



BEST PRACTICES - 2013

Groupe SEB today is the world leader in Small Household Equipment, with more than 25,000 employees spanning 50 countries.

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

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



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

COMMUNICATION ON PROGRESS – JULY 2013

Preamble

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

The **Code of Ethics** encompasses all of the Global Compact's principles. Developed through collaborative effort, it has been rolled-out during the 2012 second semester to Groupe SEB's employees worldwide. It formally defines the core rules of conduct that guarantee the Group's ethical principles are respected, in line with its values. The Code of Ethics also provides a common reference framework for the teams, against a background of external growth. In its preamble, the Code of Ethics emphasizes the fact that Groupe SEB goes beyond respecting the laws in force in each country, to also applying the international regulations laid down by the UN, and that the Group is a signatory to the Global Compact. In particular, the Group adheres to the Universal Declaration of Human Rights, to the core conventions of the International Labor Organization (ILO) and to the guiding principles of OECD guidelines for multinational enterprises¹.

The **Responsible Purchasing Charter** applies to all Groupe SEB suppliers worldwide as well as to all of the Group's global buyers. It emphasizes the Group's commitment to the principles of the Global Compact and those of the CECED Code of Conduct², and equally the Group's commitments to its suppliers: objective selection, equal treatment, respecting confidentiality of information, combating corruption, etc. It then describes all the social and environmental requirements expected of suppliers and brings together various documents previously sent out separately (environmental statement, labor statement, etc.).

For each category of principles of the Global Compact, this document sets out a synopsis of Groupe SEB's commitments formalized in its Code of Ethics, along with the key developments of 2012-2013.

¹ OECD: Organization for Economic Cooperation and Development

² CECED: European Committee of Domestic Equipment Manufacturers

HUMAN RIGHTS

Global Compact Principles

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

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

Commitments: excerpts from Groupe SEB Code of Ethics

Responsibility extended to our suppliers

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

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

Health and safety

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

Developments 2012-2013

Self-evaluation with regard to Human Rights

In 2011, all Groupe SEB entities, with more than 10 employees, throughout the world undertook a Human Rights self-evaluation and implemented corrective measures. The Chinese subsidiary, Supor, carried out this procedure for the first time, using the CBSSC³ tool. **99% of workforce are thus covered by a self-evaluation concerning Human Rights.** 2012 was devoted to setting up and monitoring local but also global action plans such as the implementation of a global supplier monitoring tool to cover sustainable development issues. A new level of progress is also expected from the responsible Purchasing Charter, which was set up in 2012 and gives joint responsibility to the Group and its suppliers, in particular in the field of Human Rights. These self-assessments will be renewed in 2013.

Human Rights and external growth

Since 2011, the Strategy Department uses a **questionnaire** on Corporate Social Responsibility into its preliminary take-over studies, based, in particular, on the HRCA Quick Check.

Health / safety measures

The OHSAS 18001 program is progressing within Groupe SEB, with the certification in 2012 of the Supor (China), Saint-Petersbourg (Russia) and Canonsburg (USA) sites. **91.2% of**

³ CBSSC: Chinese Business and Social Sustainability Check

Groupe SEB industrial and logistics entities are now OHSAS 18001⁴ certified (excluding new acquisitions). The objective is to reach 100% of certification by 2015, excluding Asia Fan and Maharaja Whiteline.

In four years, the lost time injuries rate fell from 6.34 to 3.49. Today, the Group would like to go further and create a true culture of safety within its teams, starting with France where there are a large number of sites and where safety performance remains below target. This is the aim of the Sécuri-SEB plan launched in 2011 across all French sites. The plan aims to halve the number of accidents over a 3-year period. This is the first step in a global plan, directed by the highest levels of management, launched in 2012. "Safety in SEB" is overseen by a Group Health & Safety Strategy Committee involving three members of the Executive Committee and by an international Operational Committee.

Responsible purchasing

In addition to a tighter selection procedure, Group suppliers are also assessed through site audits. These audits have become more widespread and in 2012 were partly carried out by the SGS group, which uses a global reference system as its basis. **80 audits were carried out in this way, 34 by SGS**, in a large number of countries: Brazil, China, Colombia, Europe, India, North Africa and Turkey.

In China, the auditors revealed a few non-conformities relating to the non-respect of a weekly day off or exceeding the legal working hours. The Group suspended any new order with the suppliers concerned and issued them with a formal notice to take the necessary corrective measures immediately. Supported by the Group's Purchasing teams, they have one month to present structured plans for fulfilling requirements or be struck off from the panel.

The objective is to audit all of the suppliers in the panel within four years.

Social and environmental clauses in invitations to tender

The Group is gradually including more **social and environmental clauses** in its invitations to tender in France. These predominantly concern the professional integration of disadvantaged or disabled people and the reduction of environmental impact.

⁴ OHSAS 18001: « Occupational Health and Safety Assessment Series », British standard related to Health and Safety

LABOR STANDARDS

Principles of the Global Compact

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

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

Principle 5: the effective abolition of child labor;

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

Commitments: excerpts from Groupe SEB Code of Ethics

Social dialogue

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

Working conditions

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

Equity and diversity

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

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

Developments 2012-2013

Collective agreements

Backed by a long tradition of social dialogue, recently reaffirmed by the Code of Ethics, Groupe SEB signed **131 new collective agreements worldwide** in 2012.

In the United States, All-Clad negotiated a major agreement, which will benefit employees as well as customers and the company itself. It has enabled the introduction of a new and more efficient work system, based on autonomous production cells. A training plan will enhance the versatility required from staff, and therefore also their employability.

The Vietnamese subsidiary, Asia Fan, has signed a collective agreement with the aim of improving the working conditions of its employees. This deals in particular with overtime, salaries, health & safety and training options. In the case of maternity or the loss of a close relative, it also provides for a higher number of days of paid leave than that stipulated by local regulations. In France, the priority has been given to boosting action plans – professional equality between men and women, integration of young people and development of work placement training, maintenance of jobs for senior etc.

Almost **90% of Groupe SEB's staff are covered by a collective agreement**. In countries where the Group has industrial facilities, this percentage stands at 96%.

Non-discrimination and diversity

A signatory of the Diversity Charter in France since 2005, Groupe SEB endeavours to foster its teams' diversity in all aspects: the cultural diversity that is a natural result of the Group's international character, equality between men and women, places allocated to older people, a mix between different ethnic and social backgrounds etc.

In France, the Group is working on the latter with specialist consultancy firms such as Mozaïk RH and the equal opportunities network "Nos Quartiers ont des Talents". It also encourages its temporary work agencies to take the diversity dimension into account. To combat any potential form of discrimination, advice and mediation committees offering equal representation have been set up in the Group, in particular the Diversity Council in France. Groupe SEB has also started work, in partnership with the **LICRA**⁵, on a "Guide to managing religious practices" for use by its managers.

Another component of diversity, disability, is still an important issue for Groupe SEB, which aims to prevent handicap through its Health & Safety policy, as well as ensure the possibility of employment for people with disabilities. **The proportion of employees with disabilities is over 6% in the Group's French sites**. A group agreement on disabilities, to be published every three years, was negotiated with staff representative bodies in France at the end of 2012. They signed it at the beginning of 2013.

Gender equality

The Group is committed to ensuring equal opportunities for all of its employees. Only their professional ability shall be taken into account when it comes to their recruitment, remuneration and development within the Group. Gender equality progressed still further in 2012: **34.5% of management positions were occupied by women**, compared with only 20% ten years earlier. This trend is linked with women's increasing interest in management experience and mobility, in particular moving abroad, and with Groupe SEB's non-discriminatory policy. Training programmes in technical skills were provided in French factories.

Specifically intended for women who want to move on to industrial positions, they enhance women's access to jobs that have traditionally been carried out by men. In terms of remuneration policy, specific budgets have been negotiated to ensure equal pay between men and women.

Training and employability

Since training fuels the development of skills and professional advancement, Groupe SEB aims to help employees at all levels benefit from training. Since 2008, **1,200 of the least qualified employees in France have benefited from training, with the aim of improving their employability**. Once they have taken refresher courses in writing, reading and IT skills, they can then undertake training resulting in qualifications and certificates. Groupe SEB also encourages its non-graduate employees to commit to projects for validating experienced gained, either on an individual or group level. The Group is also working on developing employability for jobs that go beyond its direct workforce. In 2012, 121 temporary staff in Mayenne, France, were prepared for industrial positions.

⁵ LICRA: International League Against Racism and Anti-Semitism

ENVIRONMENT

Principles of the Global Compact

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

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

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

Commitment: excerpt from Groupe SEB Code of Ethics

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

Developments 2012-2013

➤ Production, logistics and tertiary sectors

ISO 14001 Certification⁶

The ISO 14001 program is progressing within Groupe SEB, with the certification in 2012 of the Supor (China), Saint-Petersbourg (Russia) and Canonsburg (USA) sites. **94.1% of Groupe SEB industrial and logistics entities are now ISO 14001 certified** in accordance with Groupe SEB standards (excluding new acquisitions of 2011: Imusa in Colombia, Asia Fan in Vietnam and Maharaja Whiteline in India). Acquired entities are also committed to this approach. The objective is to reach 100% of certification by 2015, excluding Asia Fan and Maharaja Whiteline.

Greenhouse gas emissions

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

Development 2011 / 2012, on a constant scope basis:

- **Direct emissions from industrial and logistics entities:**
3% increase, due to rising consumption of gas for heating buildings
- **Emissions linked to transport of products, raw materials and components:**
13% reduction, despite an increase in Group turnover.

Chemical substance traceability

Groupe SEB requires all its suppliers to contractually undertake to avoid the use of any substance forbidden by the regulations of countries in which products are sold. This

⁶ ISO 14001: Environmental management standard

commitment covers RoHS⁷ / REACH⁸ European directives and involves targeted analysis. In the face of increasingly complex regulations and a rising number of concerned substances, Groupe SEB decided to employ the services of **cabinet EcoMundo's**, to ensure substance management and traceability. Specialized in regulatory compliance linked with chemical substances, EcoMundo provides around 1,000 suppliers concerned with a dedicated internet portal via which they can enter the required information. This specialist organisation manages the conformance of almost 1,000 suppliers concerned.

Towards responsible eco-management of computer equipment

Actions aiming to encourage printer sharing and the adoption of good printing practices have been taken at a global level. In France, this has allowed us to **reduce printing equipment by more than 10 %** and to cut printing costs by more than 40%. Print volumes also decreased by 4% between 2012 and 2011. Another global initiative: **the virtualisation of IT servers**. This project will enable an annual energy savings of 125,000€.

➤ Products

New products with a strong environmental focus

During the creation of products, teams follow the Group's eco-design guidelines, reconciling in particular the lowest use of resources with recyclability.

The sustainable development dimension, which benefits consumers as well as our planet, is expressed in a large number of Group products. These products encourage "home cooking" and a balanced diet, whilst also saving time; the **Rowenta Eco Intelligence** range and fans from Arno and Asia Fan use less energy; Silence AC hair dryers are quieter and offer user comfort etc.

Natura, the environmentally friendly range of Tefal made from 100% recycled aluminium, was expanded to include bakeware and oven dishes and since 2012 now also features new pans with fixed or removable Ingenio handles. These new models are entirely made in France because the brand prioritises local supplies of aluminium (France, Haute-Savoie), minimising the environmental impact of transport. This impact is reduced still further because the manufacturing of recycled aluminium requires 95% less energy than classic aluminium. In 2012, more than a million Natura products were sold worldwide.

Development of product reparability

Favoring product repair over exchange is beneficial not only for the environment but also for the consumer. Set in motion in 2008, Groupe SEB's product reparability policy continues to gather momentum: in 2012, **73% of products sold were designed to be fully repairable** and 93% were partially repairable. the network of approved repair centres is becoming denser: **6,500 in total**, of which 2,800 are in China. They employ the equivalent of around 4,500 technicians, assigned on a full-time basis, to repairing the Group's products. In 2013, 36,000 different spare parts will be available for 7 to 10 years (5 years in 2011) and their price will continue to be cut by 20 to 30%. These price cuts will also benefit consumers

⁷ RoHS: "Restriction Of Hazardous Substances" European Directive limiting the use of certain hazardous substances in electric and electronic equipment

⁸ REACH: "Registration, Evaluation, Authorization and restriction of Chemical substances", European Regulation relating to chemical substance management

buying spare parts, accessories and consumables directly (2,000 items available in a number of countries through the website www.accessories.home-and-cook.com).

Involving consumers in recycling

The sustainable development dimension of a product increases in value throughout its lifecycle and that of its components. In addition to its involvement in collecting and recycling networks organised at state level (eco-organisations in Europe), Groupe SEB is also exploring additional methods. For example, at E. Leclerc stores in France in 2012, consumers received a voucher in exchange for their old pots and pans to spend on a product from the Natura (Tefal) range of recycled aluminium products. This collection, financed by Groupe SEB, enabled the Eco-Systèmes organisation to recover and recycle almost **50,000 cookware items at the end of their lifecycle**.

COMBATING CORRUPTION

Principle of Global Compact

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

Commitment: excerpt from Groupe SEB Code of Ethics

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

Developments 2012-2013

This commitment to fight against corruption is formalized in the Groupe SEB Code of Ethics and in the responsible Purchasing Charter. All employees of the Group were made aware of this issue during the sessions of deployment and training of the Code of Ethics.

Countries/Zones: France, World

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

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