Group geographies and all product lines posted higher revenue, generating strong financial performances, with an Operating Result from Activity up 6.5%.

2020 begins against a backdrop made of uncertainties as the Covid-19 epidemic has spread rapidly over the world. In this situation, our priority objective was to quickly implement all the appropriate measures in order to protect our employees and I would like to send a message of support and thanks to all our employees and partners concerned.

Over the last few weeks, the epidemic has spread rapidly to the Group's main markets. While China shows sign of progressive improvement, the situation has deteriorated sharply in Western Europe and on the American continent. Given the scale and complexity of this unprecedented health crisis and considerable uncertainty over the crisis exit, it's not possible to yet precisely quantify the impacts for the full year, but revenue and Operating Result from Activity will be significantly down in 2020.

Nevertheless, I remain confident in the strength of our strategic model and the strong mobilization of our teams to get through this crisis as best as possible and resume the development of the Group in approach based on environmental and social responsibility. ”



**Thierry DE LA TOUR D'ARTAISE**  
Chairman Chief Executive Officer

# An **extensive and diversified** offering

## **KITCHEN ELECTRICS**

**Electrical cooking:** deep fryers, rice cookers, electrical pressure cookers, informal meal appliances, waffle makers, grills, toasters, multicookers...

**Beverage preparation:** coffee makers (filter and pod), espresso machines, electrical kettles, home beer-taps, soy milk makers...

**Food preparation:** blenders, cooking food processors, kitchen machines, mixers, beaters...



## **HOME AND PERSONAL CARE**

**Linen care:** irons and steam generators, garment steamers...

**Home care:** canister vacuum cleaners with or without dust bag, steam and upright vacuum cleaners, vacuum sweepers, versatile vacuums, robots...

**Home comfort:** fans, heaters, air treatment appliances...

**Personal care:** hair care appliances, depilators, bathroom scales...



## COOKWARE

Frying pans, saucepans, pressure cookers, bakeware, kitchen utensils, food storage containers, vacuum flasks and mugs...



### CONSUMER BRANDS

#### GLOBAL

Tefal

Rowenta

Moulinex

KRUPS

#### REGIONAL

SUPOR

Tfal

ARNO

IMUSA

SEB

calor

emsa

ORIGINAL KAISER

MAHARAJA WHITELINE

ASIA

MIRRO

WearEver

PANEX

OBH NORDICA

samurai

Rochedo

clock

esteras

UMCO

### PREMIUM BRANDS

WMF

Lagostina

All-Clad METALCRAFTERS LLC  
CANONSBURG, PA USA

Silit

WMF

schaerer  
swiss coffee competence

Curtis

Krampouz

HEPP

### PROFESSIONAL BRANDS

## PROFESSIONAL BUSINESS

### Coffee machines

### Other professional equipments



# Business model

## NOS RESSOURCES <sup>(1)</sup>



### STAFF

**34,000** employees

**19h** hours/year of training per employee in average

**38%** female managers



### INNOVATION AND DIGITAL

**> 1,500** people in the innovation community

**3.6%** of sales reinvested in innovation <sup>(2)</sup>

**45%** of media investment in digital



### INDUSTRY AND PURCHASING

**2/3** of products manufactured in-house

**27%** of production performed in Europe

**€1,9bn** direct purchasing

**€266m** invested <sup>(3)</sup> i.e. **3.6%** of sales



### FINANCES AND SHAREHOLDING

Sales of: **€7,354m**, ORfA of: **€740m**

and profit of: **€380m**

Net debt/Adjusted EBITDA = **2.1** at 31 December 2019

Long-term, major shareholders



### SOCIETY AND ENVIRONMENT

**100%** of sites ISO 14001 certified

**~ €3 m** spent on philanthropy

**1** Code of Ethics with **18** sections, translated into **11** languages

## Focus on growth

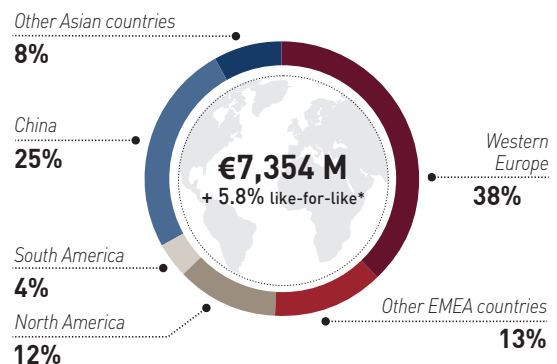
- Strength and complementarity of our brands
- Product innovation
- International expansion

2019

**€7,354 M**  
Sales

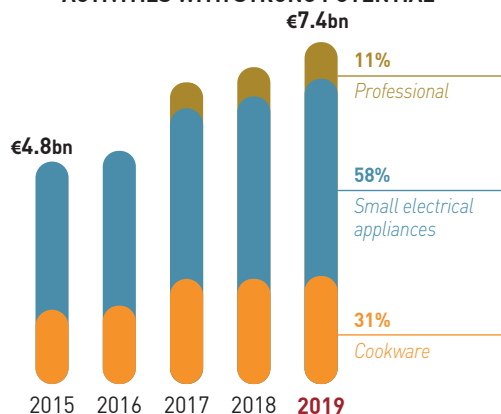
**+5.8%**  
Organic growth

### A GLOBAL...



\* Like-for-like: at constant exchange rates and scope.

### ACTIVITIES WITH STRONG POTENTIAL



## Optimize our industrial facilities...

- Optimize purchasing and logistics
- Improve industrial productivity
- Simplify structures and processes

(1) Data 2019. (2) Net investments in R&D, strategic marketing and design. (3) Cash outflow for capital expenditures.

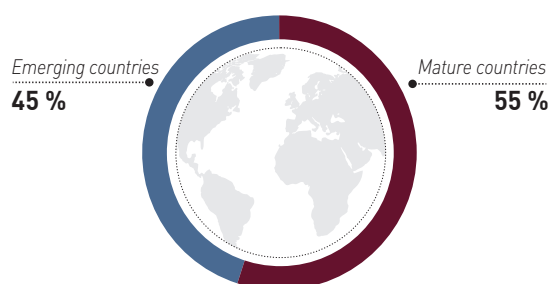


Groupe SEB is the **world leader in Small domestic equipment**, a steadily growing global market, estimated at around **€80bn** in 2019: **around €47bn** for small electrical appliances, **€24bn** for Cookware and **€9bn** for the professional Coffee market.

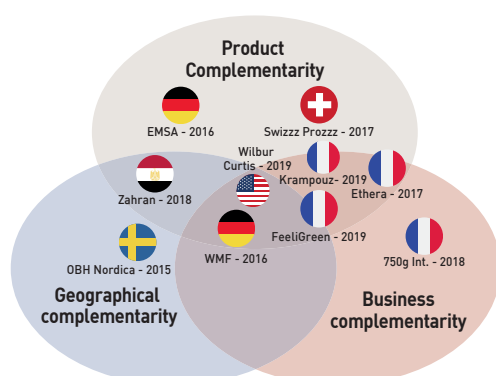
- Multi-channel distribution strategy
- Development in the professional market
- Active acquisition policy

Presence in nearly **150 countries**  
 Leadership positions in over **25 countries**

...AND BALANCED PRESENCE



TARGETED ACQUISITIONS TO STRENGTHEN ITS LEADERSHIP\*



\* Acquisitions of the last 5 years

## Strengthen our competitiveness

### ... and develop our assets

- High value technological products manufactured in mature countries
- Basic products outsourced
- Focus on the circular economy

(4) Lost-time injuries with temporary replacements.

## NOS AVANCÉES <sup>(1)</sup>

### STAFF

**1** global social protection floor  
 Workplace accidents<sup>(4)</sup> halved **2** in 5 years

### INNOVATION AND DIGITAL

**383** patents filed  
 Nearly **25%** of sales consolidated through e-commerce

### INDUSTRY AND PURCHASING

Nearly **250 millions** products made  
**70%** of direct purchasing covered by the supplier panel

### FINANCES AND SHAREHOLDING

Annual organic sales growth of **8%** in 5 years  
**10.1%** operating margin  
 Profit up by a factor of **2.2** in 5 years

### SOCIETY AND ENVIRONMENT

**> 500** projects supported by the Fonds Groupe SEB in 10 years  
**94%** of domestic electrical appliances are mostly repairable  
**-21.3%** energy consumption on production and logistics sites (base year: 2010)

# Corporate Social Responsibility

A committed Group



**Demonstrate on a daily basis our respect for everyone and our utility to society**

- Ethics, Human Rights and governance
- Responsible purchasings
- Responsible employment policy
  - Working conditions
  - Social dialogue
- Citizenship engagement



**Empower our customers to have sustainable livings with our products and services**



**Make healthy and tasty homemade food that is accessible to everyone**

- Products safety
- Home made for all
- Healthy eating & social dining
- Sustainable cooking



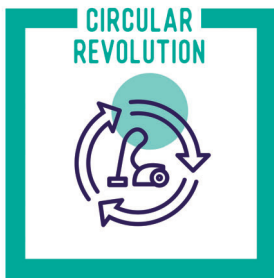
**Help everyone to live better in a healthy home, regardless of their age and health**

- Inclusive-design products
- A healthy home

## KEY FIGURES

**100%**  
of sites ISO 14001 certified

**94%**  
of electrical appliances are mostly repairable



**Make our products and services part of the circular economy**

- Quality et sustainability
- Repairability
- Recycled materials
- Second life
- Shared use
- Recycling



**Contribute to the fight against climate change thanks to our low-carbon strategy**

- Eco-design
- Eco-manufacturing
- Eco-logistics
- Eco-friendly workplace

**2019**

**53**

eco-innovative projects

Global campaign for the Code of Ethics (e-learning and training)



## 3 Corporate Social Responsibility

3.1. Commitment and management	112	3.8. Sustainable innovation	155
3.2. Non-Financial Performance Statement (DPEF) <span>DPEF</span> <span>DV</span>	115	Innovation and sustainable development	155
3.3. Vigilance Plan	117	Cooking for good	159
3.4. Stakeholders	122	Better home life	162
3.5. Objectives for 2023	125	3.9. Circular revolution	164
3.6. Reporting process	126	Long-lasting products	164
3.7. People matter	128	Products within the recycling loop	166
Ethical compliance	128	Shared use products	167
Responsible purchasing	129	Products with multiple lives	168
A responsible employment policy	131	3.10. Climate action	169
		Analysis of the Group's greenhouse gas emissions	169
		Targets: Short and long-term	170
		Eco-design	172
		Eco-manufacturing	173
		Eco-logistics	178
		Tertiary sites and IT	180
		3.11. Report by one of the Statutory Auditors, appointed as an independent third party, on the consolidated non-financial statement included in the Group management report	181

DPEF The elements related to the Extra-Financial Performance Declaration are identified in the summary using the pictogram.  
DV The elements related to the Duty of Vigilance are identified in the summary with the help of the pictogram.

## 3.1. Commitment and management

### COMMITMENT AT THE HIGHEST LEVEL

Corporate social responsibility is an essential component of Groupe SEB's strategy, and is driven by top management. For a great many years, Groupe SEB has been committed to an approach that strives to be ethical, economically profitable, socially fair and environmentally responsible. There are regular presentations on this policy to the Board of Directors and the Governance and Remuneration Committee is responsible for monitoring it.

In line with this commitment, the Group supports initiatives designed to get a growing number of companies to begin their CSR (Corporate Social Responsibility) journey. It is with this in mind that its Chairman, Thierry de La Tour d'Artaise, and four other business leaders in the

Lyon region established the Mix-R network in 2018. Mix-R aims to be an "activist for responsible companies". It offers its members various activities to stimulate collective intelligence and joint development: experience sharing, conferences, inter-company thematic programs, promotion of proven CSR initiatives, etc. At year-end 2019, the network already had 60 member companies. Over the course of the year, it organized a dozen or so gatherings, workshops or programs on a range of CSR-related themes: corporate challenges and risks posed by climate change, youth employment, flexible purpose corporations and reason for being, eco-design, responsible negotiation, employee engagement, etc. This is all done in a spirit of openness and with a desire to promote concrete initiatives.

### OUR EVOLVING SUSTAINABLE DEVELOPMENT STRATEGY

#### A JOINTLY DEVELOPED STRATEGY

From 2012 to 2018, the Group's sustainable development strategy focused on the basics: ethics and Human Rights, responsible employment policy, solidarity, sustainable innovation, the environment. Building on the work done in these various areas, the Group took another step forward in 2018 by proactively incorporating the challenges associated with its businesses.

The new strategy, completed in 2018 and rolled out in 2019, is the result of a major internal consultation that involved the various Group businesses and teams across a dozen countries. In line with the UN's Sustainable Development Goals (SDGs), it aligns the vision of all teams. It is built on four pillars that underpin the "business" challenges:

- **People matter:** Demonstrate our respect for everyone and our benefit to society on a daily basis.
- **Sustainable innovation: Empower our customers to adopt sustainable lifestyles thanks to our products and services:**
  - **Cooking for good:** Make delicious, healthy home cooking accessible to everyone, and offer consumers moments of sharing, products and services that facilitate day-to-day cooking,
  - **Better home life:** Help everyone to live better in a healthier home, with appropriate products and technologies, regardless of their age and health;
- **Circular revolution:** Make the Group's products and services part of the circular economy;
- **Climate action:** Contribute to the fight against climate change thanks to our low-carbon strategy in line with the 2° C scenario of the Paris Agreement.

#### STEERING AND ROAD MAPS

The sustainable development strategy is implemented under the oversight of the **Sustainable Development department**, which reports to the Senior Executive Vice-president, Human Resources, who is a member of the Executive Committee. Made up of a team of seven people, two of whom are seconded to the Fonds Groupe SEB, it coordinates and drives Group-wide participatory efforts with the support of a dedicated **Steering Committee**. In order to instill sustainable development criteria at all levels of the company and on all continents, this Steering Committee is composed of around 20 members hailing from a variety of business areas and divisions (communications, quality/environment, innovation, purchasing, logistics, marketing, etc.) and meets twice a year. The Sustainable Development department also relies on the network of continental Human Resources Managers who act as contacts with the countries.

2019 was mainly spent rolling out the four pillars of the new sustainable development strategy. A dozen thematic road maps were developed together with the representatives of the relevant businesses along with **targets for 2023**<sup>(1)</sup>. All functions were involved in the process: Purchasing, Quality, Environment, R&D, Marketing, Brands, Health and Safety, Human Resources, Production, IT and Digital, Logistics, Consumer Satisfaction, Design, etc. Each road map is built around projects with targets and quantitative indicators. Twice a year a progress report is put together by the Sustainable Development department with the "business" contributors.

(1) These targets are specified in each relevant section of Chapter 3 (page 171), under the heading "Groupe SEB 2023 Target".

In parallel, the country teams started to determine their areas of priority, in line with the direction of the new strategy. The “country” road maps are steered by the sustainable development contact, typically the subsidiary’s Human Resources Manager. The Sustainable

Development department also supports the local teams with project planning and aims to create a network of best practice-sharing to drive momentum.

## DIALOG WITH STAKEHOLDERS

Paying close attention to the Group’s “ecosystem”, the Sustainable Development department has been holding a series of discussions with a panel of the Group’s stakeholders since 2013, to gather their opinions and suggestions about its sustainable development policy. This panel was mainly comprised of external experts: expert in positive branding, expert in responsible consumption and sustainable eating, eco-design and circular economy, cooking blogger, etc.,

and an employee representative, member of the European Works Council. The meeting held at end-January 2020 mainly focused on the Group’s evolving sustainable development strategy and on the company’s exploration of its sense of purpose. At the previous meeting, in early 2019, the members of the panel had discussed the corporate responsibility of the brands with a particular focus on Tefal and Rowenta.

3

## RAISING EMPLOYEE AWARENESS

The Group uses a number of communication methods to increase employee awareness of sustainable development issues, including a dedicated section on the Group’s intranet, which is regularly updated with news, articles in site newspapers, telexes and events. There is also the Yammer internal social network’s Sustainable Innovation community, which is a forum for discussions on sustainable innovation. Many sustainable development-related themes are also dealt with in the Group’s Code of Ethics, which regularly inspires training and awareness-raising initiatives (see page 128).

Every year, a **sustainable development week** is organized worldwide and is a special opportunity to enlist the cooperation of employees. The 2019 theme was combating climate change, one of the four pillars of the Group’s new sustainable development strategy. The proposed activities come in very different forms including, for example: awareness raising and challenges surrounding energy consumption and reduction of waste and plastic, handing out of EMSA mugs to teams to replace disposable cups, cooking workshops on cutting food wastage; awareness raising regarding waste sorting on-site; presentation of the UN Sustainable Development Goals, etc.

## CSR CRITERIA IN THE BONUSES OF TOP MANAGERS

The remuneration of all managers who have a certain level of responsibility comprises a variable portion related to the results of the Group and those of the entity in which they work. Since 2018, the Group has been looking at environmental, social and ethical performance criteria when calculating the bonuses awarded to its 690 top managers. The goal is to embed the Group’s non-financial

performance in all businesses and levels of the company, as part of an overall value creation approach. A portion of the bonus is thus subject to the achievement of the carbon emission goals of Group plants, to the number of workplace accidents and social compliance rating awarded to Group sites in the course of social audits done in at-risk areas.

## INTERNAL AUDIT AND SUSTAINABLE DEVELOPMENT

In 2013, the Audit and Internal Control department included the Code of Ethics and the Responsible Purchasing Charter in the internal control manual used when auditing subsidiaries. Since 2016, the Sustainable Development department has also sent it the action plans implemented by the subsidiaries as part of the new ethical, social and environmental audit procedure (see page 130). This strengthens the ethical, social and environmental monitoring within all the Group’s processes. Sites that are not audited by the Audit and Internal Control department during the year are sent a self-assessment

questionnaire through reporting software. This covers the same checkpoints audited during on-site audits and includes the internal control manual and also the rules contained in the Code of Ethics and the Responsible Purchasing Charter. Both sets of guidelines are therefore fully harmonized and ensure that the audit process is fully consistent. Furthermore, when studies take place prior to company acquisitions, the Strategy department conducts a review of social and environmental issues using a questionnaire that covers the key points in the Code of Ethics.

## EXTERNAL VERIFICATION OF DATA

Groupe SEB has been a pioneer in this regard since 2011, and had a selection of corporate social responsibility indicators for the 2010 financial year audited by one of its statutory auditors, PricewaterhouseCoopers Audit. It continued this voluntary commitment and PricewaterhouseCoopers Audit issued a limited assurance report for the 2011 and 2012 financial years on a selection of social and environmental indicators. Finally, to comply with what are now legal obligations, every year since 2013 the Group has

had the completeness and fairness of the social, employment-related and environmental information in the Universal Registration Document / Registration Document audited. In 2017, Groupe SEB changed its independent third party to Mazars (see a detailed description of the reporting process on page 126 and Mazars' report for 2019 on page 181). Since 2010, 80 audits have been carried out on 27 different sites in seven countries (Germany, France, Italy, Brazil, Colombia, China and the United States).

## AN ESTABLISHED CSR POLICY

A growing number of management companies are basing their investment decisions on the corporate social responsibility of listed companies, or including this factor in their stock-picking process. The CSR policy is regularly included in the Group's financial communications, and the Sustainable Development department meets with investors at least once a year, at conferences or roadshows focused on non-financial performance.

When it comes to its CSR reputation, Groupe SEB was ranked 4th in the **Rep Track** survey, out of a panel of 200 large companies active on the French market. This survey, conducted in 2018 with 38,000 participants, is based on three aspects: working environment, governance and social commitment.

## NON-FINANCIAL RATING

Several **non-financial rating** agencies assess the ESG (Environmental, Social, Governance) performance of Groupe SEB.

This performance is increasingly gaining recognition by the **CDP (Carbon Disclosure Project) agency**, which manages the largest database of company environmental data in the world. In 2019, the Group strengthened its position in the CDP ranking, getting a B rating for its efforts to combat climate change.

The Group's commitments and initiatives are also assessed every two years by **Vigeo-Eiris**<sup>(2)</sup>, the leading agency in Europe. Its 2020 rating, increasing by 1 point compared to 2018, allows Groupe SEB to maintain its first place in its sector in Europe, on a panel of 40 companies. It is also ranked 68th worldwide (out of 4,904 companies). Vigeo-Eiris also published a study at year-end 2018 that put Groupe SEB in the top 1% of the best performing companies worldwide in terms of Human Rights (see page 129).

The SEB share is included in several SRI (Socially Responsible Investment) indices. The Group has kept its place in Vigeo-Eiris's **Europe 120 and Eurozone 120** indices, composed of the companies with the highest scores based on more than 330 indicators. It also reaffirmed its position in the **FTSE4Good** international index, a global benchmark in the field, with a score of 4/5 (Personal & household goods category). The SEB share also features in **Forum Ethibel's** Excellence Europe index. Finally, it is on the research panels of Gaïa Rating, Sustainability and Oekom, which has awarded it Prime status.

## AWARDS

The Group's CSR approach won numerous awards in 2018/2019, in particular for its efforts to foment the circular economy: LSA "Development of Environmental Responsibility" award, Special Award at the Trophées Défis RSE, award at the European Business Awards for its reparability policy (selected from among 112,000 competing companies in 34 countries), etc. Tefal also won the Grand Prix de la Responsabilité Sociétale des Marques. Two awards in 2019 specifically recognized its collaborative approach to encourage inclusive design: the Mines ParisTech & Cegos Sustainable Development CSR award and the LSA "La conso s'engage" award. The Group's corporate sponsorship policy was also recognized by the Franco-Chinese CSR award handed out by CCI Paris-Ile-de France and KPMG for the Chinese primary school development program being run by Supor over the past number of years (see page 151).

Giving consideration to social and environmental issues is also a winning strategy for the brands, as shown by Havas Media Group's Meaningful Brands study, which regularly examines the performance of brands with regard to the quality of life and well-being of consumers (1,500 brands in around 30 countries). In the 2017 study, two Groupe SEB brands were included in the French selection (Seb and Moulinex) for the first time. Both went straight to the top of the national brands most trusted by French consumers (4th and 6th place respectively). In the 2019 study, Seb was still in the top 10 of the best rated brands in France.

(2) Vigeo and EIRIS merged in October 2015.

## 3.2. Non-Financial Performance Statement (DPEF)

In accordance with Ordinance 2017-1180 of 19 July 2017 on the disclosure of non-financial information by certain large companies and major corporate groups, the Non-Financial Performance Statement (*Déclaration de Performance Extra Financière*, or “DPEF”) is intended to present the measures implemented within the Group to identify and attenuate risks.

### **BUSINESS MODEL** DPEF

The Groupe SEB business model is presented in pages 6-7 of this document. In order to develop the Business Model, a working group composed Sustainable Development, Strategy and Financial Communication departments were set up in 2018. After studying the recommendations of the MEDEF and different ITOs, the working group discussed key financial and extra-financial indicators representative of the performance of the Group in the long term. This subject was also the subject of discussions with General Management, which validated the Business Model at the end of 2018. In 2019, following an exchange by this working group, it was decided to keep the entire content of the business model while updating the data.

3

### **RISKS** DPEF DV

#### **MAPPING OF RISKS, IDENTIFICATION PROCESS & METHODOLOGY FOR SELECTING THE MAIN RISKS (DPEF AND DUTY OF VIGILANCE)**

The Group’s risk management method (see methodology described under “Risk Factors” Chapter 1 of the 2018 Registration Document) has been applied to the areas covered by the Duty of Vigilance law and the Non-Financial Performance Statement, namely: CSR risks – social, environmental, societal, Human Rights and the fight against corruption.

As part of this process, the Audit and Internal Control department brought together the Group’s Sustainable Development, Legal, Financial Communication, Environment, Health & Safety departments to identify and integrate these risks into the company’s overall mapping of risks already completed elsewhere.

Groupe SEB operates in nearly 150 countries in a variety of complex economic and socio-cultural environments. The CSR risks identified are intrinsically linked to our operations but also the risks inherent

to the countries in which our subsidiaries and suppliers operate. On the basis of this frame of reference, the Group identified that its main CSR risks are concentrated in the emerging countries. That is why the ethical, social and environmental audits are primarily done in these high-priority areas.

In order to consider both the company’s vision and stakeholder expectations, this identification of CSR risks was also cross-checked against the materiality matrix. The whole thing was approved by the Group’s stakeholder panel in January 2018.

#### **RISK VALIDATION PROCESS (DPEF AND DUTY OF VIGILANCE)**

The main CSR risks were presented and validated by the stakeholder panel in January 2018 and presented to the Audit Committee in October 2018. The main CSR risks are reviewed annually as part of the Group risk review process.



POLICY AND KEY INDICATORS DPEF

Policies and actions plans are in place to prevent, identify and attenuate the occurrence of these CSR risks; the details of these actions plans are described throughout Chapter 3.

This correspondence table provides the necessary references.

Area	Risks	Policies	Key performance indicators	
<b>Social and societal</b>	Health and safety of staff	Protect and ensure the health and safety of the employees thanks to the Health and safety policy of the Group	Frequency of workplace accidents Rate of OHSAS 18001 certified entities	Chap 3.5/Health and safety/p. 141
	Talent attraction and retention	Promote recruitment, development and retention of talents, thanks to career and attractiveness of the Group	Average employee turnover rate	Chap 3.5/ A responsible employment policy/p. 131
<b>Ethics and corruption</b>	Corruption	Ensuring ethics and transparency of our business as well as respect for the laws through the implementation of a: <ul style="list-style-type: none"> <li>• Code of Ethics – Code of Ethics training (<i>e-learning</i> and classroom)</li> <li>• an anti-corruption <i>e-learning</i> module planned for H2 2019</li> </ul>	Rate of roll-out of <i>Code of Ethics e-learning</i> training	Chap 3.5/Ethics compliance/p. 129
	Tax evasion	Ensure compliance with tax regulations and obligations in all countries where the Group is implanted	Effective tax rate	Chap 1 .4/Risk Factors/p. 40
	Human Rights	Ensure respect Human Rights, in our activities, everywhere where the Group is established, thanks to the implementation of: <ul style="list-style-type: none"> <li>• a Code of Ethics</li> <li>• a responsible purchasing policy</li> </ul>	Percentage of sites with an overall compliance score greater than 80% Intertek Audit of suppliers (Group level)	Chap 3.5/Ethics compliance/Code of Ethics/p. 129
<b>Environmental</b>	Climate change	Reduce the Group impact on climate change thanks to: <ul style="list-style-type: none"> <li>• a circular economy policy</li> <li>• the 4x20 objectives</li> </ul>	Rate of recycled materials in new products Rate of recyclability of electrical products Rate of repairable products Rate of energy improvement of production sites Rate of improvement of energy consumption by electrical products Quantity of waste generated Rate of ISO 14001 certified entities Greenhouse gas emissions per manufactured finished product (scopes 1 and 2)	Chap 3.8/Using recycled materials/p. 165 Chap 3.8/ Reparability/p. 163 Chap 3.9/ Eco-production/p. 171 Chap 3.9/ Eco-logistics/p. 175 Chap 3.9/ Eco-design/p. 169

### Exclusions

Because of the Group's businesses, certain issues relating to the Decree of 24 April 2012 and Article 4 of the Law of 11 February 2016 on the fight against climate change were not considered to be relevant: the fight against food insecurity and animal protection.

## 3.3. Vigilance Plan

### INTRODUCTION

For the second consecutive year, Groupe SEB complies with law 2017-399 of 28 March 2017 concerning the duty of parent companies and order-giving companies through the development of this plan.

This plan presents the measures taken within the Group to identify risks and prevent serious harm to Human Rights and fundamental freedoms, the health and safety of individuals and the environment, related to our activities as well as those of our subcontractors and suppliers.

Corporate social responsibility has been an essential component of the Group's strategy for many years, and these risks have been identified over time and form the basis for the implementation of all the Group's sustainable development actions and policies.

The new legal requirements relating to the duty of vigilance therefore reflect the values and actions defended by the Group for many years.

This plan restates the actions already anchored in the Group's policies that are the foundation of its sustainable development approach: Code of Ethics, health and safety policy, low-carbon objectives, responsible purchasing policy, and more.

The plan is the subject of dedicated monitoring. In 2019, monitoring and updating of the plan were coordinated by the Department of Sustainable Development. This coordination was performed within a working group that involved the Legal, Internal Audit and Sustainable Development departments. Each department contributed to the completion and update of the plan.

3

### MANAGEMENT OF RISKS OF SERIOUS HARM TO INDIVIDUALS AND TO THE ENVIRONMENT

#### PREVENT AND MANAGE THE RISKS RELATED TO HUMAN RIGHTS (DETAILED ON PAGE 129 CHAPTER 3.5)

##### Ethics

The top priority when it comes to ethics is to apply the laws in force in each country where Groupe SEB operates. Groupe SEB also adheres to the international standards set out by the UN, and particularly to the principles of the Universal Declaration of Human Rights, the fundamental conventions of the International Labour Organization (ILO) and the OECD's guidelines for multinational enterprises. It is also a signatory of the UN's Global Compact and the APPLiA's<sup>(1)</sup> Code of Conduct.

In order to formalize the policy and ethical values of the Group internationally, a Code of Ethics was created in 2012 to cover 18 topics. Translated into the Group's 11 main languages, it has been distributed to all employees. It describes the whistleblowing procedure, including the contact email address: [ethics@groupeseb.com](mailto:ethics@groupeseb.com).

To ensure that every employee understands the key concepts of the Code of Ethics and knows how to act when faced with an ethical dilemma, a vast training program was deployed in 2018. At year-end 2019, 90% of 11,436 connected employees had taken the online training program. In order to make it as real-world as possible,

this training was developed jointly by various Group departments: Sustainable Development, Training, Human Resources, Quality Standards & Environment, Audit and Internal Control, Purchasing, Legal, Health and Safety. This is included in the mandatory training for new employees.

For employees without online access, classroom-based training began in 2019 and will be rolled out worldwide in 2020. Coordinated by the Human Resource managers and site managers, it focuses on areas considered priority and on specific cases tailored to local circumstances.

##### Human Rights

Integrated in our Code of Ethics, respect for Human Rights is one of our strong commitments, which has been validated by the signing of the Global Compact since 2003. The Group decided in 2007 to evaluate its teams' practices in relation to Human Rights in subsidiaries employing more than 10 people. 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). These self-assessments, which were carried out every couple of years or so, covered almost 99% of the workforce and drove improvements.

(1) Home Appliance Europe (formerly CECED: European Committee of Domestic Equipment Manufacturers).

The audits (conducted once every three years) are accompanied by action plans to rectify any non-compliances, and sites with a compliance score of less than 70/100 must undergo a follow-up audit. The action plans are submitted to the Sustainable Development department. This department shares them with the Industry department (including the Health, Safety and Environment managers), the Human Resources department and the Audit and Internal Control department, which are therefore able to verify their implementation. An annual summary of the audit results is also sent to the Executive Committee. This monitoring system, similar to the one used for the Group's suppliers, allows external comparisons to be made and the generating of audits that can be used in dealings with customers.

### Trade payables

Groupe SEB bears great responsibility in terms of the manufacturing of its products under ethical conditions. It follows a responsible purchasing policy that includes reporting and control systems to ensure that its suppliers comply with its ethical, social and environmental requirements worldwide.

This policy includes:

- Responsible Purchasing Charter;
- preliminary evaluation of suppliers;
- mapping of CSR challenges by purchasing family;
- ethical, Social and Environmental Audits.

This policy has been continually reinforced since 2012. It is covered by a shared road map between the Purchasing and Sustainable Development departments. It is implemented by teams trained in responsible purchasing; this area is incorporated into various trainings and events run by the Purchasing community, such as web forums, that are regularly run on specific issues.

## PREVENT AND MANAGE THE RISKS RELATED TO HEALTH-SAFETY-SECURITY OF INDIVIDUALS

### Health and safety of consumers

Groupe SEB is committed to offering consumers high-quality products that are guaranteed to be safe and harmless. In each country, the Group complies with all the standards and regulations governing the products it sells. Responsible products are the first theme addressed in Groupe SEB's Code of Ethics, evidence of the importance that it places on respect for the consumer.

- **Product safety:** this is ensured by a set of rigorous processes at every stage of product development and production. During development, each project review (RP1 to RP4) includes formal checking of product compliance via a series of validations listed in the EMQS (Environment, Marketing, Quality and Standards) reference document.
- **Harmlessness:** the Group is particularly vigilant when it comes to selecting component materials, going beyond regulatory requirements. As part of its commitment to quality, the Group has

introduced a "Health & Environment" notice which has been on Tefal/T-fal non-stick cookware for several years. This commitment gives a guarantee that there is no PFOA <sup>(2)</sup>, lead or cadmium and therefore that the coatings are safe for the consumer.

- **Unpopular substances:** the Group classifies in this category substances that, although not banned by the regulations, are considered by some stakeholders, such as NGOs, to be potentially hazardous. On this basis, the Group is working on plans to replace a number of these substances and materials, even though they are not currently covered by the regulations, in order to stay a step ahead of future directives. Phthalates, for example, which were added to the RoHS European Directive <sup>(3)</sup> in 2015, were already viewed as unpopular substances by Groupe SEB in 2012.

### Health and safety of employees

For several years, Groupe SEB has been developing measures to reduce the number of workplace accidents and limit the number of professional illnesses. It has set the following objectives by 2023:

- cut the number of workplace accidents with days lost \* (2017 base) by at least half, i.e. LTIRi <1.5; \*With a direct link to work, including temporary workers – LTIR: Lost Time Injury Rate.
- 100% of plants certified to health and safety standards – OHSAS 18001/ISO 45001.

The health and safety policy draws on a global network of 35 Environment, Health and Safety (EHS) Coordinators, who cover all of the plants and logistics sites (more than 40) in 13 countries. They meet quarterly in person for France and via Skype for the other global sites. Once a year, they meet up at a Group site. These annual seminars make it possible to strengthen the international dynamic of the network, something that is also supported by the Yammer community (Groupe SEB social network). The Group has also undertaken to certify its health and safety management system (OHSAS 18001), with 100% of its industrial and logistical entities certified at the end of 2019.

- **Safety:** Groupe SEB's safety approach is reflected in the worldwide Safety in SEB program. The 2020 road map emphasizes the involvement of employees as participants in their own safety. At the plants, for example, safety is one of the points that is reviewed daily by the production teams as part of the OPS (Operation Performance SEB) initiative, via Frequent Events. Every month, all accidents occurred in the Group are summarized in a newsletter sent to all managers (including the Executive Committee) and to the Health and Safety community. This policy has borne fruit: within five years (2014-2019), the number of workplace accidents with days lost has fallen by over half. Safety-specific checkpoints have been incorporated into day-to-day field visits by local managers since 2018. This feeds into the safety pyramid, a tool designed to detect hazardous situations ahead of time to quickly remedy them so as to anticipate accident risks. Since 2016, the Group has strengthened the safety culture in its tertiary (offices) and commercial entities (stores). The golden rules are systematically communicated and some sites have introduced their own unbreakable rules.

(2) PFOA: Perfluorooctanoic acid is a substance used as an aid to polymerization in many polymer manufacturing processes.

(3) Restriction of the use of certain Hazardous Substances.

## ■ Health

- **Health plan:** The Group's international health plan, Health in SEB was launched in 2016. It started with an analysis of all the plants to identify the main health risks (dust, noise, repetitive work, etc.). This inventory was used as a basis for the creation of Group standards and to define health targets, accompanied by monitoring indicators. This is particularly true of ergonomics where the indicator measures improvements that are deemed significant using specific analysis methods, scoring grids, a decision-making tool developed by ergonomists and the person's experience. All plants and logistics sites worldwide have taken steps to improve workstation ergonomics with a target of 25% of workstations to be improved annually.
- **Efforts to combat musculoskeletal disorders:** As an industrial group, Groupe SEB focuses a large part of its efforts on combating musculoskeletal disorders (MSDs) in the upper limbs, and lower back pain. The aim is to prevent them from appearing and slow their deterioration. This is a major issue for the industrial sites, particularly in Europe, exacerbated by the aging 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 of products and processes as well as the carrying out of specific measures on the sites.
  - **Dedicated Steering Committee:** Every French plant and logistics site has a Steering Committee for Musculoskeletal Disorders and one or more MSD Specialists who ensure that risks are taken into account upstream, at the product design stage, and downstream, by amending hard-pressed workstations.
  - **Training programs:** Since 2015, the Groupe SEB University and the Industry department have offered a training program, primarily for the methods teams, several modules of which are devoted to combating MSDs (School of Methods).
- **Social protection:** in terms of social protection, in 2017 the Group launched an initiative designed to offer its employees, throughout the world, a high level of coverage compared with the local context, beyond regulatory obligations. Since 2018, the Group has progressively rolled out a global floor for social protection and working conditions, WeCare@SEB, based on two pillars in the first phase:
  - **life insurance:** 12 months of salary paid to the employee's family in the event of death in the context of work;
  - **medical care:** coverage of hospitalizations because of accidents (capped at 70% of actual costs). A third pillar is being defined for deployment over 2020-2021. (in € millions) Remuneration (a) Payroll taxes (b) Pensions 2018 World Each employee working under a permanent contract, whatever his/her country and hierarchical level, will benefit at a minimum from the coverages of this global floor. The implementation of the three pillars will extend until the end of 2021.
- **Measures to combat harassment:** Groupe SEB pays very close attention to the issue of sexual harassment, an issue on which many

countries have passed specific laws. In India, for example, Groupe SEB has introduced a very aggressive policy in the country to prevent such behavior, ensure careful investigation of complaints or reports, and finally protect the victims and punish those responsible. The subsidiary regularly holds awareness and training sessions on this issue for all staff. It has established a dedicated committee to deal with sexual harassment, comprising employees and a social worker from outside the company. In France, the updating of the internal rules of all sites makes it possible to raise awareness and to reflect the new legislative provisions designed to combat all forms of harassment. Thus, in 2019, each French legal entity with over 250 employees added a point of contact tasked with combating sexual harassment and sexist behavior.

## PREVENT AND MANAGE ENVIRONMENTAL RISKS

**Carbon footprint:** Groupe SEB produces an average of 200 million products per year. At each step in their life cycle, these products consume natural resources and emit greenhouse gases, which contributes to global warming. Aware of this responsibility, the Group completed a carbon assessment of its businesses in 2016. This provided a precise image of the distribution of carbon emissions over the entire value chain (extraction of raw materials, manufacture, transport, use, end of life) and led to the implementation of concrete actions to reduce the environmental impacts related to its activity.

As a result, ambitious goals were defined:

### ■ By 2023:

- 40% fewer greenhouse gas emissions per manufactured product in tons of CO<sub>2</sub> equivalent, base year 2016),
- 15% fewer greenhouse gas emissions related to the energy consumption of our products (base year 2016);

### ■ By 2050: carbon neutrality (reduction and offset 100% of remaining carbon emissions).

This low-carbon policy led by the Quality Standards and Environment and Sustainable Development departments is organized around 3 primary elements and involves a number of businesses.

■ **Eco-design:** Eco-design of products is decisive in significantly reducing the environmental impact. Integrating recycled raw materials, improving energy efficiency, reducing energy consumption without compromising performance, and making a product repairable and recyclable are eco-design drivers. The Group has defined an eco-design policy to act on 70% of the carbon impacts. This facilitates consideration of these criteria in the development of new products:

- increasing the duration of use of the products: durability and reparability,
- using alternative/recycled materials: aluminum, plastics, stainless steel, etc.
- improving the energy performance of the products,
- increasing recyclability.

- **Eco-packaging:** Groupe SEB is careful to design packaging that guarantees its principal functions, while minimizing its environmental impact. This is why it set 3 targets for 2023:
  - ZERO expanded polystyrene,
  - 90% recycled fibers in the boxes,
  - ZERO internal plastic packaging.
- **Eco-production:** Saving resources is one of the goals of the manufacturing sites through the policy of eco-production:
  - reducing energy and water consumption,
  - reducing and recycling waste,
  - using renewable energy.

Every year, the sites are mobilized on “eco-innovating” projects. The goal is to highlight sustainable innovation projects and disseminate best practices to reduce the environmental impact. More than 150 best practices have already been developed.

- **Eco-logistics:** To reduce emissions related to the transport of products and the materials and components used to manufacture them, the Group encourages local production, optimizes logistics circuits and is developing transport alternatives to road transport (rivers, rail) that are less polluting. Because lower empty transport means emitting less CO<sub>2</sub> while reducing costs, the Group also optimizes the load rates of the transport units (trucks or shipping containers), particularly by reducing the size of the packages and the empty space inside.
- **Resource depletion:** The Group fights the depletion of natural resources in several ways. First, it limits the consumption of water, energy and raw materials necessary to produce the products. Second, it places its products and services at the center of the circular economy (extending product life and re-use, promoting recycling and the use of recycled materials, experimenting with shared product use).
- **Air, soil and water pollution:** Prevention of air, soil and water pollution is the first pillar of the Group’s environmental policy, designed to protect the ecological balance around our sites. The Group strengthened its tools in this area, putting in place an environmental risk assessment methodology common to all Group sites and defining a common standard for emergency response situations.

## WHISTLEBLOWING AND REPORTING MECHANISM

As part of the measures introduced to ensure that the Code of Ethics’ commitments are properly applied, in 2012 the Group set up a **whistleblowing system** so that any employee or person from outside the Group can report situations that violate the Code. The system is also shared with suppliers through the Responsible Purchasing Charter and a clause included in supplier agreements whenever these are renewed.

This system has been supplemented by a recently updated whistleblowing procedure. It clearly sets out the various steps for whistleblowers to follow to exercise their right, the people to be contacted, the information to be provided, the way in which reports are handled, the confidentiality rules and protection for whistleblowers, assuming they come forward disinterestedly and in good faith. It is explained in the Code of Ethics as well as in the new Code of Ethics training program and made available to employees on the Group’s intranet.

For example, when faced with an ethical dilemma, the following questions should be asked:

*Is the law being obeyed? Is the situation in line with Groupe SEB’s values and Code of Ethics? Am I comfortable talking to my friends and family about it?*

If the answer to any of these questions is negative or if there is any doubt as to how to proceed, we ask employees to discuss the matter with one of the three Ethics Advisers, namely:

- the supervisor;
- the Human Resources manager of the site, country or continent;
- the Audit and Internal Control Director via the dedicated email address [ethics@groupeseb.com](mailto:ethics@groupeseb.com).

The Audit and Internal Control Director may be contacted in the event of an exceptional situation that cannot be resolved by the first two levels of Ethics Advisers. As necessary, this person will involve the Groupe SEB Ethics Committee, of which he or she is a member, together with the Senior Executive Vice-president of Human Resources, the General Counsel, the Sustainable Development Director, and the Secretary of the European Group Works Committee, which represents the employees. The Audit and Internal Control Director is also Secretary of the Compliance Committee of the Groupe SEB Board of Directors, which annually receives a report on the ethics warnings received and dealt with.

This whistleblowing procedure has been widely communicated through the publication of the Code of Ethics, training on the Code of Ethics and a posting on the Group’s intranet site. It is also included in the Group’s internal regulations.

Thanks to this training and communication campaign on the Code of Ethics worldwide, we had 87 reports in 2019 (vs. 35 in 2018). All reports were analyzed and 41 were the subject of a detailed action plan.

## MANAGEMENT, GOVERNANCE AND MONITORING OF THE PLAN DEPLOYMENT

### PLAN VALIDATION PROCESS

The main CSR risks and the vigilance plan were presented and validated by the stakeholder panel in January 2018 and presented to the Audit Committee in October 2018.

### COMPLIANCE COMMITTEE

To address internal and external risks and uncertainties, Groupe SEB has set up a Compliance Committee whose objective is to identify, quantify, prevent and control these risks as much as possible.

This committee includes members from the:

- Audit and Internal Control department;
- Legal department;
- Human Resources department;
- Sustainable Development department;
- Finance and Treasury department;

and meets two to four times a year to review the actions taken, discuss the challenges encountered, and formalize corrective action plans.

### BUSINESS LINE ROAD MAPS

The implementation of Groupe SEB's CSR actions is based on a dozen thematic road maps developed together with the representatives of the relevant business lines. All business lines are therefore involved in the process: Purchasing, Quality, Environment, R&D, Marketing, Brands, Health and Safety, Human Resources, Production, IT and Digital, Logistics, Consumer Satisfaction, Design, etc. Each road map is built around projects with targets and quantitative indicators. Twice a year a progress report is put together by the Sustainable Development department with the "business" contributors. Thus, these meetings also ensure regular review of the Group's different risks with all businesses concerned, an assessment of the actions taken, discussion of the challenges encountered, and the development of formal corrective action plans. By involving all businesses, the Group ensures that risks are identified and known to everyone at all levels, and that corrective actions are applied.

## 3.4. Stakeholders

Generally speaking, Groupe SEB conducts a transparent dialog with all of its stakeholders through various communication media, annually via the publication of the Business and Sustainable Development report and the Universal Registration Document, and on an ongoing

basis thanks to a dedicated section of the Group's website and the publication of news items. Stakeholders are identified using the methodology described in paragraph 5.3.2 of the ISO 26000 standard.

Stakeholders	Modes of dialog
<b>Employees</b> Employees (managers and non-managers)	Intranet site, welcome booklet, internal communications initiatives, Annual Appraisal Interviews (AAIs), employee survey ( <i>Great Place to Work</i> ), site newspapers and documents on a range of topics (Code of Ethics, Management Values and Practices, etc.).
<b>Future employees</b>	Website, careers site, social networks, school forums, outreach meetings, etc.
<b>Employee representatives</b> Employee representative bodies	Labor relations agenda, employee-management dialog bodies, dedicated intranet, signing of collective agreements, etc.
<b>Consumers</b>	Group and brand websites, social networks, Groupe SEB TV, media and non-media communications, marketing research, Home & Cook stores, consumer service, etc.
<b>Suppliers and subcontractors</b>	Discussions with Group and local purchasers, Responsible Purchasing Charter, Code of Ethics, annual evaluation, regulatory compliance via the EcoMundo platform, social and environmental audits, etc.
<b>Public authorities</b>	Participation in working groups, conferences, partnerships/local projects, public/private research partnerships, competitiveness clusters, etc.
<b>Shareholders</b>	Business and Sustainable Development report, Universal Registration Document, letter to shareholders, website, webzine, Annual General Meeting, information meetings, etc.
<b>Customers</b> Distributors	Code of Ethics, sales meetings, partnerships and multi-year action plans, etc.
<b>Professional associations</b> CEGED, Gifam, Unitam, Medef, Afep, Demeter, Éco-Systèmes, FIEEC and other eco-organizations, etc.	Participation in working groups, involvement in governance, etc.
<b>Civil society</b> NGOs, associations, communities	Business and Sustainable Development report, selection and support of projects via the Fonds Groupe SEB or subsidiaries, partnerships, cause-related marketing products, etc.
<b>Financial and non-financial bodies</b> Rating agencies, financial analysts, institutional investors, banks, funds, etc.	Business and Sustainable Development report, Universal Registration Document, website, SRI meetings, road shows, responses to questionnaires, press releases, communication on progress of the <a href="#">UN Global Compact</a> , Investor Days, formal meetings, etc.

## LOBBYING ACTIVITIES

Groupe SEB sees lobbying as a positive approach that consists of communicating its opinion to the authorities about the potential consequences of an action or a decision. It provides insights through professional associations of which it is an active member and which intervene in the same way as other stakeholders such as consumer associations and other NGOs. The aim is for the authority concerned by a given subject to have all the data at hand to make the best decision with respect to the desired aim and expectations of the various stakeholders. The Group bases its analysis on its industry expertise and its market knowledge. Since 2015, it has structured its lobbying activities in the European Affairs department, reporting to its Head of Quality, Standards and Environment. The department is tasked with transmitting to the authorities the information needed to

define regulations and standards that may impact the Group's product designs.

In 2019, Groupe SEB continued to act to promote the circular economy by emphasizing the importance of product reparability and by continuing to demand the creation of a tax incentive to encourage sector operators to repair and use recycled materials. It also acted in the context of the European work to promote the return of an energy label on vacuums to guarantee that the consumer has relevant information about energy consumption and performance. Groupe SEB has also worked on different issues, such as:

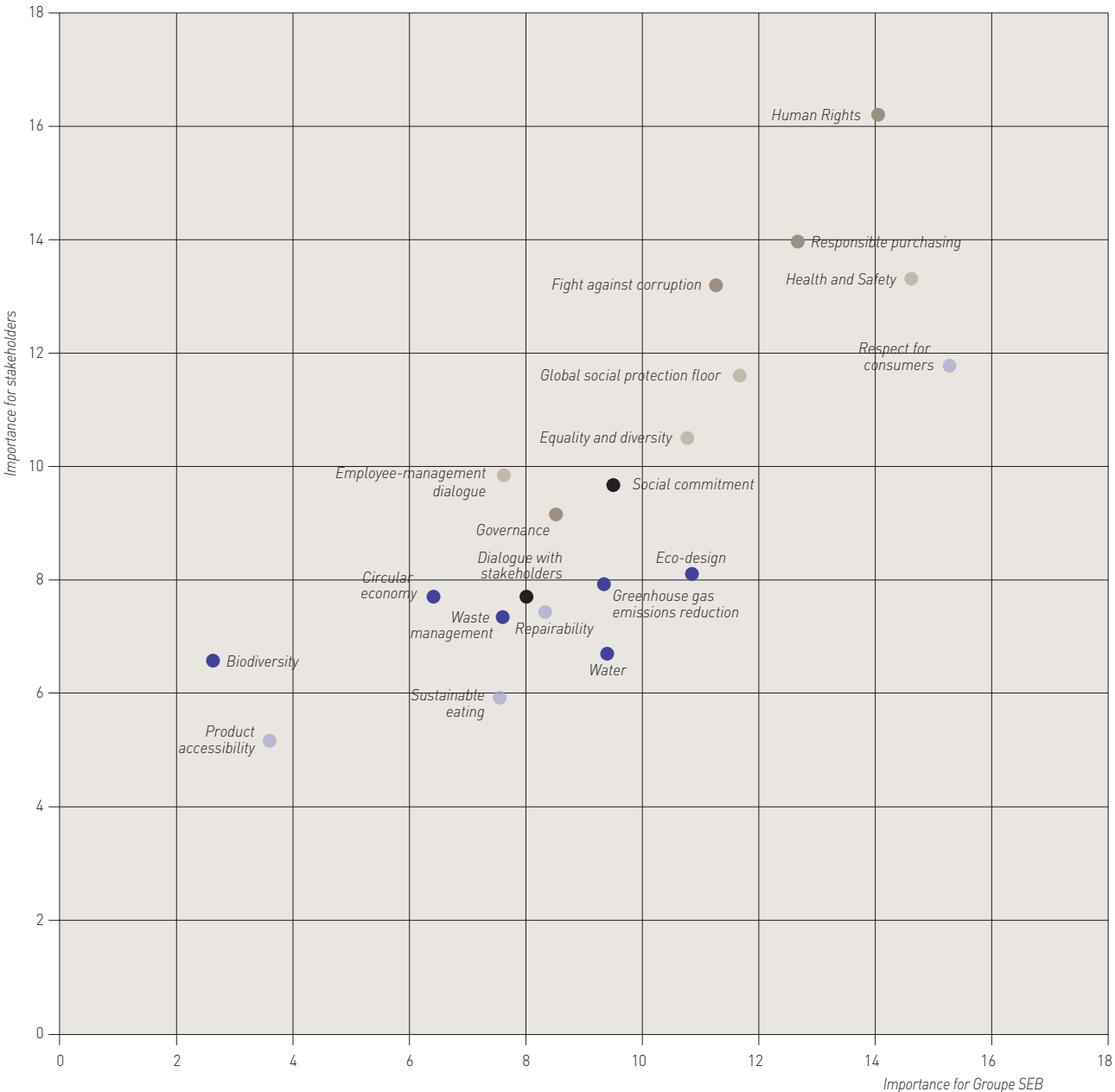
- the regulations on materials in contact with food;
- the regulations on connected products;

■ the development of standards on the efficient use of materials.  
To contribute to discussions about its industry, Groupe SEB plays an active role in various French and European professional associations such as:

- AFEP – French Association of Private Sector Companies;
- FIEEC – French Federation of Electrical, Electronic and Communication Industries;

- GIFAM – French Association of Household Appliance Manufacturers;
- UNITAM – Union of Homeware Manufacturers;
- APPLiA – Professional Association of European Household Appliance Industry;
- FEC – Federation of the European Cutlery, Flatware, Holloware and Cookware Industries.








**MATERIALITY MATRIX**



- Environmental issues
- Ethical issues
- Social issues
- Societal issues
- Consumer-related issues



To make it easier to read the information contained in this chapter, the table below summarizes the 20 issues identified by Groupe SEB, defines them and lists the number(s) of the pages on which the issue is addressed.

Challenges	Definitions	Page no.	SDG*
<b>PEOPLE MATTER/ETHICS</b>			
Human Rights	Fight against any form of forced or compulsory labor, concealed work, child labor, inhuman working conditions and excessive overtime.	130	
Responsible purchasing	Require our suppliers to respect Human Rights and essential ethical, social and environmental principles.	130-131	
Anti-corruption measures	Prohibit strongly any kind of corruption in our relationships, not only with our commercial and institutional partners, but also with the Government.	132	
Governance	Work in favor of a more responsible governance: diversity and independence of the Board of Directors, increased female participation in key positions, transparency about the pay of executive officers, etc.	Chapter 2	
<b>PEOPLE MATTER/A RESPONSIBLE EMPLOYMENT POLICY</b>			
Equality and Diversity	Ensure equal treatment between employees. Only take into account their professional skills when it comes to their recruitment, pay and development within the Group.	138-140	
Employee-management dialog	Respect for freedom of association and union representation while encouraging employee-management dialog on both an individual and collective basis.	140	
Health and Safety	Provide each employee with a safe and healthy working environment.	141-144	
Global social protection floor	Ensure fair pay, minimum social cover and decent working conditions for all employees.	145-146	
<b>PEOPLE MATTER/A CORPORATE CITIZEN</b>			
Dialog with stakeholders	Take into account the expectations of all our stakeholders in the conduct of our activities: consumers, associations/NGOs, municipalities/public authorities, suppliers, customers, shareholders, employees, etc.	115	
Social commitment	Fulfill our economic and social responsibilities in the territories in which we operate: creating jobs, taking part in the development of local companies and supporting local associations acting against exclusion.	151-153	
<b>SUSTAINABLE INNOVATION AND RESPECT FOR CONSUMERS</b>			
Respect for consumers	Propose high-standard products with all the guarantees in terms of safety and harmlessness. Be very demanding about the quality of the information given to consumers through our call centers, and via our brands' websites and our after-sales service.	156	
<b>CIRCULAR REVOLUTION/A MORE CIRCULAR ECONOMY</b>			
Circular economy	Make the circular economy central to our sustainable innovations. The circular economy requires a chain structuring approach (e.g. recycling chain and re-use chain). This economic system is based on exchanges and production. At every stage of the life cycle of the products, goods and services, it aims to increase the efficiency of the resources and reduce the impact on the environment while enabling the well-being of individuals.	163-166	
Reparability	Facilitate the repair of our products: design, availability and price of spare parts, training of approved service centers, etc.	163-164	
<b>BETTER HOME LIFE/PRODUCTS ACCESSIBLE FOR AS MANY PEOPLE AS POSSIBLE &amp; A HEALTHY HOME</b>			
Product accessibility	Promote the accessibility of the product offer to as many as possible by working on price, ergonomics and distribution networks.	161	
<b>GOOD AND HEALTHY COOKING/HEALTHY AND SUSTAINABLE HOMEMADE FOOD</b>			
Sustainable eating	Promote consumption modes favoring healthy and sustainable eating by innovating and supporting consumers.	160	
<b>CLIMATE ACTION/REDUCTION OF ENVIRONMENTAL IMPACT</b>			
Eco-design	Reduce the environmental footprint of products through eco-design.	169-170	
Water	Limit the water consumption of our sites together with their emissions to water.	174	
Waste management	Limit and recover waste from production by favoring solutions with a smaller impact on the environment.	173-174	
Greenhouse gas emissions reduction	Reduce greenhouse gas emissions linked to the production process (optimization of energy consumption, use of renewable energies, etc.) and the transport of products, raw materials and components.	171-172; 175-177	
Biodiversity	Promote ordinary biodiversity and limit the impacts of our processes and products on biodiversity.	174-175	



\* SDG: Sustainable Development Goals. The list of all the SDGs can be found on the United Nations website: <https://www.un.org/sustainabledevelopment/>

### 3.5. Objectives for 2023



<p><b>Employment Conditions, Health &amp; Safety</b></p>	<ul style="list-style-type: none"> <li>&gt; 100% of employees worldwide are covered by the global employment conditions program</li> <li>&gt; Cut the number of workplace accidents with time lost * by at least two, i.e. LTIRi &lt; 1.5</li> <li>&gt; 100% of plants certified in accordance with health and safety standards – OHSAS 18001/ISO 45001</li> </ul>
<p><b>Equity &amp; diversity</b></p>	<ul style="list-style-type: none"> <li>&gt; 30% of women hold management positions</li> <li>&gt; Bring the % of female managers into line with the % of women in the Group</li> </ul>
<p><b>Quality of life at work</b></p>	<ul style="list-style-type: none"> <li>&gt; Achieve 75% on the GPTW question: “All in all, I can say it is a great place to work”</li> </ul>
<p><b>Solidarity</b></p>	<ul style="list-style-type: none"> <li>&gt; 100% of the countries in which we operate run a corporate philanthropy program</li> </ul>



<p> <b>Better home life</b></p>	<ul style="list-style-type: none"> <li>&gt; Develop one inclusive design product range</li> <li>&gt; Create one awareness program around healthy homes</li> </ul>
<p> <b>Healthy and sustainable eating</b></p>	<ul style="list-style-type: none"> <li>&gt; One program to make homemade food accessible to everyone</li> <li>&gt; One charter to promote healthy and sustainable eating for recipes associated with our products</li> </ul>



<p><b>Recycled materials</b></p>	<ul style="list-style-type: none"> <li>&gt; 2x the plastic 100% recycled in our products in France.</li> <li>&gt; 50% of recycled materials in our products/packaging</li> </ul>
<p><b>Repairability</b></p>	<ul style="list-style-type: none"> <li>&gt; Over 90% of SDA 10-year repairable products for Moulinex / Rowenta / Tefal / Seb / Calor / Krups</li> </ul>
<p><b>Second life</b></p>	<ul style="list-style-type: none"> <li>&gt; Experiment with different business models to give our products a second life</li> </ul>



<p><b>Factories</b></p>	<ul style="list-style-type: none"> <li>&gt; -40% carbon intensity at our plants</li> <li>&gt; 100% of plants certified in accordance with the ISO 14001 Environmental Management standard</li> </ul>
<p><b>Logistics</b></p>	<ul style="list-style-type: none"> <li>&gt; -10% carbon intensity in terms of the transport of our products</li> <li>&gt; -15% carbon intensity in terms of the energy consumption of our products</li> </ul>
<p><b>Products &amp; packaging</b></p>	<ul style="list-style-type: none"> <li>&gt; Eco-packaging:             <ul style="list-style-type: none"> <li>• 0 expanded polystyrene</li> <li>• 90% of recycled fibers</li> <li>• 0 plastic packaging</li> </ul> </li> </ul>

## 3.6. Reporting process

### MEASURING OF SOCIETAL, EMPLOYMENT-RELATED AND ENVIRONMENTAL PERFORMANCE

Since 2002, Groupe SEB has been committed to reporting on its social, employment-related and environmental performance. To this end, it has established a set of monitoring indicators and reporting procedures that are regularly reviewed as part of a continuous improvement process. The indicators and procedures are set out in an internal document entitled “Reporting process for CSR steering indicators”.

#### SELECTION OF INDICATORS AND GUIDELINES

The indicators used by Groupe SEB to measure its performance in 2019 cover all of the items listed in Article 225 of French law no. 2010-788 of 12 July 2010, known as the Grenelle 2 law. The Group goes beyond this legal requirement by reporting other indicators that fall particularly under Global Reporting Initiative (GRI) recommendations. Based on these guidelines, which are an international standard for the reporting of non-financial information, Groupe SEB has incorporated the materiality approach within its reporting process in order to identify the main sustainable development priorities and the related indicators.

In keeping with the development of national and international requirements and the Group’s philosophy of continuous improvement, it has therefore added new indicators. It has also specified the components of certain indicators to improve the reliability of published

data, and in many areas has extended the reporting scope, including new acquisitions where possible.

All of the indicators reported aim to track the Group’s progress in relation to its corporate responsibility commitments. The procedure for defining and/or calculating these indicators is explained whenever useful or necessary.

#### METHODOLOGY AND TOOLS

The Sustainable Development department coordinates the Group-wide reporting of social, employment-related and environmental information. It develops formal processes for every relevant division and consolidates all the data collected in a specific non-financial reporting system.

Since 2012, Groupe SEB has used Tennaxia’s reporting system for sustainable development reporting. Its flexibility will make it easy to incorporate future developments: adding indicators, modifying reporting scopes, etc. It also makes it possible to create analysis reports and dashboard charts that are useful for management and decision-making. Its international roll-out was completed during 2013.

The processes and tools used to collect data for the various indicators vary from one theme to the next and between regions (France and World):

Theme/Region	France	World (excluding France)
Breakdown of workforce by gender, age, region and classification; external labor	Data extracted from SAP BW imported into Tennaxia (annual)	SAP BW data imported into Tennaxia (annual)
People with disabilities	Data compiled in a spreadsheet and imported into Tennaxia (annual)	Data input directly into Tennaxia (annual)
Absenteeism rate	Data extracted from SAP BW imported into Tennaxia (annual)	Data extracted from SAP BW imported into Tennaxia (annual)
Collective agreements	Data compiled in a spreadsheet and imported into Tennaxia (annual)	Data input directly into Tennaxia (annual)
Overtime	Data extracted from SAP BW imported into Tennaxia (annual)	Data input directly into Tennaxia (annual)
Health	Data compiled in a spreadsheet using Winlassie software then imported into Tennaxia (annual)	Data input directly into Tennaxia (quarterly)
Safety	Data compiled in a spreadsheet using Winlassie software then imported into Tennaxia (annual)	Data input directly into Tennaxia (quarterly)
Training	Data input directly into Tennaxia (annual)	Data input directly into Tennaxia (annual)
Corporate sponsorship expenses	Data input directly into Tennaxia (annual)	Data input directly into Tennaxia (annual)
Environmental data excluding direct raw materials	Data input directly into Tennaxia (annual)	Data input directly into Tennaxia (annual)
Direct raw materials	Data compiled in a spreadsheet (annual)	Data compiled in a spreadsheet (annual)

The reporting of these data involves more than 200 correspondents from different divisions on all Groupe SEB's sites.

## ACCURACY AND COMPARABILITY

Groupe SEB is committed to ensuring that the data it publishes are accurate by carrying out a number of consistency tests. The Tennaxia reporting system provides an automatic consistency checking functionality to limit data entry errors. It also allows users to attach files and add comments. Any potential inconsistencies or errors flagged are reviewed with the sites and corrected. The Group also strives to maintain uniformity across its reports, presenting its indicators over a period of three years when data are available.

Data on absenteeism came with a methodological limit in 2015. Due to the lack of any official international definition of absenteeism, information from international subsidiaries is not subject to formal monitoring and controls at Group level. Groupe SEB has worked on its own international definition in order to be able to monitor and report on absenteeism worldwide since 2016.

Regarding Health and Safety reporting, a limitation has been identified in the recording of work-related illnesses on a global scale. Some legal systems (such as Germany) recommend medical secrecy and figures are therefore unavailable and treated as null for these specific cases.

## METHODOLOGICAL LIMITATION AND SCOPE

The social, employment-related and environmental indicators may present methodological limitations due to the lack of standard definitions and national/international laws (e.g. for workplace accidents) and/or the qualitative nature of certain data. Given these limitations, as well as potential difficulties with data collection, the reporting scope may vary depending on the indicator. Whenever the scope of an indicator is limited, this is explicitly stated. Any other variations in scope may be related to the creation, acquisition, sale or closure of sites.

## REPORTING PERIOD

The period used for annual reporting of sustainable development information is the financial year, which corresponds to the calendar year for Groupe SEB (1 January to 31 December).

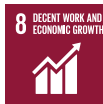
## AUDIT

To comply with legal obligations, the Mazars firm verified the completeness and fairness of the social, societal and environmental information provided in this Universal Registration Document.

## 3.7. People matter



SHOW OUR RESPECT FOR EVERYONE AND OUR BENEFIT FOR SOCIETY ON A DAILY BASIS.



### ETHICAL COMPLIANCE

The top priority when it comes to ethics is to apply the laws in force in each country where Groupe SEB operates. Groupe SEB also adheres to the international standards set out by the UN, and particularly to the principles of the Universal Declaration of Human Rights, the fundamental conventions of the International Labour Organization (ILO) and the OECD's guidelines for multinational enterprises. It is also a signatory of the UN's Global Compact and the APPLIA's <sup>(1)</sup> Code of Conduct.

The Group's tangible commitments in terms of Human Rights put it in the top 1% of the best performing companies worldwide in this sphere, according to the "Human Rights in a globalized world: why do companies need to pay more attention?" study published at end-2018 by the non-financing rating agency Vigeo-Eiris. This study was published to mark the 70th anniversary of the Universal Declaration of Human Rights and looks at companies in 60 countries and 38 sectors, tracking their performance from April 2016 to October 2018.

### CODE OF ETHICS

#### 18 areas, 11 languages

Over the last 10 years, Groupe SEB has more than doubled in size, acquiring several companies (including EMSA and WMF in 2016 and Wilbur Curtis in 2018), and has become an increasingly international group. It now has close to 34,000 employees around the world, with around two-thirds of its workforce located outside of Europe. Since a common culture and a shared set of values are essential to a successful ethical approach, Groupe SEB has structured and formalized its policy in the form of a Code of Ethics, which was drafted in 2012. Translated into the Group's 11 main languages, it has been distributed to all employees worldwide and is now available online on the Group's intranet. This document addresses 18 key areas, including child labor, anti-corruption measures, non-discrimination, environmental protection and the prevention of conflicts of interest.

#### A global training program

The implementation of the Code of Ethics in 2012 was backed up with close to 10,000 hours of training. In 2018, the Group launched a new wave of training to ensure that every employee understood the key concepts and knows how to act when faced with an ethical dilemma.

At year-end 2019, 90% of 11,436 connected employees had taken the online training program, available in ten languages on the iGrow@SEB HR online platform. It consists of 6 modules designed in an interactive and fun manner. They comprise a theoretical component followed by a quiz and a case study where the employee is faced with an ethical issue. In order to make it as real-world as possible, this training was developed jointly by various Group departments: Sustainable Development, Training, Human Resources, Quality Standards & Environment, Audit and Internal Control, Purchasing, Legal, Health and Safety. This is included in the mandatory training for new employees.

For employees without online access, classroom-based training began in 2019 and will be rolled out worldwide in 2020. Coordinated by the Human Resource managers and site managers, it focuses on areas considered priority and on specific cases tailored to local circumstances.

#### Whistleblowing system

As part of the measures introduced to ensure that the Code of Ethics' commitments are properly applied, in 2012 the Group set up a **whistleblowing system** so that any employee or person from outside the Group can report situations that violate the Code. It was also communicated to suppliers through the Responsible Purchasing Charter.

The whistleblower process sets out the various steps for whistleblowers to follow to exercise their right, the people to be contacted, the information to be provided, the way in which reports are handled, the confidentiality rules and protection for whistleblowers, assuming they act in a selfless manner and in good faith. It is explained in the training on the Code of Ethics and made available to employees on the Group's intranet.

Thanks to this training and communication campaign on the Code of Ethics worldwide, we had 87 reports in 2019 (vs. 35 in 2018). All reports were analyzed and 41 were the subject of a detailed action plan.

The various points in the Code of Ethics are included in the **internal audit** manual and are verified during site audits.

More information about risk factors can be found from page 40 onwards.

(1) Home Appliance Europe (formerly CECED: European Committee of Domestic Equipment Manufacturers).

## 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. 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). These self-assessments, which were carried out every couple of years or so, covered almost 99% of the workforce and drove improvements.

In 2015, Groupe SEB decided to apply the same **ethical, social and environmental audit** procedure that it operates with its suppliers (WCA – Workplace Condition Assessment) to its plants in risky areas <sup>(2)</sup>, using the same specialist consulting firm Intertek.

The audits (conducted once every three years) are accompanied by action plans to rectify any non-compliances, and sites with a compliance score of less than 70/100 must undergo a follow-up audit. The action plans are submitted to the Sustainable Development department. This department shares them with the Industry department (including the Health, Safety and Environment managers), the Human Resources department and the Audit and Internal Control department, which are therefore able to verify their implementation. An annual summary of the audit results is also sent to the Executive Committee. This monitoring system, similar to the one used for the Group's suppliers, allows external comparisons to be made and the generating of audits that can be used in dealings with customers.

In 2019, eight sites were audited in India, Egypt, Vietnam and China. The average compliance score was 81/100, and no zero tolerance non-compliances were identified.

## RESPONSIBLE PURCHASING

Groupe SEB bears great responsibility in terms of the manufacturing of its products under ethical conditions. It follows a responsible purchasing policy that includes reporting and control systems to ensure that its suppliers comply with its ethical, social and environmental requirements worldwide. This policy has been continually reinforced since 2012. It is covered by a shared road map between the Purchasing and Sustainable Development departments. It is implemented by teams trained in responsible purchasing: this area is incorporated into various trainings and events run by the Purchasing community, such as web forums, that are regularly run on specific issues.

## ANTI-CORRUPTION MEASURES

This issue has been incorporated in the global Code of Ethics that applies to all employees since 2013. 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 to this Code of Ethics, a Code of Conduct was established this year and will be distributed in the spring of 2020. The goal of this Code is to guide all employees of Groupe SEB in the performance of their duties when they are confronted with a situation they believe presents a vulnerability risk in the fight against corruption and influence peddling. In accordance with the SAPIN II Act, a professional whistleblowing process allows any employee to confidentially report any violation or suspected violation of the Code or of any law or regulation governing Groupe SEB.

The Audit and Internal Control department includes the risk of fraud and corruption in its assessments. Given the economic environment in which 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. Close coordination was established between the outside audit team, the internal audit unit and accounting teams, particularly on internal control points. In 2019, as the result of the responses to a questionnaire sent to all entity managers (commercial subsidiaries, plants, shared service centers) and to all support managers, the risk mapping was enhanced with a special focus on the corruption risk.

(2) Risky areas as defined by amfori/Business Social Compliance Initiative – Country Risk Classification, 2018.

## RESPONSIBLE PURCHASING CHARTER

The Responsible Purchasing Charter, which stems from the Group's Code of Ethics, is available in French, English, German, Chinese, Spanish and Portuguese. **Sent to all suppliers in the panel** (including Supor)<sup>(3)</sup>, it explains the Group's requirements in terms of respect for Human Rights and its ethical, social and environmental principles, with special mention for efforts to combat corruption. 90% of suppliers have signed up or are deemed to be compliant with Group requirements thanks to their policy in this area.

## PRELIMINARY EVALUATION OF SUPPLIERS

When doing the preliminary evaluation of any new supplier of raw materials/components and finished products, **25% of the rating is directly dependent on social and environmental criteria**. Moreover, if just one of the major social or environmental criteria is rated unsatisfactory, the supplier will be discarded. For the environmental aspect, these criteria primarily include the following factors: ISO 14001 certification, visible pollution (water, ground and air), and use of hazardous products. For the social aspects, the main criteria are: 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 at least 10% of the score, depending on the purchasing category.

## MAPPING OF CSR ISSUES BY PURCHASING FAMILY

In addition to the compliance requirement, the Group is striving to strengthen the sustainable development component of its purchasing. In order to identify opportunities for improvement, it has mapped out the social and environmental issues for its main purchasing families. This study notably led to the insertion of environmental and social clauses into calls for tender. These are designed, for example, to favor suppliers offering environmentally friendly solutions or who are committed to employing disadvantaged people.

This impetus is a game-changer: for example, FM Logistic France, which manages the Group's product logistics at its Saint-Cyr-en-Val platform, near Orléans, created FMEA, a company providing work to people with disabilities, on this site in 2015. This organization employs people with disabilities to perform repackaging operations (such as adding starter kits or samples to packaging). At the end of 2019, work subcontracted to the disability and inclusive employment sector totaled more than €5.5 million, equal to 305 Full-Time Equivalent (FTE) jobs, across all of the Group's French sites.

See also "A responsible participant in the economy", page 154.

## ETHICAL, SOCIAL AND ENVIRONMENTAL AUDITS

### ■ Ethical, Social and Environmental Audit Charter

For the sake of transparency, the Group has put together an Ethical, Social and Environmental Audit Charter for its suppliers. It is sent to them, along with the points on which they will be rated during audits. To help suppliers make progress in social and environmental matters, the Group offers them training sessions on this topic. It thus makes sure that they have properly understood the Group's responsible purchasing policy and the checkpoints audited as part of the WCA (see below), especially in the areas of health, safety and working conditions. In 2019, five sessions were held in China, Vietnam and for the first time in Colombia. Representatives of 137 suppliers attended, along with the Group buyers responsible for monitoring them. Numbers at these sessions are continually rising (83 suppliers in 2016, 101 in 2017, 128 in 2018).

### ■ Internal global network of Social Audit Leaders

17 Purchasing Directors from Asia (8), South America (4) and Europe (5) make up the network of Social Audit Leaders, which gained 5 new members in 2017 (OBH, WMF, EMSA, Groupe SEB India and Supor Vietnam). They are responsible for the completion of audits in their areas and for progress plans undertaken by suppliers. This network is coordinated by the social compliance manager (based in Hong Kong) and through regular meetings (web conferences) attended by the Group's Purchasing Director, covering audit reviews, the analysis of results, exchanges of best practices, and so on.

### ■ A highly-formalized procedure

Ethical, social and environmental audits are done by Intertek. A global audit management tool ensures immediate and specific listed supplier monitoring and also makes it possible to compare the results obtained by the Group's suppliers with those of companies listed in the Intertek database (more than 32,000 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 auditor reviews 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 labor, blocked emergency exits, excessively long hours, etc.) to minor non-compliances, with moderate and major non-compliances (no pay slip, emergency exit signs, 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.

- A single "zero tolerance" non-compliance (e.g. failure to comply with the legal working age) triggers the following actions: a letter from the Purchasing Director or Sourcing Director requiring the implementation of a **corrective action plan** within two weeks, immediate suspension of any new consultations and a **follow-up audit** (by Intertek) one month<sup>(4)</sup> later to check that the issue has been resolved. If not, the Group decides to end the collaboration.

(3) Groupe SEB's listed suppliers comprise a selection of circa 470 direct suppliers (of materials and components), and 800 indirect suppliers (non-production). Listed suppliers account for over 70% of the Group's purchases in the raw materials/components categories. These preferred suppliers are considered to be particularly effective, based on criteria of quality, cost and corporate social responsibility.

(4) With respect to non-compliance regarding weekly working time, the follow-up audit may take place within 3 to 6 months as the case may be.

- With an aggregate score of less than 50/100, the Regional Head of Purchasing or Sourcing sends a formal letter warning the company to correct the breach and checks that the situation has been rectified through a follow-up audit in the following months.

Some companies newly acquired by Groupe SEB (such as OBH in 2015, WMF and EMSA in 2016) already had a social audit procedure, based on the BSCI<sup>(5)</sup> (Business Social Compliance Initiative). These audits are added to the Intertek database, and so the Group has signed up to the BSCI in order to better monitor them. The BSCI's compliance scale has 5 levels ranging from A (Very good) to E (Unacceptable) and a 6th reserved for zero tolerance cases. The Group considers A, B and C results to be acceptable. Zero tolerance cases are managed according to the Group procedure defined for WCA, as are D and E ratings, which are managed in the same way as WCA scores of between 0 and 50/100 (very low performance). The Group's approach is still focused on WCA, however.

#### ■ Initial and follow-up audits

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. Initial audits are paid for by the Group. Suppliers with a score of more than 70/100 are audited every four years, and the others once a year or every two years, depending on the volume of business carried out with the Group.

## A RESPONSIBLE EMPLOYMENT POLICY

Groupe SEB's Human Resources policy aims to consolidate a worldwide human resources policy based on the Group's values (entrepreneurial drive, passion for innovation, group spirit, professionalism and respect for people). It is based on major focal points such as respect for Human Rights, the development of skills, health and safety in the workplace, employee-management dialog and diversity and equality.

In the 2019 Best Employers in France awards run by the Capital magazine and Statista institute, Groupe SEB was ranked no. 1 in the electrical equipment sector for the second year running, with special mention of CSR (Corporate Social Responsibility) and Quality of Life at Work (QLW). All sectors combined, it is in the Top 20 of 2,100 companies with over 500 employees best rated by their employees (survey of 20,000 employees). It is 17th, up three places on 2018 when it had already surged 50 places on 2017.

All the data presented below are based on a worldwide scope, excluding EMSA Taicang, and excluding WMF Heshan. Data concerning new acquisitions will be included progressively, as and when they are integrated into the various Group processes.

In 2019, the Group completed 168 initial audits (173 in 2018) of suppliers in Asia (114), South America (41) and Europe (13). Over the past two years (2018 and 2019), 110 follow-up audits were done to check the implementation of action plans. One of the suppliers, which refused to undergo this follow-up audit, was removed from the Group's listed suppliers and the Group stopped all new projects with it.

Intertek also hands out an Achievement Award (AA) label to suppliers who have an overall score of at least 85/100 and do not present any major or zero tolerance-type non-compliances. In 2019, 33 Group suppliers received the AA label.

## MONITORING OF CHEMICAL SUBSTANCES

To help suppliers guarantee compliance with regulations relating to the non-use of hazardous substances, Groupe SEB works with EcoMundo, a consulting firm specializing in regulatory compliance in relation to chemical substances. Almost 1,000 Groupe SEB suppliers can access a dedicated internet portal, which makes it easier for them to write their eco-declarations. The Group is also making continuing efforts to monitor certain substances, in anticipation of future regulatory changes (particularly in Europe, i.e. RoHS<sup>(6)</sup> and REACH<sup>(7)</sup>).

For further information on how purchasing is organized within Groupe SEB, see page 28.

3

## GLOBAL HUMAN RESOURCES MANAGEMENT

To support its international growth and ensure equal treatment for all, Groupe SEB draws on human resources processes that are harmonized worldwide. These are integrated within a dedicated information system that uses the latest generation of digital tools. This digitization increased further in 2019. It enables more automated tasks and connects up the various processes more easily, improving global Human Resources management. It provides both a consolidated and cross-company view that makes the Group more agile.

The **Managerial Competency Model**, based on the Group's values and written in a language that is understandable by all, explains the managerial conduct that should be adopted to achieve the desired performance. Rolled out across all countries since 2016<sup>(8)</sup>, it has been incorporated into the framework of the Annual Appraisal Interview (AAI). It has also been included into the Group's leadership training programs and is used to evaluate the managerial competency of external and internal candidates when hiring or moving internally. To help managers implement it day-to-day, the Group regularly organizes

(5) Business Social Compliance Initiative (2003).

(6) Restriction of the use of certain Hazardous Substances.

(7) Registration, Evaluation and Authorisation of Chemicals.

(8) Excluding Supor, which already had a managerial competency model.



workshops for various entities' Management Committees: in 2019, this was done in Colombia, Brazil, Mexico, Eurasia, the Research department, the Cookware business as well as for the Asia-Pacific Human Resources department. Workshops were also held for middle-management (Turkey, Germany, India, etc.). Moreover, a special e-learning module is available to all employees to enable everyone, from the moment they join the Group, to share these core managerial practices.

Of the five personal targets defined in an AAI, one or two are linked to the personal development of the manager, directly linked to the managerial competency model. Ahead of this interview, the managers are given the opportunity to self-assess with a view to improving the discussion at interview-time. In 2018-2019, 94.9% of the 3,200 or so managers eligible for an AAI received such an interview worldwide.

In parallel to managerial skills, in 2018 Groupe SEB completed the mapping of technical skills relating to the company's divisions (marketing, sales, finance, purchasing, manufacturing, and so on). This **framework of professional skills and the associated jobs** was produced thanks to contributions from expert employees from each function who will later take part in its updating. It is now incorporated into the AAI as a basis for assessing job competency. At year-end 2019, some 250 job descriptions were available to all employees, including via the intranet.

## ATTRACTIVENESS OF THE GROUP AND CAREER DEVELOPMENT

### Professional development

**Internal promotion** is a priority for the Group: in 2018, most managerial positions were filled by Group employees, both in France and worldwide, and 80% of key positions, succession plans being driven internally. Internal job offers are published on the iMove@SEB website accessible on the intranet, which employees can use to apply for jobs. Geographic and job **transfers** are a component of internal promotion. There was a flurry of international managerial transfers in 2019, up 60% on 2018 and a geographic spread both in terms of host countries and countries of origin.

The Group offers a **mentoring** program to develop and retain talented individuals while promoting women's access to positions of responsibility. This has been rolled out internationally since 2018. The principle is for an experienced manager to support and advise a "high potential" employee for a year to help them to succeed in their career within the Group. The gender parity of the pairings is ensured with regard to both mentors and mentees. This development tool, which benefits both parties, has been highly successful. In 2019, two cohorts of 24 pairs brought together participants from 16 countries. Since its inception, over 130 managers have benefited from it.

### The digital sphere helping recruitment

When it comes to external recruitment, the Group relies heavily on digital tools. It is increasing its presence and activity on targeted **social media/networks**, led by LinkedIn, but also Twitter, Instagram, JobTeaser, YouTube, Glassdoor and Wikipedia. Its followers continue to grow. At year-end 2019, they totaled 110,000 on LinkedIn (+24.5% compared with 2018) and around 3,100 on Twitter (+11.5%). On the Instagram channel, publications showing life inside the Group (#InsideGroupeSEB) and stories resulted in a 60% increase in followers. Awareness of the Group on social networks is growing thanks to a diversified editorial line, continually fed by contributors from all backgrounds within the company.

The Group also invested in a new **careers website**, with more content, being more international and providing a generally better experience for applicants. A gallery of portraits and first-hand accounts of employees worldwide give visitors a better sense of the Group's businesses and their challenges. Moreover, a new interface allows applicants to see all available opportunities within the Group and to target those that are a fit thanks to a more user-friendly presentation and more extensive search filters.

All external applications, wherever they come from, are gathered on a single **e-recruitment platform** appropriate to the Group's global structure (Taleo). This platform has been introduced in 46 countries, where it collected more than 30,000 applications in 2019 (15,000 applications in 2015). In order to get its job offers out into the marketplace, the Group has partnerships with the major jobs sites, both globally (LinkedIn, for example) and locally (in France: APEC, Cadremploi, Hellowork, etc.). Around 10% of monthly global traffic generated by Group job offers is directly from LinkedIn. In 2019, Taleo was upgraded to better handle new digital use patterns on smartphones and tablets with a simplified work flow for applicants. This platform also manages internal transfer requests (iMove@SEB). It is a key tool for HR teams responsible for recruitment.

### Attracting young talent

To widen its pool of young talent, the Group maintains close ties with specific **higher education establishments**, specializing in Marketing/Business and Engineering. It has in particular partnered with the ESSEC's Chair of Fast-Moving Consumer Goods (Paris) and, since 2018 AgroParisTech's Chair of Food, Nutrition and Eating Behavior. In addition to strengthening its "employer brand", these partnerships give it access to the work of researchers in these fields that are vital for its growth strategy.

To make itself more attractive to students of engineering schools and scientific universities, the Group established the Tech Challenge in 2018. In the 2019 international challenge, focused on sustainable innovation, students were asked to come up with the Small Domestic Equipment of the future. They submitted 258 innovative projects, 10 of which were pre-selected for presentation at the SEB Campus in Écully in March 2020, prototypes in hand.

Groupe SEB's ties with students are also firming up internationally through the partnership with the CEMS Global Alliance, which brings together some 30 leading management and business schools (30 countries, 1,000 students, 65 nationalities).

In January 2020, the Group launched the third wave of its **Graduate Program**. It aims to hire young graduates from business schools, engineering colleges and universities. The Group offers them the chance to do a two-year stint in one of its key business divisions with an initial 12-month posting in France followed by two six-month postings abroad. There are various programs: Purchasing, Finance, Manufacturing, Marketing, Research & Development, Human Resources, Supply Chain, Finance or Information Systems.

On average, the Group takes in about 300 **interns and work-study trainees** every year. In 2019, for the sixth year running, it was awarded the **Happy Trainees** (France) label, which recognizes excellence in its commitment to these students. In this instance, Groupe SEB was ranked 16th in the category of companies taking between 200 and 499 interns and work-study trainees. The Happy Trainees survey involving some 220 students, based on six criteria: professional advancement, stimulating environment, management, motivation,

pride, job satisfaction. Over 8 out of 10 students felt that their time in the Group was a major step in their career. They are delighted with the trust shown, for what they have learned and the resulting strong progress.

This "Young talents" policy, which includes interns, work-study trainees and participants in the Graduate Program and VIEs <sup>(9)</sup> is producing results: the Group recruits nearly 75% of its young graduate employees by drawing on this pool.

Starting in 2018, as part of measures to hire interns, the Group works in France with the social start-up "Vendredi" to offer internships shared with charitable organizations: Interns spend four days a week at the company and one day working for an association, on an assignment with a high social impact.

The prizes and awards received by the Group are also measures of its appeal. In 2017, the Reputation Institute included it in its "Reprtrak France" ranking for the first time. This index assesses the reputation of companies operating on the French market. In the 2018 awards of the top 100 companies, Groupe SEB was in 4th position behind Décathlon, Lego and Google.

## BREAKDOWN OF TOTAL WORKFORCE BY GEOGRAPHIC REGION

Worldwide (excl. EMSA Taicang, WMF Heshan, WMF Shanghai and SEB Professional Shanghai)

<i>(number of individuals)</i>	2019	2018	2017
France	5,843	5,882	5,771
Other EMEA countries	10,575	9,711	8,170
Americas	2,716	2,707	2,736
Asia	14,159	14,390	14,266
<b>WORLD</b>	<b>33,293</b>	<b>32,690</b>	<b>30,943</b>

The total workforce includes those working under permanent contracts, fixed-term contracts or other similar contracts, as well as work-study trainees. Temporary employees are not included in this figure. At 31 December 2019, Groupe SEB had 33,293 employees based on the scope defined in the table above. Including EMSA Taicang, WMF Heshan, and SEB Professional Shanghai, the Group has nearly 34,000 employees.

(9) *Volunteers for International Experience – Young French graduates on assignment for 12 to 24 months outside France.*

## BREAKDOWN OF CHANGES IN THE WORKFORCE

Worldwide (excluding AFS Vietnam, EMSA Taicang, EMSA Vietnam, proHeq CZ, Schaefer AG Schweiz, Schaefer Netherlands, SEB Professional BELUX, SEB Professional France, SEB Professional NA, SEB Professional Shanghai, SEB Professional UK, SSEAC, WMF Bulgaria, WMF Española, WMF France Consumer Goods, WMF Heshan, WMF Nederland, and WMF Shanghai).

<i>(number of individuals)</i>	2019	2018	2017
<b>FRANCE</b>			
<b>Recruitment</b> <sup>(a)</sup>	<b>562</b>	<b>710</b>	<b>645</b>
Fixed-term and work-study	308	357	340
Permanent contracts	254	353	305
<b>Departures</b> <sup>(a)</sup>	<b>564</b>	<b>603</b>	<b>562</b>
Economic redundancies	0	6	1
Terminations for other reasons	50	55	70
<b>AVERAGE STAFF TURNOVER RATE</b> <sup>(b)</sup> (%)	<b>1.40 *</b>	<b>1.08 *</b>	<b>1.33</b>
<b>OTHER EMEA COUNTRIES</b>			
<b>Recruitment</b> <sup>(a)</sup>	<b>2,593</b>	<b>2,423</b>	<b>816</b>
Fixed-term and work-study	970	1,247	397
Permanent contracts	1,623	1,176	419
<b>Departures</b> <sup>(a)</sup>	<b>2,001</b>	<b>1,978</b>	<b>553</b>
Economic redundancies	44	49	50
Terminations for other reasons	194	151	54
<b>AVERAGE STAFF TURNOVER RATE</b> <sup>(b)</sup> (%)	<b>8.37 *</b>	<b>6.93 *</b>	<b>9.42</b>
<b>AMERICAS</b>			
<b>Recruitment</b> <sup>(a)</sup>	<b>552</b>	<b>661</b>	<b>1,342</b>
Fixed-term and work-study	124	129	256
Permanent contracts	21	532	1,086
<b>Departures</b> <sup>(a)</sup>	<b>589</b>	<b>751</b>	<b>1,367</b>
Economic redundancies	163	270	646
Terminations for other reasons	65	121	182
<b>AVERAGE STAFF TURNOVER RATE</b> <sup>(b)</sup> (%)	<b>7.27 *</b>	<b>8.09 *</b>	<b>8.18</b>
<b>ASIA</b>			
<b>Recruitment</b> <sup>(a)</sup>	<b>6,569</b>	<b>8,546</b>	<b>10,163</b>
Fixed-term and work-study	5,968	8,347	9,591
Permanent contracts	601	199	572
<b>Departures</b> <sup>(a)</sup>	<b>6,739</b>	<b>8,476</b>	<b>10,540</b>
Economic redundancies	21	62	37
Terminations for other reasons	3	12	9
<b>AVERAGE STAFF TURNOVER RATE</b> <sup>(b)</sup> (%)	<b>13.01 *</b>	<b>13.5 *</b>	<b>12.2 *</b>
<b>WORLD</b>			
<b>Recruitment</b> <sup>(a)</sup>	<b>10,276</b>	<b>12,340</b>	<b>12,966</b>
Fixed-term and work-study	7,370	10,080	10,584
Permanent contracts	2,906	2,260	2,382
<b>Departures</b> <sup>(a)</sup>	<b>9,893</b>	<b>11,808</b>	<b>13,022</b>
Economic redundancies	228	388	734
Terminations for other reasons	312	337	315
<b>AVERAGE STAFF TURNOVER RATE</b> <sup>(b)</sup> (%)	<b>6.37 *</b>	<b>5.57 *</b>	<b>5.48 *</b>

(a) Excluding internal transfers and the return of expatriates.

(b) Number of resignations of permanent contract employees/Average number of permanent employees.

\* Turnover rate scope: also excludes Vietnam Fan, Supor China and Supor Vietnam.

As in previous years, the consolidation of Supor in the Asia data leads to a high number of fixed-term or similar contracts, which are very common in China and are often for long terms, especially for manual workers. The high number of departures in the Asia region therefore reflects the expiry of these fixed-term contracts.

In 2019, the turnover rate was 6.37% (5.57% in 2018).

In Brazil, in 2016, Groupe SEB began transferring its industrial electrical product (Mooça) and cookware (São Bernardo do Campo) activities to Itatiaia, a new plant in the state of Rio de Janeiro, 350km north of São Paulo. The Mooça and São Bernardo site closures took place at the end of 2017, and were prepared for and carried out in line with the Group's values. The redundancy plans, which affected 498 and 188 people (50 key jobs were transferred), were approved by the union organizations and 90% of employees. These plans go far beyond the regulations and local practices, as they were announced eight months before the first production line was transferred and are accompanied by a large bonus in addition to the statutory redundancy compensation (nearly nine months' additional pay for a worker). They also provide for the

maintaining of the meal allowance for eight months and health insurance for six months after departure, although this is not required by law.

This move is part of Groupe SEB's industrial investment program in Brazil, whose aim is to revive its activity and restore its competitiveness in this country. The location of the Itatiaia plant, which is a modern and competitive production facility, means it is able to serve its customers in the best possible conditions. The new teams have received many hours of training, including quality, safety, continuous improvement and professional technical training.

In France, the consolidation of all the small electrical appliance innovation teams at the SEB Campus in Écully began in 2017, with a view to improving efficiency. This implies transferring the electrical cooking business's strategic marketing teams from their current base in Selongey. This transfer, affecting 71 jobs, began in September 2017 and was completed in the summer of 2018. It was covered by a company redundancy plan unanimously approved by the employee representatives. The Group has done everything possible to ensure that non-mobile employees are not left without a solution.

3

## BREAKDOWN OF WORKFORCE BY TYPE OF CONTRACT

Worldwide (excl. EMSA Taicang, WMF Heshan and SEB Professional Shanghai)

	2019	2018	2017
<b>FRANCE</b>			
Permanent contracts, fixed-term contracts or other short-term contracts exc. work-study	5,531	5,590	5,512
Full time workforce (incl. work study)	90.4%	89.9%	89.7%
Part-time	9.6%	10.1%	10.3%
Work-study trainees <sup>(a)</sup>	312	292	259
<b>OTHER EMEA COUNTRIES</b>			
Permanent contracts, fixed-term contracts or other short-term contracts exc. work-study	10,338	9,482	7,956
Full time workforce (incl. work study)	77.4%	75.2%	75.3%
Part-time	22.6%	24.8%	24.7%
Work-study trainees <sup>(a)</sup>	237	229	214
<b>AMERICAS</b>			
Permanent contracts, fixed-term contracts or other short-term contracts exc. work-study	2,641	2,623	2,680
Full time workforce (incl. work-study)	99.7%	99.6%	99.4%
Part-time	0.3%	0.4%	0.6%
Work-study trainees <sup>(a)</sup>	75	84	56
<b>ASIA</b>			
Permanent contracts, fixed-term contracts or other short-term contracts exc. work-study	14,109	14,339	14,266
Full time workforce (incl. work-study)	99.8%	99.8%	99.9%
Part-time	0.2%	0.2%	0.1%
Work-study trainees <sup>(a)</sup>	50	51	0
<b>WORLD</b>			
Permanent contracts, fixed-term contracts or other short-term contracts exc. work-study	32,619	32,034	30,414
Full time workforce (incl. work-study)	91.1%	90.8%	91.6%
Part-time	9.0%	9.2%	8.5%
Work-study trainees <sup>(a)</sup>	674	656	529

(a) Apprenticeship and professional training contracts.

Worldwide, 65.6% of the workforce are on permanent contracts, 34.4% on fixed-term contracts, including 2% work-study trainees. Excluding Supor China and Supor Vietnam, where fixed-term contracts are normal and often for long periods, particularly for manual workers, 90.3% of the workforce are on permanent contracts.

## DIVERSITY

Because diversity is a source of vitality, creativity and innovation, the Group promotes it in all its aspects: gender equality, social and cultural mix, age-group balance, inclusion of people with disabilities, etc. Groupe SEB has a non-discrimination policy to ensure that all employees are treated equally as regards their recruitment, pay and career development within the Group, in accordance with our Code of Ethics. In France, the Human Resources teams received awareness-raising training in stereotypes, diversity and gender equality in 2017. This approach was pursued in 2018 with a session dedicated to the Group Executive Committee. More specific training was developed on the theme “Recruiting and managing without discriminating, harassing or slandering” for Human Resources Managers and people responsible for recruitment. This was broadened in 2019 to the social partners and all Management Committees at French sites, representing over 172 people trained.

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. Diversity is monitored by specific committees covering signed collective agreements on this issue. More specifically regarding gender equality, a Group committee tasked with monitoring the collective agreement (France) analyzes the actions taken in this regard. Moreover, the sites must roll out local action plans on various issues: professional development, access to training, equality in terms of remuneration, work-life balance and recruitment.

To improve the diversity of work-study trainee applicant profiles, and particularly increase the share of young people from poor districts, in 2017, in France, the Group began a partnership with recruitment firm Mozaïk RH, a specialist in the promotion of diversity. In 2019, this relationship made it possible to hire some nine young work-study trainees using a job dating format during which managers met candidates without having first reviewed their CVs. The partnership will continue in 2020. In Brazil, as part of its learning policy, the Group encourages the hiring of young people from low-income families, and offers them different types of training.

### Gender equality

#### GRUPE SEB 2023 TARGETS

- 30% of female managers
- Bring the % of female managers into line with the % of women in the Group

Gender equality in the workplace is an integral part of the non-discrimination and diversity promotion policy followed by Groupe SEB. In 2019, it strengthened its approach with the **Gender Diversity global commitment plan**: each Management Committee, regardless of the country or type of entity (plant, sales subsidiary...) must commit to six actions on gender equality from a dozen actions suggested by the Group. For example: training against discrimination, implementation of a collective agreement promoting gender equality, the inclusion of at least one woman on the list of final applicants when hiring, etc.

The Group worked hard on this in 2019, with in particular:

- a global communications campaign on work-life balance;
- the establishment on the intranet of a Yammer community dedicated to gender equality;
- the commencement of a woman’s network open to men within the Group;
- conferences accessible via Skype and/or on the intranet.

#### FRANCE: A KEY AGREEMENT

In France, gender equality in the workplace is covered by a **collective agreement**, which was renewed at year-end 2018. It details and amplifies actions already taken, in particular to reflect societal developments, and includes tools and methods for achieving the targets set. Firstly, the Group reaffirms its commitment to guarantee wage equality between men and women from hiring, to maintain it over time and not to penalize employees on maternity leave, adoption leave or child-care leave. Equal opportunity in terms of recruitment, professional development and training represents another avenue of attack, in particular to encourage the diversity of the businesses and expand access for women to managerial positions. The agreement also defines various areas for improvement in terms of working conditions and the work-life balance. The implementation of this agreement requires each French site to prepare an action plan with at least one action item per annum tailored to local circumstances. The results of these actions are included in the Comparative annual report, which measures actual progress.

There were various awareness-raising actions in France in 2019 including a number of conferences and a round table on gender equality organized on the SEB Campus in November and broadcast it by video-conference to all French sites.

#### WORK-LIFE BALANCE

Among the measures taken to help people balance their work and personal lives, employees were given the option of flexible work scheduling, and several sites introduced child-care or concierge service arrangements (Rumilly and Écully).

In France, the agreement on quality of life at work was renewed in 2019 with various areas of improvement (see page 140). Since 2016, this agreement had included suggestions from the **Forum on gender equality in the workplace** held that year: it brought together 150 employees from all French sites in the presence of the Group Chairman and CEO and the Senior Executive Vice-president, Human Resources. The proposals taken up in the quality of life at work agreement include tele-commuting, ensuring the diversity of applications transmitted by recruitment firms, and the paying of child-care costs during training, under certain conditions.

### ACCESS TO MANAGERIAL POSITIONS

The Group is also endeavoring to improve the balance between women and men in management worldwide: in 2019, 38% of managers were women (32% in 2009) and 45% of the external new hires in this category (58% in France). Some entities are performing particularly well in terms of gender equality, such as Turkey where women represent half the members of the Management Committee of Groupe SEB Istanbul as against only 36% of the country's working population. Similarly, in Egypt, they represent close to 30% of the Management Committee (CODIR) versus only 24% of the working population. Women accounted for one third of expatriate managers in 2019. They still only make up 18.5% of the Group's 180 or so key managers, however, but this percentage is rising, standing at 12% in 2015. And in September 2019, a woman was appointed Senior Executive Vice-president, Finance, member of the Group Executive Committee.

To accelerate the rise of women to senior management positions, the Human Resources department is planning to have at least one woman in the short list of applicants for key posts. The mentoring program launched in 2017, based on strict gender parity, is also contributing (see Attractiveness section, page 132), as is the joint development program tested in France in 2018 and confirmed in 2019. This collective coaching (groups of 7 to 8 people) is intended for "high potential" women and places great importance on the ideas of trust and solidarity. Since 2018, the Group has also been on the board of Alliance pour la Mixité en Entreprise (AME). This association brings together the networks of some 20 large companies and aims to encourage experience sharing, benchmarking and mutual assistance on gender equality. In 2019, Groupe SEB actively participated in the organization of the AME annual conference in November on the theme of the male perspective of gender equality, a conference that was attended by two senior Group executives.

### GENDER BREAKDOWN BY CLASSIFICATION

Worldwide (excl. EMSA Taicang, WMF Heshan and SEB Professional Shanghai)

<i>(in %)</i>	2019	2018	2017
<b>MEN</b>			
Manual workers	28.0	29.5	32.2
Employees	21.2	20.4	18.5
Managers	8.5	7.9	7.5
<b>TOTAL</b>	<b>57.7</b>	<b>57.8</b>	<b>58.1</b>
<b>WOMEN</b>			
Manual workers	15.8	17.2	18.5
Employees	21.4	20.2	19
Managers	5.1	4.8	4.3
<b>TOTAL</b>	<b>42.3</b>	<b>42.2</b>	<b>41.9</b>

At the end of 2019, 43.8% of the Group's workforce were manual workers, 42.6% were employees and 13.6% were managers, 37.7% of whom were women. Excluding Supor, manual workers, both male and female, represented 31% of the workforce, while the percentage of managers was 19%.

### DIVERSITY OF THE BUSINESSES

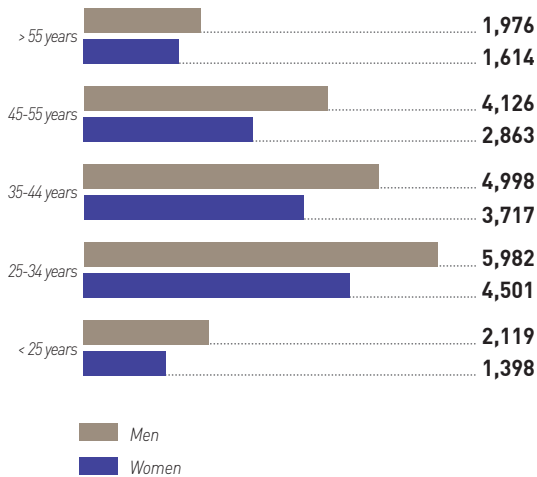
To make it easier for women to move into technical jobs traditionally held by men, since 2016 all French sites have offered them specific training (awarding academic credits), accompanied by offers of higher grade jobs. Production operators can in this way become line supervisors, machinists or welders. In four years, 27 women have taken such training. A number of Group subsidiaries have similar initiatives. For example, in 2019, Groupe SEB Egypt hired the first ever female intern in the subsidiary's maintenance department. The Group is also doing its bit to promote gender equality in the workplace: in France, as part of the Égalités initiative, it has used YouTube to post various video messages from women within the Group with jobs that have traditionally been considered to be masculine roles ("The gender of my job" heading).

### MEASURES TO COMBAT HARASSMENT

Groupe SEB pays very close attention to the issue of sexual harassment, an issue on which many countries have passed specific laws. In the Scandinavian countries, for example, it updated its policy in this area in 2017, and disseminated it to all its employees through the intranet. In India, the government has introduced very strict legislation against sexual harassment, particularly in the workplace. Groupe SEB has introduced a very aggressive policy in the country to prevent such behavior, ensure careful investigation of complaints or reports, and finally protect the victims and punish those responsible. The subsidiary regularly holds awareness and training sessions on this issue for all staff. It has established a dedicated committee to deal with sexual harassment, comprising employees and a social worker from outside the company. In France, the updating of the internal rules of all sites makes it possible to raise awareness and to reflect the new legislative provisions designed to combat all forms of harassment. Thus, in 2019, each French legal entity with over 250 employees added a point of contact tasked with combating sexual harassment and sexist behavior.

### Breakdown of employees by age

Worldwide (excl. EMSA Taicang, WMF Heshan and SEB Professional Shanghai)



**The inter-generational contract**, renewed in France in 2016 with employee representatives, aims to bring young people, and particularly those without qualifications, into the workforce, to hire and keep older employees and to ensure that knowledge is transferred. The situation at year-end 2019: in three years, the Group has hired 253 people, 31% of whom are young people (the target was 25%), rising to 37% in the case of new hires to replace retired employees at plants. It also hired 7% of employees over 50 (the target was 5%).

This contract also includes a systematic ergonomic analysis of the jobs held by employees over 57, so as to reduce physical hardship as much as possible. The average age of Group employees in France is 43.6.

Worldwide (excl. EMSA Taicang, EMSA Vietnam, WMF Heshan, WMF Shanghai, SEB Professional Shanghai and SEB Professional Japan)

	2019		2018		2017	
	World	France	World	France	World	France
Number of disabled employees	467	324	405	312	439	311
% of disabled employees <sup>(a)</sup>	1.8	5.6	1.6	5.36	1.42	5.39

(a) Ratio between the number of employees with disabilities and the total number of employees as of 31 December excluding temporary employees and ESAT (sheltered employment center) employees.

With the exception of Supor, where the number of physically disabled employees is relatively low, the number of disabled employees stood at 2.1% in 2019 (2.0% in 2018).

### People with disabilities

Disability represents a two-fold challenge for Groupe SEB, which works to prevent it through its health and safety policy, while providing employment opportunities to people with disabilities. The three-year collective agreement on people with disabilities was renewed by Groupe SEB in France in 2017. It aims to deliver better conditions for disabled workers joining the workforce and ensure their long-term integration within both industrial and tertiary companies through a number of practical measures. Under the terms of this agreement, disabled workers undergo frequent monitoring during their induction within the Group and possible adaptations to improve their workstations are examined. They also receive increased specific financial assistance, training to develop their employability and, if they wish, mentoring by a Group employee, organized on a voluntary basis. Disabled employees reaching the end of their careers may reduce their working hours by 20% by producing a doctor's note, while keeping the same rate of pay and benefits. Specific training has also been designed for managers to make it easier for disabled employees to return to work after a long absence. The agreement also provides for the extending of leave to take care of sick children to disabled children, with no age limit. Groupe SEB has informed its partner schools of the signing of the agreement and works with specialized organizations to act from the recruitment stage.

In 2019, Groupe SEB signed a partnership in France with Hello handicap, a wholly online jobs fair for the employment of workers with disabilities. The idea: the company publishes its offers on the Hello handicap website and then does interviews by telephone or chat with the pre-screened applicants. At the session held at year-end 2019, the Group picked 10 applicants, with interviews to follow in early-2020. Another initiative in 2019: the Egyptian subsidiary entered into a partnership with IECD (Institut Européen de Coopération et Développement) to help hire people with disabilities.

## EMPLOYEE-MANAGEMENT DIALOG

Groupe SEB is committed to respecting freedom of association everywhere in the world and encourages employee-management dialog at its subsidiaries, on both an individual and collective basis. It also works to create employee representation bodies in all the countries in which it operates. This commitment was reaffirmed in the Group's Code of Ethics.

In France, in 2007 Groupe SEB signed a specific agreement with social partners. This Group agreement on the exercise of trade union rights and the status of employee representatives was renewed in January 2019 and signed by all social partners. It in particular increases

the resources provided to elected employees (material resources, time allowed for the position, Group financial contribution, etc.) and the measures to safeguard and assess their career (skills assessment, career developments interview, review of salary positioning, etc.). In this respect, a new industrial relations training was rolled out in 2019 to all local managers with elected representatives in their team.

Groupe SEB has a European Works Committee with employee representatives from 14 countries from the European Union and the United Kingdom.

## COLLECTIVE AGREEMENTS

Worldwide (excl. EMSA Taicang, EMSA Vietnam, WMF Heshan, WMF Shanghai, SEB Professional Shanghai and SEB Professional Japan)

	2019	2018	2017
France	10	38	38
Other EMEA countries	42	24	35
Americas	16	19	12
Asia	39	41	37
<b>WORLD</b>	<b>107</b>	<b>122</b>	<b>122</b>

A total of 107 collective agreements were signed in 2019. 48.0% of these agreements related to remuneration (51), 21% to health and safety (23), 7% to diversity (7) and 7% to employee-management dialog (8).

In France, in addition to renewing the agreement on the exercise of trade union rights (see above), in 2019 the Group renewed the agreement on quality of life at work first signed in 2016 (see page 140).

At year-end 2019, 65% of Groupe SEB's workforce was covered by a collective agreement signed during the year.



## QUALITY OF LIFE AT WORK

### GRUPE SEB 2023 TARGETS

- Achieve a 75% positive response rate to this question in the Great Place To Work survey:

“Overall, I can say that Groupe SEB is a good place to work”

### GREAT PLACE TO WORK SURVEY

The Group also pays close attention to its employees' Quality of Life at Work. In order to make progress, since 2012 it has used a survey (64 questions) conducted by the **Great Place To Work** institute to assess employees' perceptions in this area. This employee survey was first introduced in France and has now been extended to all the continents, such that it covered around 40 countries in 2019. It is done every two years. The 2019 version covered some thirty countries with an 84% participation rate, on a constant upward trend (80% in 2018, 76% in 2017). 71% of employees felt Groupe SEB was a good place to work (i.e. 7 points above the industry average) and 73% of them said they were proud of working for the Group. On over 90% of the criteria looked at, the results of the 2019 survey were better than the aggregate results across the Group over the past four years, showing the effectiveness of the measures put in place.

In fact, based on the detailed results of the survey, each entity puts in place an action plan to improve its weak areas, by actively involving the teams. The best performers were three Central European countries (Bulgaria, Hungary, Slovakia), which were up over 20 points, with over 80% of employees broadly satisfied. The previous year, **Austria** had improved 13 percentage points (overall satisfaction level of 92%). This country is in the DACH zone (Germany, Austria, Switzerland) where the 2016/2017 survey had found a sense of lack of recognition of certain teams for the work they had done. In 2018, the Group responded to this expectation by introducing a profit-sharing system for people not receiving a bonus. As regards the areas that still require improvement, employees surveyed in 2019 referenced skills training and development, individual recognition and managerial coordination.

### ACTION PLANS WORLDWIDE

Managers are invited to get involved so that the actions produce results and ultimately employees' perceptions improve. In **France**, for example, the sales subsidiary included the Great Place To Work survey in the management and monitoring tools for its company-wide project Be#One. In this country, numerous actions have been undertaken since 2015 to improve managerial communication and information about career development. Several sites have launched initiatives to present the various businesses to encourage transfers and raise knowledge between teams.

The actions carried out by subsidiaries to improve the Quality of Life at Work differ according to local priorities but there are some common themes. Thus, to enable a better **work life balance**, more and more subsidiaries offer flexible working hours and facilitate tele-commuting.

Many of them also emphasize **health**. Thus, in the **USA**, the Living Healthy program is run by the Well-being committees, which relay more than 100 initiatives, such as weight-loss competitions, online stress management seminars, sports activities, cooking and health workshops, help giving up smoking, etc. In **Mexico**, the subsidiary is encouraging that employees become more physically active (deals with sports clubs, preferential rates). It has set aside a relaxing space and offers massages, something that is also offered in **Korea**. **Poland** also pushes the adoption of a healthy lifestyle with its Get healthy, stay healthy program, which includes among other things a sports challenge per team. **Colombia** has developed a well-being at work improvement plan named “Groupe SEB te consiente” (Groupe SEB takes care of you) along three main lines: “care for myself, other people and the world around me”.

The Great Place To Work Institute picks out certain entities because of their score. This happened to Groupe SEB **Korea** in 2018 when it was awarded the Grand Prix. This subsidiary undertakes a series of internal communication actions and social activities. They foster team motivation, which can be seen in ongoing sales growth.

This year, our entities in the United Kingdom, Portugal and Spain have earned a place on Great Place's Best Workplaces to Work, rewarding companies where life and work are good.

### COLLECTIVE AGREEMENT IN FRANCE

A **collective agreement** on Quality of Life at Work was signed in France. First signed in 2016, it was renewed in 2019 and goes hand-in-hand with action plans in each Group entity. Since the outset, this agreement has resulted in the introduction of various measures such as tele-commuting, which has been a real success with employees: at year-end 2019, close to more than 15% of whom had already adopted it. The actions taken also include a social assistance hotline rolled out to all the sites, or indeed, on some sites, physiotherapy, osteopathy and occupational psychology services, as well as easier access to intercompany nursery facilities and the offering of concierge/personal services. Another tool viewed very positively by its users is the telephone support service for employees and their spouses who are caring for an elderly or disabled loved one (Responsage). The 2019 edition of this agreement contains a number of areas of improvement: easing of conditions for accessing tele-commuting (flexible working time, casual work days, etc.), increase in the Group matching contribution for the sharing of days off (solidarity between employees), more accurate guidelines on the right to log off and meeting times, additional breaks in the event of severe heat at plants, etc. With respect to break rooms, improvement works continued in 2019 particularly for production employees.

## HEALTH AND SAFETY

### OBJECTIFS GROUPE SEB – 2023

- Cut the number of workplace accidents with lost days <sup>(10)</sup> (2017 base) in half, i.e. LTIRi <1.5
- 100% of plants certified to health and safety standards – OHSAS 18001/ISO 45001

For several years, Groupe SEB has been developing measures to reduce the number of workplace accidents and limit the number of work-related illnesses (and particularly musculoskeletal disorders in France). To step up the implementation of this policy globally, the position of Group Health and Safety Director, reporting directly to the President for Industry, was created in 2017.

The health and safety policy draws on a global network of 35 Environment, Health and Safety (EHS) Coordinators, who cover all of the plants and logistics sites (more than 40) in 13 countries.

**They meet quarterly in person for France and by Skype for the other global sites** and meet once a year at a Group site. These annual seminars make it possible to strengthen the international dynamic of the network, something that is also supported by the Yammer community (Groupe SEB social network). The Group has also undertaken to certify its health and safety management system (OHSAS 18001), with 100% of its industrial and logistical entities certified at the end of 2019. In 2020, this certification will switch to the new ISO 45001 standard, which is to supersede the OHSAS 18001 reference by **2020**.

### SAFETY

Groupe SEB's approach to Safety is reflected in its worldwide Safety in SEB program. The 2020 road map emphasizes the involvement of employees as participants in their own safety. At the plants, for example, safety is one of the points that is reviewed daily by the production teams as part of the OPS (Operation Performance SEB) initiative, via Frequent Events. All accidents occurring within the Group are summarized monthly in a newsletter sent to all managers (including the Executive Committee) and the Health and Safety community. This policy has borne fruit: within five years (2014-2019), the number of workplace accidents with days lost has fallen by over half.

### SAFETY STANDARDS

In 2019, the Group continued the worldwide roll-out of its **safety standards and the accompanying recommendations**. The safety standards formalize 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 organization

and management, while others target the prevention of specific risks. Internal audits are conducted to ensure their application. At year-end 2019, 24 standards were operational, the most recent one covering an updated of the noise standard. Recommendations were also added, in particular on the steps to be taken when using virtual reality equipment (goggles, headset, etc.) and on identification colors (hazardous areas, suitable tools, etc.).

Some standards, such as the behavior-based safety inspection (VCS) are particularly important. As more than 75% of accidents could be avoided by making behavioral changes, the aim of the VCS is to eliminate dangerous practices and conditions on the basis of a discussion between the employee "inspected" and a line manager. The health and ergonomic aspects of the new VCS standard have been strengthened, notably by including new checkpoints relating to postures. Every industrial or logistics site employee is inspected twice a year on average for risky sectors. In 2019, the roll-out of the VCS and the "visitor" training continued at Asia Fan (Vietnam).

### FEEDBACK

Safety-specific checkpoints have been incorporated into day-to-day field visits by local managers since 2018. This feeds into the Safety pyramid, a tool designed to detect hazardous situations ahead of time to quickly remedy them so as to anticipate accident risks. No initiative is off the table when it comes to raising the alarm: in Colombia, for example, the plants created a mobile app to encourage the teams to report safety risks and environmental hazards.

The number of VCSs and the number of reports in connection with the Safety pyramid are used by the Group as safety policy management indicators, along with the accident rate.

Any accident where feedback can be helpful to the action plan is communicated to all managers and to the Groupe SEB safety community (safety vigilance Flash system). Noting that 40% of accidents are linked to non-compliance with rules, in 2018 the Group has reviewed the definition of "mandatory rules" required at each plant and logistics site and on the SEB Campus (Group HQ), to make them more exact and better suited to the reality on the ground. Developed together with the operating teams, the new mandatory rules are now defined per business. Their review was completed at year-end 2019. These supplement the six universal golden rules that are designed to ensure that everyone within the Group contributes to the safety of all. The golden rules, illustrated through a cartoon, are available in 10 languages.

### ALL AFFECTED ENTITIES

Since 2016, the Group has strengthened the safety culture in its tertiary and commercial entities (offices and shops). The golden rules are systematically communicated and some sites have introduced their

(10) Directly connected with work, including temps – LTIR: Lost Time Injury Rate.

own unbreakable rules. These entities are also now part of the safety vigilance Flash system. In 2019, the Health and Safety Department worked with the Retail Department to improve the safety of store personnel (nearly 500 points (Number to be specified by Retail Department) of sale affected). The corporate actions taken include the installation of a safety update quarterly between the two teams, and the inclusion of a special chapter on safety in the new store design guide.

In the field, there were a whole range of initiatives in 2019 to improve safety, with original and fun activities such as the WMF escape room in Riedlingen (Germany): employees wishing to participate were put into small groups in a dark room with their escape dependent on resolving safety questions using a collaborative approach.

## HEALTH

In the health field, Groupe SEB focuses a large part of its efforts on combating **musculoskeletal disorders (MSDs)** in the upper limbs, and lower back pain. The aim is to prevent them from appearing and slow their deterioration. This is a major issue for the industrial sites, particularly in Europe, exacerbated by the aging 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 of products and processes as well as the carrying out of specific measures on the sites.

### HEALTH IN SEB

The Group's international health plan, Health in SEB was launched in 2016. It started with an analysis of all the plants to identify the main health risks (dust, noise, repetitive work, etc.). This inventory was used as a basis for the creation of Group standards and to define health targets, accompanied by monitoring indicators. This is particularly true of ergonomics where the indicator measures improvements that are deemed significant using specific analysis methods, scoring grids, a decision-making tool developed by ergonomists and the person's experience. All plants and logistics sites worldwide have taken steps to improve workstation ergonomics with a target of 25% of workstations to be improved annually. As part of this international health plan, business continuity plans have been put in place at the Group and production sites. They integrate the pandemic risk and the health and organizational measures put in place to protect our employees :

- awareness campaign, travel limitation, upgrading protection and disinfection equipment, establishment of e-working.

In France, the Group launched the Health Plan 2 (2017-2020) in 2017, following on from the first health plan in 2009. Its aim is to pass a new milestone by combining health with performance and prioritizing prevention and the well-being of employees. It has three focal areas: reducing physical and psychological risks (and especially

MSDs); making health dashboard charts more reliable and developing communication; and improving safety management. A multidisciplinary Health Steering Committee makes it possible to share best practices and the focal areas for development of the Group's health policy, to monitor health-related issues in the workplace, and manage the measures taken, with the promotion of investments that combine health with performance.

### EFFORTS TO COMBAT MUSCULOSKELETAL DISORDERS (MSDs)

Every French plant and logistics site has a Steering Committee for Musculoskeletal Disorders and one or more **MSD Specialists** who ensure that risks are taken into account upstream, at the product design stage, and downstream, by amending hard-pressed workstations. At year-end 2019, the Group had 42 MSD specialists in France and new specialists will be trained in 2020 from amongst operators and employee representatives.

In July 2019, a France Health network was launched with a seminar at SEB Campus that brought together MSD specialists, occupational physicians, nurses and ergonomists from various sites along with the Health and Safety department. Over two days, they shared and discussed best practice and areas for improvement. Ergonomic improvements of workstations, training and staff rotations, warm-up and cool-down exercises, as well as a quick response whenever an employee indicates discomfort while working are all actions that help prevent the emergence of MSDs.

Since 2015, the Groupe SEB University and the Industry department have offered a training program, primarily for the methods teams, several modules of which are devoted to combating MSDs (School of Methods).

### PSYCHOSOCIAL RISKS

As part of the prevention of **psychosocial risks**, in 2019 Groupe SEB developed a training program on the theme of "Stress and well-being at work" for several hundred managers in France (Management Committees of sites and managers of Campus SEB). The goal is to help detect signs of stress as early as possible and to in turn adopt the correct behavior, not only for themselves but also for their teams. Four pilot sessions were run in 2019 with a view to roll them out in 2020.

Once again with respect to psychosocial risks, in 2012 Groupe SEB set up a counseling office in France, outsourced to the specialist firm Turka. The aim is to offer assistance and support to any employee who becomes the victim of or witness to such situations as harassment, discrimination and workplace violence or the stress resulting from them. The employee may remain anonymous if he or she wishes. In any event, the Turka counselor assists the employee and/or puts them in contact with the person in the best position to help. In the space of seven years, 78 employees contacted the counseling office, which is less than the national average according to Turka.

(Worldwide, excl. EMSA and WMF)

	2019	2018	2017
<b>FRANCE</b>			
Number of workplace accidents with days lost	44	41	40
Number of days lost	3,093	2,217	2,160
LTIR <sup>(a)</sup>	5.25	4.9	4.8
Severity rate <sup>(b)</sup>	0.37	0.26	0.26
Number of workplace fatalities	0	0	0
<b>OTHER EMEA COUNTRIES</b>			
Number of workplace accidents with days lost	22	13	9
Number of days lost	466	131	143
LTIR <sup>(a)</sup>	3.2	2.6	2
Severity rate <sup>(b)</sup>	0.07	0.03	0.03
Number of workplace fatalities	1	0	0
<b>AMERICAS <sup>(c)</sup></b>			
Number of workplace accidents with days lost	11	8	12
Number of days lost	641	147	362
LTIR <sup>(a)</sup>	2.1	1.6	2.5
Severity rate <sup>(b)</sup>	0.12	0.03	0.07
Number of workplace fatalities	0	0	0
<b>ASIA</b>			
Number of workplace accidents with days lost	13	14	21
Number of days lost	1,148	1,382	1,113
LTIR	0.35	0.4	0.6
Severity rate <sup>(b)</sup>	0.03	0.04	0.03
Number of workplace fatalities	0	0	0
<b>WORLD</b>			
Number of workplace accidents with days lost	90	76	82
Number of days lost	5,348	3,877	5,482
LTIR <sup>(a)</sup>	1.56	1.4	1.5
Severity rate <sup>(b)</sup>	0.09	0.07	0.07
Number of workplace fatalities	1	0	0
<b>LTIRi WORLDWIDE <sup>(c)</sup></b>	<b>2,0</b>	<b>2,6</b>	<b>2,9</b>

<sup>(a)</sup> Lost Time Injury Rate.<sup>(b)</sup> Number of days lost per thousand hours worked.<sup>(c)</sup> Lost Time Injury Rate including temporary employees.

All the data shown in the table exclude temporary employees.

The frequency rate of workplace accidents (TF1), used by the Group until 2013, corresponds to the number of occupational accidents with days lost per million hours worked. It counts all types of accidents with days lost including those that are not directly related to working conditions. In 2014, Groupe SEB adopted a new system of accounting for accidents that includes the idea of a link with work. This is the one used by the Occupational Safety and Health Administration of United States of America (OSHA) and is applied in many large groups. Accidents which have no direct causal link with work are no longer counted in the Group's new safety performance indicator, Lost Time Injury Rate (LTIR). The internal recording system has no effect on local legal declarations, which remain unchanged.

It should be noted that since 2018, the Group's Health and Safety targets have included temporary employees as well as the entire WMF and EMSA scope.

Accordingly, the target set in 2019 for the LTIRi (Lost Time Injury Rate including temporary workers) was 2.0 for the World, 4.3 for France and 4.2 for WMF.

**The 2019 results were: World LTIRi = 2.0; severity rate is 0.09**

France LTIRi = 5.9

WMF LTIRi = 3.6

France recorded 58 lost-time injuries with temporary workers, as well as 182 work-related accidents with and without lost days, including temporary employees. The LTIRi is 5.9 and the severity rate is 0.33.

WMF recorded 27 LTii, as well as 55 work-related accidents with and without lost days, including temporary employees. The LTIRi is 3.6 and the severity rate is 0.16.

EMSA recorded 8 LTii, as well as 9 work-related accidents with and without lost days, including temporary employees. The LTIRi is 12.3 and the severity rate is 0.06.

These three Group entities, France, WMF and EMSA thus account for nearly 66% of the total number of work-related accidents with lost days.

Finally, Groupe SEB recorded a total of 141 work-related accidents with days lost, and 203 accidents without lost days in 2019, including temporary workers.

**The Group's results once again reflect improved performance.**

Thanks to the multiplication of global prevention efforts, standards and tools, Groupe SEB recorded **41** fewer accidents with time lost than in 2018, a reduction of 22%, and 51 fewer than in 2017, including temporary employees.

The severity rate for temporary employees is, however, on the increase: 6376 days lost as against 5,283 in 2018 and 8,476 days in 2017.

A worldwide survey of work-related illnesses has been conducted since 2013. 48 new cases of occupational illnesses were recognized throughout the Group in 2019, excluding temporary employees. An increase in the number compared with 27 in 2018, but which nevertheless shows a downward trend from the 66 and 62 incidents reported by 2017 and 2016.

Number of new occupational illness cases recognized in the year	2019	2018	2017
France	44	27	55
Other EMEA countries	0	0	0
Americas	4	1	11
Asia	0	0	0
<b>WORLD</b>	<b>48</b>	<b>28</b>	<b>66</b>

Groupe SEB is aware of the importance of the issue of occupational illnesses, especially Musculoskeletal Disorders (MSDs), and has taken health measures in France, such as ergonomic improvements to workstations on production sites, with the introduction of an indicator monitored monthly, training in manual handling, for example, staff

rotations where this is permitted by the organization of the workstation, warm-up and stretching exercises and a quicker response when an employee reports that they are experiencing pain. Several sites in France also pay for visits to a physiotherapist and offer a hotline to an osteopath.

## OHSAS 18001 CERTIFICATION

(Worldwide)

	2019	2018	2017
Number of certifiable entities	41	34	35
Entities holding OHSAS 18001 certification <sup>(a)</sup>	100%	100%	97%

(a) Based on industrial and logistics entities at the end of the year concerned.

Since 2007, the Group has set all its sites to work on the certification of its health and safety management system (OHSAS 18001). At the end of December 2019, 100% of the Group's industrial and logistics entities had this workplace Health/Safety certification.

**Sites of EMSA, Groupe SEB Egypt and the sites in India** were recently included in the scope of certifiable sites. The certifications are planned for 2020 and 2021. The WMF sites were certified in 2018.

## GLOBAL SOCIAL PROTECTION FLOOR

### GRUPE SEB 2023 TARGETS

- 100% of workers worldwide covered by the WeCare@SEB social protection floor

### SOCIAL PROTECTION

In terms of social protection, in 2017 the Group launched an initiative designed to offer its employees, throughout the world, a high level of coverage compared to the local context, beyond regulatory obligations. A worldwide inventory of practices, produced in 2016 in the 73 countries where the Group has employees, already showed that 85% of them had death insurance cover. Since 2018, the Group has been progressively rolling out a global social protection base and working conditions, WeCare@SEB, built initially on two pillars:

- life insurance: 12 months' salary paid to the family of the employee in the event of work-related death;
- healthcare costs: coverage of hospital stays resulting from accidents (capped at 70% of actual costs);

A third pillar is being defined for a roll-out over 2020-2021.

Every permanent employee, regardless of his/her country and level, will benefit at least from the coverage of this global base. The implementation of the three pillars will extend until the end of 2021. This life insurance has already been in effect since 1 January 2019, with the exception of the entities that were not in the 2016 feasibility study, but will be covered by 2023.

The Group also looks to review employment contracts on a regular basis in order to supplement and/or improve existing insurance coverage. In 2019, for instance, medical insurance was extended in several countries, including Brazil and the United States.

### PAYROLL AND CHARGES

Groupe SEB is committed to the implementation of a fair and transparent remuneration policy that is 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, every employee's position can be assessed in relation to others in terms of remuneration and responsibility.

(in € millions)	2019		2018		2017	
	World	France	World	France	World	France
Remuneration <sup>(a)</sup>	1,007.9	277.7	951.3	252.3	921.1	244.8
Payroll taxes <sup>(b)</sup>	219.7	67.5	181.3	66.3	185.8	69.0
Pension and other post-employment benefit plan costs	63.1	45.0	70.4	43.8	56.9	42.7

(a) Excludes bonuses and profit-sharing – includes provisions for paid holidays, excludes employee benefits.

(b) Includes provisions for payroll taxes on paid holidays.

WMF and EMSA joined the consolidation scope in 2017. "Worldwide" data include "France" data.

### STATUTORY AND DISCRETIONARY EMPLOYEE PROFIT-SHARING

In the area of profit sharing, Groupe SEB has been a pioneer: for over 50 years it has tied employee pay to the company's financial performance and does so in most countries in which it operates. In France, 50% of the total bonuses paid by the Group is distributed

(France)

(in € thousands)	2019	2018	2017
Provision for bonuses	18,139	16,117	19,058
Provision for profit sharing	16,893	17,500	18,498
By 2019	2,145	N/A	N/A
<b>TOTAL</b>	<b>37,177</b>	<b>33,618</b>	<b>37,556</b>

In 2019, the amount paid in profit-sharing and bonuses will amount to €37.2 million. Please note that figures include the employer's social tax contribution.

## TRAINING AND SKILLS DEVELOPMENT

Training is key to skills development for all employees. Each year, the Human Resources department defines the Group's training priorities. Using this frame of reference, each subsidiary develops its own training plan based on the employees' needs and expectations. **Groupe SEB University (UGS)** runs international training programs and some more tailored for France. A global reporting system makes it possible to track the training provided throughout the world.

The digitalization of human resources processes makes possible the provision of an ever broader range of training content. All connected employees worldwide included in the SAP HR databases (including WMF, excluding Supor) now have access to the **iGrow@SEB** online HR portal, available in five languages (English, French, German, Spanish, Portuguese), which in particular gives them free access to the e-learning modules.

New functionality is regularly added to iGrow@SEB. Moreover, in various entities or countries, employees have access to a personalized training catalog and can apply for training online, with the subsequent sign-off process being automated. This service is operational in France, the United States, Mexico, Hong Kong, at WMF Germany, and in Latin America (Colombia, Brazil, Argentina and Chile). Since 2019, line managers have also been able to assign training to their employees with the click of a mouse and track the history of modules taken. A student page has also been added to the portal, improving the user experience and allowing customization for the automatic assignment of certain mandatory training, particularly for new entrants.

### EXPANSION IN DIGITAL LEARNING

Over the past number of years, the Group has been broadening its online training offering (digital learning or e-learning) with a sharp acceleration since 2018. At year-end 2019, 11,000 connected employees had free access to over 400 programs, regardless of their business or geographic location. A large portion of these programs are available in multiple languages to reach as many employees as possible.

#### Digital Academy and Management Place

Around 60% of the online training modules are from the **Digital Academy** catalog, which doubled in volume in 2019 (180 programs). Typically available in French, English and German, they focus on the skills of the future and cover a broad spectrum: flexibility, creativity and innovation, digital dexterity, emotional intelligence, conflict management, etc. In 2019, this platform attracted over 2,000 employees who took at least one course.

In July-August, the Groupe SEB University innovated with the **Summer Digital Learning Camp** international campaign: over these two months, each week 5,000 employees were offered a selection of three modules from the most popular in Digital Academy. It was a great success with over 2,000 employees actively participating.

The UGS also launched the Management Place catalog in 2019, which brings together online training for Group managers worldwide. Its 50 modules (in French and English) are intended to develop their managerial competency.

#### Tailored programs

The second part of the e-learning offering brings together programs that meet specific needs of Groupe SEB. This is, for example, the case of the **Compliance** program, which saw two new modules being added on internal control and personal data protection in 2019. These come on top of three existing modules, which cover IT security, anti-competitive practices and the Code of Ethics. The latter module, launched in 10 languages in 2018, was taken by 91.4% of connected employees (a classroom based training was rolled out for employees without online access at year-end 2019), the other four were taken by over 80% of the employees at which they were more specifically targeted.

Another innovation in 2019: the new digital on-boarding tool called **"Around Groupe SEB in 80 days"**. It is targeted at all connected employees worldwide (excluding Supor and WMF). Available in five languages and fully automated, it helps employees during their first months at the company: information about the Group, tips to help fit in, self-awareness tools, mandatory training, etc. This program supplements local on-boarding schemes.

Some "business" training has also become wholly digital. At year-end 2019, the UGS and the Supply Chain department began the first campaign surrounding **Supply Chain** basics within Groupe SEB, intended for 1,500 employees in the relevant functions. In partnership with the Retail department, the UGS also started rolling out the "Make a sale" module to provide training in sales techniques for employees in the Home & Cook stores in France, the United Kingdom and Nordic countries. These campaigns heavily involved the training teams in 2019, in close cooperation with the business teams.

Other tailored digital trainings were developed by various corporate teams (IS training, GSF Academy, Finance Academy, Sustainable Development, etc.) but also by local HR teams, in particular in Germany and Brazil.

## TRAINING TAILORED TO EVERYONE

While e-learning is revolutionizing much training, it does not represent the end of class-based training, which remains key in many situations, in particular in manufacturing where fewer employees are connected. Leadership training, for managers, is also largely based on face-to-face even if there is increasingly a digital component.

On the theme of **leadership**, the UGS training range was expanded in 2019 with a new program for middle managers: Management & Leadership in Action. Offered in five languages, it takes 5 months, alternating between face-to-face and e-learning. After two pilot sessions in 2018, the international roll-out continued in 2019, bringing the number of people trained to over 300, primarily in the EMEA area and Eurasia. They will continue in 2020 and 2021, with an acceleration in Asia and the Americas. This program aims to train some 1,300 Group managers over four years. Two other programs supplement leadership training: Developing Your Leadership Impact and Developing Our Talents, targeted at talented young people. Over 150 people per annum are taking one of these three programs.

At the **Sales & Marketing School**, the UGS focuses on e-commerce. In 2019, it developed a new foundational training, "Fundamentals of e-commerce". It is intended for marketing, sales, supply chain employees who will be working within this new environment, which is flowering within the Group. Moreover, the cooking course for Marketing and Innovation teams working on food matters continued to expand in 2019, enabling 15 employees to obtain their professional competency certificate (14 in Cooking and 1 in Pastry).

Lastly, the training program on the OPS (Opération Performance SEB) initiative for the local management of plants, launched in 2017 in France, is being progressively extended to other countries, with a successful roll-out in Brazil in 2019.

### Forward planning of employment and skills

In France, Groupe SEB management and the trade unions are cooperating on the forward planning of employment and skills (GPEC). The goal is to anticipate business trends and foster skills

development in light of changes in Groupe SEB's environment and strategic direction.

At year-end 2017, Groupe SEB management and the trade unions reaffirmed this commitment by means of an agreement, designed to give employees some control over their professional development, to maintain and increase their employability. From training to mobility-career zones, not forgetting gateways between professions, a broad range of tools is available to Group employees. To ensure a shared vision of the employment and skills transformation challenges and ensure the fairness of the opportunities given to employees, trade unions and Management attend twice yearly **Career Centers**.

There was fresh impetus in 2018. All French sites did the same forward-looking analysis, involving the HR teams, Management Committees, operational staff and the elected members of the Career Centers. On the basis of Group jobs mapping, each site was able to identify emerging jobs, those under pressure (recruitment difficulties) and those in transformation. On the basis of this, specific measures were defined across all French sites and presented at the Career Centers at year-end 2018.

In terms of training, Groupe SEB added operational and structural tools to:

- **increase technical mentoring** to facilitate greater passing on of expertise as part of an initiative to keep expertise in-house;
- **support the digital transformation of Groupe SEB** by investing in training programs that are open to everyone and reflect the special nature of certain professions (factory of the future);
- **formalize and promote gateways between professions** by offering concrete paths to give employees a role in their professional development within the Group.

Technical mentoring allows an experienced employee to pass on his/her knowledge to a mentee, over multiple months. 20 pairings were in place in 2019. The other mentoring systems in place within the Group are work-study training (442 pairings in 2019) and the on-boarding of new employees (662 in 2019). The addition of the training component to the forward planning of employment and skills (GPEC) includes the gradual creation of Jobs Schools.



**TRAINING (WORKFORCE AND TRAINING HOURS)**

(Worldwide)

	2019	2018	2017
	World	World <sup>(b)</sup>	World <sup>(a)</sup>
Number of training hours	585,898	507,870	489,628
Number of employees trained	35,899	29,316	29,954
Number of women trained	13,048	11,010	12,954
Number of men trained	22,850	18,305	16,999

*(a) Data updated to correct a calculation error.**(b) Excluding GS Belgium.*

Of the total hours of training completed in 2019, 36% was for manual workers, 46% for office employees and 18% for managers.

In addition to the training referred to above, 11,466 connected employees spent more than 27,000 hours on the iGrow@SEB platform through the various e-learning modules.

**TRAINING BUDGETS <sup>(a)</sup>**

(Worldwide)

<i>(as a % of payroll)</i>	2018	2018 <sup>(c)</sup>	2017 <sup>(b)</sup>
France	4.67	4.63	4.33
Other EMEA countries	1.84	1.74	1.52
Americas	1.00	2.4	2.73
Asia	1.44	1.54	0.88
<b>WORLD</b>	<b>2.47</b>	<b>2.88</b>	<b>2.59</b>

*(a) Teaching costs + expenses, wages for interns.**(b) Excluding All-Clad.**(c) Excluding GS Belgium.*

The Group's training expenses represented 2.47% of its payroll in 2019. For the Supor subsidiary, these expenses amounted to 1.60% of its payroll for this year. WMF's training expenses for the German entities accounted for 1.94% of its payroll.

**GROUPE SEB UNIVERSITY (UGS)**

(Worldwide, excluding WMF and EMSA)

	2019	2018	2017
Number of employees trained	1,517	1,294	1,112
Number of training sessions	173	186	157
Number of training hours	36,089	32,710	31,681

The increase in the number of hours and the number of people trained is linked to the creation and roll-out of new training programs.

## ABSENTEEISM RATE

Worldwide (EMSA Taicang, GS Singapore, GSE Côte d'Ivoire, GSE Maroc, proHeq CZ, SEB Professional BELUX, SEB Professional France, SEB Professional NA, SEB Professional Shanghai, SEB Professional UK, Schaerer Netherlands, SSEAC, WMF Bulgaria, WMF Española, WMF France Consumer Goods, WMF Heshan, WMF in Österreich Ges. m.b.H, WMF Nederland, WMF Shanghai)

	2019		2018		2017	
	World	France	World	France	World	France
Absenteeism rate <sup>(a)</sup>	3.3	3.7	4.2	3.5	4.0	4.4

(a) Ratio between the number of days absent and the hypothetical number of days present.

## OVERTIME

Worldwide (excl. EMSA Taicang, EMSA Vietnam, WMF Heshan, WMF Shanghai, SEB Professional Shanghai and SEB Professional Japan)

	2019		2018		2017	
	Worldwide excluding Supor	Supor	Worldwide excluding Supor	Supor	Worldwide excluding Supor	Supor
Number of overtime hours <i>(in thousands)</i>	691	12,436	587	11,796	652	11,268
Full-time equivalent <i>(in persons)</i>	313	5,942	264	5,646	291	5,400

For the Chinese subsidiary Supor, these figures reflect the local context, where work is highly seasonal, and there are pressures on the recruitment of labor in eastern China. France accounted for 5,021 hours of overtime (equal to 2.8 full-time equivalent jobs).

Given the diversity of the Group's sites and local regulations governing working time, Groupe SEB's aim is not to exceed 48 hours

in a standard working week and 60 hours including overtime. Every employee must also have at least one day off each week, except in exceptional circumstances, as explained in the Group's Code of Ethics. Groupe SEB is actively working to achieve these objectives, particularly in its Chinese plants.

## EXTERNAL LABOR <sup>(a)</sup>

Worldwide (excl. EMSA Taicang, WMF Heshan, WMF Shanghai and SEB Professional Shanghai)

	2019	2018	2017
France	668	639	851
Other EMEA countries	720	175	651
Americas	1014	627	699
Asia	2,720	3,491	431 <sup>(b)</sup>
<b>WORLD</b>	<b>5,122</b>	<b>4,932</b>	<b>2,632</b>

(a) Temporary full-time equivalent employees.

(b) Excluding Supor China and Supor Vietnam.

## A CORPORATE CITIZEN

The Group's commitment to social issues is reflected both in its corporate philanthropy initiatives, primarily focused on combating exclusion, and in its contribution to the economic and social growth of the regions where it operates.

### CORPORATE PHILANTHROPY: LOCAL COMMITMENT, GLOBAL DYNAMIC

#### GRUPE SEB 2023 TARGETS

- 100% of countries where the Group is established involved in a corporate philanthropy program

### COMBATING EXCLUSION

Groupe SEB's corporate philanthropy policy is an integral part of its corporate social responsibility approach. Its objective is to harmonize the various subsidiaries' philanthropic commitments and encourage employee involvement. The Fonds Groupe SEB endowment fund team is tasked with implementing the corporate philanthropy policy, ensuring the coherence of the various projects worldwide and coordinating the Group's community actions.

The Group formalized and clarified its corporate philanthropy policy in a document disseminated in 2017 to all the Corporate Philanthropy

Correspondents (one correspondent per subsidiary). This document sets out the corporate philanthropy mission and strategic focuses, the participants involved (subsidiaries and Fonds Groupe SEB), their roles, and the various possible forms of contribution. These include financial donations, donations of products, philanthropy based on providing expertise, and cross-partnership or product-sharing operations. To encourage employee involvement, the subsidiary may give every permanent employee one day a year of working time to work on a public interest project linked to the fight against exclusion.

The social purpose of Groupe SEB's corporate philanthropy policy is **the fight against exclusion, in four areas of action:**

- inclusive employment;
- education and training;
- supplying household equipment and providing access to a healthy diet;
- Helping people with health issues.

The people helped may be homeless, excluded from the world of work or in a very vulnerable position.

### TOTAL CORPORATE PHILANTHROPY EXPENSES

(Worldwide)

(in €)	2019	2018	2017	2016
Financial donations	2,432,811	2,345,656	2,165,756	1,925,452
<i>including Fonds Groupe SEB</i>	<i>500,000</i>	<i>345,000</i>	<i>352,000</i>	<i>360,000</i>
Product donations	614,697	561,944	509,309	551,184
<i>including Fonds Groupe SEB</i>	<i>199,970</i>	<i>356,142</i>	<i>308,065</i>	<i>246,955</i>
<b>TOTAL CORPORATE PHILANTHROPY EXPENSES</b>	<b>3,047,508</b>	<b>2,907,599</b>	<b>2,675,064</b>	<b>2,476,636</b>

Overall, the Group allocated €3.05 million to corporate philanthropy activities in 2019, an increase of more than €139,000 (+4.8%) over 2018. This change is due to a series of changes, in particular to the higher financial allocation to Fonds Groupe SEB. This includes donations to public-interest organizations and cross-partnerships that are more like sponsorship, having a strong impact for the brand

or company in terms of communications or public relations. Cause-related marketing products, where a product is sold and part of the proceeds go to charity, are an example of cross-partnerships. Donations of less than €10,000 for a single public-interest organization are reportable.

## Local initiatives

### CHARITY WEEK

Every year, **Charity Week**, which is coordinated by Fonds Groupe SEB, is a high point of employees' worldwide involvement in community actions. In 2019, the theme of the event, held at end-November/early December, was "**Working together to combat exclusion**". It resulted in the participation of employees from 63 sites and 35 countries in a wide range of actions. Each entity was able to share its initiatives with the whole Group thanks to the Charity Week community on the internal social network Yammer.

The bulk of sites worldwide organized **collections** of food, toys and clothing. Sales of "homemade" cakes, sports events or auctions were often done for local associations.

In France, SEB Campus and sites across the Lyon region organized various actions including 10 team **solidarity days** in which 110 employees participated: painting work in an accommodation center, cooking workshops with people suffering from mental illness, day of sharing with refugees, etc.

Many actions targeted support for **children in need or suffering from serious illnesses**. In Turkey, for example, the I have a wish program enabled children in an isolated village in the south-east of the country to get the Christmas present of their dreams: the Turkish team got their requests and bought the gifts that were handed out to them, in their school, by the employees behind the project. There were other actions of this kind in Germany (EMSA), the United States (All-Clad), Chile, etc. In Mexico, the subsidiary renewed support for its Fondation Renaissance, which helps street children. In Thailand, auctions were held for items donated by employees to a foundation helping children in need or orphans and employees volunteered to take part in activities with the children. In Japan, volunteers at the subsidiary cooked for the Kids' kitchen, which serves meals to isolated young people.

Various initiatives were also undertaken for people with **disabilities** and social events with Group employees, often involving the preparation of meals or snacks (Chile, Czech Republic, Spain, etc.). In certain instances, they got the opportunity to visit production lines such as in Germany (Silit) and in Switzerland (Schaerer).

Multiple sites also spent a day on **inclusive employment**. The Indian subsidiary hosted marginalized young people looked after by the Life Project 4 Youth association. The Rumilly (France) plant hosted young people assisted by Fondation des Apprentis d'Auteuil while the Egyptian subsidiary invited two groups of vocational school students to visit (one of girls and one of boys) to promote the gender diversity of the businesses.

During Charity Week, many Group employees also chose to **share in the day-to-day work of an association that supports the poorest and weakest in society**. In Germany (Birkenfeld), WMF apprentices spent a day in a shelter for homeless people, while in Portugal volunteers prepared meals with an association helping homeless people. In Brazil (Recife) and in India, Group employees visited isolated

elderly people. Another example of team solidarity: in Colombia, at the initiative of Fondation Imusa Samurai, some one hundred employees helped build 10 houses for poor families in the vicinity of Medellin, in partnership with Fondation Techo.

### THE SUBSIDIARIES COMMIT

The Group's subsidiaries also directly support and initiate projects all over the world outside Charity Week.

**In China**, for example, since 2006, **Supor** has pressed ahead with a vast construction program, **building schools** for disadvantaged children in rural areas. Since the start of the project, 23 schools have opened (including one in 2018 in Hebei) giving around 20,000 children the opportunity to go to school. Three new schools are being built. In addition to funding schools and organizing training sessions for teachers, this program asks employees to volunteer through leadership, learning support and book donation initiatives, including in particular during Charity Week. Thus, in 2019, seven employees spent a number of days with the children in the Mesuo school (Yunnan).

**In Nordic countries** (Sweden, Denmark, Norway and Finland), Groupe SEB continues the partnership begun more than 10 years ago by OBH with the Star of Hope organization, which works on education, healthcare and food for orphans. The four subsidiaries are currently sponsoring 30 children in the Philippines, who receive support until they reach adulthood. They receive individual financial support and school books, food products, leisure activities, etc. In 2019, all Swedish employees participated in a sale of goods to collect funds. The funds collected will help establish new schools and buy educational material.

**In France**, 130 employees participated in March 2019 in the second Charity Days event run by Groupe SEB France, which came out of the Be#One company-wide project. Goal: to get to know each other better, join together in a community project. More than a third of the subsidiary's employees took part in the national collection for Restos du Cœur and many other actions: clothes sorting, furniture refurbishment, painting or gardening as part of integration projects, landscaping of green areas, events in social housing, distribution of foodstuffs, etc.

Moreover, as part of measures to hire interns, the Group works in France with the social start-up Vendredi to offer shared internships with charitable organizations. Interns spend four days a week at the company and one day working for a charitable organization, on an assignment with a high social impact.

**In Brazil**, in 2019 Groupe SEB partnered with the Gastromotiva association to train marginalized young people in the São Paulo region in the cooking and restaurant trades. The goal is to help them develop their own business while providing a community service. Efforts to combat food waste are central to this four to six-month training to which volunteer employees contribute. The first class began at year-end 2019 with 58 young people aged 18 to 35, more than half of whom were women.

In **Egypt**, the subsidiary acted on a number of fronts in 2019. For example, for a number of months it supported an organization that helps street children (medical care, essential aid). It also offered 1,000 sets of Tefal cookware to poor young families.

The teams at various subsidiaries also supported victims of **natural disasters** over the past year: fires in South Korea, landslides in Colombia, typhoon in Japan, etc.

#### CAUSE-RELATED MARKETING PRODUCTS

Cause-related marketing products represent another form of philanthropy performed by Groupe SEB. In France, Tefal and Camif, an online sales specialist, ran this sort of campaign in 2019 for the second year running: every purchase from the Ingenio Resource 100% recycled aluminum range gave rise to the gifting of an item of Group cookware to the Banque Solidaire de l'Équipement, run by the Emmaüs Défi association. In 2018, Tefal joined with Carrefour for a similar campaign: for every product purchased, one product was given to Agence du Don en Nature, an association supported by Fonds Groupe SEB. These initiatives gave poorer families a helping hand in equipping their homes.

#### Fonds Groupe SEB

Aside from its duties leading and coordinating the annual Charity Week and its role advising on and steering the subsidiaries' corporate philanthropy initiatives, Fonds Groupe SEB provides financial support for various projects combating exclusiveness, mainly in France. In 2019, Fonds Groupe SEB supported 22 projects from a support budget that amounted to €500,000 in cash and €200,000 in product donations.

#### GOVERNANCE AND OPERATION

Governance of the Fonds Groupe SEB is split between two key entities: the Board of Directors and the Operational Committee, supported by a team dedicated to the Fonds.

The Board of Directors sets the strategy for the Fonds. Its members are:

- Thierry de La Tour d'Artaise: Chairman and CEO of Groupe SEB, Chairman of the Fonds;
- Nathalie Lomon: Senior Executive Vice-president, Finance, Treasurer of the Fonds;
- Harry Touret: Senior Executive Vice-president, Human Resources;
- Chantal Monvois: Managing Director of Fondation AgroParis Tech;
- Véronique de Montlivault: Chairwoman of the Rhône Branch of Fondation Frédéric Gaillanne.

The Operational Committee reviews and selects the projects submitted to the Fund. It monitors their implementation, thereby contributing to the steering and improvement of future philanthropic programs.

It has 10 members, who are Group employees, selected for the diversity of their skills (management, HR, communication, union representatives, etc.) and their commitment to solidarity.

An operational team of two people delivers and assesses the projects and develops the network of employee volunteers.

#### PROJECTS SUPPORTED

Since 2007, the Fonds has supported 435 projects in France aimed at "better living for all", conducted by charitable organizations with which it has close links, such as Emmaüs Défi, Agence du Don en Nature (ADN), Énergie Jeunes, Institut Télémaque and others.

**Énergie Jeunes**, for example, works to encourage children to continue with their studies at priority assisted schools in disadvantaged areas through input from volunteers primarily from the corporate world. These volunteers instill in young people the desire to learn, using highly interactive teaching methods. Since 2013, around 20 employees have taken part in initiatives in the Lyon, Isère and Burgundy regions and since 2019 in Haute-Savoie (Rumilly). The arrangement has proven to be highly effective: a study (2016) has shown that high school students who take part get much higher grades than other students. Also in the area of education, the Fonds has supported **Institut Télémaque** since 2011 and acts as the President of the Rhône-Alpes branch. The organization works with deserving and motivated young people from modest backgrounds until the age of 18, through a school corporate mentorship program. In 2019, 17 Group employees acted as tutors to one young person each to help them prepare for the future. In order to facilitate employee engagement with these two associations, the Group gives them four half days a year out of their working time to help young people.

In the area of household equipment and providing access to a healthy diet, the Fonds renewed its support, in 2019, for the **Agence du Don en Nature** (ADN – the Agency for Donations in Kind), of which it has been a founding member since 2008. The ADN collects new, unsold non-food products from manufacturers for redistribution to organizations assisting people in difficulty. Since its inception, support for the Fonds has translated into the donation of 288,000 products, financial assistance totaling €255,000, and the provision of skills. Of the **new projects supported in 2019**, the one run by the **Eris** association is focused on the integration of refugees and asylum seekers. It involves a twin-track program: intensive French lessons using qualified teachers and cooking experience shared with volunteer French speakers in a voluntary restaurant. This shared cooking makes it possible to both create a social bond and help with entry into the workforce. The course lasts 15 weeks. Fonds Groupe SEB also joined **Entreprise des Possibles**, a coalition of businesses in Lyon working to ensure decent housing for the homeless and the poorest and weakest in society. The organization pools and allocates to social stakeholders time (volunteer employees) as well as financial and material resources, significantly amplifying them.

The Fonds also runs programs to encourage employees to get involved in community projects. For the seventh year running, it organized the **API Sol'** in-house call for projects. The aim of this initiative is to support projects sponsored by the Group's employees. In 2019, the Fonds supported 18 projects selected by the sites' local juries. It also started the "Défis Solidaires en Équipe" (Team Community Challenges) in France in 2017, again to get employees involved. The

movement continued in 2019 in various guises: solidarity days during Charity Week on SEB Campus, Groupe SEB France Charity Days, etc. The concept was exported under the name **Charity boost** with four countries answering the call: China, Greece, India and Russia. The four subsidiaries picked 10 short-listed projects sponsored by employees, projects that benefited from financial support or product donations.

## A RESPONSIBLE PARTICIPANT IN THE ECONOMY

### SOCIAL AND SOLIDARITY ECONOMY

Groupe SEB fulfills its economic and social responsibilities in the regions where it is located. In addition to the jobs it generates, it supports the development of local businesses, especially players in the non-profit and social sectors: company providing work to people with disabilities, sheltered employment center, welfare-to-work company, welfare-to-work temp agency, etc. Whenever possible, it favors the use of companies that support disadvantaged people looking for employment. Social clauses have been added to calls for tender to extend this responsible purchasing policy (see page 129). At the local level, a lot of the Group's sites are already working towards this goal.

In **France**, for example, 10 companies from the protected sector (companies providing work to people with disabilities and sheltered employment centers) work at **SEB Campus** in Écully in catering, cleaning, hospitality, maintenance of green spaces, etc. The head office strengthened its partnership with Handishare, a company providing work to workers with disabilities, in subcontracted Human Resources services (responses to job applications) and general services. The **Lourdes** production facility is working hard on social inclusion. It has a long working relationship with Adapei (Association départementale de parents et d'amis des personnes handicapées mentales) on sub-contracting. This partnership was strengthened in 2016 with the addition of a sheltered employment workshop on the site providing greater proximity between employees and workers with disabilities (between 8 and 16 workers as the case may be). In 2019, the site took a further step when it awarded Adapei the catering contract for site employees. The association also helps maintain the green spaces and prints the in-house newspaper. At **Pont-Évêque**, the plant subcontracts the assembly of plastic parts, labeling and product packaging to the Ateliers de l'Isère Rhodanienne sheltered employment center, representing around 30 people on a full-time equivalent basis. The **Faucogney** site also made extensive use of

welfare-to-work associations for the packaging of spare parts and accessories, generating around 36 full-time equivalent jobs. The **Is-sur-Tille** plant has worked for many years with Groupe Coopératif Demain (formerly Juratri), a company specifically specializing in recycling that has over 140 employees, around half of whom are part of an inclusive employment program.

In 2019, the work subcontracted to the disability and inclusive employment sector totaled more than €5.5 million, equal to 305 FTE (Full-Time Equivalent) jobs, across all of the Group's sites in France.

The Group is also building partnerships with social organizations to give them access to reduced-price products. Two such partnerships were agreed in France in 2019 with the VRAC and Revivre associations (see page 159).

In **Colombia**, the Group works through its Imusa brand to support tinteros who live and work in impoverished conditions. These street vendors of coffee and snacks are Group customers because they mostly use Imusa vacuum flasks. To help them, Groupe SEB Colombia's teams have designed a model for them that is better suited to their need to keep the coffee hot for as long as possible, as well as a special trolley to transport them and a folding chair. Through its Tinteros de corazón program, the Colombian subsidiary also takes various steps to improve their circumstances. It particularly offers them training on the management of their activity and health and safety. Following each course, the tinteros are invited to visit the Rionegro plant where the vacuum flasks are manufactured. Every year, Tintero's Day is an opportunity for Imusa teams to show solidarity with the tinteros, for example by providing school supplies. For Tintero's day 2019, in December, other companies wished to support them alongside Groupe SEB Colombia by in particular offering food staples (sugar, coffee, milk, cookies, etc.). Imusa has been supporting some 2,000 tinteros and their families for many years.

## LOCAL ROOTS

Although the Group has become very international, it has maintained a firm local footing in the Auvergne-Rhône-Alpes region, where more than 3,800 employees work at six sites: Écully, Pont-Évêque, Mions, Saint-Jean-de-Bournay, Saint-Priest and Rumilly. Internal promotion and skills development are priorities for the Group, whose commitment to the Lyon area is shown particularly in its membership of the “Alliance et Territoires” network, led by the Maison de Lyon pour l’Emploi. The aim of this network is to bring down barriers between member companies and create an intercompany GPEC (Forward Planning of Employment and Skills) and regional GPEC dynamic in the Lyon area.

More generally, the Group is an active member of the community in every region in which it operates. It maintains a number of links with local operators, and particularly with educational establishments, providing classroom talks and inviting students to take part in site visits or work experience programs. In the US, for several years the Canonsburg (All-Clad) plant has been working with three high schools on manufacturing and engineering-related topics. Students analyze

the site’s complex issues, look for alternative solutions and make recommendations. This initiative, which benefits dozens of high school students every year, won recognition for the Canonsburg site in 2015 at the Champions of Learning Awards, held in Pennsylvania by the Consortium for Public Education. In Germany, WMF has a partnership with the University of Geislingen in areas relating to eco-design and sustainable development.

Groupe SEB also takes part in events on topics related to its business or commitments. In November 2018, it participated in the Journées de l’Economie conference in Lyon, where 40,000 participants contributed to around 60 seminars and discussions. Thierry de La Tour d’Artaise took part in the round table discussion “Is there a model for Asian business development?” using the example of the acquisition of Supor. At another round table discussion on the circular economy, Joël Tronchon, Sustainable Development Director, presented the Group’s strategy in this area.

Groupe SEB regularly takes part in discussions on social issues, such as food, health and inclusion. These topics are also handled by its Research and Development teams (see page 162).

## 3.8. Sustainable innovation



OFFER PRODUCTS AND SERVICES THAT ALLOW CONSUMERS TO MAKE SUSTAINABLE CHOICES.

### INNOVATION AND SUSTAINABLE DEVELOPMENT

Since the outset, Groupe SEB has always placed innovation at the heart of its strategy, in order to better meet and anticipate consumer expectations (see page 21). Innovation also helps consumers move towards more responsible habits, an idea that increasingly strikes a chord with many consumers, especially in terms of food, health and ecological footprint. This convergence between innovation and sustainable development has become a reality within Groupe SEB. Sustainable innovation was also the theme of the Research department's November 2019 seminar.

#### A STRATEGIC APPROACH

To respond to new consumption trends where environmentally friendly considerations are gaining in importance, in particular amongst millennials, the Group launched two major strategic innovation projects. Jointly led by the Research and Marketing departments, they are linked to the realm of cooking and the home: **Cook For the Planet** and **Home for the Planet**. Goal: inventing the product and service offerings of the future by combining:

- an analysis of new expectations and consumption patterns;
- an open cross-disciplinary approach involving the Research, Marketing, Design, Development teams, etc. to come up with new concepts (creative marathons);
- flexible and iterative methods to quickly test the concepts generated.

The Cook For the Planet project, which was launched in 2018, produced 13 innovative concepts in 2019 meeting a range of challenges: efforts to combat wastage, energy saving, food preservation, flexitarian transition, etc. They were tested on target groups in different countries and two of them are already in research with a view to having prototypes finished by mid-2020.

The Home For the Planet project began in autumn 2019. It is initially focusing on linen care and will be broadened to personal care in 2020.

In parallel with these two projects, the Group introduced an **inclusive design** approach designed to facilitate the usage of its products by everyone. It will be followed in 2020 by a "good design" guide (see page 162).

#### FLEXIBLE METHODS

This strong innovation policy relies on frequent and extensive discussions between the Research, Marketing, Design, Development, Quality and Sustainable Development teams. They are currently opening up to new methods, incorporating new skills and taking on technological challenges in fields such as materials, energy consumption and ergonomics.

#### SEB Lab

**SEB Lab** plays a central role in speeding up innovation: it establishes and coordinates a series of tools and methods tailored to the various types of projects and their stage of progress. In 2019, it added the BiiS (Boost innovation with a Social impact), representing an experimental approach launched in 2016 to accelerate social innovation by involving volunteer employees. This approach, since renamed Boost, has been rolled out to all the Group's innovation projects. Boost uses a start-up type approach: multi-disciplinary team following a user-centered (design thinking), pragmatic (test & learn), iterative approach with regular validations (scrum), etc.

#### Project platforms

Once more with a view to speeding up innovation, in 2019 the Group added project platforms dedicated to particularly innovative themes. The principle: bring together in a single place, in common time periods, a cross-disciplinary team (Research, Marketing, Design, etc.) focused on a single project. This "unity of time, place and action" improves interaction, speeds up decision-making and strengthens momentum. The first project platform began in November 2019 around linen care. Employees involved work together on a common project for three days a week.

Another example of methodological innovation: at year-end 2019, Groupe SEB began to test crowdfunding to evaluate new product designs. This new participative approach, on top of "traditional" innovation approaches, is based on the pre-sale of a limited number of copies. It makes it possible to get direct feedback from consumers and rapidly validate innovation.



## COLLABORATION AND PARTNERSHIPS

Group innovation also draws on external collaborations, particularly through collaborative research programs in which public and private partners share their skills to achieve a common target. This open innovation also includes start-ups, in which the Group acquires stakes through the SEB Alliance Fund (see page 24). It invests in emerging businesses that offer disruptive technologies and/or new business models. The sectors targeted match the Group's strategic areas of innovation.

With respect to **healthy and sustainable eating**, Groupe SEB is a stakeholder in many large research or experimentation programs:

### Cook2Health

The Group is participating in the EIT Health European program on the subject of "Healthy living and active aging". In this regard, it coordinates the Cook2Health project (2016-2019), run alongside academic partners, physicians, dietitians, digital players. The goal was to measure the impact on people's health of regular use of connected kitchen appliances through an extensive program of clinical trials (monitoring of 30 health parameters). To this end, Groupe SEB had provided volunteers with an Actify and a connected Cookeo combined with an app containing a personalized nutritional coaching service. The most recent wave of trials, which ended at year-end 2018, covered 160 people whose daily cooking habits, at home, were monitored over one year (France and United Kingdom). The findings, released in 2019, backed by clinical data, confirm that Groupe SEB's connected appliances help move users towards a better diet by favoring healthy cooking teachings and the use of lightly processed products.

### Ambitious Innovation Regions: regional food transition

In France, Groupe SEB is a key partner in the "2030 Sustainable Food System" project, led by Metropolitan Dijon and selected by the State in September 2019 under the Ambitious Innovation Regions. This is about creating, at the regional level (23 municipalities, 250,000 inhabitants), a demonstrator showing transition to a sustainable food system: how

to enable all members of a household to eat better by promoting local produce and reducing the environmental impact of the food chain? This trial will begin in early 2020. Groupe SEB will in particular help facilitate homemade food thanks to connected products and services and related functionality (recipes, coaching, course lists, etc.), under the Cook2Health project.

### Proveggas: focus on pulses

The Group also contributes to the Proveggas (Food-based plant protein) French research program focused on pulses. These foods are attracting growing interest with a view to stabilizing, or even decreasing, the consumption of animal proteins. The aim of the program is to make pulses more appealing to consumers, through simpler preparation (faster cooking), easier digestion and improved sensory properties. Supported by French public funds, the project was launched in 2017 for a four-year period.

## ALL STAFF ARE INVOLVED

As innovation is one of Groupe SEB's key values and all employees are users of its products, the Research department, via SEB Lab, launched the All Innovators Challenge in 2017, inviting all staff to put forward product and/or service innovation ideas related to the Group's business. Following an initial test edition on the Écully Campus in 2017, the challenge was extended to all the French sites in 2018. Of the 476 ideas put forward in 2018, five winning projects were chosen by an innovation panel following a vote by employees plus selection by a preliminary assessment panel consisting of Research and Marketing managers. The winners refined their ideas in 2019 with the support of SEB Lab. Of the 11 winning projects over the two years, over half are linked to sustainable development (energy saving, waste reduction, healthy sustainable eating, etc.). In early 2020, three were in development and one already on offer to consumers: nine low-sugar gourmet recipes were added in 2019 to the Cake Factory app. The All Innovators Challenge will be broadened out across Europe in 2020.

(For more information on Groupe SEB's innovation strategy, see Chapter 1.2, page 21)

## RESPECT FOR CONSUMERS

Groupe SEB is committed to offering consumers high-quality products that are guaranteed to be safe and harmless. In each country, the Group complies with all the standards and regulations governing the products it sells. Responsible products are the first theme addressed in Groupe SEB's Code of Ethics, evidence of the importance that it places on respect for the consumer.

## QUALITY

Groupe SEB's **Quality Management System (QMS)** describes the steps to be taken, at every level, to ensure the quality of products and related services. The QMS covers all Groupe SEB activities, processes and sites throughout the world. Every Group operation, site, function and employee is responsible for the quality of the work performed and for compliance with the rules contained in the quality assurance documentation. Regular examination of the various components of the System during management reviews makes it possible to check the efficiency of Group processes and to manage the actions needed for the ongoing improvement of product and process quality. The quality management system is described in more detail on page 37.

## Testing at all levels

The Group controls the quality of its products **at each stage of the design and manufacturing process**, including with subcontractors. The first quality tests are carried out from the design phase, on all products (excluding purely aesthetic variants): pre-production runs are tested in testing rooms close to the design teams.

For **endurance tests**, products are subjected to an intensive sequence of operating cycles in standard conditions of use, which may be spread over several weeks, without interruption. At the Shaoxing (China) site, for example, endurance tests on kettles are run on around 250 products per annum, each running for 2000 to 6000 heating cycles, depending on the range. In Is-sur-Tille, over 200 toasters were tested over 5,360 cycles each on average.

Other tests cover shock resistance, functionality, behavior in a wet environment, but also the performance of packaging that must protect product integrity from the factory door to the consumer. The surge in e-commerce is increasing single shipments and creating more constraints in terms of packaging. In 2019, the Group invested in new packaging test equipment at its laboratory in Saint-Priest (France).

Commencement of **new product** manufacturing is preceded by a Pilot Run Validation. This involves the pre-production of an additional 100 or so products, with extremely demanding quality criteria, so as to reduce the scrap rate as much as possible. In five years, the number of products not considered “good the first time round” has fallen in half, highlighting the progress made in the upstream development phase. During production, accelerated operating tests (short live tests lasting a few days) are carried out on randomly selected products to identify any faulty components that may have slipped through the quality control conducted by the supplier.

## Rate of returns falling

For innovative products, the Group conducts tests in the homes of volunteer consumers to take all possible methods of use into account, even the most unlikely ones. The Group also incorporates consumer comments gathered by call centers as part of a continuous improvement loop. These are forwarded to the marketing teams, who factor them into product development. Proof of the continuous improvement in quality is that returns under warranty have continued to fall since 2009 and have dropped by a factor of more than 2 in 10 years. Finished product quality indicators are also continuing to improve, such as the percentage of potentially faulty products, which has decreased by 60% in six years (Group and subcontractors' plants, excluding WMF).

Finally, the Group takes monitoring measures and proactive steps to raise quality standards in the interests of consumers (see page 37).

## PRODUCT SAFETY

Product safety is ensured by a rigorous set of procedures implemented at every stage of product development and production. During development, each project review (RP1 to RP4) includes formal checking of product compliance via a series of validations listed in the EMQS (Environment, Marketing, Quality and Standards) reference document. Several of these validations make a direct contribution to product safety, such as robust design analysis or field tests which validate the design under real conditions. During the production phase, lots of tests are carried out on the production lines (electrical insulation, sealing tightness, etc.) and samples are taken on a regular basis for accelerated functional testing which could reveal possible anomalies not detectable on the new product. A final check is made at the end of the production line, after packaging (test of finished product quality), when sample products are unpacked and tested to check that all the production tests have been carried out.

## HARMLESSNESS AND UNPOPULAR SUBSTANCES

With regard to product harmlessness, the Group is particularly vigilant when it comes to selecting component materials, going beyond regulatory requirements. As part of its commitment to quality, the Group has introduced a “Health & Environment” notice which has been on Tefal/T-fal non-stick cookware for several years. This commitment gives a guarantee that there is no PFOA <sup>(1)</sup>, lead or cadmium and therefore that the coatings are safe for both the consumer and the environment.

With regard to unpopular substances, the Group classifies in this category substances that, although not banned by the regulations, are considered by some stakeholders, such as NGOs, to be potentially hazardous. On this basis, the Group is working on plans to replace a number of these substances and materials, even though they are not currently covered by the regulations, in order to stay a step ahead of future directives. Phthalates, for example, which were added to the RoHS European Directive <sup>(2)</sup> in 2015, were already viewed as unpopular substances by Groupe SEB in 2012.

## FEEDBACK AND SERVICE

### Call centers and after-sales service

To answer consumers' questions, Groupe SEB has **multi-channel contact centers** (telephone, email, brand websites, social media, etc.) in most of the larger countries. To improve service across all markets, since 2014 it has had multi-country call centers. In 2019, it continues to expand the Sofia call center, which now covers Slovenia and nine other countries in Eastern and Central Europe, Australia and New Zealand. This center has a team that is able to respond in

(1) PFOA: Perfluorooctanoic acid is a substance used as an aid to polymerization in many polymer manufacturing processes.

(2) Restriction of the use of certain Hazardous Substances.

every language within the countries in question and to cater for the various time zones. A second multi-country call center has been up and running in Lisbon since 2016 for Spain and Portugal. In France, Groupe SEB has consistently won “Customer Service of the Year” for its quick responses and the quality of its customer relations on all communication channels.

The after-sales service of Groupe SEB aims to ensure the proper application of its reparability policy. To this end, it relies on a global network of approved repair centers, which are trained and supported by local Group teams (see page 164). In India, the **after-sales service** structure was completely overhauled in 2015/2016 to bring it up to Group standards. There is now a professional, effective network there of nearly 250 repair technicians, who are selected then trained. The Group has also developed a smartphone application for the country, allowing customers to book a repair time slot, as repairs at home are very common practice in India.

### Inform the consumer

Keen to help the consumer in all circumstances, the Group continues to expand the services it offers. It continually does new product use and maintenance **videos** (on average, 3-4 a month), which are posted on YouTube and can be accessed via the brand websites. Consumers can also access a large **mutual assistance community** via the brands’ websites. In France, this community now numbers over 700,000 users of the Group’s products, willing to exchange advice and tips.

Groupe SEB is also making an effort to improve the transparency of information between manufacturers and consumers through a new service offered in France by the start-up Alkemics, of which it is a shareholder through the SEB Alliance fund. In 2019, Alkemics launched the “**Transparence Conso**” program: it allows manufacturers to freely share, with a single click, their product catalog and related information (ingredients, nutritional data, allergens, etc.) with consumer transparency apps, which are seeing exponential growth. Most apps, including Yuka, the leader in France in terms of downloads, have signed up to this initiative.

## COOKING FOR GOOD



**MAKE DELICIOUS, HEALTHY HOME COOKING ACCESSIBLE TO EVERYONE.**



Worldwide, Groupe SEB is helping answer the question “What will we eat today?” while ensuring that what is on offer is a wholesome balanced meal that is easy and hassle-free to prepare. Our solutions are also designed to promote a more responsible diet, encouraging practices with a lower environmental impact.

### MAKING HOMEMADE FOOD EASIER FOR EVERYONE

#### GRUPE SEB 2023 TARGETS

- One program to make homemade accessible to everyone

Nutritionists all agree: reducing our intake of ultra-processed food and eating homemade dishes, where possible using fresh ingredients, plays a significant part in improving health. Nine out of ten French people think that “cooking healthy, balanced meals” and “sharing meals with family or friends” are the activities that contribute the most to their well-being <sup>(3)</sup>. At the same time, however, 50% of them say they don’t have the time to prepare meals. By their very nature, the Group’s products and services make homemade cooking easier, with solutions that simplify life, save time and help produce recipes that allow people to eat well and enjoy their food.

Over the years, thanks to its innovations, the Group has proven that home cooking does not need to be complicated or time-consuming. For example, the famous Super Cocotte Seb pressure cooker (1953) was the first in a long line of pressure cookers, including Nutricook and its four cooking programs that preserve vitamins and other nutrients. More recently, in 2012, Cookeo enabled time-strapped cooks to put together dishes quickly, with hundreds of step-by-step recipes that could be made in less than 15 to 20 minutes. Over 2 million have already been sold in France. Cuisine Companion then raised the bar even higher: as well as cooking, it makes the preparation of ingredients, pastry or sauces easier, using a range of accessories for chopping, mixing, beating, kneading, grating, etc. Now connected, all these products are continually receiving digital enhancements, to offer consumers an infinite quantity of recipes and a variety of delicious meals.

In many countries, Group subsidiaries are organizing events to promote homemade cooking. For example, in 2019, Groupe SEB Korea ran such an event at the cooking studio of the public television station KBS. Two star TV chefs shared their experience and cooked recipes with Tefal products surrounded by 120 people including social media influencers, journalists, passionate newbie cooks, etc. The homemade message was spread through 90 articles and photo features in the large national dailies and through various sponsored messages on Instagram and YouTube.

### Seb, Tefal and Moulinex sign up to the Malin Program

In its desire to make “eating well” accessible to as many people as possible, Groupe SEB includes vulnerable sections of society. That is why in 2017 it got involved in the French Malin program that aims to help young children from poor families get access to a balanced high-quality diet, and influence family eating habits. Notable Malin partners include Société Française de Pédiatrie, Croix-Rouge Française, Caisses d’allocations familiales, Blédina and Danone Communities (Danone), Lesieur and Groupe SEB via its Tefal, Seb and Moulinex brands. The French government included this program in its anti-poverty strategy, which became official in 2018, and in the National Nutrition and Health Program 4 in 2019. Many studies show that healthy eating from a young age helps to significantly reduce diet-related diseases such as diabetes and obesity.

As part of the Malin program, the Group offers cookware and electrical appliances at accessible prices for families (30 to 60% reduction). The objective is to offer a useful range of family products while reinforcing family home cooking habits and developing a sustainable balanced business model for the Group. These “preferential” sales are held twice a year (two-month periods) on an internet platform. A study of buying habits during these campaigns and discussions with the beneficiaries give greater insight into families and their practices in order to tailor the offering to their needs. The Group also uses this program as a platform to provide advice (good planning and tips) on healthier eating.

At year-end 2019, over 15,000 families had benefited from the Malin program since the outset. Over time, it will be offered to 480,000 eligible families throughout France with the goal of reaching at least 160,000.

3

(3) BVA survey conducted for Groupe SEB in July 2018, on a sample of 1,104 people representative of the French population, aged 18 and over.

## Partnerships with the voluntary sector

Once again in line with the socially guided business approach, in 2019 the Group partnered with two associations in the Lyon region to give them access to reduced price products, in particular in the course of stock clearances. The first partner, Revivre, is a social development association with a focus on inclusive employment that acts as a central purchasing body for other charitable associations. The second partnership is the VRAC association, which helps establish purchasing groups in lower income areas, to give everyone access to quality products. The products are purchased directly from manufacturers at reasonable prices and then distributed by local residents. VRAC thus encourages sustainable and responsible consumption.

## HEALTHY, TASTY MEALS

### GRUPE SEB 2023 TARGETS

- A “healthy and sustainable eating” Charter for recipes accompanying products

### A healthy and sustainable recipe Charter

In the quest for healthy food that has a lower environmental impact and the need to feed 10 billion humans by 2050, a dietary transition is required particularly in Western countries. Amongst these necessary changes, experts are recommending that fruit, vegetable and pulse consumption will need to double in tandem with a 50% plus reduction in animal protein consumption <sup>(4)</sup>. Aside from the positive health effects, the adoption of a **flexitarian diet** <sup>(5)</sup> reduces the carbon footprint by over 40%. To support this movement, in 2019 Groupe SEB finalized a “Healthy and sustainable recipe Charter”. More vegetables, cereals and pulses, less meat, limited amounts of fat and salt, no overly-processed ingredients. These are the broad guidelines of this Charter, which is initially focused on salty dishes. It was developed by the Food Science and Sustainable Development teams on the back in particular of the recommendations of the National Health and Nutrition Program (PNNS – France) and on the expertise of a dietitian and a chef active in this area.

This Charter is a reference framework for expanding the proportion of healthy and sustainable recipes in the hundreds of recipes that the Group shares with consumers via a whole range of channels: apps connected with products, brand websites, social media, cookbooks, etc. The most recent cookbook for the Nutricook+ steam cooker, published at year-end 2019, offers a balanced breakdown of recipes: fruit and vegetables, pulses, fish and seafood, meat each represent 20% of recipes, carbohydrates 15% and dairy products 5%. They also list seasonal ingredients and give “zero waste” tips.

### Solutions combining products and services

Eating quality food is the key focus of the Group’s brands, which develop new solutions to promote healthy eating and enjoy food at the same time. Tefal and Moulinex are the Group’s international brands most involved in this area.

## TEFAL

Since its early days, Tefal’s innovations have always focused on healthy eating. It all began with the invention of the non-stick frying pan, meaning that people could cook using very little oil, or even none at all. In the cookware section, the **Preserve frying pans** range, launched in France in 2018, is specifically designed for cooking at low temperature, conserving up to 30% more Vitamin C than cooking at high temperature.

In electrical products, the Actify fryer (sold under the Seb brand in France and Belgium), in which healthy, tasty meals can be made using only a spoonful of oil, has been developed to make the consumer experience even easier with the **My Actify application**. As well as providing “step by step” help to make dishes successfully, it also offers several hundred recipes so that people can vary their menus and enjoy a healthy, balanced diet. It encourages consumers to eat fresh produce, particularly fruit and vegetables. In 2019, tips for healthier food and lifestyles were added to My Actify that evolves over the seasons.

**Optigrill**, another Tefal flagship product, launched a new model (Elite) in September 2019 that offers four automatic programs solely dedicated to vegetables, for healthier and more varied meals. As with previous versions, it benefits consumer health by means of an exclusive grilling technology for meat and fish that considerably limits the formation of undesirable compounds. The effectiveness of this technology, based on the cooking temperature, has been proven through assays by an independent laboratory.

Tefal is also innovating with a view to cooking rice in a healthier way: **Healthy & Tasty** cooks rice in two stages with a system that results in 20% less starch than traditional cooking. This new procedure has particular appeal in terms of preventing diabetes and obesity, especially in Asia-Pacific where 90% of rice production and consumption is concentrated. Healthy & Tasty was launched in 2019 in Malaysia and Singapore.

On the dessert front, since 2019 the **Cake Factory** application has offered a pack of low sugar recipes.

## MOULINEX

The iconic “homemade” brand, Moulinex has strengthened its support to help consumers move towards better diets by offering services related to its connected products. In 2019, the new **Healthy** functionality was added to the **Cookeo** multi-cooker app, providing detailed nutritional information on recipes made using the appliance. It classifies recipes into food groups – vegetables, animal proteins or starches for example – indicating the number of daily portions they offer. In the first half of 2020, Cookeo Healthy will offer a nutritional coaching service: depending on goals set by the user (eat less meat, more vegetables, more balanced, etc.) and their tastes, the app will recommend a tailored selection of recipes to help them reach their goal.

Moulinex also reinvented steam cooking with **Steam’Up**, launched in 2019. Although everyone agrees on the nutritional benefits of this style of cooking, most consumers associate it with dishes that are bland and aren’t very varied. With Steam’Up, steam cooking moves upmarket with a reverse steam technology that makes it possible to blend and retain flavors. The result: recipes that are both healthy and tasty, continually enhanced in the dedicated application.

(4) The EAT-Lancet Commission Summary Report “Food Planet Health” published in January 2019.

(5) A flexible vegetarian diet (or semi-vegetarianism).

Moulinex is also supporting the flexitarian transition with **Multicook & Grains**, which offers specific pulse cooking programs. This family of crops is a key source of plant-based protein, which have a lower environmental impact than animal proteins.

### SUPOR

In 2017, Supor introduced vacuum technology to its blenders: by removing air from the bowl while mixing, **Vacuum Nutrition Plus** reduces the oxidization of food, conserving its full nutritional value. Moulinex did the same in 2018 on the European market with Freshboost, using the same technology.

### Awareness-raising actions

Groupe SEB is also involved in raising awareness about nutrition among the general public. Product-based events done in various markets are also an opportunity to share various food messages. Thus, in many countries, Actify is at the heart of campaigns to raise awareness of healthier ways of living and more balanced eating.

It is in this spirit that, in 2018, the Group became a partner of the “Diet, nutrition and eating behavior” Chair at the AgroParisTech University (France). This Chair develops innovative, fun food education activities using new educational tools, often based on digital technologies. In 2019, the Group turned to this partnership when preparing an e-learning module for its employees on “The secrets to healthy, balanced and sustainable eating”. Based on quizzes and videos, it challenges conventional wisdom, provides basic explanations on proteins, carbohydrates, fats and gives tips on eating well without harming the planet. This module was launched in November for all connected employees in France. It will be rolled out internationally from 2020.

### SUSTAINABLE COOKING

In addition to the impact on health and well-being, the choice, preparation and preservation of food has an impact on our ecological footprint. The healthy and sustainable recipes Charter includes this component: for example, reducing the amount of meat in favor of pulses helps reduce greenhouse gas emissions. Along the same lines, at year-end 2019, the Cookeo teams shared on social media content to help consumers who wanted to reduce their meat consumption. With, for example, suggested ingredients that might constitute an alternative to animal protein with recipes to cook them, as well as a range of tips and tricks regarding **flexitarianism**.

### Combating food waste

**A growing concern in many countries, efforts to combat food waste are another area in which the Group is committed.** It naturally contributes to this by virtue of its core business that encourages homemade food: meals are prepared as required. And some products can be turned into anti-waste tools such as blenders, which, for example, allow great smoothies to be made with slightly too mature fruit and to use some fruit and vegetables whole, including the skins. The Group has developed a range of content in this area on social media in 2019, in particular in connection with the new range of Powelix blenders. In general, the Group gives advice on

**using as many foodstuffs as possible** in recipes connected with the products. The cookbook included with the Moulinex juicers (Juice & Clean, Juiceo, Power Juice) for example abound with ideas on how to cook the pulp instead of throwing it away. Several subsidiaries also carry out awareness-raising actions on the topic of food waste. For several years now, Groupe SEB Brazil, for example, has held cooking classes showing how to use fruit and vegetables in their entirety, including peelings.

### Storage jars, vacuum flasks, etc.

The Group's product range also includes food storage boxes. They are increasingly popular with consumers who use them to store their foodstuffs, keep leftovers in the fridge or bring food from home. They are also used within the Group: in Mexico, for example, the subsidiary signed an agreement with companies delivering meals to employees to eliminate all single-use plastic packaging and replace it with reusable Tefal boxes. Food retailers are also very interested in reducing disposable packaging, as seen from various initiatives launched in 2019. In Germany, the HIT retailer provides customers with Clip&Close boxes (EMSA) for their purchases at the delicatessen counter. In France, the Vrac'N Roll start-up, a pioneer in the online sale of loose organic produce, has started using Optima boxes (EMSA) for order shipments. Stackable, strong and easy to clean, they can also be kept for re-use.

Another Group product range in sync with more responsible daily practices: vacuum flasks and thermo mugs (EMSA, Tefal, Supor brands, etc.) are a sustainable alternative to disposable cups and other plastic containers that pollute the planet.

Group brands raise consumer awareness around food waste by sharing content on various information channels on the back of products that help this approach. This was, for example, the case of the No waste campaign undertaken by Tefal in Germany and the Netherlands in 2019 around Master Seal storage boxes and thermo mugs. In France, three young top chefs taking an environmentally-friendly approach were invited to cook “zero waste” recipes live on Facebook using a Seb pressure cooker. 10,000 people logged in to watch.

The Group also supports consumers who want to grow their own herbs or vegetables: with the **Click & Grow** (EMSA) indoor vegetable gardens, they can pick vegetables and herbs all year round, whenever they need them. The right combination of water, oxygen and nutrients ensure optimal growth with, amongst other advantages: no transport, less waste, 100% natural foodstuffs, etc. This home farming concept is one of the avenues for innovation being explored by the Group.

The environmental impact of Group products has long been part of its priorities. Two chapters in this document are dedicated to its policy in this area (see Circular revolution, pages – 164-168 and Climate action, pages 169-179).

## BETTER HOME LIFE



HELP EVERYONE TO LIVE BETTER IN A HEALTHIER HOME REGARDLESS OF THEIR AGE AND HEALTH.



### INCLUSIVE-DESIGN PRODUCTS

As well as permanent disabilities, anyone, at any time of their life, might experience limited sensory, physical or cognitive ability, due to injury, illness or old age. Certain situations may also create constraints, such as a young child in arms. Whether temporary or permanent, disability can affect the sense of touch, sight, hearing, taste or speech. As part of its commitment to make its products accessible to as many people as possible, in 2018 the Group began the process of raising the inclusiveness of all its products. Initially, it focused on the user-friendliness of breakfast products (kettle, coffee maker, toaster): an “inclusive” set will shortly be released onto the market. In 2019, this approach was broadened with the decision to develop a Good design guide in partnership with APF Franche Handicap and the support of Caisse Nationale de Solidarité pour l’Autonomie. It will be finalized in 2020.

#### An open source Good Design Guide

The Good Design playbook will bring together best design practice designed to facilitate daily usage for all users, in particular in terms of readability (size and color/contrast of writing), gripping, handling, weight, materials, etc.

In developing this guide, the Design team adopted a user-centered approach, with people with disabilities being involved at all stages of the project:

- observation: 90 hours of interviews and home testing to identify sticking points when using products;
- idea generation: 3 workshops, 60 participants (people with disabilities, helpers, designers, researchers, marketing people, etc.) and creativity tools to come up with solutions that help everyone;
- prototyping of chosen solutions;
- evaluation of prototypes by people with disabilities or otherwise to assess the universal added value of the inclusive product for all consumers.

The Good Design playbook is also based on recognized standards. The digital version will be released under an open source license. Applied to the area of small household appliances, it will not simply be a collection of best practices: it will also set out the methods and

tools used to bring them out, in order to promote the expansion of good design to other sectors and other products and services.

Groupe SEB was recognized twice in 2019 for this collaborative approach to good design: it received the Mines ParisTech & Cegos Sustainable Development CSR Award and the LSA “La conso s’engage” award.

#### Initiatives to keep up the momentum

Aside from this draft guide, the Group undertook multiple actions in 2019 around inclusive design, and in particular:

- raising the awareness of the Design team regarding different forms of disability and the various daily usages in order to expand its inclusive design thinking (immersion workshops and understanding disability). This training was led by a coordinator from the hizy.org platform, established by Handicap international and supported by Fonds Groupe SEB, along with three occupational therapists from CRIAS (Centre régional d’information pour l’agir solidaire). It will be broadened to other teams from 2020, starting with Marketing and R&D;
- the commencement of two projects to improve accessibility of product instruction leaflet and Group websites (brand websites and institutional website);
- a “preferential” sale at reduced prices reserved for APF France Handicap members involving a selection of Group products identified as particularly tailored to people with disabilities. These include: the Cookeo multi-cooker, the Air Force upright vacuum cleaner, the Cake factory, the Clipso pressure cooker.

In fact, although the Group placed a stronger emphasis on accessibility since 2018, this issue was already a part of its product design. The Clipso pressure cooker, which came on the market in 1994, can be opened with a single hand. Similarly, Supor designed a rice cooker more particularly tailored to older people (very visible operating lights, easy opening button, ergonomic handle, etc.). Of the most recent examples, the Air Force Flex vacuum cleaner, launched in spring 2019, easily vacuums under furniture without the user having to bend down, something that is much appreciated by people with back pain. It is also particularly easy to maneuver, wireless and all the controls are on the upper part of the product.

## A HEALTHY HOME

### BETTER INDOOR AIR QUALITY

A better home life also means a healthy environment, starting with the quality of the air we breathe. This can be damaged by multiple pollution sources such as animal hair, dust and pollen, which cause respiratory allergies, as well as volatile organic compounds including formaldehyde, specifically found in paint or glue used in furniture, and recognized as one of the most dangerous pollutants in the home. Since 2015, the Group meets this need to purify air with the **Intense Pure Air** range. Its ultra-effective filtration system contains four filters. The Allergy+ filter, for fine particles, captures allergens, while another filter equipped with exclusive NanoCaptur™ technology, definitively destroys formaldehyde. The new version of this filter, launched in 2019, is more effective (50% longer lifespan) and its manufacture is more environmentally-friendly.

Thanks to its smart purification system, Intense Pure Air automatically starts working once it detects pollution. It can also be connected to an app that lets you view the indoor air quality and manage the appliance remotely, providing more information on air pollutants.

#### Proven clinical effectiveness

In 2018, the Alyatec Research Center, located in the new Strasbourg hospital, conducted a world first with Groupe SEB: a clinical trial aimed at demonstrating the effectiveness of the Intense Pure Air purifiers on respiratory allergies. Twenty-four patients suffering from allergy-related

asthma spent two sessions, a maximum of two hours each time, in a sterile exposure chamber. Air containing extremely fine particles of cat allergens was introduced into the chamber, firstly in the presence of placebo purifiers (no filtration), then with active Intense Pure Air purifiers. During the first test, all the participants had allergic reactions, causing them to leave the room before the end of the session. By contrast, the results of the second test showed that the use of Intense Pure Air purifiers could reduce the risk of allergic reaction by a factor of 10. The results of this trial were presented in May 2018 at the European Academy of Allergy and Clinical Immunology (EAACI) Conference in Munich. They were also published in 2019 in *Clinical & Experimental Allergy*, the official journal of The British Society for Allergy & Clinical Immunology (BSACI).

### CLEAN FLOORS WITHOUT DETERGENTS

With regard to home cleaning, a growing number of consumers are looking for ways to limit their use of detergents, which cause chemical pollution. Here again, Groupe SEB has come up with an innovative solution for keeping floors clean without using these products. The **Clean & Steam** vacuum cleaner, launched in 2017, vacuums and steam cleans the floor in one go. Besides saving time, cleaning in this way eliminates up to 99% of bacteria, which are destroyed by the heat. This is especially good for people suffering from allergies and parents of young children.

## TAKING CARE OF YOURSELF AT ANY AGE

As part of its focus on personal care, in addition to its existing product range, the Group wants to develop products and solutions that help people stay fit and in good health, for better home life at any age.

In France in 2017, **Tefal** launched the **Body Partner**, smart bathroom scales that incorporate a unique and exclusive body shape tracker device. As well as measuring the user's weight and fat mass/lean mass ratio, Body Partner shows their hydration rate and integrates body shape data captured by a smart tape measure. All of this information is sent to a smartphone application, where it generates dashboard charts that allow the user to track the various parameters over time. Since 2019, the application also offers a coaching service to help

users meet their goals, such as weight loss, thanks to advice and suggested sports exercises.

In 2018, the Group worked on preventing falls. This project led to a prototype solution related to balance, currently in development.

Through the Group's open innovation approach, it has also invested in the SeniorAdom start-up through its SEB Alliance fund (see page 25). SeniorAdom offers a new-generation, non-intrusive remote assistance solution that detects falls and illness without the user having to wear any particular device. In this way, it helps elderly people or people with reduced mobility stay in their own homes.



## 3.9. Circular revolution



MAKE OUR PRODUCTS AND SERVICES PART OF THE CIRCULAR ECONOMY.



The Group's goal in this area is to save the planet's resources by operating on several drivers: extending product life and re-use, promoting recycling and the use of recycled materials, experiment with shared product use.

The Group also contributes to the development of this virtuous circle through several initiatives involving various stakeholders. Since 2018,

for example, it has supported the **Urban Mines Chair**, founded in partnership with three French "Grandes Écoles" universities (Arts et Métiers, Chimie ParisTech and Mines ParisTech) and the environmental organization Ecosystem. The Chair focuses on implementing a circular economy model that is profitable for everyone – citizens, manufacturers, recycling organizations and local authorities.

### LONG-LASTING PRODUCTS

#### REPARABILITY

##### GROUPE SEB TARGET

- Over 90% of electrical appliances with the "10-year repairable product" commitment (for Tefal, Moulinex, Rowenta, Krups, Seb, Calor)

#### 94% of products repairable for 10 years <sup>(1)</sup>

Product reparability is a vital aspect of the circular economy, as by increasing the lifetime of products it helps to reduce both the resources consumed and waste, and therefore preserve the environment. It is also beneficial for consumers who get an economic benefit (cheaper to repair than to buy a new product) and keeps users of the Group's products loyal by extending service lives as much as possible.

For Groupe SEB, reparability is an approach that ensures:

- that a product can be readily disassembled and reassembled;
- that the spare parts are reasonably priced, and readily available for an extended period of time;
- that there is a significant network of trained repairers while ensuring optimal regional coverage.

All of this should allow a streamlined customer experience and ensure the effective repair of products for many years.

The Group is a pioneer in this field. Its reparability policy, initiated in 2008, reached maturity in 2015 with its "**10-year repairable product**" commitment. This logo is now displayed on 94% of the new electrical appliances sold in Europe, Asia, the Middle East and Africa for the four

brands Tefal, Rowenta, Moulinex and Krups, and for Seb and Calor in France and Belgium. In 2019, this commitment began to be broadened to all new ranges of WMF small electrical appliances and its extension to the Brazilian brand Arno is being considered.

In some countries, cookware (frying pans, stewing pots, saucepans, etc.) can also be repaired. For example, this is true in Egypt and the United States for All-Clad branded products (see page 168).

#### DEMANDING CRITERIA

Product reparability starts from product design, and is one of the priority areas in the Group's Eco-design 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 2016, the Group adopted a more stringent calculation method when defining the level of reparability of its electrical appliances. In addition to the criteria of availability and price of parts, this definition now includes the percentage of repairable faults. The Group considers a product to be **mostly repairable** if at least 80% of faults are repairable (one or two parts at most are not available or cost more than half of the product's price, and this/these part(s) account for less than 20% of the risk of faults). A product is **fully repairable** (100% of faults are repairable) if all the components that can be replaced are available and none cost more than half the price of the product.

In 2019, of the 94% of repairable electrical appliances, 79% were wholly repairable and 15% were mostly so. In parallel, the **percentage of repaired products is increasing in approved centers**: in Europe, for example, the percentage of products under warranty repaired within 5 days rose from 70.3% in 2012 to 82.10% in 2017.

(1) Mostly repairable, on small electric appliances.

## An attractive repair package

Since 2019, Groupe SEB trialed a new initiative to encourage consumers to increasingly repair their products after the warranty period, when they bear the cost of repair. To remove the main obstacles, the fear of a high cost or the risk of paying for a quote “for nothing”, the Group has introduced a **fixed repair offer** with a single, fixed rate for each product category. The consumer has the assurance that they can get their product repaired for less than a third of the price of an equivalent new product from the brand, whatever the malfunction, the spare parts needed and age of the appliance (the reparability warranty lasts for up to 10 years). They also benefit from a warranty covering the whole product for six months after the repair has been done. This offer was initially launched in France for the Rowenta brand. Consumers can purchase the repair package directly on the rowenta.fr website, then follow the instructions to send the product or take it to an approved repair center. The service will be extended to other brands in France in early 2020 and will gradually be rolled out in other European countries, starting with Spain, Portugal and Italy.

## Repair center and spare parts network

To ensure that repairs are of optimum quality, Groupe SEB uses a network of approved repair centers, which has gained in strength over the last 10 years. There are now over 6,200 worldwide, including 2,800 in China. The Group’s local after-sales service teams in the different countries are responsible for training and supporting the repair centers.

The Group guarantees the repair centers that some 40,000 listed spare parts will be available for as long as 10 to 15 years after products cease to be manufactured, including sourced products, at the cheapest possible price (this price has not increased since the 30% reduction in 2012). In Western Europe, spare parts are delivered to repair centers within 24 to 48 hours, rising to a maximum of four days in other parts of the world.

Nearly six million spare parts are stored at the Group’s central warehouses in Faucongy in the east of France (30,000 m<sup>2</sup> in storage area). In addition, in a growing number of countries, consumers can directly order accessories, consumables and spare parts on the brand websites. In 2019, direct orders were possible on 67 brand websites across the world. Since 2016, the Group has used a second spare parts and accessories warehouse in Hong Kong to deliver parts to repair centers or consumers in Asia more quickly.

The Group also moved into the **3D printing** of spare parts, allowing parts to be printed on demand. This simplifies inventory management and increases availability almost to infinity. Since 2015, certification testing has been done on repairs of volunteer “pilot” consumers. They regularly provide the Group with information on part performance over

time and their feedback is over 90% positive. At year-end 2019, 80 3D-printed functional and technical parts were being tested in Western Europe. From 2020, approved items will be included in the standard spare parts catalog for repairers with the note “3D printed part certified by the manufacturer”.

## RépareSeb in Paris: a dedicated circular and solidarity economic hub

In 2019, the Group kicked off the RépareSeb project, a further step in the promotion of prolonged usage of small electrical appliances within the context of a social and solidarity economic approach. This hub, which will open in 2020 in Porte de la Chapelle, Paris, will offer four additional services, in partnership with the city of Paris and ARES Group, which is specialized in inclusive employment:

- small electrical appliance repair in a workshop that is certified for all Groupe SEB brands;
- appliance rental using the Eurecook model (see page 167);
- product refurbishment (mostly recovered as part of the after-sales service) for resale as “Second hand”;
- training and support (small groups) in a collaborate space dedicated to the circular economy.

This project will enable the establishment of a new inclusive employment entity in Paris for people who are out of a job. They will be working on product repair and refurbishment.

## Raising awareness among consumers and other stakeholders

Whether or not products are under warranty, the Group encourages consumers to have them repaired instead of exchanging them by directing them to the approved repair centers using several information methods: product documentation, brand websites, explanatory videos, etc.

More generally, since 2016, Groupe SEB has intensified its communication on the reparability policy to all stakeholders in European countries (press, NGOs, consumer associations, public bodies, etc.). Its “10-year repairable product” commitment is now largely relayed on social networks in Spain, Portugal, Romania, Poland, and other countries. As the Group is considered to be the European leader in reparability, it has been invited to present its approach at conferences organized by various public institutions, such as the Belgian Senate, the European Court of Justice and the Métropole du Grand Paris.

This commitment to reparability has won the Group many awards. In May 2018, it won the award for “Social and Environmental Responsibility” at the European Business Awards in Warsaw, having been selected from 112,000 companies from 34 European countries.

## PRODUCTS WITHIN THE RECYCLING LOOP

### DESIGNING RECYCLABLE PRODUCTS

Product recyclability is a priority of the Group's eco-design guide (see page 172) and all products are assessed for their recycling potential using a standardized method. When designing a product, the Group gives preference to materials that can be recycled (metallic components, certain plastics like polypropylene) and plans for quick and easy disassembly. For example, the Tefal Turbo Pro Anticalc steam iron, launched at year-end 2016, had a heat shield (the part above the sole-plate) made from recyclable PBT, rather than non-recyclable BMC, which was the case for previous ranges. Thanks to this change, the recyclability percentage rose to 82% compared to 76% for an equivalent iron with a BMC shield. Since then, all new steam iron ranges manufactured at Pont-Evêque (France) incorporate this part. The same change was made to the Calor Express Compact steam ironing station. Another illustration of the improved recyclability: in 2018, the Erbach (Germany) site adopted a new co-injection process that removes the use of non-recyclable glue.

The average potential recyclability rate for new electrical product families designed in 2019 reached over 80%.

### USING RECYCLED MATERIALS

#### GROUPE SEB 2023 TARGETS

- 50% of recycled materials in Group products (including packaging)
- Double the amount of recycled plastic in products manufactured in France (2017 base)

Group SEB uses more and more recycled materials in its products. At year-end 2019, for products manufactured in-house, it had already exceeded its target set in 2013 of incorporating 20% recycled materials in new products and packaging by 2020, achieving 35%. The target is now 50% by 2023. It also made a specific commitment **on recycled plastics, with the goal of doubling the annual use in France** by 2025 compared to 2017 (subject to any changes in applicable regulations that might impact this strategy).

#### Metals: more recycled aluminum in cookware

As regards metals, across all products, most of the stainless steel used by the Group is already from recycled sources. This rate is 80% in cookware (utensils, frying pans, saucepans, stewing pots, pressure cookers, etc.). In the case of aluminum, mostly used for this product category, the proportion of recycled materials is lower but is rising on the back of efforts by the teams in question. Using recycled aluminum

produces 90% less greenhouse gases than primary aluminum and consumes 20 times less energy. In 2009, the Natura cookware range was the first made from 100% recycled aluminum and three years later, in 2012, Tefal established the first recycling system for cookware in France. Of products recently put on the market, the Eco Respect and Resource frying pan ranges, which also use 100% recycled aluminum, won the Grand Prix de la Responsabilité Sociétale des Marques in April 2019 (France).

#### Recycled plastic: significant progress

The Group's recycled plastics strategy began 10 years ago with the Enjoy utensils, made from 95% recycled **PET**. It has since continued to ramp up efforts in this area, led by the Purchasing, Quality, Standards and Environment and Research departments in liaison with the Industry and Marketing departments: cooperation with recyclers to improve the quality of the plastics in question, verifying their regulatory compliance, performing injection and prototype testing, launching pre-production runs, etc. Compared to plastics from oil, recycled plastics reduces the impact on global warming by nearly 70%.

In 2015, the Group was a pioneer in France, setting up the first **circular economy loop for small electrical appliances**, with Veolia and the Ecosystem eco-organization. This cooperation led to the first steam generator with a **polypropylene** casing made from recycled electrical and electronic appliances, produced in Pont-Evêque (Silence Steam, Rowenta). Preparations are also being made to integrate this same recycled polypropylene in the steam irons produced in Erbach (Germany).

In 2018, Rowenta extended use of this material to the Silence Force Compact vacuum cleaner bases, through specific investment in production lines at the Vernon site. In 2019, this change was extended to most of the bagged vacuum cleaners produced on the site.

The Expresseria (Krupps) coffee maker, manufactured in Mayenne, also saw an improvement in terms of recycled plastic: following the incorporation, in 2017, of an internal technical support made from recycled ABS, from early 2020 its base will also be made from recycled ABS/PC. The list of products incorporating recycled plastic is growing each year: raclette grills, fans, meat mincers, shredder, up to and including some EMSA Landhaus plant pot ranges made from diaper production scraps.. , etc. A dozen new products are on the way. Moreover, aside from its partnership with Veolia, the Group has developed its dealings with other recyclers with the aim of increasing its expertise to meet its needs. It carries out **training and awareness-raising** activities in-house for the relevant teams (design teams, laboratories, quality, marketing, etc.).

### SHOPPING BAGS TOO

The use of recycled plastic also extends to the bags offered by the Group's stores to their customers. In Europe, in 2018, these were reviewed from an ecological and economic point of view. Made from 80% recycled plastic and 100% recyclable, the new bags have been awarded the Blue Angel environmental label. In addition to the use of recycled plastic, the reduction in the number of suppliers (from 10 to 4, including 1 covering 75% of needs) also helps to reduce the carbon footprint involved in transporting the materials. In early 2019, these bags were available in nearly all countries in the EMEA zone where the Group has stores (Home & Cook and WMF). The 13 Egypt stores also adopted this approach in 2019.

In recognition of all these efforts in recycled plastics, in 2018 the Group received the LSA Award for "Development of environmental responsibility" in France, beating around 100 other candidates.

### END-OF-LIFE RECYCLING

What happens to products once they come to the end of their life? In Europe, the collection and processing of small electrical appliances are managed by national **eco-organizations**. Groupe SEB is particularly involved in this in France, as part of Ecosystem, the country's largest eco-organization for WEEE (Waste Electronic and Electrical Equipment).

As yet, there is no specific channel for aluminum pans, saucepans or stew pots, however. In France, for example, 60% end up as household waste (6,000 tons per year), even though they are 80% recyclable.

### SHARED USE PRODUCTS

The Group is at the forefront of new, more sustainable, consumer models similar to product-service systems, and since 2015 has been testing an innovative **kitchen appliance rental service** in France to respond to ad hoc consumer requirements. Christened **Eurêcook**, it was initially rolled out in the Dijon area in partnership with a network of public and private sector operators such as ADEME <sup>(1)</sup>, the ENVIE association and Groupe Casino. In October 2018, it was launched in Paris, this time in partnership with ENVIE and Monoprix, the leader in city center shopping. The principle is simple: the consumer books their Seb, Tefal or Moulinex appliance on the [www.eurecook.fr](http://www.eurecook.fr) website or in one of the five Parisian Monoprix stores initially participating in the campaign. They choose the length of the rental (from a weekend to a week) then pick up the appliance at one of the collection points or with their shopping delivery. Once they have been returned, the

products are systematically cleaned, checked and re-packaged. This service will take on a new dimension in 2020 in Paris as part of the RépareSeb project (see page 165).

Since 2012, Groupe SEB has expanded the number of initiatives designed to promote **cookware recycling**, in particular in Europe with the Tefal brand (France, Netherlands, Norway, etc.). The operations involve a partnership between the Group, specialist recycling companies and partner distributors. Consumers are encouraged to bring their old products back to the store, in exchange for a discount voucher to purchase a new item. For the second year running, in 2019 the offer involved items made from recycled aluminum (Resource and So Recycled ranges). The used products are collected before being sorted and crushed. The main materials (aluminum, stainless steel and plastic) are separated, then recycled to manufacture new products, including cookware.

In 2019, in France, this campaign involved the Leclerc stores (partner since the outset), Géant, Boulanger, BHV, etc. Since 2012, all these campaigns have resulted in the collection and recycling of 940 tons of cookware, representing around 1.4 million cookware items. In the Netherlands, the renewed campaign with Blokker and Marskamer involved 32 tons (close to 140 tons in four years). Norway has also contributed, via a hundred or so stores. In Asia, Thailand has been running similar campaigns since 2013. In this country, the products collected are given to a local association which makes prostheses (artificial legs), mostly from aluminum.

Campaigns to collect and recycle frying pans and saucepans are being rolled out in ever more countries. In 2019, they took place in the United Kingdom, Belgium, Greece, Romania, Egypt, etc.

The Eurêcook service is part of our sustainable consumption initiative for more than one reason. From an ecological perspective, it is in keeping with the optimization of natural resources (a single product is used more often) and the packaging is re-usable and eco-designed (cellular polypropylene). From an affordability perspective, due to its lower cost of use, Eurêcook makes appliances more affordable for economically vulnerable people. Lastly, it uses a local inclusive employment company (ENVIE) to take care of product cleaning, testing, repackaging and logistics, from its workshop in Trappes.

(1) French Agency for the Environment and Energy Management.

## PRODUCTS WITH MULTIPLE LIVES

### GRUPE SEB TARGET

- Trial business models that give a new life to Group products

### RE-USE OF SMALL ELECTRICAL APPLIANCES

When consumers return products, for example as part of after-sales service or in response to specific sales offers, and they can still be used, the Group makes every effort to give them a new life rather than shipping them off for dismantling or recycling. All the more so when most of them are almost new.

Thus, of the products returned to the Group's site in Alençon through distributors' after-sales services, most have not been used much and have a single fault. Since 2017, Groupe SEB France gives them to the ENVIE Anjou inclusive employment association. It dismantles and repairs defective products at its workshop near Angers before reselling them at a bargain price in its store with a one-year guarantee. Thanks to this partnership, the association put over 5,500 appliances back into circulation in 2019 that would, otherwise, have been destroyed. Over a three-year period, it has also allowed 15 people caught in an unemployment trap to get back working. The future RépareSeb center in Paris (see page 165) will incorporate a similar project.

In the United States, the Group has introduced a similar scheme, which it manages internally. After checking and any repackaging, products without defects are put back into stock for sale through the traditional channels, whereas products classed as seconds are resold through specialist channels (e.g. wholesalers) and products that cannot be repaired are given to disassembly/recycling companies. In Mexico too, products with minor defects are sold to wholesalers or other bodies at a reduced price.

### REFURBISHMENT OF FRYING PANS AND SAUCEPANS

The **All-Clad** brand extends the lifetime of products with an unprecedented offering. Since 2015, it has offered its catering customers second-hand frying pans reconditioned at the Canonsburg plant in the United States. The All-Clad pans, recovered from chefs, are disassembled, cleaned, returned to their original condition, brushed, and polished for a pristine result. They leave the plant looking as good, and working as well, as when they were new, but at half the price and with much less of an impact on the environment (95% less energy consumed). This ENCORE range has received support from a number of chefs. 5,000 frying pans have been reconditioned within the past five years.

In 2019, in France, Tefal received the support of ADEME to study the retreading of stainless steel frying pans. This will start in 2020.

## 3.10. Climate action



CONTRIBUTE TO THE FIGHT AGAINST CLIMATE CHANGE THANKS TO OUR LOW-CARBON STRATEGY



From the design of a product to the end of its life, the Group takes measures to limit its environmental footprint (eco-design, eco-manufacturing, eco-logistics, recycling, etc.) and contribute to combating climate change. It does so by using its product **eco-design guide** and **ISO 14001** international certification. In the factories, offices, laboratories and warehouses, all Group employees and contractors 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 Environment, Health and Safety Coordinators. Information on Groupe SEB's environmental expenditure is available on page 261.

The data given below are for a worldwide scope for ISO 14001-certified entities <sup>(1)</sup>. They include the WMF sites in Europe and Supor sites in Xiangsu, certified in 2018.

The SEB Campus head office in Écully joined the reporting scope in 2015.

Data concerning new acquisitions will be included progressively, as and when they are integrated into the various Group processes. The 2019 data is thus exclusive of EMSA and WMF (aside from WMF's European sites that were included in the reporting scope this year).

3

### ANALYSIS OF THE GROUP'S GREENHOUSE GAS EMISSIONS

In 2017, Groupe SEB launched an assessment of the greenhouse gases (GHGs) emitted along the entire length of its supply chain. This analysis was performed according to data for 2016 with the help of the consultancy firm Deloitte. It distinguishes scope 1 and 2 greenhouse gas emissions that are directly linked to the Group's production activities from so-called indirect scope 3 emissions.

**Scope 1:** emissions linked to the consumption of fossil fuels (mostly natural gas) used for certain industrial processes or to heat buildings on the Group's ISO 14001-certified industrial and logistics sites.

Scope 1: 58,049 tCO<sub>2</sub>eq

**Scope 2:** emissions caused by the consumption of electricity bought on the Group's industrial and logistics sites.

Scope 2: 149,106 tCO<sub>2</sub>eq

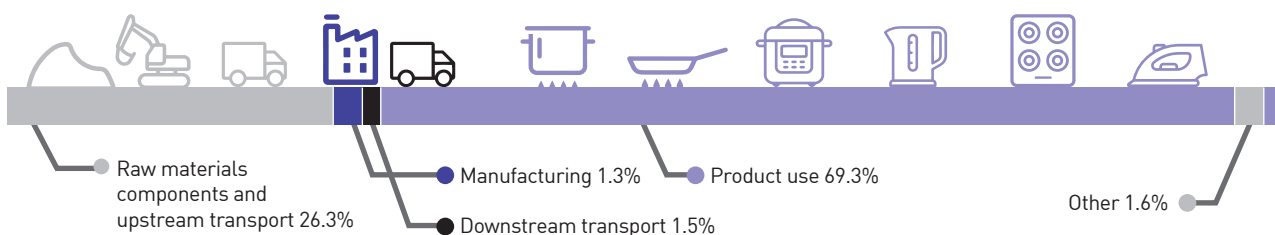
Scope 1 and 2 emissions (207,155 tCO<sub>2</sub>eq) consist of the Group's emissions from its plants and logistics sites (see eco-manufacturing section on page 173).

**Scope 3:** indirect emissions that are not directly linked to the manufacture of products (e.g. purchases of goods and services, the use of products sold, and downstream and upstream transport).

Scope 3: 15,473,978 tCO<sub>2</sub>eq

Groupe SEB's total emissions in 2016 amounted to 15.7 million tons of CO<sub>2</sub> equivalent. These break down as follows:

#### BREAKDOWN OF GROUPE SEB'S ANNUAL GREENHOUSE GAS EMISSIONS



(1) Certificates obtained by sites prior to their acquisition by Groupe SEB were not taken into consideration.

## GLOSSARY

**Raw materials, components and upstream transport:** emissions linked to the extraction of raw materials and the processing of materials and components by Groupe SEB. This includes emissions generated by purchasing services such as upstream transport.

**Production:** emissions linked to the energy consumed by the Group's industrial and logistics sites (combustion of fossil fuels and electricity consumption) = scopes 1 and 2.

**Downstream transport:** emissions linked to transportation of the Group's finished products from the plant to customers' warehouses.

**Use of products:** the calculation of emissions linked to the use of products takes into account the electricity consumed by small electrical appliances, the gas and electricity required for operation, and the washing (in hot water) of cookware. For every product category, the calculation considers their hypothetical use over the year and the sales volume.

**Other:** this emissions item covers various types of emissions that are not very significant if taken separately. It includes, for example, emissions linked to Group employees' journeys to work, business travel, and consumers' trips to stores. It also includes emissions linked to the end of life of products.

## METHODOLOGICAL NOTE

The emissions factors used are taken from databases (that of the International Energy Agency and the carbon database of ADEME <sup>(2)</sup>). There is a degree of uncertainty in the GHG Protocol's calculation method, since it is based on average emissions factors and given the number and type of data requested. It nevertheless provides information about the proportions of the Group's main emissions items, which serve as a useful guide for its strategies to reduce its carbon footprint.

To calculate the Group's carbon footprint, the teams used the eco-production reporting data for scopes 1 and 2, and the life cycle studies for the different product families for scope 3. The GHG emissions generated by product manufacture, described in the "Eco-manufacturing" section, and the GHG emissions linked to logistics presented in the "Eco-logistics" section, are monitored by a dedicated reporting system.

Products that have contributed to GHG emissions account for 94% of sales by volume and 98% by revenue. This assessment confirmed that the main priorities for improving the Group's carbon footprint are:

- products and their use;
- raw materials;
- transport of products and components;
- product manufacture.

## TARGETS: SHORT AND LONG-TERM

Groupe SEB has set itself ambitious targets to reduce its carbon footprint:

### 2020 TARGETS

In 2013, the Group set out an initial series of 2020 targets:

- 20% lower energy consumption by electrical products (base year: 2013).

Progress at year-end 2019: **down 11%** on reference products.

As part of the international Science Based Target initiative (see below), the Group has undertaken to reduce the environmental footprint of its electrical products during use. Eco-design projects and developments in technology will enable significant reductions in energy consumption. That is already true for steam generators, hair dryers and kettles;

- 20% lower energy consumption by production plants (base year: 2010).

Progress at year-end 2019: **21.3% reduction** at constant scope <sup>(3)</sup>;

- 20% minimum recycled materials in the new products and their packaging.

Progress at year-end 2019: **35%** for products manufactured by the Group;

- 20% lower greenhouse gas emissions from the transportation of products and components (per product sold) (base year: 2013).

Progress at year-end 2019: **33% reduction.**

<sup>(2)</sup> French Environment and Energy Management Agency.

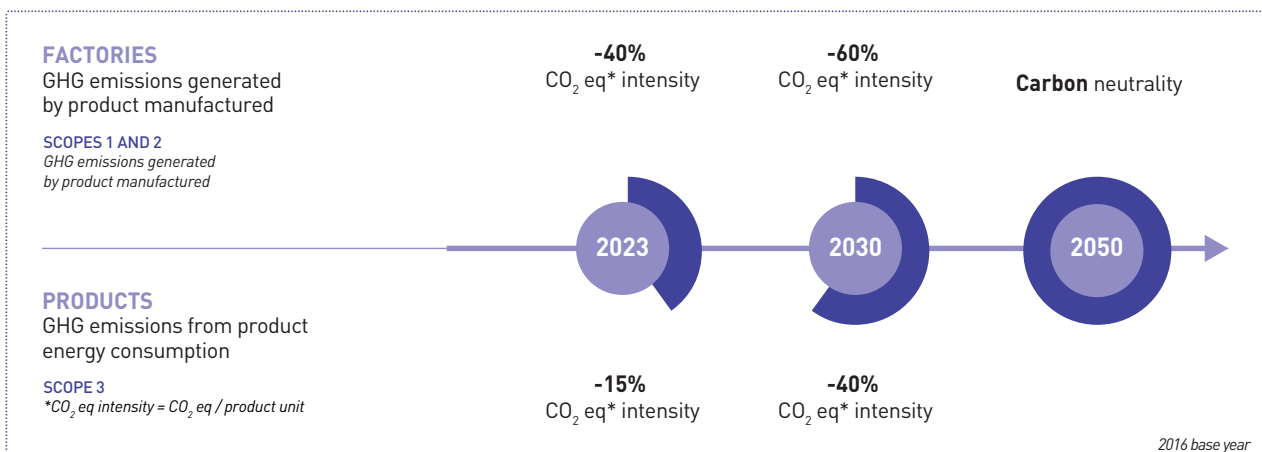
<sup>(3)</sup> Covers all the industrial and logistics sites within the 2010 sustainable development reporting scope.

## LOW-CARBON SCIENCE-BASED TARGETS

To strengthen its contribution to combating climate change, in 2016 Groupe SEB joined the Science Based Targets initiative launched by the WWF, alongside the Global Compact (UN), the WRI (World Resources Institute) and the CDP (Carbon Disclosure Project). This initiative encourages large companies worldwide to align their greenhouse gas emission reduction targets with the IPCC's

recommendations for limiting the average global temperature rise to below 2° C by the end of the century.

In 2018, the Group set out its own short and long-term SBT targets, that pick up on its 2020 targets. They were officially approved by the SBT Initiative (SBTi) in early 2019. Groupe SEB is thus amongst the 100 leading companies worldwide to have brought their low-carbon strategy into line with the Paris Accord.



The Group established special governance to achieve these goals and specify the necessary course:

■ the “product manufacturing” low-carbon strategy (scopes 1 & 2) is defined and controlled by a low-carbon Steering Committee coordinated by the Sustainable Development department. It brings together representatives from the Cookware and Small Electrical Appliance Industry departments, the Quality Standards and Environment department, the Purchasing and Management Control department. This committee follows the environmental road-map, that more broadly covers all issues pertaining to environmental conservation. At its first session in July 2019, it set out the strategy’s two priorities:

- reduction in greenhouse gas emissions from plants,
- the increase in their renewable energy sources.

Three driving forces have been identified:

- optimizing energy consumption: energy audits, roll-out of an energy indicator (kWh/product unit) within manufacturing operations, choice of less carbon-intensive energy sources, etc.
- increasing the proportion of renewable energy: on-site energy generation with solar panels,
- purchasing green energy: Renewable energy certificate, and so on;

■ the “product energy consumption” low-carbon strategy (scope 3) is coordinated via the eco-design road-map. In 2019, under this road-map, two dedicated meetings were held for each product category to adjust the action priorities to its particularities.

To strengthen its environmental approach, the Group worked with the WWF NGO, which supported it with multiple specific projects including, in 2018, the formalization of SBT targets and its eco-packaging policy (see page 173).



## ECO-DESIGN

### ECO-DESIGN GUIDE

Groupe SEB's eco-design policy aims to reduce the environmental footprint of the Group's products throughout their life cycle. To move forward with this policy, it is supported by an **eco-design guide** that clearly incorporates every stage of the life cycle of products and their packaging (extraction of raw materials, manufacturing, transport, use and end of life). 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, replacement of unpopular substances, etc. For each eco-design priority, the guide states 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.

This guide is a key tool in meeting the Group's environmental targets. It has been distributed to the entire innovation community, i.e. the Marketing, R&D, Design, Purchasing, Quality and Legal teams. Its introduction was underpinned by a major **training** initiative in 2014/2015, and since then additional training has been regularly organized for the development teams. In 2019, the Group developed a new eco-design training module, extended to a broader audience (Innovation, Marketing, Design, Development and Quality teams) from a more operational perspective given the ramp-up in demand for eco-designed products. The goal is to help them better understand eco-design concepts and challenges, to understand the opportunities they represent in their area, and to make the most of them by using the resources provided by the Group (tools, case studies, monitoring documents, etc.). Two pilot sessions brought together 30 participants in 2019 with a view to an upcoming roll-out in France and later abroad.

Above and beyond the eco-design priorities set out in the guide, the Group favors any initiative designed to increase the eco-responsibility of Group products. Thus, wooden handles from the Natura cookware range and the Ingenio Wood utensils, launched in 2019, are manufactured using FSC certified wood from responsibly and sustainably managed forests.

Moreover, in order to speed up the process, the Group included an annual eco-design target into the road-map of the Marketing managers of the various product categories.

### LIFE CYCLE STUDIES AND ENVIRONMENTAL PROFILES

The Group regularly updates its **product life cycle (PLC) studies**. These significant studies <sup>(4)</sup>, which measure the various impacts of products on the environment, enable us to focus our research on reducing their ecological footprint. In 2019, 75% of families of products defined as the most significant were covered by a life cycle analysis. A new PLC study was done on blow-brushes and those relating to hair dryers and garment steam brushes were completely reviewed.

A special effort was made in 2018 to make the methodology more robust and to include new data from recyclers, particularly in partnership with Ecosystem, the main French eco-organization.

In 2016, the Group undertook to establish the environmental profile of each product family through summary fact sheets for internal use. Based on the results of the PLC study, they respond to 3 questions: Which stage of the product life cycle affects climate change the most? What resources are required to manufacture the product and make it work? What ways are there to reduce the impact on the climate and resources? Designed with the participation of the Development, Marketing and Quality teams, these facts sheets are available on the Intranet. They are both awareness-raising materials and a tool to assist with targeting eco-design efforts. Two new fact sheets were distributed in 2019, raising the number of environmental profiles done to date to 12.

### ENERGY EFFICIENCY

Over the whole product life cycle, close to three quarters of the carbon impact comes from their energy consumption during the use phase, which far outstrips the figure for the manufacturing phase (1.3%). Aware of the importance of the energy issue, since 2015 the Group has ramped up its coordination of such initiatives. It is concentrating its efforts on **about fifteen priority product families**, those with the greater impact on electrical consumption in terms of their individual consumption and the volumes sold. For each one, the Group defined a standard method for calculating consumption and energy efficiency, as well as one or two standard products that will be used as a benchmark for measuring progress.

In the case of **kettles**, for example, aside from temperature setting functionality, which has already been incorporated, the Group is working on multiple areas of improvement, in particular to help consumers to only heat the amount of water they need. There has also been an emphasis on **hair dryers** with all new ranges released in 2019 now using the Effiwatts technology: on a like-for-like performance basis appliances consume on average 20% less energy than the benchmark models. Another product family that has improved its energy profile since 2018: **fans**. The Air Protect Eco (Samurai) fan now uses 50% less energy than the benchmark model, achieving the same performance level.

In previous years, the Group had already made significant progress on **vacuum cleaners**: in three years (2014-2017), the Marketing and R&D teams redesigned all the cylinder vacuum cleaner ranges, reducing energy consumption by 70% with no trade-off in terms of cleaning power or noise level. Since 2015, all new Rowenta models are under 900 watts, two years ahead of EU regulations. Progress is ongoing with new models released in 2019 only at 450 watts. To achieve this level of performance, the Group developed low input/high output motors, designed more effective suction nozzles and improved all air flows to reduce charge losses.

(4) Life cycle studies conducted on the most representative models of each of the Group's product families in terms of technical features, sales and geographic distribution.

To reduce the energy footprint of its products, the Group is also encouraging consumers to properly adjust their appliances. For example, in an increasing number of **steam generators**, the product automatically starts in “eco” mode rather than in standard mode. This initial default setting removes the risk of the consumer using a setting that is potentially more than they need.

## ECO-PACKAGING

### GROUPE SEB 2023 TARGETS

- Zero plastic packaging
- Zero expanded polystyrene
- 90% recycled fibers

The Group’s eco-design policy includes product packaging. It is aimed at ensuring that it correctly fulfills its protective, storage, transport, information and handling functions while minimizing its environmental impact. In 2018, the Group standardized and formalized its responsible packaging policy with the support of the WWF (WorldWide Fund for Nature). It is produced and co-signed by the Sustainable Development department and the Purchasing department, and has 10 targets.

The use of 90% recycled fibers, the elimination of internal plastic packaging and expanded polystyrene are the top three priorities for 2023. In any event, the packaging must be designed along with the product, minimizing empty space and the amount of materials needed, while guaranteeing product quality. Packaging that is difficult to recycle must be limited and any superfluous packaging avoided. Suppliers are also strongly encouraged to use FSC certified cardboard sources. For printing, inks must be water or plant based, without mineral oils. With regard to inserted documents (user instructions, safety recommendations, etc.), the Group wants to make these paperless and so reduce the amount of paper used. Consumers will be made more aware of waste sorting and recycling, through information given on the packaging.

As regards the **elimination of plastic packaging**, many products achieved this in 2019, including the 5-second mini meat mincer (Tefal), 600,000 of which were sold, equating to the same number of plastic wrappers avoided. The Cookeo pressure cooker (Moulinex) plans to follow suit in 2020 and it is also planned for the transport of Tefal frying pans manufactured in Rumilly.

## ECO-MANUFACTURING

### GROUPE SEB 2023 TARGETS

- 100% of plants ISO 14001 certified

Since 2003, the Group has adopted a worldwide environment management system. This system aims, first and foremost, to prevent pollution, control the use of resources (energy and water) and reduce waste. This approach translates into **ISO 14001** certification of sites based on compliance with applicable laws and regulations, and the principle of ongoing improvement in environmental performance and prevention of pollution.

As regards the **substitution of expanded polystyrene** wedges, this has already been done for the Steam’Up steam cooker (Moulinex) using a clever cardboard padding system. Other solutions are being examined, in particular using “honeycomb cardboard”, an option already in use over the past number of years for Rowenta vacuum cleaners manufactured in Vernon. Molded pulp packaging is another possible alternative.

With regard to the level of **recycled fibers**, the packaging used at the European production sites is already above the 90% target with Asian sites not far off. The Group is thus focusing its efforts on the Americas.

Beyond these three priorities, there are other examples of progress on eco-packaging in 2019. For example, bakeware (Kaiser) intended for the 8,000 counter displays designed for retailers are no longer individually wrapped but stored in bulk until placed on the counter display, before being sent to the outlets. Performance over the past year: 6.5 tons of cardboard and 600 kilos of plastic saved. In the Spiralizer vegetable cutter (Tefal), the paper instruction leaflet was removed and replaced with a digital version, which can be downloaded from the brand’s website.

## RECYCLABILITY AND USING RECYCLED MATERIALS

See page 166.

## REPARABILITY

See page 164.

## UNPOPULAR SUBSTANCES

See page 118.

## ECO-INNOVATIVE PROJECTS: BEST PRACTICES FOR SHARING

In order to share best practices, each plant and logistics site worldwide is invited each year to present at least one **eco-innovative project** designed to reduce the environmental impact. Five areas of action are identified: reducing energy consumption and using renewable energy; energy and environment management; reducing waste and recycling; reducing water use; biodiversity protection. Since 2014, this challenge has made it possible to create a database of close to 200 best practices for sharing.

The 2019 challenge brought together 53 projects across 30 sites and entities, over half of which are related to energy. Three projects in particular stood out for their innovative and reproducible nature, the significant environmental benefit they offer and their quick return on investment:

- the Selongey site (France) started a project designed to reduce water and energy consumption from the washing and degreasing of stainless steel parts when manufacturing pressure cookers. The replacement of the existing wash tunnels with more efficient equipment will allow significant environmental savings: 50% of natural gas, 10% electricity and more than 70% of water. A first tunnel washer was changed in 2019 and the three others will be shortly;
- on the EMSA site in Emsdetten (Germany), the emphasis was on reducing waste and protecting water resources. The goal was to eliminate any risk of the dispersal of the plastic granules used in the manufacturing process to prevent them from getting into the wastewater and then into nature in the form of micro-plastics. Recovery systems were therefore installed in the various areas in which the granules are used. This was accompanied by a campaign to raise the awareness of teams regarding the protection of the oceans;
- the third project, implemented in Lourdes (France), involves energy savings with the installation of a next generation variable speed compressor. Aside from its improved energy efficiency, it allows heat to be recovered for building heating and improves working conditions by virtue of the fact that it is quieter.

## REDUCING THE SITES' CARBON FOOTPRINT

To achieve its "low carbon" targets for product manufacturing (scopes 1 and 2, see page 171), the Group acts on the two main drivers: reduction in energy consumption and use of renewable energy.

### Using less energy

In 2019, the Group rolled out an energy management **standard**, based on the essential requirements of **ISO 50001**. It was incorporated into the online audit manual and will be gradually applied to all sites, harmonizing practices in terms of organization, energy monitoring, training, etc. Several of the Group's sites that are already ISO 50001 certified have made considerable advances in this area: Erbach (Germany), Rumilly and Tournus (France), most of WMF's European sites and the EMSA site in Emsdetten. In France, the Group provided

the sites with detailed technical documentation on the energy optimization of compressed air, lighting, heating and air-conditioning installations.

On the Group's sites worldwide, the search for energy efficiency has led to a multitude of actions that can be shared as good practices.

**Here are some examples:**

- In China, in 2017-2018 the Supor site in Shaoxing changed its 170 **molding machines to plastic injection** replacing a very energy intensive heating coil with a new insulation strip resulting in 30% less energy consumption. Moreover, its surface temperature, which is markedly lower, improves operator comfort. In 2019, the Hangzhou site installed this mechanism on all its molding machines. Along the same lines, other Group sites made progress in 2019 on the plastic injection insulation sheaths, in particular the ones at Emsdetten (EMSA) and at Mayenne in France. The Xiangsu site (China) launched a program to optimize insulation and the **mold heating system** with the key being energy consumption of close to 50% less when operating.
- The production of **compressed air** is also one of the areas for energy improvement and many sites are making progress on this, including Lourdes (see eco-innovative projects above), Shaoxing, Hangzhou, Shanghai and Erbach.
- In Selongey, optimizing the dust **extraction system** used in connection with the polishing of pressure cooker pots resulted in a sharp reduction in **energy consumption**. It encompasses both the electricity consumed by the three dust extraction systems relating to the reduction in air flows with the outside during winter. The operation has therefore significantly reduced both CO<sub>2</sub> emissions and energy bills.
- In Germany in 2018, the WMF/Silit site in Riedlingen installed a new **energy-saving** ventilation system that also recovers the warm air going out, which reduces heating needs. This system made it possible to significantly reduce energy consumption.
- In Omegna (Italy), where the 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. Meanwhile, the new site in Itatiaia (Brazil) has incorporated environmental considerations from its construction (natural ventilation and lighting and mist cooling system, etc.).

Generally speaking, all the sites are continuing to gradually replace their existing lights (particularly including fluorescent tubes) with LED systems (50% to 75% lower consumption). This operation will not only reduce the energy footprint, but also generate significant savings.

### Developing renewable energy

The Is-sur-Tille site (France) was the first in the Group to install a solar power air-conditioning system for an assembly workshop where the temperature was very high in the summer. Photovoltaic panels supply the electricity needed by the air-conditioning units, and when these units are not in use, it is used for other purposes. This initiative improves working conditions using a carbon-neutral solution.

In 2019, solar panels were installed at SEB Campus in Écully with the goal of covering 20% of its energy consumption as well as at the headquarters of the subsidiary in the Netherlands. Plans for a solar power plant in Colombia were also approved and will shortly become a reality at the Rionegro plant. Other projects are being examined, in particular in France, Italy, China, Egypt, Brazil and Vietnam. It should be noted that the Wilbur Curtis site in Montebello (United States),

which the Group recently acquired, has solar panels that generate over half its electricity (Wilbur Curtis is not yet included in Group reporting).

Since 2010, the Group has reduced the energy consumption of its plants and logistics sites by 21.3%, at constant scope. It is therefore on its way to achieving the target of a 20% reduction that it has set itself for 2020.

## ISO 14001 CERTIFICATION

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

(Worldwide)

<i>(in tons)</i>	2019	2018	2017
Number of certifiable entities	41	34	35
Entities holding ISO 14001 certification *	100%	100%	97%

\* Based on industrial and logistics entities at the end of the year considered (including the Group's head office).

All the entities scheduled for ISO 14001 certification in 2019 successfully earned their certificates. The WMF sites (excluding WMF Heshan scheduled in 2020) entered the consolidated Group in 2019, which explains the increase in the number of certifiable entities between 2019 and previous years.

## CONSUMPTION OF RESOURCES

(ISO 14001-certified entities)

### Direct raw materials

<i>(in tons)</i>	2019	2018	2017
Total consumption of metals	166,707	165,758	161,731
Total consumption of plastics *	100,558	94,247	89,315
Total consumption of packaging	106,546	114,370	105,775

\* This indicator consolidates polymers including plastics and rubber.

Several sites are innovating to reduce the amount of materials used. In Riedlingen, WMF reduced as far as possible the dimensions of the steel disks used to manufacture its stewing pots. For the 24 cm diameter product range alone, the site saved over 32 tons of steel in 2019. At the Rionegro site (Colombia), the optimization of the aluminum smelting process has halved the quantity of material needed to produce a caldero (pressure cooker) and the energy consumption per unit produced has been reduced by nearly 10%. A specific system was also put in place to recycle cast aluminum waste in the manufacturing chain.

### Indirect raw materials

	2019	2018	2017
Total consumption of natural gas <i>(in GWh)</i>	282.9	217.9 *	230.5
Total consumption of liquefied gas <i>(in tons)</i>	4640.2	4857.3 *	3948.7
Total consumption of electricity <i>(in GWh)</i>	385.9	373.4 *	366.6
Total water consumption <i>(in thousands of m<sup>3</sup>)</i>	3394.5	3395.1 *	3533.7
Total consumption of heating oil excluding fuel <i>(in m<sup>3</sup>)</i>	143.3	20.6 *	14.9

\* Data updated.

Total natural gas consumption rose 30% this year. This reflects the change in the scope of reporting, which now includes WMF. Consumption declined 5% at constant scope. With natural gas being the main source of energy for heating at the Group's plants, weather patterns have a significant effect on consumption.

After a start-up year for the cookware business in 2018, the Itatiaia site in Brazil recorded a more stable year in 2019. The decline in its consumption of liquefied gas for the process is partly the source of the 4% drop in the Group's consumption.

The increase in electricity consumption is limited because of a series of energy efficiency measures taken at our production facilities, particularly in China.

Total water consumption was stable: the water savings achieved by the highest consumers offset the expansion of the scope. Certain sites in China did in effect reduce the biggest water consuming processes.

The Hayingen site in Germany, newly included in the reporting, uses heating oil for heating. Its consumption has a strong impact on the Group's data.

### Water supply

In 2019, Groupe SEB consumed nearly 3.4 million m<sup>3</sup> of water worldwide, mainly in cookware manufacturing processes. In addition to the volumes consumed, it is of paramount importance, however, to consider the location of consumption, in order to look at consumption in relation to regions under water stress where water is a sensitive

resource. In 2015, the Group, wishing to assess the risks relating to water and its availability, carried out an analysis of its industrial facilities according to the geographic location of the sites in question, using the Aqueduct Water Risk Atlas reference tool published by World Resources Institute (WRI). This assessment was updated in 2016; with another update ongoing that is scheduled to be completed in 2020.

This analysis showed that none of the Group's plants or logistics sites is in a region under "extreme" or "high" water stress according to the Overall water risk indicator, which measures availability, quality and water-related dispute risks on an aggregate basis. In addition, 20 of the Group's industrial or logistics sites are located in regions exposed to a risk which is considered to be "low" or "low to medium". In the future, the Group will pay particular attention to the 12 industrial and logistics sites located in regions where the risk is considered to be "medium" or "high".

The Group is therefore attentive to the preservation of water resources. Good practices aimed at reducing water consumption and recycling effluents have been introduced on the industrial sites. They are shared as part of eco-innovative projects, as illustrated by the Selongey example in 2019 (see page 174). Many sites are involved in this approach: the Canonsburg site (All-Clad) has therefore implemented a program to eradicate excessive water consumption, while the sites in Hangzhou (China) and Rionegro (Colombia) recycle waste water which, after treatment, is re-used in production or to supply the washrooms. The Rionegro site has also put in place a system for capturing and storing rainwater, covering over half of the site's water needs. In Itatiaia (Brazil), some of the wastewater treated by the water treatment plant is used to clean tools.

### WASTE

Progress is being made in the reduction of industrial waste, capitalizing on practical initiatives. On many of the Group's plants, the largest volume of non-hazardous waste comes from the **packaging of delivered components**. To reduce this, some packaging is now being sent back to suppliers to re-use for future deliveries: in Erbach for the cardboard that protects the iron sole-plates (6.4 tons of waste saved per year), in Selongey for the containers of pressure cooker modules and handles, and also in Is-sur-Tille, Vernon, Shanghai, and elsewhere. In Vietnam, the Binh Duong site (Asia Fan) eliminated the plastic sachets around the fan components.

**Pallets** are also re-used: in Lourdes and Vernon, component delivery pallets have been aligned with the palletization standards of the Group's finished products so that they can be re-used for shipments to customers. Some initiatives also relate to **production methods**, such as in Erbach where optimization of the assembly process of some irons has reduced the amount of glue waste from the rinsing cycles by a factor of three. In Saint-Jean de Bournay (France), the ink-pots in the tampon printing machines are being progressively modified to be able to adjust the volume of ink to production requirements, allowing the quantity used to be reduced by around a third.

(Scope: ISO 14001-certified entities)

	2019	2018	2017
Non-hazardous waste (NHW) ** (in tons)	34,599	26,559.5 *	25,002
Percentage of NHW recycled ** (as a %)	69.3%	58.3%*	61.4%
Percentage of NHW used for energy ** (as a %)	14.9%	18.1%	16.1%
Production of Hazardous Waste – excluding waste oil, effluent and sludge (in tons)	1,991	1,954.1 *	1,912
Sludge produced by internal wastewater treatment plants (in tons)	3,708	3,712.4 *	4,132

\* Data updated.

\*\* Excluding Oils, Metals and Sludge.

The increase in non-hazardous waste is primarily due to non-recurring work waste on site. In 2019, 84.2% of the non-hazardous waste was treated through recycling or used to produce energy. The portions of waste sent to the recycling streams are subject to highly variable local regulations and international context. The Group also records its metal waste: 20,194 tons.

## GREENHOUSE GAS EMISSIONS

(ISO 14001-certified entities)

(in tons of CO <sub>2</sub> equivalent)	2019	2018	2017
Greenhouse gas emissions	241,954	220,995 *	218,426

\* Data updated.

Greenhouse gas emissions rose between 2018 and 2019 (+9%), in line with the inclusion of WMF in the scope. At constant scope, we note, however, a 3% drop in emissions, due to the overall decline in the energy consumption of the sites (see table on consumption of indirect resources, page 175). By number of product unit, greenhouse gas emissions (scopes 1 and 2) are 859 gCO<sub>2</sub>eq / product, down 4.1% compared to 2018.

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 investments, totaling 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 very substantially reduce VOCs.

## PREVENTION OF POLLUTION

Prevention of air, soil and water pollution is the first pillar of the Group's environmental policy, designed to protect the ecological balance around our sites. In 2018, the Group strengthened its tools in this area, putting in place an environmental risk assessment methodology common to all the sites and defining a common standard for emergency response situations.

### Discharges into water

All the sites have preventive systems, for example water reservoirs for extinguishing fires and pipe cut-off systems. Several of them have made significant investments since 2018 in modernizing their wastewater treatment plants, particularly Hangzhou and Shaoxing in China. **Chemical Oxygen Demand** (ISO 14001-certified entities)

Chemical Oxygen Demand (COD) represents the amount of oxygen necessary to oxidize the organic matter and mineral content in a body of water. It is used to measure the degree of organic and chemical pollution of the water. In 2019, Groupe SEB emitted 174 tons of COD from its own wastewater treatment plants.

### Impact on soil

Besides metal stamping (pressure cookers, frying pans and saucepans), surface treatments (non-stick) and the manufacture of certain components that occupy less than 10% of total production staff, most of Groupe SEB's production involves assembly operations. Groupe SEB therefore believes it has no significant impact on or material use of land. In addition, where industrial restructuring resulted in plant closures, Groupe SEB ensured that sites were reclaimed in accordance with local legislation. Where appropriate or required by law, the Group conducts soil and sub-soil surveys, even though the majority of sites are not subject to any such compulsory assessments. Pollution studies carried out at sites that have been operational long term, confirmed that the Group's business does not have any notable impact on the soil and sub-soil.

## Noise and other disturbances

At many sites, management of noise pollution must comply with regulations, and the management of any complaints in this regard must be managed in accordance with ISO 14001. All certified sites therefore have procedures in place to deal with these complaints. Furthermore, noise pollution, light pollution and odors from the Group's sites are insignificant given its operations.

## BIODIVERSITY

In 2019, the Group did a global inventory of the practices of its sites in terms of protecting biodiversity by means of a questionnaire structured by major themes (wetlands, pollinating insects, birds, woodlands, etc.). The most striking and easily replicable initiatives were compiled into a booklet that will be provided to all sites worldwide. The Group encourages all its entities to take steps to protect biodiversity, for example to progressively eliminate the use of plant protection products to maintain green areas. This is already happening at Group headquarters: SEB Campus banned such products some years ago.

The Campus also houses a 300 m<sup>2</sup> **conservation garden**, established in 2016 with the **Vavilov** Institute (Saint Petersburg), the oldest plant gene bank in the world. Groupe SEB joined the network of Vavilov gardens in order to maintain biodiversity and develop healthy and responsible eating. This garden brings together varieties created in Rhône-Alps in the 19th and 20th centuries, old Russian varieties and a collection of wild species. Employees at the Campus can sign up for workshop on aspects of gardening, which are run monthly from March to November. This initiative was so successful that the number of workshops will be doubled in 2020 to accommodate more people. The garden can also be self-guided, thanks to information panels.

Many sites created flower meadows such as Emsdetten (Germany) or Is-sur-Tille (France). The latter installed a **swallow tower** used by a colony of swallows as a place to give birth and set up a home in a place where they were not usually found. Between 50 and 150 hatchlings

take flight from there each year. Another such tower was also installed at SEB Campus. Other initiatives include: the Rumilly site (France) has hives; at Erbach (Germany), ponies take care of mowing the grass and at Canonsburg (United States) an aquatic biodiversity area was developed, using rainwater harvesting, just like at SEB Campus. Many sites also planted trees, usually fruit trees (Egypt, India, Colombia, etc.).

## ECO-LOGISTICS

### GRUPE SEB 2023 TARGETS

- Product transport 10% less carbon intensive
- (GHG emissions by product transported – 2016 base)

The transport of products as well as raw materials and components used to manufacture them is a major source of Groupe SEB's greenhouse gas emissions. The goal is clearly to reduce them. Reducing the carbon footprint is one of the main priorities of the eco-design guide.

An initial assessment of greenhouse gas emissions related to logistics transport was conducted by the Group in 2009 and its reliability is steadily improving. To improve the carbon footprint of its logistics activities, Groupe SEB is focusing on two main areas: increasing the loading rate of transport units (trucks or containers) and developing new, low-impact transport methods as alternatives to road transport (river transport, rail, etc.).

Groupe SEB's Supply Chain department oversees the Group's eco-logistics policy and strategy. Its eco-logistics unit coordinates all actions, in France and internationally, and consolidates annual data using the Tennaxia sustainable development reporting system. It relies on the logistics managers of the plants and commercial subsidiaries in carrying out this work. In 2018, the eco-logistics unit and the Purchasing teams developed a checking procedure for environmental criteria during transport calls for tender. The aim is to prefer, at the same cost, suppliers who perform best in this area, in particular those that have signed up to the Objectif CO<sub>2</sub> Charter established by the French Ministry of Transport and ADEME. The criteria examined cover fuel-saving equipment, eco-driving, use of alternative fuels, route optimization software, etc.

## GREENHOUSE GAS EMISSIONS

(Worldwide)

(in tons of CO<sub>2</sub> equivalent)

	2019	2018	2017
Average value of greenhouse gas emissions	241,810	228,744	205,596

The flows concerned in the calculation of greenhouse gas emissions are:

- transportation of components and raw materials between Tier 1 suppliers and the manufacturing site if this belongs to Groupe SEB;
- transportation of finished products between Tier 1 suppliers and warehouses of Groupe SEB subsidiaries;
- transportation of the finished product between its manufacturing site and the subsidiary's warehouse;
- distribution from the subsidiary's warehouse to the client's delivery address.

(5) French Association of Freight Transport Users.

## Fret 21 Scheme

In 2017, Groupe SEB signed up to the Fret 21 scheme launched by the ADEME and the AUTF<sup>(5)</sup> to help companies better incorporate the impact of transport within their sustainable development strategies. This three-year commitment initially applies to the Groupe SEB France subsidiary, which is acting as a pilot. Efforts are concentrated on four areas for the improvement of product import and distribution flows. The actions undertaken since 2017 resulted in the following progress at the end of 2019:

- Increase in the transport unit loading rate: +2.5 pallets/truck on average leaving the Orléans platform compared with 2016;
- Increase in the number of direct deliveries to European customers from the Mions platform or from plants in France, without passing through the subsidiaries' platforms: by a factor of more than 6.6 in 2019 compared with 2016;
- In 2019, 42.4% of transport was performed by rail between the port of Le Havre and the Orléans platform, compared with 35% rail transport in 2016;
- Encouraging haulage firms to improve their sustainable development approaches: at the end of 2019, one-third of the intersite, distribution and international shippers in France were signatories of the Objectif CO<sub>2</sub> program (established in 2016 by the French Ministry of Transport and the ADEME). (for information: 58% of shippers in France were "Objectif CO<sub>2</sub>").

As part of this commitment, Groupe SEB uses the Fret 21 calculator for assessing GHG emissions linked to the global transportation of its products and components. It makes it possible to gradually improve the reliability of the Group's carbon analysis, in particular by reducing the extrapolation aspect.

Since 2005, Groupe SEB has also been a member of Club Déméter, which brings together retailers, logistics partners, manufacturers and public bodies such as **ADEME**, **University of Aix-Marseille** and **Mines Paris**. As a place in which to share thoughts and experiences, the aim of this club is to promote environmentally-friendly logistics and to implement operational solutions designed to reduce environmental impacts.

All modes of transport are included: road, rail, sea, river and air.

Each year, a new audit is carried out and the Supply Chain department seeks to expand the calculation scope for CO<sub>2</sub> emissions to cover new countries. The share of extrapolated emissions is therefore steadily declining.

In 2019, Groupe SEB emitted 241,810 tons of CO<sub>2</sub> equivalent: 24% from maritime transport, 71% from road transport, 4% from air transport and 1% from rail and river transport.

As part of an ongoing improvement approach, the carbon emissions of Brazil, Supor China and EMSA are no longer extrapolated.

## LOADING OF TRANSPORT UNITS

To reduce CO<sub>2</sub> emissions from the transportation of products and components, the Group is continuing to improve the loading rate of transport units. It makes particular use of the **EffyPACK** process (for PACKaging system for supply chain EFFiciency) and the PackSoft software that improves palletization. In 2019, it started to use a new TMS (Transport Management System) software package to optimize the container loading plans. This system makes it possible to fill the

same container with products corresponding to different suppliers, references and orders. This provides greater flexibility to better adjust to the order levels of trading subsidiaries while ensuring the container is as full as possible.

The Group is also endeavoring to reduce the **empty space inside packaging** as much as possible. Transporting less empty space means emitting less CO<sub>2</sub> while cutting costs. Since 2017, this parameter has been part of the product design/development process and the teams concerned (R&D, Marketing, Quality, etc.) have been trained in this topic via e-learning. In 2018, the eco-logistics unit developed a tool for estimating the economic (avoided expenses in €) and ecological (avoided CO<sub>2</sub> kg) savings obtained by optimized product design aimed at minimizing empty space in the packaging. It tested it with multiple teams and showed that a minor change could have a major impact, even without modifying product design. Therefore, in the case of an office fan (project currently being studied), simply separating the head and base of the fan during packaging (by removing a screw that is then reinserted by the consumer) makes it easier to arrange the different product components. This results in a significant reduction in packaging volume and empty space, and a net increase in number of products per pallet. The approach continued in 2019.

	2019	2018	2017
Container loading rate	83.9%	84.1%	84.2%
Truck loading rate (intergroup shipments) *	63%	62.1%	65%

\* Intergroup shipments refer to shipments from plants to consolidation platforms (Rumilly P2 and Mions) or subsidiaries' warehouses, as well as to shipments between consolidation platforms and subsidiaries' warehouses.

Containers departing from China have a loading rate of 83.6%. Containers departing from Europe have a loading rate of 87.1%. These performances are close to the optimum for maritime transport.

## SELECTING AND ORGANIZING MODES OF TRANSPORT

The Group also fosters research into transportation solutions with a lower environmental impact. For long distances, primarily departing from China, the maritime route emits the lowest levels of CO<sub>2</sub> 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 CO<sub>2</sub> emissions per ton 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 prioritizes **non-road transport, i.e. transport by rail and river**. To improve oversight of this initiative, the Group uses a **tracking table to monitor** the percentage of non-road transport in Europe for pre- and post-shipment to/from ports. For each entity (plant, warehouse, commercial subsidiary, etc.), changes in this percentage have a two-fold impact in terms of cost and CO<sub>2</sub> emissions. In 2019, the percentage of non-road transport in Europe (EMEA) was 36%. In Germany, for instance, the review, in 2016, of the transportation of

containers from the port of Hamburg to the Duisburg platform resulted in all the traffic being switched from road to rail: instead of arriving in Hamburg then being transported to Duisburg by road (330 km), containers now arrive in Rotterdam and travel by rail to the platform (120 km). Results: 98% fewer CO<sub>2</sub> emissions, at a lower cost (-41%). A similar process was completed in the UK. In France, Groupe SEB has had the MedLink Port label since 2015. This distinction is given to the biggest users of the river route (the Rhône) departing from the port of Fos (Groupe SEB is in the top 3).

In the event of an urgent supply of components, the Group prefers insofar as possible trains rather than planes, in particular between China and Europe. Rail times are half the time required for maritime freight (3 weeks on average compared with 6 for ships and 2 for planes), which is often sufficient. In terms of carbon footprint and financially, it is much more favorable than planes (-94% CO<sub>2</sub> emissions). In 2019, the Pont-Evêque site put in place a procedure for such distant urgent supplies by rail. The result was a 430 tons reduction in greenhouse gas emissions in one year.



## TERTIARY SITES AND IT

### REDUCING THE CARBON FOOTPRINT OF IT EQUIPMENT

Groupe SEB is implementing an eco-responsible IT policy based on the 72 Green IT best practices benchmark drafted by the collaborative platform Opquast (Open Quality Standards). Its activities in this regard strive to make progress in several areas:

#### Eco-friendly printing policy

In 2018, the Group completely renewed all its multi-functional printers in Europe (740 printers in 2019). The new generation of printers have improved environmental performance, particularly in terms of energy use (optimized standby mode). Moreover, the program to reduce the number of printers in service and make the shared use of multi-functional machines more widespread is gradually being extended internationally. It helps reduce the amount of printing, which fell 18.5% in two years (2017-2019), the equivalent of 150 trees saved. Efforts to promote eco-responsible printing are growing in the subsidiaries: in Mexico, for example, the awareness raised in 2019 made it possible to reduce the number of pages printed by 40%.

#### Processing of end-of-life equipment

In France, computers and telephones at the end of their useful lives have been given, since 2012, to the company Dataserv, which calls on companies working in the protected sector to dismantle the products. In eight years, more than 11,400 devices have been managed in this way. The Group also donates some equipment to associations or schools that request it. The practice is governed by a procedure that was formalized in 2018 and rolled out to all the entities worldwide. It specifies the technical and administrative rules to follow (formatting, data erasure, licenses, etc.) and aims to ensure that the beneficiaries match the Group's values.

#### Computer servers that emit less greenhouse gas

The Group's IT infrastructure rationalization project, launched in 2016, has resulted in its applications being hosted in two data centers operated by Equinix, in the Paris region. These two sites are committed to an energy efficiency approach, as attested by their ISO 50001 certification. They are 100% powered by renewable energy from hydroelectric power stations.

#### New ways of communicating as alternatives to travel

The growing use of the instant communication software Skype had a non-negligible effect on reducing travel: in 2019, it meant that over 11,000 meetings could be held on average each month, plus around 500,000 one-to-one connections. The videoconferencing system, for its part, recorded an average of 148 video conferences a month (average length: 2 hours 40 minutes).

At the end of 2018, the Group carried out a self-assessment of 72 good practices from the Opquast benchmark, to measure how far it had traveled since the previous assessment (2013) and identify areas for improvement. In five years, the Group had increased the number of good practices implemented from 39% to 69.5%. Of the areas needing improvement, several involve staff awareness, in particular in terms of best practice in printing and the use of search engines.

### PROMOTING EVERYDAY ECO-FRIENDLY ACTIONS

All over the world, the Group encourages its staff to adopt more eco-friendly behavior and all sites, including the plants and logistics platforms, take initiatives to promote eco-friendly actions. For example, the elimination of water bottles and disposable plastic cups is quickly spreading through the Group. Depending on the site, it is accompanied by the handing out of reusable water-bottles or mugs (EMSA mugs have been successful) while we are seeing the widespread installation of water fountains. In some cases, the initiative comes from the employees themselves: for example, the Kitchenware team in Rumilly (France) has come up with several internal challenges to reduce day-to-day waste.

The many awareness raising actions carried out during sustainable development week (see page 113) also help to promote eco-friendly actions.

## 3.11. Report by one of the Statutory Auditors, appointed as an independent third party, on the consolidated non-financial statement included in the Group management report

### For the year ended December 31, 2019

*This is a free translation into English of the independent third party's report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.*

To the Shareholders,

In our capacity as independent third party, accredited by COFRAC number 3-1058 (scope available at [www.cofrac.fr](http://www.cofrac.fr)), and member of the Mazars network of one of the company's Statutory Auditors, we hereby report to you on the consolidated non-financial statement for the year ended December 31, 2019 (hereinafter the "Statement"), included in the management report pursuant to the requirements of articles L. 225102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (*Code de commerce*).

### THE ENTITY'S RESPONSIBILITY

The Board of Directors is responsible for preparing the Statement, including a presentation of the business model, a description of the principal nonfinancial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators.

The Statement has been prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), the main elements of which are presented in the Statement and available on request from the Sustainable Development Department.

### INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by the requirements of article L. 822-11-3 of the French Commercial Code and the French Code of Ethics (*Code de déontologie*) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with applicable legal and regulatory requirements, the ethical requirements and French professional guidance.

### RESPONSIBILITY OF THE INDEPENDENT THIRD PARTY

On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- the compliance of the Statement with the requirements of article R. 225-105 of the French Commercial Code;
- the fairness of the information provided in accordance with article R. 225105 I, 3° and II of the French Commercial Code, i.e., the outcomes, including key performance indicators, and the measures implemented considering the principal risks (hereinafter the "Information").

However, it is not our responsibility to comment on the entity's compliance with other applicable legal and regulatory requirements, in particular the French duty of care law and anti-corruption and tax avoidance legislation nor on the compliance of products and services with the applicable regulations.

## NATURE AND SCOPE OF OUR WORK

The work described below was performed in accordance with the provisions of articles A. 225-1 *et seq.* of the French Commercial Code, as well as with the professional guidance of the French Institute of Statutory Auditors (“CNCC”) applicable to such engagements, and with ISAE 3000 <sup>(1)</sup>:

- we obtained an understanding of all the consolidated entities’ activities and the description of the principal risks associated;
- we assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate;
- we verified that the Statement includes each category of social and environmental information set out in article L. 2251021 III, as well as information regarding compliance with human rights and anticorruption and tax avoidance legislation;
- we verified that the Statement provides the information required under article R. 225-105 II of the French Commercial Code, where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the information required under article L. 225-102-1 III, paragraph 2 of the French Commercial Code;
- we verified that the Statement presents the business model and a description of principal risks associated with all the consolidated entities’ activities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks;
- we referred to documentary sources and conducted interviews to
  - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented, and
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in Appendix 1; concerning certain risks “Fight against Corruption” and “Human Rights violation”, our work was carried out on the consolidating entity, for the others risks, our work was carried out on the consolidating entity and on a selection of entities <sup>(2)</sup>;
- we verified that the Statement covers the scope of consolidation, i.e. all the consolidated entities in accordance with article L. 233-16 of the French Commercial Code, within the limitations set out in the Statement;
- we obtained an understanding of internal control and risk management procedures the entity has put in place and assessed the data collection process to ensure the completeness and fairness of the Information;
- for the key performance indicators and other quantitative outcomes that we considered to be the most important presented in Appendix 1, we implemented:
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data;
  - tests of details, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities<sup>2</sup> and covers between 21 and 100% of the consolidated data relating to the key performance indicators and outcomes selected for these tests;
- we assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

We believe that the work carried out, based on our professional judgement, is sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

<sup>(1)</sup> Assurance engagements other than audits or reviews of historical financial information.

<sup>(2)</sup> China Shaoxing; Supor China Wuhuan; Seb Do Brasil Itatiaia; Seb Do Brasil Recife-Jaboatão; Calor Pont-Evêque (France); Groupe Seb Moulinex Mayenne (France).

## MEANS AND RESOURCES

Our work was carried out by a team of 5 people between October 2019 and March 2020 and took a total of 6 weeks.

We conducted around forty interviews with the people responsible for preparing the Statement, representing in particular the Sustainable Development Department, the Human Resources Department, the Training Department, the Health and Safety Department, the Environmental Department and the Supply Chain Department.

## CONCLUSION

Based on the procedures performed, nothing has come to our attention that causes us to believe that the consolidated non-financial statement is not presented in accordance with the applicable regulatory requirements and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

3

Paris-La Défense, March 30, 2020,

*Independent third party*

*French original signed by*

**MAZARS**

Edwige REY  
CSR Partner

Thierry COLIN  
Partner

## APPENDIX 1: INFORMATION CONSIDERED AS THE MOST IMPORTANT

### **Qualitative information (actions and results) relating to the main risks:**

- Health and safety conditions at work (prevention actions);
- Organization of the company to take into account environmental issues and the fight against climate change;
- Philanthropic actions (financial and product donations);
- Promotion of Human Rights;
- Fight against corruption.

### **Quantitative information including key performance indicators:**

- Total workforce as of December 31, 2019;
- Lost Time Injury Rate;
- E-Learning Code of Ethics Training Deployment Rate;
- Percent of sites with an overall compliance score greater than 80%;
- Emissions de gaz à effet de serre par produit fini fabriqué (scopes 1 and 2);
- Greenhouse gas emissions by finished products manufactured;
- Electricity consumption;
- Natural gas consumption;
- Production of waste.

# 3

## Corporate Social Responsibility

## 9.6. Cross-reference table, Grenelle II, GRI and global compact

Indicators	Grenelle 2 - Article 225	GRI 3.1	Global Compact	References	
				Universal Registration Document	Website sustainable development section
<b>SOCIAL PERFORMANCE INDICATORS</b>					
<b>Employment</b>					
Total employees	1.a-1	LA1		page 133	Key figures
Breakdown of employees by gender	1.a-1	LA1/LA13		page 137	
Breakdown of employees by age group	1.a-1	LA13		page 138	
Breakdown of employees by geographical region	1.a-1	LA1		page 133	
Breakdown of employees by type of work		LA1		page 137	
Breakdown of employees by employment contract type		LA1		page 135	
Hires	1.a-2	LA2		page 134	
Redundancies	1.a-2	LA2		page 134	
Remuneration	1.a-3	LA3/LA14		page 145	
Change in remuneration over time	1.a-3	LA3		page 145	
<b>Organization of work</b>					
Organization of working hours	1.b-1			page 149	
Absenteeism	1.b-2	LA7		page 149	
<b>Labor relations</b>					
Organization of employee-management dialog	1.c-1	LA4/LA5	3	page 139	
Collective bargaining agreements	1.c-2	LA4/LA5		page 139	
<b>Health and safety</b>					
Workplace health and safety conditions	1.d-1	LA6/LA8	4-5	pages 141-144	Health/Safety
Agreements signed with trade unions in relation to workplace health and safety	1.d-2	LA9		page 139	
Frequency and severity of workplace accidents	1.d-3	LA7		page 143	
Work-related illness	1.d-3	LA7		page 144	Health/Safety
<b>Training</b>					
Policies in place with regard to training	1.e-1	LA11		pages 146-148	Expertise
Total number of training hours	1.e-2	LA10		page 148	
Number of employees receiving regular performance and career development reviews		LA11		page 132	
<b>Equal opportunity</b>					
Measures taken to promote gender equality	1.f-1	LA14		pages 136-138	Fairness and diversity
Measures taken to promote employment opportunities for and integration of disabled people	1.f-2	LA13		page 138	Fairness and diversity
Anti-discrimination policy	1.f-3	LA13		pages 136-137	Fairness and diversity
<b>Governance</b>					
Composition of corporate governance bodies		LA13		chapter 2	Governance
<b>Promotion of and adherence to the ILO's fundamental conventions</b>					
Respect for freedom of association and the right to collective bargaining	1.g-1	HR5/LA4/LA5	3	page 139	Respect for ethics
Elimination of discrimination in employment and occupation	1.g-2	HR4/LA13/LA14	6	pages 136-138	Fairness and diversity
Elimination of forced or compulsory labor	1.g-3	HR6/HR7		pages 128-129	Respect for ethics
Effective abolition of child labor	1.g-4	HR6	4 - 5	pages 128-129	Respect for ethics

Indicators	Grenelle 2 - Article 225	GRI 3.1	Global Compact	References	
				Universal Registration Document	Website sustainable development section
<b>Other actions taken to promote Human Rights</b>	3.e				Respect for human rights
Investment and procurement practices					Responsible purchasing
Percentage of major suppliers and contractors verified as compliant with Human Rights; measures taken		HR2		pages 129-131	
Total number of training hours for employees on policies and procedures regarding Human Rights relevant to their job; percentage of employees trained		HR3		pages 128	
Evaluation					Responsible purchasing, Respect for human rights
Percentage or number of activities for which the organization has conducted Human Rights reviews or impact assessments		HR10	1 and 2	pages 129-131	
Corrective action					
Number of Human Rights grievances filed, handled and resolved according to a Human Rights grievance management procedure		HR11	1 and 2	page 130	
<b>ENVIRONMENTAL PERFORMANCE INDICATORS</b>					
<b>General policy toward the environment</b>					Reducing environmental impacts
Company organization to address environmental issues. Environmental evaluation or certification procedures, where applicable	2.a-1			pages 169-179	Shrink our environmental footprint
Employee training and education initiatives taken with regard to safeguarding the environment	2.a-2			page 113	
Resources allocated to prevent environmental risks and pollution	2.a-3	EN30		pages 169-171	Eco-manufacturing
Provisions and guarantees for environmental risks (unless this information could be detrimental to the company)	2.a-4	EN28/EC2	7 à 9	page 261	
<b>Pollution</b>					
Measures to prevent, reduce or remedy emissions into the air, water or soil that seriously affect the environment	2.b-1	EN22/EN23/EN24		pages 176-177	Eco-manufacturing
Measures to prevent noise pollution and any other form of pollution stemming from operations	2.b-3	EN25		page 176	Eco-manufacturing
Total discharge into water		EN21	7 to 9	page 174	
<b>Circular Economy</b>					The central role of the circular economy in sustainable innovation
<b>Prevention and waste management</b>					
Measures to prevent recycle, reuse, other ways of waste recovery and dispose of waste	2.b-2	EN27		page 166-168	Recycling for reuse
Total waste produced		EN22/EN24		page 176	
Measures against food waste				page 161	

# 9

## Additional information

Cross-reference table, Grenelle II, GRI and global compact

Indicators	Grenelle 2 - Article 225	GRI 3.1	Global Compact	References	
				Universal Registration Document	Website sustainable development section
<b>Sustainable use of resources</b>					
Water consumption and supply according to local constraints	2.c-1	EN8/EN9/EN21		page 175-176	
Consumption of raw materials	2.c-2	EN1		pages 175	
Consumption of recycled materials		EN2		pages 166-167	Eco-design
Measures taken to improve the efficient use of raw materials	2.c-2	EN10		pages 172-173	Eco-design; Eco-manufacturing
Energy consumption	2.c-4	EN1/EN3/EN4		page 174-175	Eco-design; Eco-manufacturing
Measures taken to improve energy efficiency and use of renewable energy	2.c-4	EN5/EN6/EN7		pages 174-175	Eco-design
Land use	2.c-3		7 to 9	page 177	
<b>Climate change</b>					
Significant sources of greenhouse gas emissions generated by Company activities, as well as by the use of the goods and services produced by the Company	2.d-1	EN16/EN17/ EN19/EN20		pages 173-177	Shrink our environmental footprintT
Adaptation to the consequences of climate change	2.d-2	EN18/EC2	7 to 9	pages 169-179	
<b>Biodiversity protection</b>					
Measures taken to preserve or promote biodiversity	2.e-1	EN11 to EN15/ EN25	7 to 9	pages 177-178	
<b>Products and services</b>					
Initiatives to reduce the environmental impact of products and services; scope of these initiatives		EN26	7 to 9	page 164-168 and 172-173	Eco-design; Products end-of-life
<b>Transport</b>					
Significant environmental impacts stemming from the transport of products, other goods and materials used by the organization in the course of its operations and the transport of staff members		EN29	7 to 9	pages 178-179	Eco-logistics
<b>INFORMATION ON CORPORATE CITIZENSHIP COMMITMENTS TO PROMOTE SUSTAINABLE DEVELOPMENT</b>					
<b>Regional, economic and social impact of the company's operations</b>					
With regard to employment and regional development	3.a-1	EC8/EC9		page 154	
On neighboring or local populations	3.a-2	EC1/EC6/SO1/ SO9/SO10		page 154	Good corporate citizen
<b>Relations with individuals or organizations that have a stake in the company's operations</b>					
Conditions for dialog with these individuals or organizations	3.b-1			page 122-124	
Corporate partnership or philanthropy actions	3.b-2	EC1		pages 150-153	
<b>Contractors and suppliers</b>					
Inclusion of social and environmental criteria in the procurement policy	3.c-1	EC6/HR2/ HR 5 to 7		pages 129-131	Ethics, Responsible purchasing
Extent of sub-contracting and consideration of CSR factors in relations with suppliers and contractors	3.c-2		1 and 2	pages 129-131	Ethics, Responsible purchasing
<b>Fair business practices</b>					
Actions taken to prevent corruption	3.d-1	SO2 to SO4/SO7/ SO8	10	page 129	Respect for ethics
Measures taken to promote consumer health and safety	3.d-2	PR1/PR2		pages 157-158	Respect of consumers
<b>Anti-competitive practices</b>					
Total number of legal proceedings for anti-competitive practices, violation of anti-trust laws and monopolistic practices and outcomes of these proceedings		SO7		-	









**Groupe SEB**

Campus SEB – 112, chemin du Moulin-Carron

69130 Écully – France

Tel.: +33 (0)4 72 18 18 18

**2019**  
**WWW.GROUPESEB.COM**

