



UNIVERSAL REGISTRATION DOCUMENT AND ANNUAL FINANCIAL REPORT **2020**



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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 369

Universal Registration Document

& Annual Financial Report 2020



€6,940 million

2020 SALES



-3.8%

ORGANIC SALES EVOLUTION



€301 million

2020 NET RESULT



33 000

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 developed over the past few years 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 6, 2021 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



“ For all of us, 2020 will be remembered as the year of an unprecedented health crisis with major economic impacts.

Unlike previous crises the Group has faced—which first impacted the economy—this one took us by surprise, since it attacked our health. As such, we were urgently forced to review our priorities.

Our activity in China meant that we were quickly affected by the pandemic, and our focus shifted to safeguarding the health of our employees. This required protective measures such as masks, social distancing and new hygiene protocol. It also resulted in confinement, with the closure of some manufacturing plants and organized teleworking. All measures depended on local pandemic-related circumstances and

developments. This constant adaptation would not have been possible without the unwavering commitment and agility of all our teams. I would like to sincerely thank them.

In the current difficult context, the Group delivered very satisfying results, which demonstrate the relevance of our business model.

2020 turnover ended at €6,940m, representing an organic decrease of 3.8% and 5.6% as reported. The resilience of annual sales stems from the Consumer business, which was underpinned by a positive trend in household consumption, particularly in products for the home. It was also driven by a sharp ramp-up in online sales as the initial lockdowns were instated, partly offsetting the substantial contraction in in-store sales.

Professional revenue in 2020 was impacted by extremely low business activity in the hospitality and catering sectors. This situation led our customers to suspend, postpone or reduce their investments in equipment (coffee machines) and significantly limited maintenance interventions.

Though down 18.2% from 2019, the Operating Result from Activity (ORfA) of €605m was better than expected, thanks to stronger than anticipated sales in Q4 2020. Groupe SEB reported operating profit of €503m in 2020, versus €621m in 2019.

This year more than ever has shown consumers' enthusiasm for home cooking as well as growth in e-commerce.

Faithful to its corporate mission, the Group brings consumers durable, high-quality and repairable products meeting all their needs, while at the same time developing its range of services and contents. Our strength also lies in our multi-channel distribution model, combining physical retail sales, e-commerce, and social media. This health crisis revealed two key trends: certain practices, such as home cooking, became more widespread, enabling us to demonstrate the relevance of our products and services, and customers increasingly turned to e-commerce, a trend we believe is here to stay.

The Group also stayed the long-term course, smoothly deploying its M&A strategy with the acquisition of Storebound, an expert in online community management.

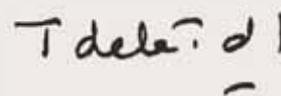
Moreover, we resolutely pursued our innovation, investment and acquisition strategy by leveraging our SEB Alliance investment fund. This year, we welcomed new investment projects—Angell, Castalie and ChefClub—which will bolster the Group's portfolio of new products and services and make daily life easier for consumers. At Groupe SEB, we recognize the challenges that lie ahead. As such, this year, we stepped up our commitment to promoting sustainable innovation and consumption for everyone's well-being.

To all our employees: we could not have weathered this crisis without your strength, courage and commitment. I would like to thank each and every one of you again for the tremendous outpouring of solidarity and generosity, across the globe.

I would also like to extend my thanks to our stakeholders and shareholders who have placed their trust in us and took action by our side throughout the year.

With uncertainty still looming, our Consumer business remains sustained at the start of this year, and we anticipate our Professional business to gradually return to normal, potentially as of the second half of the year. In 2021, we expect to return to organic sales growth and higher Operating Result from Activity. We remain confident in our fundamentals, which will be key strengths as we navigate this period.

Thank you, all of you. ”



Thierry DE LA TOUR D'ARTRAISE
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

DASH

T-fal

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

Silit

WMF

schaeerer swiss coffee competence

HEPP

Curtis Krampouz

PROFESSIONAL BRANDS

PROFESSIONAL BUSINESS

Coffee machines

Other professional equipments



Business model

OUR RESOURCES ⁽¹⁾

STAFF

Nearly **33,000** employees
12h hours/year of training per employee in average
38% female managers

INNOVATION AND DIGITAL

> **1,500** people in the innovation community
3.5% of sales reinvested in innovation ⁽²⁾
>**60%** of media investment in digital

INDUSTRY AND PURCHASING

2/3 of products manufactured in-house
24% of production performed in Europe
€1,7bn direct purchasing
€183m invested ⁽³⁾ i.e. **2.6%** of sales

FINANCES AND SHAREHOLDING

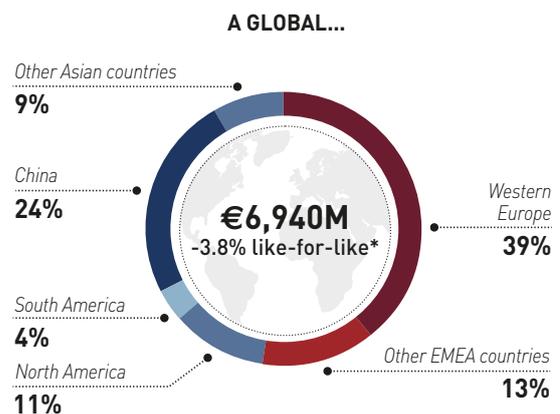
Sales of: **€6,940m**, ORfA of: **€605m**
and profit of: **€301m**
Net debt/Adjusted EBITDA: **1,8** at 31 December 2020
Long-term, major shareholders

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

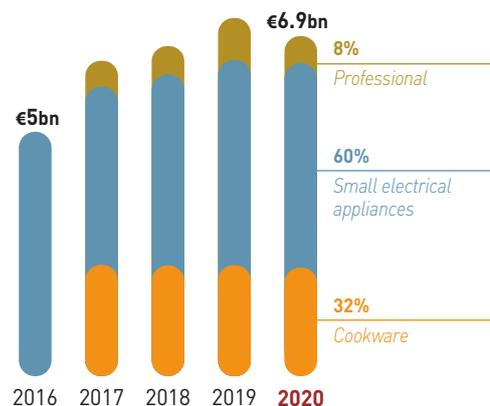
Focus on growth

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



* 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 2020. (2) Net investments in R&D, strategic marketing and design. (3) Cash outflow for capital expenditures.

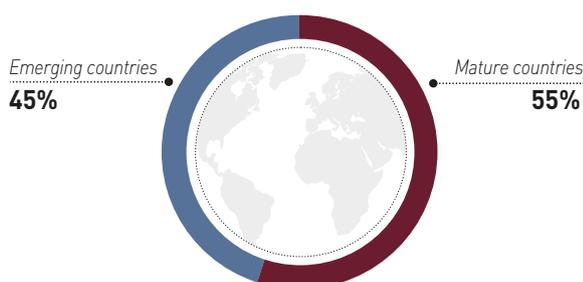
Groupe SEB is the **world leader in Small domestic equipment**.

Its consumer markets are steadily growing, estimated at over **€75bn** in 2020: **over €50bn** for small electrical appliances, **€25bn** for Cookware.

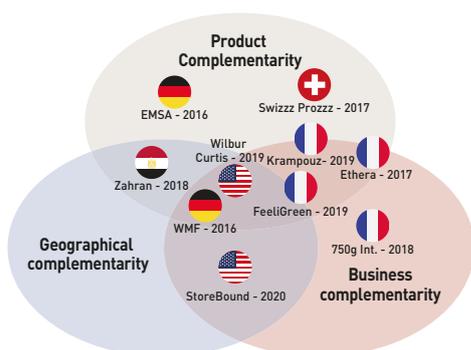
- Multi-channel distribution strategy
- Development in the professional market
- Active acquisition policy

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.

OUR ADVANCES ⁽¹⁾

STAFF

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

INNOVATION AND DIGITAL

443 patents filed
 Nearly **35%** of consumer sales through e-commerce

INDUSTRY AND PURCHASING

Nearly **250 millions** products made
74% of direct purchasing covered by the supplier panel

FINANCES AND SHAREHOLDING

Annual organic sales growth of **5%** in 5 years
8.7% operating margin
 Annual net profit growth of **8%** in 5 years

SOCIETY AND ENVIRONMENT

> 500 projects supported by the Fonds Groupe SEB in 10 years
> 90% of domestic electrical appliances are mostly repairable
-28.5% 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



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

Board of Directors

at 31 December 2020



THIERRY DE LA TOUR D'ARTAISE
Chairman and Chief Executive Officer



DELPHINE BERTRAND
Director – member of the Founder Group, member of FÉDÉRACTIVE



NORA BEY
Director Representing Employees



VENELLE INVESTISSEMENT
Director – member of the Founder Group

DAMARYS BRAIDA
Permanent representative of VENELLE INVESTISSEMENT on the Board of Directors



FÉDÉRACTIVE
Director – member of the Founder Group

SARAH CHAULEUR
Permanent representative of FÉDÉRACTIVE on the Board of Directors



GENERATION
Director – member of the Founder Group

CAROLINE CHEVALLEY
Permanent representative of GÉNÉRATION on the Board of Directors



YSEULYS COSTES
Independent director



JEAN-PIERRE DUPRIEU
Independent director



Peugeot Invest Assets*
Independent director

BERTRAND FINET
Permanent representative of Peugeot Invest Assets on the Board of Directors



BRIGITTE FORESTIER
Director representing employee shareholders



WILLIAM GAIRARD
Director – member of the Founder Group, member of VENELLE INVESTISSEMENT



LAURENT HENRY
Director Representing Employees



JEAN-NOËL LABROUE
Independent director



JÉRÔME LESCURE
Director – member of the Founder Group, member of VENELLE INVESTISSEMENT



THIERRY LESCURE
Director – member of the Founder Group, member of GÉNÉRATION



AUDE DE VASSART
Director, member of the Founder Group, member of VENELLE INVESTISSEMENT



Fonds Stratégique de Participations (FSP)
Independent director

CATHERINE POURRE
Permanent representative of FSP on the Board of Directors



Member of the Audit and Compliance Committee



Member of the Governance and Remuneration Committee

■ Family directors

■ Independent directors

■ Employee directors



* Formerly FFP Invest

17
members

>1/3
independent directors

50%
of women

8
meetings in 2020

97%
attendance rate

with half were held remotely due to the Covid-19 health crisis

Since 1995, the Board of Directors has had two Specialized Committees to help it in areas for which specific skills and meetings are required.

Audit and Compliance Committee

- Identification, evaluation and handling of the main financial risks to which the Group may be exposed;
- Relevance of the accounting methods used to prepare the annual and half-yearly financial statements;
- Communicating to the Board of Directors any useful observations or recommendations;
- Participating in the procedure for appointing statutory auditors and ensuring that they are independent.

5

Meetings in 2020
with 80% in physics

100%

attendance rate

Governance and Remuneration Committee

- Recommendations on the composition of the Board of Directors, the appointment or reappointment of Board members, and the Group's organization and structures;
- Monitoring succession plans, particularly for senior managers and executive officers;
- Proposing the compensation policy for executive officers and examining the compensation policy for the main senior managers;
- Proposing the introduction of and procedures for stock option plans and performance shares;
- Recommendations on governance or ethics matters;
- Examining the Group's sustainable development policy, analyzing the Group's CSR challenges, an annual review of the CSR measures taken and the main non-financial performance indicators.

3

Meetings in 2020
with 100% in physics

100%

attendance rate

CHANGES IN THE COMPOSITION OF THE BOARD OF DIRECTORS IN 2020

The Annual General Meeting of SEB S.A. of 19 May 2020 decided to :

- reappoint Thierry de La Tour d'Artaise as a director;
- reappoint FONDS STRATEGIQUE DE PARTICIPATIONS (FSP) as a director;
- reappoint VENELLE INVESTISSEMENT as a director;
- reappoint Jérôme Lescure as a director.

CHANGES IN THE COMPOSITION OF THE BOARD OF DIRECTORS IN 2021

At the 2021 Annual General Meeting, resolutions 4 to 6 will decide on :

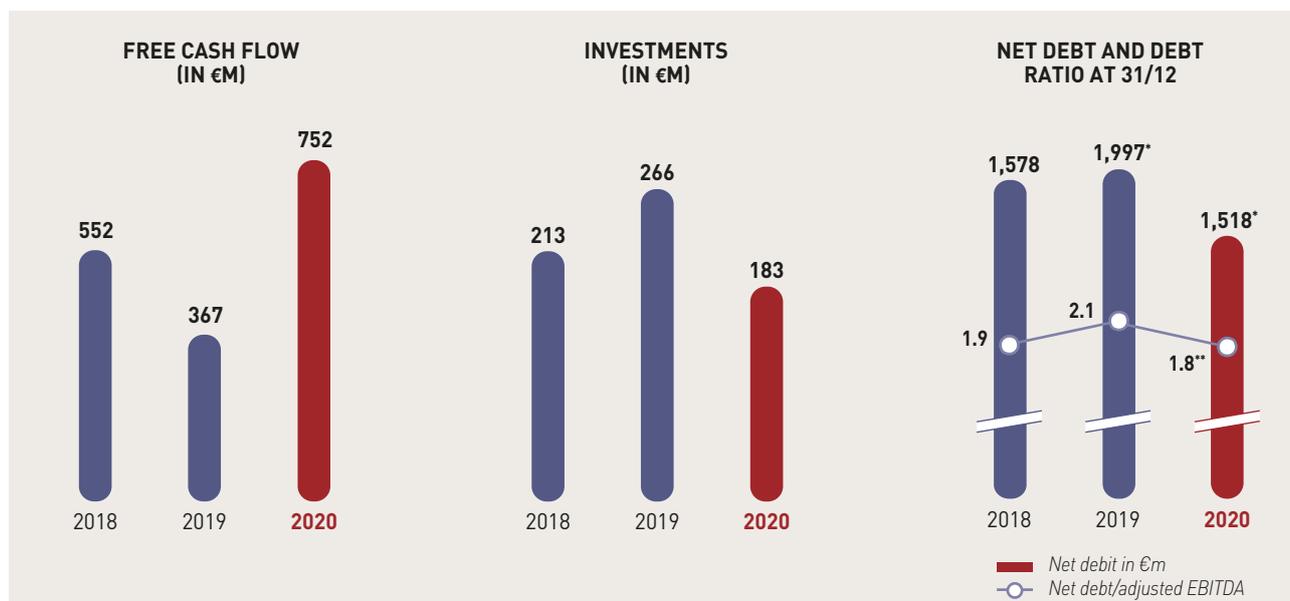
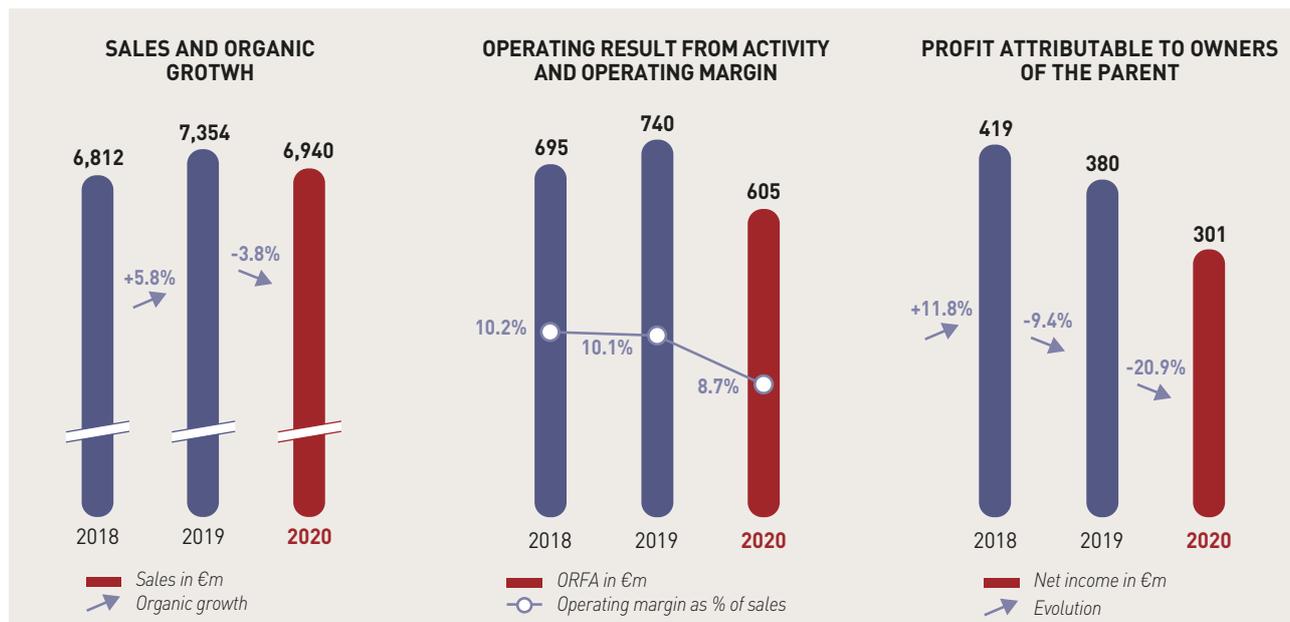
- reappointment of Yseulys Costes as a director;
- reappointment of Peugeot Invest Assets* as a director;
- reappointment of Brigitte Forestier as a director representing employee shareholders.

* Formerly FFP Invest

Key figures

2020

Financial performance

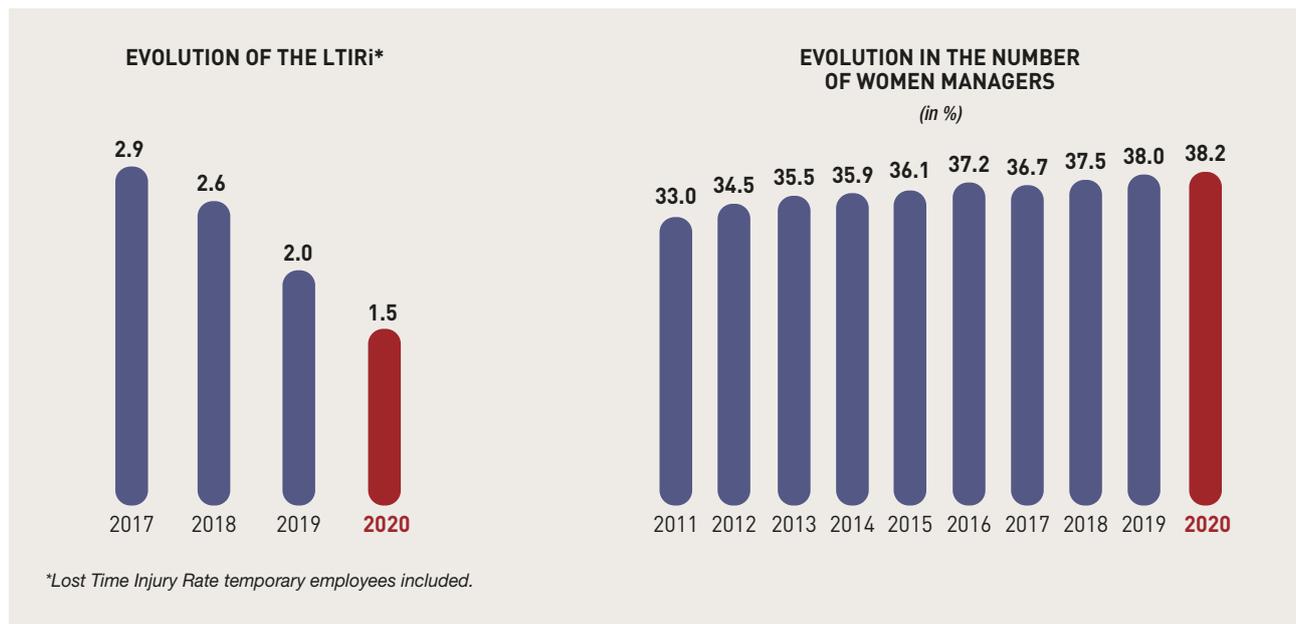


* Incl. respectively € 334M of IFRS 16 in 2019 and € 339M of IFRS 16 in 2020.

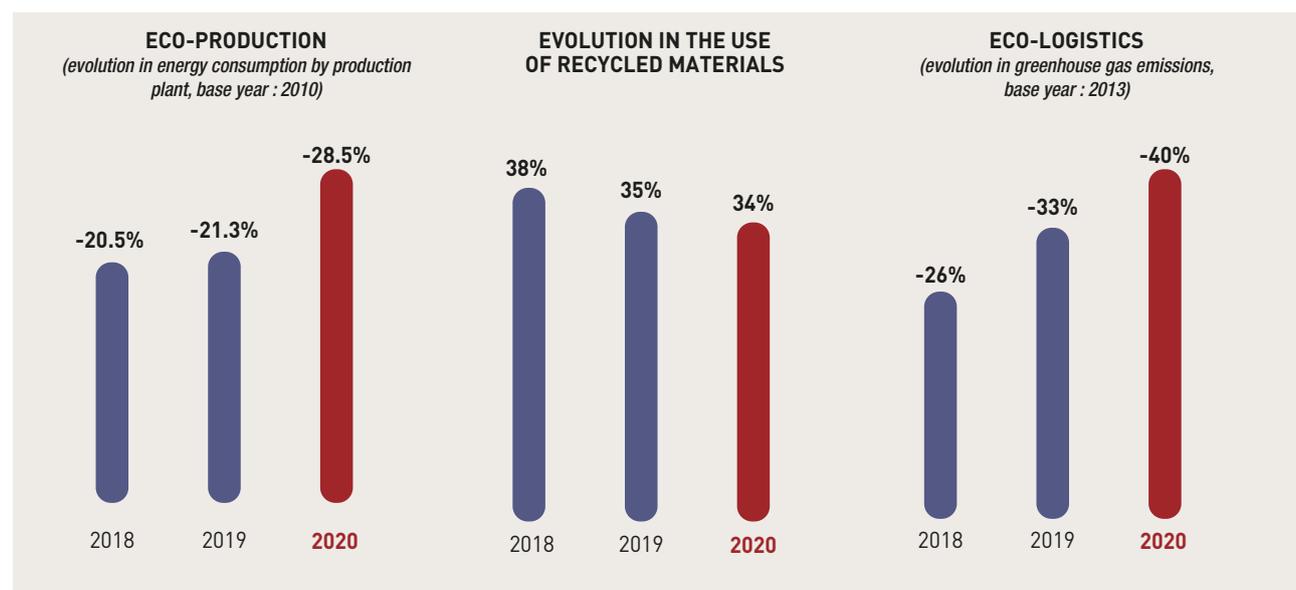
** 1.6 excl. IFRS 16.

Extra-financial performance

Social performance

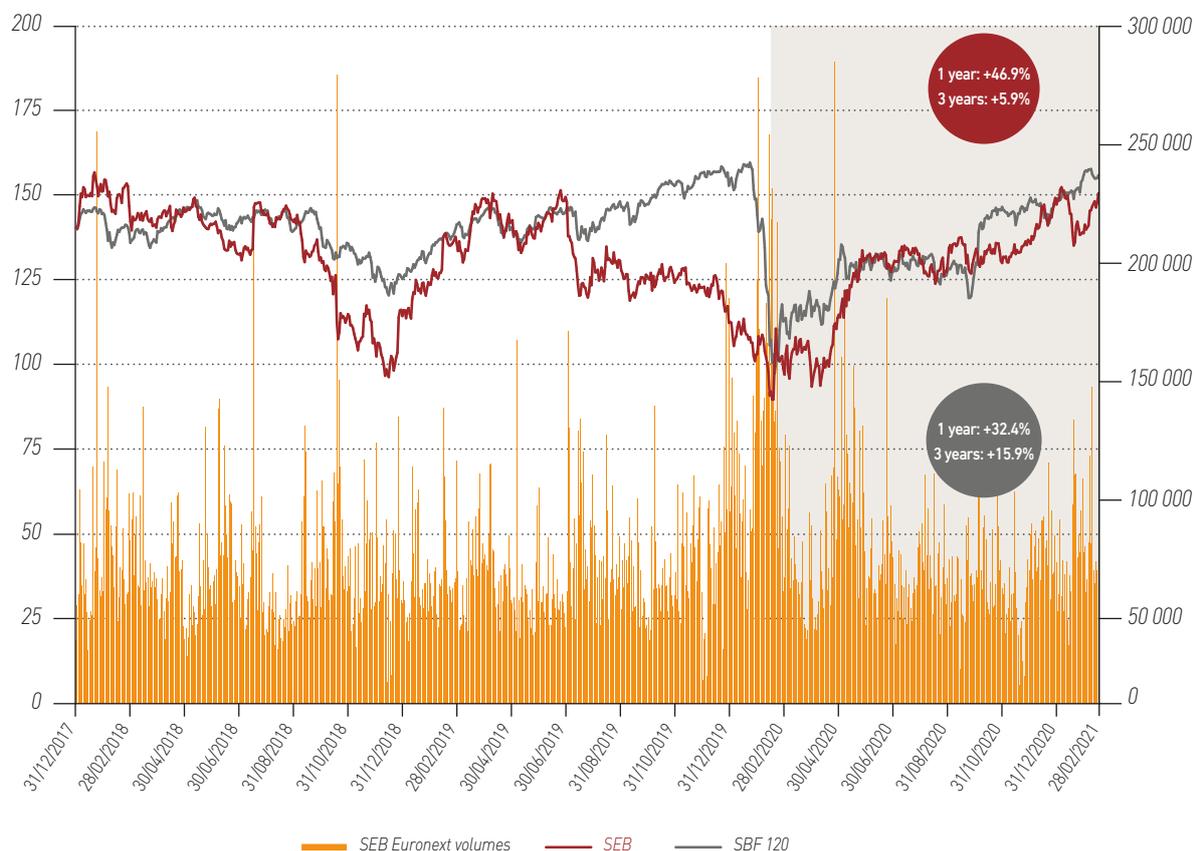


Environmental performance and commitment to corporate responsibility



Stock market performance

CHANGES IN THE SHARE PRICE SINCE 31/12/2017



DATA SHEET

LISTING

Euronext Paris,
Compartment A

ISIN CODE

FR0000121709

LEI CODE

969500WP61NBK098AC47

LISTING DATE

27 May 1975

NUMBER OF SHARES

55,337,070 shares with
a par value of €1*

STOCK MARKET INDEXES

CAC® Mid 60, SBF® 120,
CAC® Mid & Small,
CAC® All-Tradable,
STOXX® Europe 600,
Vigeo Europe 120,
MSCI Global, FTSE4Good
Euronext CDP Environment
France
Euronext Family Business

OTHER INFORMATION

Eligible in SRD

TICKERS

Reuters: SEBF.PA
Bloomberg: SK.FP

PERFORMANCE 2020

Closing price at

31/12/2020: **€149.00**

Stock Market Capitalization

at 31/12/2020 **€7,496M**

Highest price mid-session: .. **€153.30**

Lowest price mid-session:..... **€86.35**

Average for the year

(closing price): **€132.79**

Average of the last

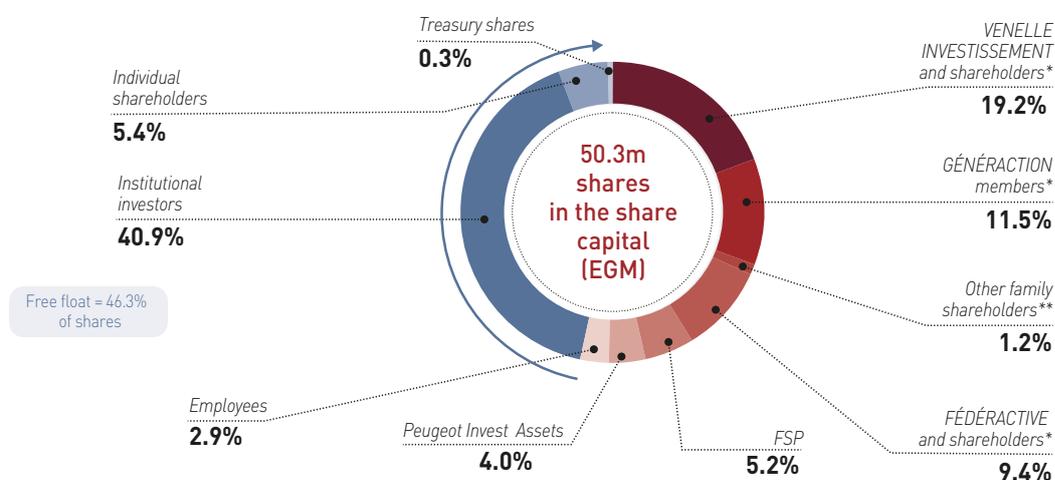
30 prices for 2020 **€146.52**

Average daily trading volume

(number of shares): **68,839**

* After free allocation of 1 new share per 10 existing.

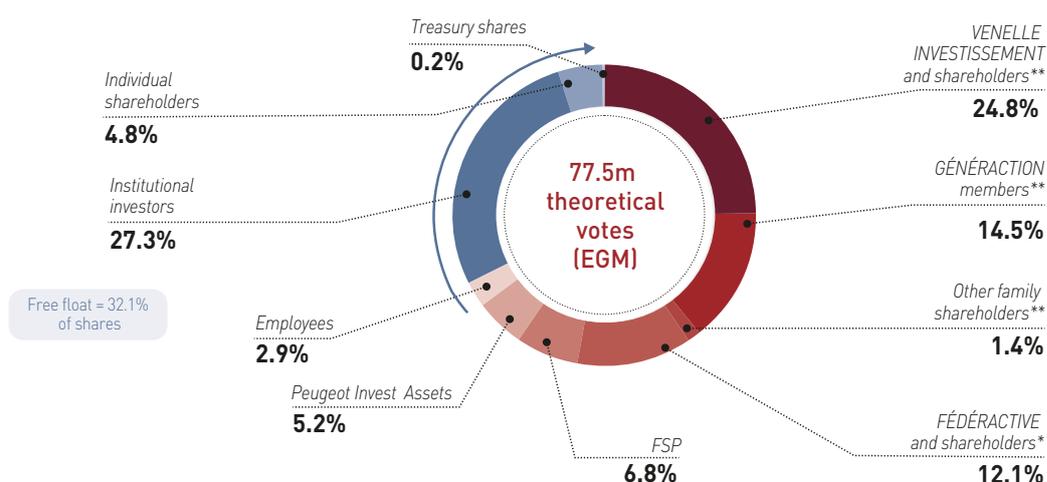
STRUCTURE OF SHAREHOLDING AT 31/12/2020



* Shareholders from Founder Group

** Shareholders from Founder Group continuing the Concerted Voting Block (Agreement of Feb. 27th 2019): 31.9%

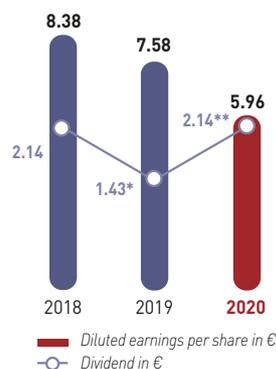
DISTRIBUTION OF VOTING RIGHTS AT 31/12/2020



* Shareholders from Founder Group

** Shareholders from Founder Group continuing the Concerted Voting Block (Agreement of Feb. 27th 2019): 40.7%

DILUTED EARNING PER SHARE AND DIVIDEND (in €)



* Initial dividend of €2.26 reduced to €1.43 in accordance with the recommendation published by AFEP on March 29, 2020 and taking into account the effects of the Covid-19 epidemic

** After free allocation of 1 new share per 10 existing

Key figures 2020



1 Introduction to the Group

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1.1 Business sector

THE SMALL DOMESTIC EQUIPMENT MARKET

THE WORLDWIDE SMALL DOMESTIC EQUIPMENT MARKET

Over the years, Groupe SEB has forged a **leadership position and acquired a status as a global leader in Small Domestic Equipment**. This sector covers **cookware** and **small electrical appliances**, accounting respectively for approximately 35% and 65% of its consumer sales.

Based on the latest available statistics and Group estimates, the size of the market addressed is currently estimated at over €50 billion for small electrical appliances and €25 billion for cookware (including kitchen utensils).

THE SMALL ELECTRICAL APPLIANCES MARKET

The **small electrical appliances market targeted by Groupe SEB** includes several segments varying considerably in size, and ranked below in decreasing order of their importance in the Group's revenue:



~€50 billion

GLOBAL MARKET 2020



€4.2 billion

2020 SALES



65%

OF GROUP SALES

SMALL ELECTRICAL COOKING APPLIANCES

- **electrical cooking:** deep fryers, rice cookers, electrical pressure cookers, informal meal appliances, waffle makers, grills, toasters, multi-cookers, and more;
- **beverage preparation:** coffee makers (filter and pod), espresso machines, electrical kettles, home beer-taps, soy milk makers and so on;
- **food preparation:** from blenders, to cooking food processors, kitchen machines, mixers, beaters and more.



≈45%

OF GROUP SALES

HOME CARE, LINEN CARE AND PERSONAL CARE

- **linen care:** including irons and steam generators, garment steamers, etc.;
- **home care:** canister vacuum cleaners with or without dust bag, steam and upright vacuum cleaners, vacuum sweepers, versatile vacuums, robots, etc.;
- **home comfort:** fans, heaters, air purification appliances, and more;
- **personal care:** hair care appliances, hair removal devices, electric hair and beard clippers, bathroom scales, etc.



≈20%

OF GROUP SALES

THE COOKWARE AND KITCHEN UTENSILS MARKET

The market is split fairly evenly between these two segments. For cookware (mainly frying pans, saucepans, stewing pots, pressure cookers, bakeware and oven dishes) Groupe SEB is the **undisputed global leader** and is continuing to expand its product offering by regularly introducing new materials. The kitchen utensil and accessories market includes, for example, kitchen knives, insulated flasks and mugs, food storage boxes and containers, spatulas, ladles, skimmers, etc. By combining sustained organic growth and a strategy of industry consolidation, particularly with the acquisition of EMSA and WMF, Groupe SEB now ranks among the top five global players in this segment. However, its share of this highly fragmented but extremely promising market remains limited.



€25 billion

GLOBAL MARKET 2020



€2.2 billion

2020
SALES



35%

OF GROUP
SALES



Cookware

MARKET TRENDS AND OUTLOOK

The global Small Domestic Equipment market is divided into many distinct national and regional markets with their own local consumer cooking, eating and product utilization habits. It also lacks comprehensive coverage by research panels (primarily GFK) or other market research bodies. This, at times, makes it difficult to reconcile industry figures (inclusion of new categories or geographic segments, for example) in order to produce a global picture of the sector.

At worldwide level and from a long-term perspective, **the Small Domestic Equipment sector has demonstrated its resilience during periods of crisis and solid growth within a neutral or positive economic environment.** This performance reflects the combined impact of various factors:

- global consumption trends driven by the development of “homemade” kitchen products using basic ingredients and a growing interest in health and well-being;
- moderate but steady growth in most of the mature markets, with a high ownership rate, though unevenly spread across product families, responsiveness to innovation, a robust replacement market and a trading up trend reflecting demand for more functional or higher end products. At the same time, the entry-level segment, driven by demand for basic, low-priced products typically produced in China has remained steady;
- overall solid but more volatile growth in emerging markets, according to the general environment and events. These markets are experiencing strong demand and their buoyant growth is fueled by rising consumption stemming from a booming middle class, increasing urbanization and the development of modern retail channels, including e-commerce;

- the co-existence of “global” products addressing universal needs or easy to tailor by region with a product offering adapted to specific lifestyles and consumption habits (particularly in relation to food) in local markets;
- an average sale price of around €60 for a small electrical appliance in Western Europe, for example, largely affordable by the general public and requiring no credit or a limited use of credit. Sales are further boosted by in-store or online traffic, driven by promotional campaigns within a very competitive market environment;
- strong seasonality, shared by all market players, largely linked to the high percentage of products sold during holiday periods or for special events (Christmas, Chinese New Year, Ramadan, Singles’ Day in China, *Prime Day*, Mother’s Day, Candlemas, etc.);
- strong contributions for many years from products and solutions developed in partnership with major consumer goods players backed by major advertising resources, like with single-serve coffee making, for example.

In addition to these specific factors, changes in distribution are playing a crucial role in the emergence of new consumer purchasing behaviors: in virtually all parts of the world, the very rapid development of retail channels such as e-commerce or sales direct to the consumer, has profoundly transformed the market, boosting online sales, often to the detriment of retailers with a traditional physical presence. As a result, growth in this market is currently being broadly driven by e-commerce: major online specialists (*pure players* like Amazon, Tmall, JD.com, Cnova, etc.) as well as the websites of initially “physical” retailers (“bricks-and-mortar” retailers). This phenomenon accelerated considerably in 2020, as e-commerce expanded rapidly in connection with the Covid-19 crisis.

MULTIPLE FORMS OF COMPETITION

In a global context, the very nature of the Small Domestic Equipment market requires a **strategy that is both global and local** in order to effectively address the expectations of consumers around the globe. The expansion of international brands, which can in some cases be marketed under strong local/regional brands in their domestic market, falls in line with this two-pronged approach and combines the benefits of both economies of scale and solid brand positions in local markets.

On this basis, Groupe SEB is the only player boasting **such broad international reach**, supported by a portfolio containing a wealth of global brands and brands with local leadership positions. This gives it a strategic advantage versus a very disparate range of competitors consisting of:

- **large global groups, generalists or specialists in one or two small electrical appliance categories:** Philips and Electrolux have a diversified product offering, while Dyson and Vorwerk focus on a high-end positioning in a few product segments. These very international players are joined by Spectrum Brands and Conair, among others, which mainly roll out their product ranges in the US and in Europe, Bosch-Siemens and Braun (P&G) are principally active in Europe and J.S Global is primarily in the US (through the Shark and Ninja brands) and in China (via its Joyoung brand). De Longhi completes the list: this major player in coffee and food preparation is expanding its sectoral and international presence;
- **major cookware and kitchen utensil manufacturers** with a highly international presence, such as the German companies Fissler and Zwilling-Staub, Tramontina in North and South America, the US group Meyer, Tupperware, Rubbermaid (Newell Brands), Ikea, Oxo (Helen of Troy);
- **groups or companies operating primarily in their domestic markets or a small number of reference markets:** Magimix, Taurus, Imetec, Severin, in particular, in several European countries; Arcelik in Turkey; Bork and Polaris in Russia; Newell Brands, which is present in North America, Hamilton Beach Brands; Mallory, Mondial, Britania in South America; and Panasonic, Midea and Joyoung in Asia;
- **leading players in the high-end segment concentrating on a single product category:** in small electrical appliances with innovative technologies, such as iRobot (vacuum cleaners), or with high-end positioning, such as Jura (coffee machines); and in cookware, for example the French company Le Creuset, which specializes in cast iron cookware;
- **private labels or white label goods in large part** focused on aggressively priced entry-level products from Chinese sub-contractors which, however, have a market share that is weak overall in terms of small electrical appliances. Conversely, in cookware, the Group's main competitors internationally are often private labels;
- **Asian players** gaining traction in the domestic and international markets (Xiaomi) and new companies being launched on the internet first (Instant Pot, Cecotec);
- **companies which have activities and brands in both B2B and consumer segments**, as in the cases of KitchenAid (Whirlpool), Magimix (Robot-Coupe), Jura and Vorwerk, for example.

Generally speaking, in both small electrical appliances and cookware, competition is fierce and relayed by the distribution.

THE PROFESSIONAL COFFEE MARKET



1

The acquisition of WMF in 2016 represented a great opportunity for Groupe SEB to enter the highly attractive market of professional automatic coffee machines for hotels, restaurants, cafés, coffee shops, bakeries and convenience stores, sometimes in partnership with coffee roasters. At the same time, it represents a complementary strategic diversification from the consumer business focused on the Small Domestic Equipment market.

The professional coffee machines market was estimated, in 2019, to be nearly 9 billion euros (Group estimates).

The Covid-19 epidemic and the public health and economic crisis that followed, had dramatic consequences for the hospitality and catering sector, which was directly affected by the restrictive measures adopted in the vast majority of countries.

Lasting for almost half of 2020, these closures:

- significantly affected equipment sales, as our customers suspended, postponed or significantly reduced their capital expenditure on coffee machines; and, at the same time;
- significantly limited our service and maintenance business.

The global automatic espresso machines equipment market is therefore estimated to be in situational decline of around 25% in 2020.

The underlying long-term growth, based on the global development of out-of-home coffee consumption, as well as the consolidation of the market and its premiumization, however, remain sustainable trends.

Through its two brands, WMF and Schaerer, Groupe SEB is the world leader in the highly concentrated market of fully automatic espresso machines, in which Franke, Thermoplan and Melitta are also international benchmark players. Certain brands such as Jura hold strong positions in specific segments.

A core business that is generally steady is regularly boosted by significant equipment or machine replacement contracts with major fast food chains, convenience stores or service stations, which has an accelerator effect on growth but also creates volatility.

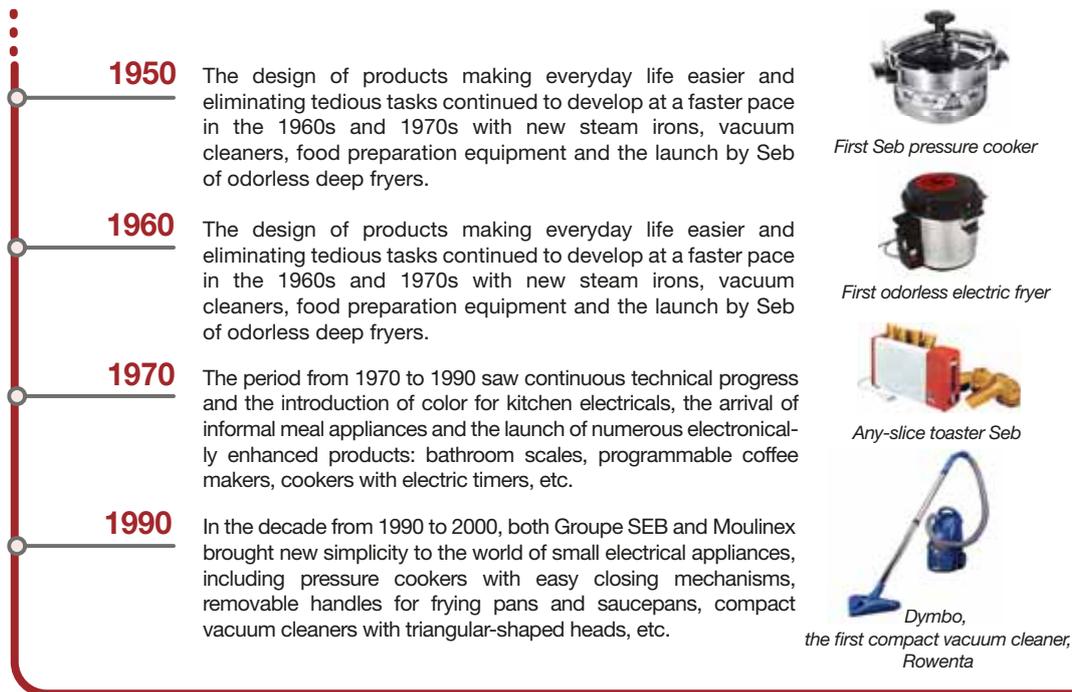
Through the acquisition of Wilbur Curtis in the United States in early 2019, the Group has also gained a foothold in the professional filter coffee segment, a mature market which is still a major coffee consumption benchmark in the US. Wilbur Curtis' recognized expertise, its very broad customer portfolio and its huge US presence have made it the number two in the professional US filter coffee segment, with around one-quarter of the market.

In general terms, the professional coffee machine market is diversifying in terms of offering, meeting a demand that is both wider (extension of coffee ranges offered) and more specific (increased customization). Demand is therefore now often for a dual filter/espresso machine. Against this background, all the machines rely on cutting-edge technology to guarantee fully automatic preparation and constant quality to produce a good cup of coffee, every time. They are also increasingly connected, to optimize customer relations, enable provisional maintenance operations, manage a fleet of machines and organize marketing events (happy hour, drink of the day, etc.).

1.2 A profitable growth strategy

A LONG-TIME COMMITMENT TO INNOVATION

The Group's history is one of continual innovations and breakthroughs incorporating unique concepts, new features and ingenious discoveries. These innovations have been reflected in tangible advances in the everyday life of consumers.



THE TECHNOLOGICAL SPRINGBOARD

DIGITALIZATION & CONNECTIVITY

The development of connected products helps to improve the consumer experience. The availability of associated services as part of a comprehensive ecosystem takes various forms: access to updated recipes on mobile apps, tutorials, shopping list management, etc.

The user experience is being continually enhanced and refined in this area; the launch of the Cookeo Touch and i-Companion XL Touch models in March 2020, with WiFi connectivity, is raising the bar in terms of use and meal preparation, range of recipes, intuitiveness and multi-functionality.

Through these product/application pairings, the Group now brings together a community of over 6 million members. Groupe SEB Media adds to this with its own community of more than 10 million Facebook fans, 450,000 members and 5,000 bloggers. Its role focuses on several key areas: digital content publishing technologies, a portfolio of 90,000 recipes in five languages, plus a number of services such as the creation of original culinary content on major digital platforms. This determined focus on social media is also the approach adopted by StoreBound, a US company in which the Group took a majority stake in July 2020.



AS A CONSUMER-DRIVEN BUSINESS, THE GROUP IS NOW RESPONDING TO NEW MARKET EXPECTATIONS

New products and services are emerging that reflect major social trends such as homemade, convenience, nutrition and health, well-being, etc.

A NEW STRATEGIC FOCUS FOR THE GROUP

Partnerships developed with leading food industry and cosmetics operators, give the Group access to product categories such as pod coffee machines and home beer-tapping machines, and professional hair straighteners.



Steampod, a professional hair straightener developed in partnership with L'Oréal

OF THE 2000s...



COMMITTED TO HIGH-QUALITY FOOD

The Group's innovation strategy fully incorporates issues surrounding sustainability and major societal trends, such as efforts to combat food waste, daily practices with a reduced environmental impact, energy efficiency and repairability and recyclability.

A global player in the culinary sector, the Group is committed to firmly encouraging a high-quality diet that is healthy, tasty and responsible all at the same time. This responsibility comes under the "Cooking for Good" pillar of the Group's sustainable development strategy, which recommends home-made food over processed products.

This "healthy eating" commitment takes the form both of initiatives to raise consumer awareness of nutrition, which our brands conduct in various countries, and numerous research projects in which the Group is participating, primarily in Europe with the InnoLife European consortium, the EIT Health program, the Cook2Health project, etc.

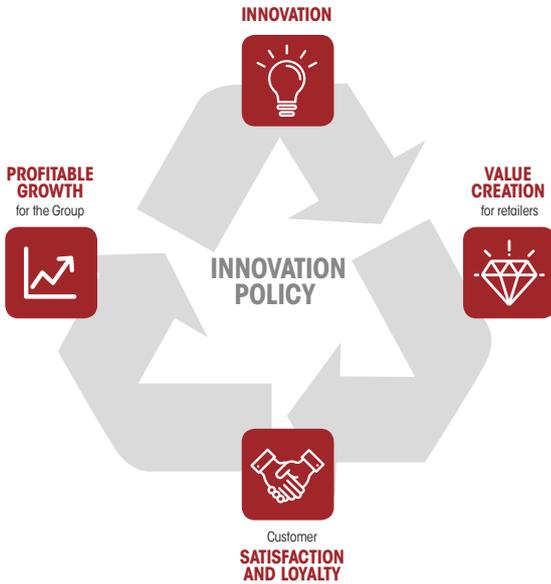
2010

2020

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Introduction to the Group A profitable growth strategy

A VIRTUOUS STRATEGY

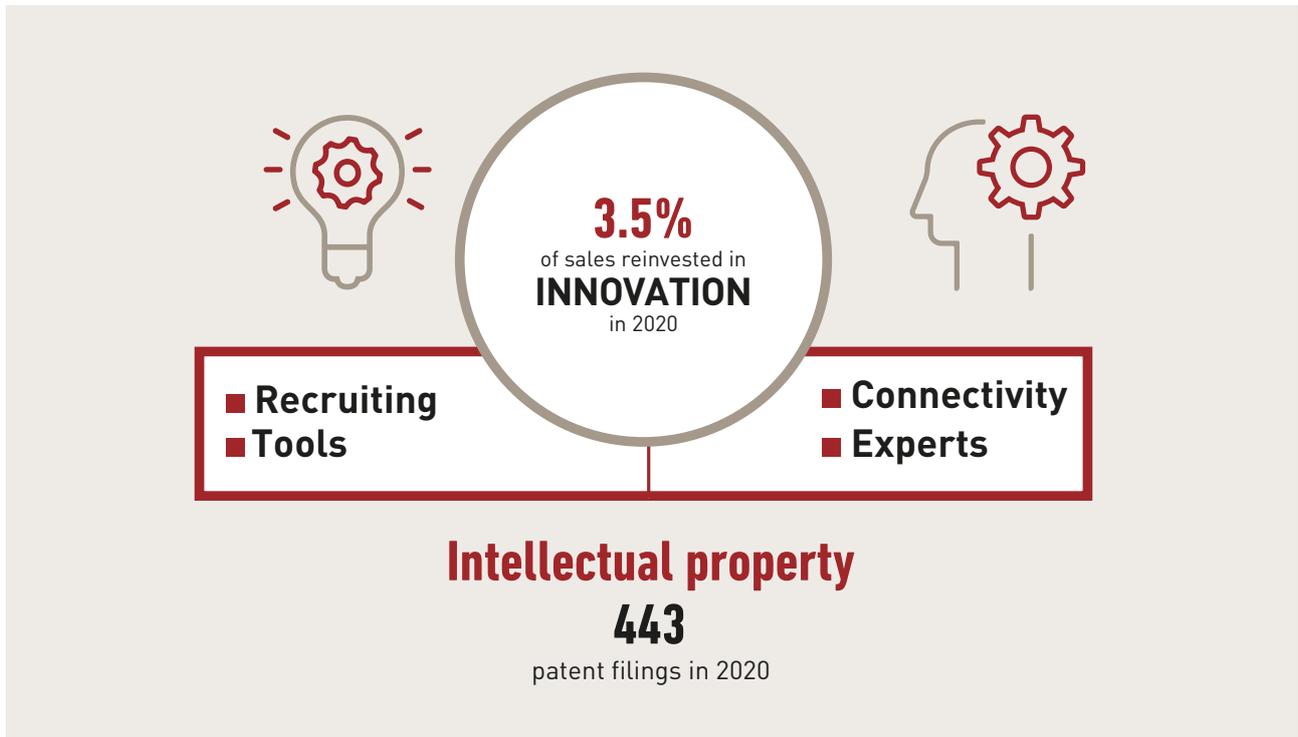


In keeping with its mission to facilitate and improve the daily life of consumers around the world, and to contribute to better living, Groupe SEB's innovation strategy is consistent with a pragmatic approach to creating the product offering. Launching new products is the result of listening closely to what consumers want, conducting an in-depth analysis of their needs (both expressed and latent), inventing breakthrough concepts or unprecedented functionality, using new technologies and creating one-of-a-kind designs.

In addition to products, the Group is committed to enhancing the consumer experience by developing services and solutions - such as recipes, customization, applications, including nutritional coaching, product recycling and reparability, etc. - in response to major social and consumer trends.

For Groupe SEB, innovation is part of a virtuous circle: as a creator of value for customers/retailers and a source of progress, satisfaction and commitment for consumers, it generates profitable growth, which is key for reinvesting in innovation to restart the cycle.

.... SUPPORTED BY INVESTMENT



A STRUCTURED INTERNAL ORGANIZATION...



The Group articulates its approach around 2 major Hubs:

A Global Innovation Hub at the Group's head office for its small electrical appliance business accelerates the development and launch of its new products. A global innovation center in Rumilly for Cookware.

Two SEBLabs, testing ground dedicated to creativity and bringing new products to life, are home to interdisciplinary project teams, bringing together members from marketing, research and design with in-house and external experts. Their objective is to generate and more quickly select the ideas with the most potential.

Intellectual property, tasked with protecting the Group's intellectual assets by way of patents, active protection against infringement and competitive intelligence

... OPEN TO OUTSIDE COLLABORATION

Partnerships in a broad range of fields, such as materials, information and communications technologies, electrical engineering, food science:

- Universities/Schools/Engineering Firms.
- Research Institutes/Testing Laboratories.
- European institutions: through the EIT program.
- Innovation Community. The objective is to collaborate with specialized companies (in food processing, consumer goods, digital transition) to anticipate new food-related trends.

Innovate with SEB, a website for inventors, scientists, researchers and designers who want to innovate with the Group to pitch their inventions.

SEB&You is a **4,500-strong community** launched in **2015** to encourage consumers to contribute to the Group's innovation process and to test new product ideas; 4,000 products tested.

Communities: the Group incorporates feedback from users of its products into its innovation process by listening closely to the members of our various communities: apps (6 million members), Facebook (10 million members), and through our consumer service.

SEB ALLIANCE: FINANCING AND PARTNERING WITH INNOVATIVE START-UPS

In May 2011, the Group created an investment company, SEB Alliance, to improve its technology monitoring system by investing in innovative, technology-focused companies in areas such as connected home and digital applications, robotics, well-being and population aging, and reducing the environmental footprint.

In this context, SEB Alliance favors acquiring minority stakes. SEB Alliance has invested directly in around 20 companies since it was created, in areas that are consistent with Groupe SEB's strategic areas for innovation, and could result in consumer applications, such as:

- digital/Big Data with Alkemics, which specializes in product information exchange between brands and retailers; another brain, which specializes in bio-inspired artificial intelligence;
- beauty/health with Feeligreen, which has developed active and passive patch technologies for cosmetic and therapeutic applications and IEVA, connected beauty player, which designs and offers personalized products and services;
- the internet of Things or connected robotic products with RobArt (smart navigation solutions) and Lumi (home automation products);
- air purification with Ethera, which has developed solutions to measure and purify indoor air;

- water filtration with Castalie, who designs and offers micro-filtered water fountains for businesses and restaurants;

- foodtech with Click & Grow, specialized in solutions for indoor vegetable gardens, Glovo, specializing in home delivery (meals and food products) and ChefClub leader in the production and broadcasting of culinary content.

These companies provide technological “bricks” that the Group can use to accelerate in certain areas of innovation. For example, the collaboration with Ethera has resulted in the creation of a new range of air purifiers (Intense Pure Air by Rowenta).

Impact investing :

Recently, SEB Alliance has also become involved in “impact” companies, which place the positive, social, societal or environmental notion at the heart of their economic model. This is particularly the case of Angel (electric bicycle, soft mobility) or Castalie (water fountains), whose manifesto is the fight against “the madness of single-use plastic”.

At the same time, SEB Alliance is working to identify new business models, the activation of which could allow the Group to strengthen itself in certain areas that it does not directly target.

GRUPE SEB INVESTS IN CHEFCLUB



In December 2020, Groupe SEB has finalized the acquisition of a minority stake via its investment company, SEB Alliance, and then announced in January 2021 to have entered into a partnership with Chefclub. The start-up, created in 2016 by the Lang brothers, aims to make cooking accessible to everyone. It quickly became a leading brand in the production and broadcasting of culinary content, totaling over 100 million followers and over 1 billion monthly views.

A “Chefclub by Tefal” brand license will soon be launched in France and internationally (Germany, Brazil, Italy, Korea, Canada, Spain, Great Britain, Mexico), and will be marketed throughout off and on line distribution as well as direct sales (DTC) on the Tefal and Chefclub brand sites.

By joining forces with Groupe SEB, the world leader in small domestic equipment, Chefclub gains access to recognized industrial know-how, the power of the Tefal brand and a wider distribution that will allow its community to find the products in the Group's distribution channels.

To further expand the scope of its watch and its ecosystem in the United States, in China and in very specific sectors, SEB Alliance has also forged strategic partnerships with innovation investment funds (Cathay Innovation, Innovacom, Xange, Kreaxi, SOSV, BtoV, Daphni, Sofimac) that the company may support as a co-investor.



A PORTFOLIO OF DIFFERENTIATED AND COMPLEMENTARY BRANDS

The Group has a portfolio of 31 brands, the largest in its industry, which it operates worldwide. Its unique portfolio sets the Group apart from its rivals and is a powerful vehicle for accelerating market penetration and sustainable organic growth. This multi-brand strategy, which has been strengthened by acquisitions over the years, gives it both broad and deep coverage of its markets.

Each brand has a clearly defined identity that is expressed through its product selection, functionalities and the look of its products, or its communication platform.

The Group's brands are also fully committed to raising consumer awareness of sustainable and responsible development: healthy eating, combating food waste, air quality, reparability, recyclability and inclusiveness of our products.

Our brands fall into three major sub-groups:

- **Consumer** brands that are very well known. Some of these are global brands (Tefal, Rowenta, Moulinex and Krups), while others, the

majority of our brands, are regional (Arno in Brazil, Supor in China, Imusa in Colombia, SEB and Calor in France, etc.) and their strength lies in their suitability for local consumption habits. These brands' coverage may vary greatly depending on the product family; from specialist brands (such as Moulinex and Krups in small electrical appliances and cookware, and Rowenta in non-cookware electrics for example) to more general brands (Tefal and Supor).

- **Premium** brands (WMF, Lagostina, All-Clad and Silit), distributed through channels in a more selective way. These are managed in a specific way, guaranteeing strong, uniform expression of their identity and values (communication, design, pricing policy, etc.).

- **BtoB** brands (WMF, Schaerer, Wilbur Curtis, Hepp, Krampouz) sell coffee machines, hotel equipment and professional products B2B only and mainly to hotels, large restaurant chains and convenience stores.

The Group's digitization strategy is fully integrated with the positioning and communication of these brands in their markets.

Groupe SEB supports its brands and products through significant investment in marketing and advertising:

€472 million in 2020, representing ≈7% of sales, of which 60% in digital.

In addition to the management of its brand portfolio, the Group pursues a strategy of partnerships to develop new concepts and step up its sales through the co-branding of two high-profile brands. Accounting for between 5% and 10% of revenue, these partnerships are major drivers of innovation and growth for the Group. Joint development agreements have also been signed with major names in the food industry, such as Nestlé for Nespresso and Dolce Gusto, and Heineken for BeerTender and The SUB, and in the cosmetics industry, such as

L'Oréal for SteamPod. Some partnerships also improve our corporate image, associating our products with other brands or organizations (WWF, etc.), under licensing agreements with brands such as the Elite modeling agency (Rowenta), or with endorsement contracts, like cookware lines developed in collaboration with renowned chefs such as Jamie Oliver or Pierre Gagnaire (Tefal). The Group intends to extend this partnership policy, particularly in the digital and community domains.

A GLOBAL AND DIVERSIFIED PRESENCE

Small Domestic Equipment (Consumer) is Groupe SEB's core business. Over the last 40 years, the Group has successfully developed strong positions across all continents with a commercial presence in nearly 150 countries. This unique global footprint is the result of an expansion strategy that combines internal growth with acquisitions.

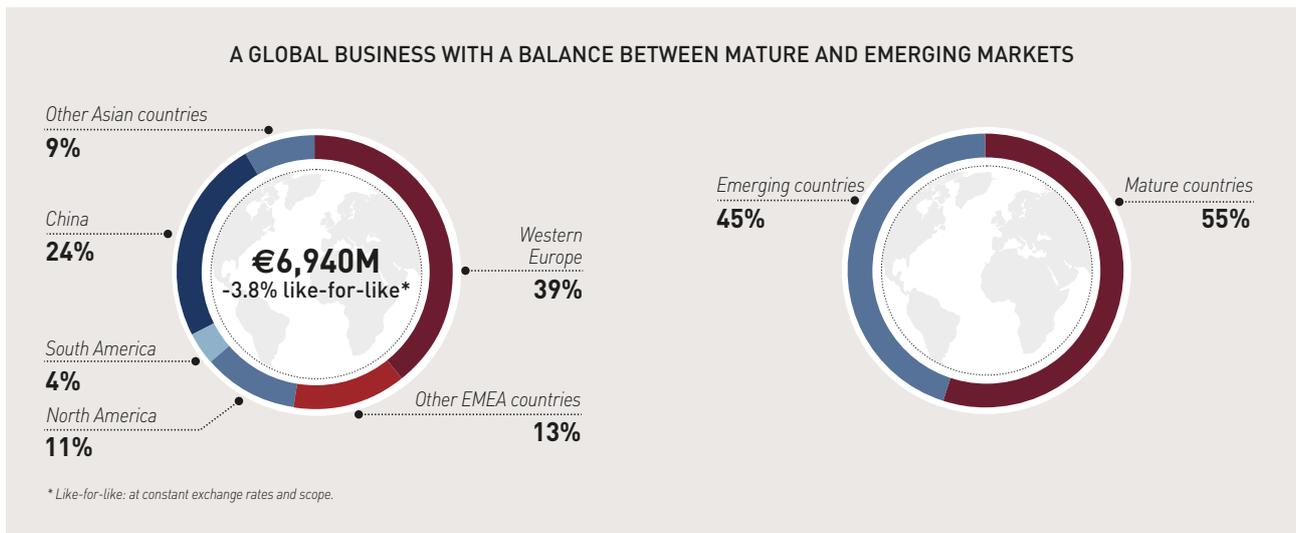
The scope of its constantly expanding product offering and its ability to adapt to the specific needs of different markets while relying on the power of its brand portfolio, has helped the Group build strong local positions. It has leadership positions in Western Europe, Central Europe, Russia, Turkey, China, Japan, Colombia, Mexico, etc. Nearly three-quarters of the Group's sales are generated in countries where it has a leadership position.

This "multi-local" presence thus enables the Group to diversify its exposure to different economies and to seize opportunities for growth in the countries in which it has a presence, depending on the varying levels

to which households are equipped with small electrical appliances and cookware. This provides the Group with long-term drivers for growth that range from renewal, duplication of equipment and upgrading in mature markets, to the high potential of emerging markets, particularly with the rise of the middle class, increased purchasing power and rapid urbanization that brings with it changing behaviors in daily life.

Over the years, Groupe SEB has significantly increased its critical mass in its historic markets while incubating business in countries enjoying rapid growth (Ukraine, Slovakia, Kazakhstan, Egypt, Colombia, Thailand, Malaysia, and so on).

Representing 8% of the Group's total sales in 2020, BtoB business is based on the expertise and strength of WMF and Schaerer in German-speaking countries. While it is gradually expanding internationally, at present it is still predominantly located in "mature markets".



A MULTI-CHANNEL DISTRIBUTION STRATEGY

The Group's Consumer business relies on a large, diversified network of distributors, giving it a solid commercial base. Combined with a multi-brand and multi-product strategy, this network enables the Group to build constructive long-term relationships with customers on the basis of a varied range of offerings.

Although it can differ from country to country as a result of the specific features of the local retail markets, the Group's exposure is relatively balanced between:

- mass food retailers, with which the Group has established and maintains long-standing partner relationships;
- specialist retailers (specialized in electrical equipment, household appliances, etc.), key clients for the Group whose expertise has been a mutual driver for growth over the years;
- traditional stores/convenience stores or groups of independents, which still play an important role in many emerging markets;
- E-commerce (pure players, either directly or via marketplaces, and the online sales platforms of bricks-and-mortar customers, Click & Mortar, etc.). Initially led by China, the rapid rise of e-commerce in recent years is now being fueled by all markets.

In addition, the Group also has a network of stores, operated either directly, under franchise, or via exclusive distribution, comprising a total of nearly 1,300 stores at the end of 2020, in various formats. Their positioning may be multi-brand (Home & Cook and Tefal Shops) or mono-brand (Supor Lifestores and, more recently, WMF). This network, which is the Group's biggest customer, represents nearly 7% of consumer sales, but its contribution may exceed 20% in some countries (e.g. Turkey and Japan). This network enables the Group to interact directly with consumers, to better understand their expectations and, therefore, to make our offer as relevant as possible. With a view to continuously developing its direct approach to consumers, the Group opened 50 new stores outside China in 2020.

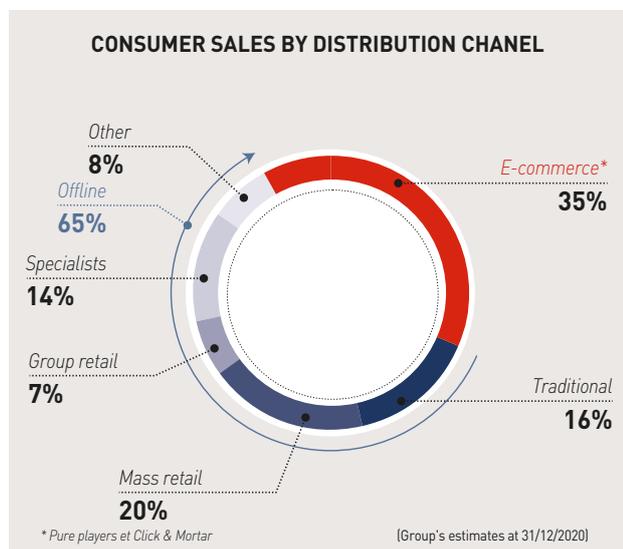
This approach is complemented by the Group's commitment to a direct online sales strategy (online DTC), which combines brands' own websites with marketplaces. After WMF and France, this has more recently been extended to other European countries, particularly in Eastern Europe. More than 100 online sales outlets were active at the end of 2020, approximately 30 of which went live over the past year. After a gradual ramp-up phase, we are expecting this channel to accelerate sharply in the next few years.

In recent years, the retail environment has undergone profound changes related to the explosion of e-commerce (pure players and click & mortar traders). This disrupts the sector's strategic segmentation, due to the immediacy of e-commerce and its offering founded on the optimum combination of choice, price and service. It also capitalizes on consumer data, making it possible to conduct extremely effective targeted marketing that generates sales.

In this context, e-commerce has been the main driver for growth in the small electrical appliances market in recent years, although its importance still varies significantly from country to country (China 62%, Germany 35%, Russia 40%, etc.).

In 2020, the restrictive measures implemented worldwide to halt the spread of Covid-19 (successive lockdowns and the requirement to stay at home, curfews, store closures, etc.) resulted in a significant acceleration in the growth of online sales. As far as the Group is concerned, this was reflected in an increase in the proportion of consumer sales attributed to e-commerce of nearly 8 points, to 35% (compared to 27% in 2019).

Furthermore, and more generally, 2020 confirmed the blurring of the boundaries between physical retail and e-commerce; the trend is now towards omnichannel distribution.



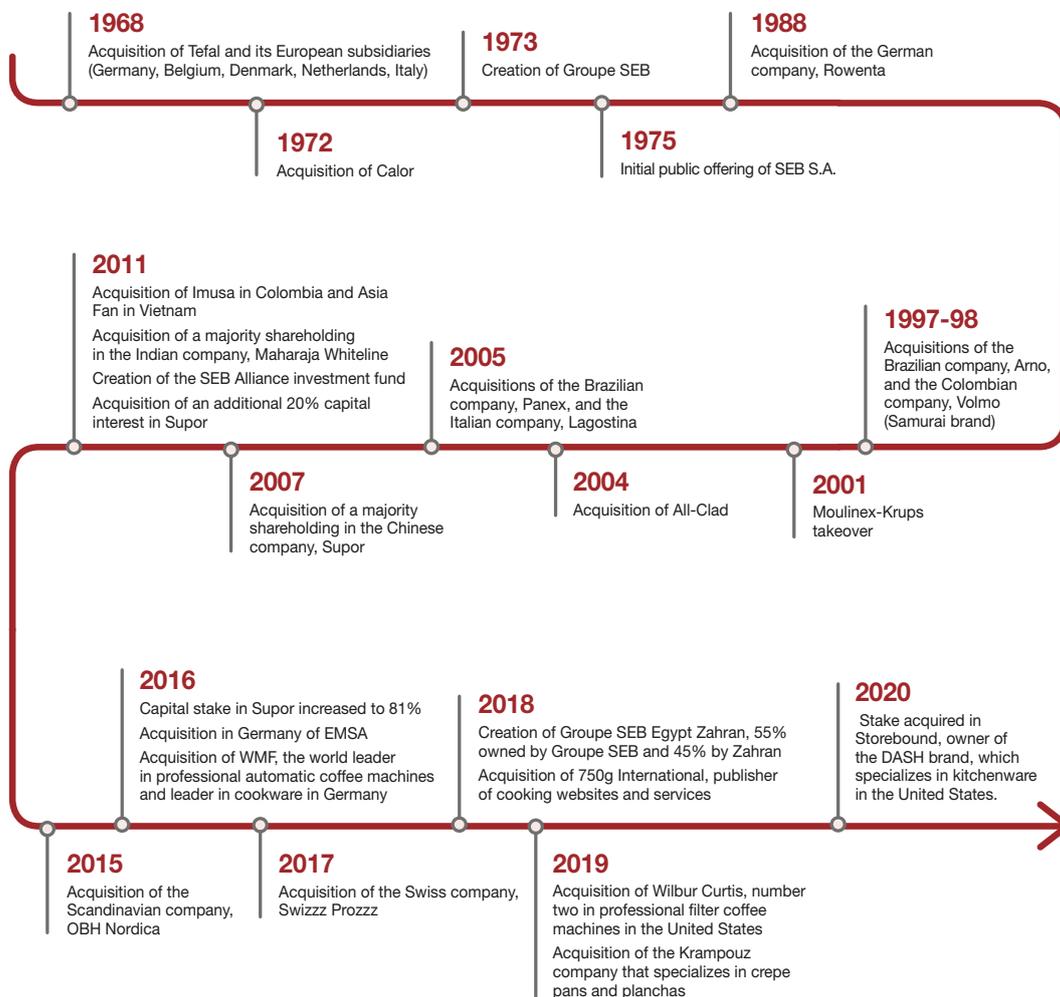
In this changing environment, Groupe SEB is committed to enhancing its access to consumers by:

- ramping up our digital marketing policy (brand websites, digital campaigns, data marketing, live streaming, etc.) to increase the number of points of contact we have with consumers, millennials in particular; for example, digital accounted for 60% of the Group's direct media investments in 2020 (compared to 25% in 2015);
- increasing consumer engagement around our products and brands by developing ecosystems such as apps, being active in online communities and social networks, etc.;
- delivering the best in-store execution - through category management, effective merchandising, the creation of dedicated shop-in-shops and promotional events - as well as for e-commerce;
- accelerating our direct sales to consumers, through our network of stores and online.

AN ACTIVE ACQUISITION POLICY

Acquisitions complement the Group's organic growth strategy and provide a catalyst for expansion. As an operator in the Small Domestic Equipment market, which is still highly fragmented, in recent years Groupe SEB has positioned itself as a consolidator in this sector. The acquisitions it has made have enabled it to achieve leadership status in many countries and product categories, helping the Group to forge its global leadership positions. In addition to a number of large-scale, strategic transactions, such as the acquisitions of Supor or WMF (see below), the Group has conducted numerous targeted acquisitions with the aim of strengthening its market position.

Groupe SEB's acquisition strategy is based on the principle of complementarity, whether in terms of geographical location, category, brand or business model. This was the prevailing principle in the takeovers of Arno in Brazil (market penetration), Lagostina and All-Clad (Italian and US premium cookware brands), Imusa in Colombia (cookware, in addition to the Samurai brand of small electrical appliances) and EMSA, a German brand specializing in kitchen utensils and accessories. In Professional Coffee, complementarity was also behind the 2019 takeover of Wilbur Curtis, the second largest filter coffee machine manufacturer in the US, which strengthened the Group's presence in the coffee machine sector, established with Schaerer.



In addition to accurately identifying the target company and having the necessary financial capacity to conduct the transaction, external growth requires an ability to integrate new acquisitions effectively and to generate synergies. Over the years, as our acquisitions have increased in number, Groupe SEB has built up considerable experience in integrating acquired companies, which is often a complex exercise,

given the many issues at stake. Integration committees are set up, with members who represent the management and operational teams of both entities. These committees draw up the master plan for the merger and set the objectives, monitor the progress of projects and measure the synergies created.

TWO STRATEGIC ACQUISITIONS THAT HAVE TRANSFORMED THE GROUP



2007: Acquisition of Supor

At the end of 2007, the Group took control of Chinese company Supor. This operation was complex due to the specific issues it involved: geographical and cultural remoteness, language barrier, more complex integration, coordination of communication between two listed companies, etc.

Subsequently, the Group increased its controlling interest in several stages (+20% in December 2011, +1.6% in January 2015, and +7.91% in June 2016) bringing our current holding up to 81.20%.

Since the acquisition in 2007, Supor's development momentum has been extremely robust, reflecting both a booming Chinese Small Domestic Equipment market and Supor's conquest strategy. This was based on the strength of the brand as well as on a resolute policy of innovation, continuous expansion of the product offering, expansion on Chinese territory and a omni-channel presence. It allowed Supor's leadership in cookware to be strengthened and significant market share gains in small kitchen appliances, where Supor became number 2 behind Midea.

OPENING-UP TO NEW BUSINESS MODELS

In July 2020, Groupe SEB completed the acquisition of a majority stake in StoreBound, owner of the DASH kitchenware brand.

Founded in 2010, StoreBound is a New York company specialized in developing kitchenware designed for better everyday living. Its omni-channel distribution model combines bricks-and-mortar retail, e-commerce and social media. StoreBound has developed unparalleled know-how in digital marketing based both on its expertise in community management (product development, marketing) and on the priority given to the consumer experience.

With great visibility on social networks, both in direct and by relying on major partnerships with brands, chefs or influencers with hundreds of thousands of followers, the Dash brand has built solid positions on the American market and is popular among millennials.

StoreBound's business model is therefore very complementary to that of the Group. The company achieved sales in 2020 over \$120 million and is on the list of the fastest-growing businesses in the United States.



2016: takeover of WMF

In 2016, the Group acquired WMF, a flagship of German industry with two major business lines: professional coffee machines and catering equipment, as well as Small Domestic Equipment (cookware and small electrical appliances). Through this strategic acquisition, Groupe SEB:

- acquired a solid worldwide leadership in the very attractive professional automatic espresso machines market characterized by strong growth, high profitability and significant recurring revenue, reflecting important contributions from after-sales operations;
- considerably strengthened our position in the cookware segment by becoming the leader in Germany, with, in particular, a high-end stainless steel product offering;
- accessed a network of nearly 200 retail outlets in Germany, providing a powerful vehicle for promoting our image and sales.

Between accelerated international deployment of the Dash model thanks to the global presence of the Group and access to StoreBound's expertise in digital marketing, the synergies identified are numerous and will be quickly implemented.



SALE OF NON-STRATEGIC BUSINESSES

In the first half of 2020, the Group sold two of its non-strategic businesses:

- EMSA GmbH, a Groupe SEB subsidiary based in Emsdetten, Germany and specialized in the design, manufacture and distribution of kitchen utensils and accessories, concluded an agreement with Poétic S.A.S., the French market leader for garden planters, for the sale of its Garden business;

- Boehringer, which specializes in the marketing of hotel equipment and was acquired alongside WMF in 2016, was sold to the Certina group.

These transactions reflect the Group's strategy of reviewing our business portfolio when necessary and focusing on our core business, thereby enhancing performance.

THE NEED FOR COMPETITIVENESS

Groupe SEB relies on a powerful and versatile manufacturing base, comprising 40 sites worldwide. It is committed to continuously improving their productivity, optimizing the entire supply chain - from its suppliers to its customers, including purchasing- as well as simplifying its structures and processes, so as to remain competitive in the long-term.

Groupe SEB's industrial strategy targets customer satisfaction above all else, by continuously improving both the quality of the products it manufactures and its customer service, while ensuring production is cost-effective with the minimum amount of capital committed.

The Group's industrial competitiveness will be optimized over the long term by embedding SEB standards into industrial processes, constantly improving its supply chain and by means of its edge in product design, especially through its centers of expertise and technological hubs:

A POWERFUL AND VERSATILE MANUFACTURING BASE

Throughout the world, the Group's manufacturing base is set to respond to market characteristics:

- European manufacturing targets mainly mature markets. French and European plants are dedicated to products for which the Group is a market leader. To this end, the Group takes advantage of technological barriers in relation to product concepts or *processes*;
- manufacturing in emerging markets focuses on the needs of these markets and, for mature markets, on products for which the Group wishes to retain control of its specific technologies (concerning products and *process*);
- *outsourcing* production for basic products or those for which the Group lacks a strong leadership position or as part of partnership arrangements.

- the centers of product expertise bring together the specific expertise in research and development, industrialization and production for a given product category;

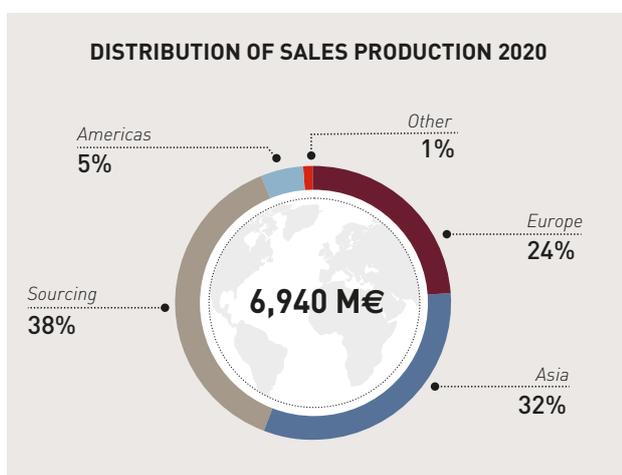
- the technological centers reinforce the centers of product expertise through their knowledge of key technologies in relation to materials, plastics, and electronics.

At relevant sites, project platforms foster collaboration between marketing teams and centers of industrial expertise in the development of the product offering. This makes it possible to promote the concept of the "technical basis" to standardize sub-assemblies and components, in order to be more responsive to customer demand.

At the end of 2020, our 40 production facilities were producing around two thirds of the products sold by the Group worldwide, with the remainder coming from outsourcing (external production), particularly from China.

To ensure and optimize the performance of its global manufacturing base, the Group prudently manages its production capacity, targets its capital expenditure and continues to adapt its production facilities on a regular basis. It takes account of economic market realities by adjusting volumes or rescaling sites, transferring operations from one entity to another, refitting sites, maintaining strict control of manufacturing costs, refocusing production, and outsourcing as required.

This optimization process goes hand-in-hand with keeping the entire value chain under continuous review, to streamline and accelerate flows, ultimately improving the service rate. The Group regularly reviews the geographical location of certain suppliers, particularly suppliers of components and sub-assemblies, with the aim of increasing their proximity to its plants to facilitate delayed differentiation and improve responsiveness.



2020: operational management of industrial sites adapted to the crisis

The Covid-19 pandemic had a considerable impact on the Group's manufacturing base in 2020, particularly at the start of the year.

Following the Chinese New Year holiday, all of the Group's plants in China were closed for an average of three weeks. Production resumed gradually from mid-February onwards, except in Wuhan, the location of the first major outbreak of the epidemic, where production did not resume until mid-March.

As the pandemic spread throughout the world and as state governments imposed restrictions in response, the Group was forced to temporarily close most of its plants, particularly in France, Germany, the United States, Brazil and Colombia. As a result, in spring 2020, at the peak of the first wave of the epidemic, 25 of the Group's plants were closed, and many others were operating at reduced capacity.

Thereafter, plants were only able to resume production gradually and with strict health and safety conditions in place (mandatory wearing of masks, availability of alcohol-based disinfectant gel, one-way systems in suitable plants, changes to production lines, increased spacing between workstations), in line with the Group's priority concern for the health and safety of its employees.

Of course, all these special measures had an impact on the costs and efficiency of the Group's industrial base, as did the severe disruption to supply chains, which was a direct consequence of the high volatility of demand throughout the year. However, the inability to absorb fixed overheads in the early months of the year was largely offset by efforts to improve productivity and the gains made in this regard.

CONTINUAL OPTIMIZATION OF INDUSTRIAL PRODUCTIVITY

Staking its claim as a major industrial company, which gives it a crucial advantage from the value chain perspective, the Group is constantly striving to ensure its industrial sites are competitive. To achieve this, it manages its manufacturing facilities with both flexibility and discipline, with its sights set on constantly improving product quality, customer service, personal safety and environmental protection.

With this in mind, the Group is rolling out some key projects at all of its industrial sites.

The PCO (Product Cost Optimization) project aims to reduce the cost price of existing products, optimize the future product offering, and increase perceived value. The approach consists in applying a method for analyzing products and taking into account consumer concerns by involving experts (R&D, marketing, design, manufacturing, etc.) as part of multidisciplinary group workshops, to challenge existing solutions and invent new ones.

In parallel, the global industrial and operational excellence program, OPS (Operation Performance SEB), has been extended across the entire value chain with the continued roll out of "fundamentals" (5S, TPM, etc.) to achieve further improvements in the productivity of the Group's sites. This practical program of continuous performance improvement:

- links health and performance in all Group improvement projects;
- involves all hierarchical levels (managers, technicians, operators) of all departments;
- aims to share best practices, so as to build a real Group manufacturing culture;
- results in a common language with the aim of promoting a Group spirit;
- is reflected in a single, scalable framework resulting from a fully collaborative approach.

Since its launch, the OPS program has enabled the Group to ensure a high level of quality in both its processes and its products. The commitment of the new sites acquired by the Group to incorporating these principles

is a highly effective way of introducing a shared global approach of excellence and continuous performance improvement.

Focusing on the involvement and empowerment of teams across all areas of the value chain, the program relies on a matrix: health and safety, quality, cost, time, involvement and environment. Within each business, maturity grids have been developed for each process, with 5 ratings. The grids are currently in use at all sites, with the dual aim of standardizing the way in which performance is measured and improved and achieving the level of maturity required for all businesses to enter the industry of the future.

This will help us to reach a new milestone in terms of our industrial and logistical performance in order to improve how we respond to our customers' needs. Digitizing the processes from our suppliers to our customers will accelerate the transmission of information, improve responsiveness for greater agility and efficiency. Using a monitoring system to digitize our OPS production system will make performance even more visible by gathering information in real time, enabling us to better empower our operators, who will have the right information, at the right time, to react quickly. Finally, the systematic analysis of data will allow us to launch preventive and predictive actions to increase the utilization rates of equipment, as well as the quality of our products.

For Groupe SEB, the Industry of the Future program relies on technological projects or building blocks:

- Connection with our suppliers for greater agility and information sharing.
- Visualization of production for dynamic management of the performance.
- Artificial intelligence: Data collection and analysis, decision-making support (maintenance and quality: descriptive, diagnostic, preventive, predictive).
- Product-process human-machine interface, automation, collaborative robots, industrial IoT.
- Monitoring and optimization of our energy consumption.

Introduction to the Group

A profitable growth strategy

- The process of planning from our customers to our suppliers, with predictive tools to improve forecasts.
- New logistical capabilities thanks to digitization in order to improve the customer experience during delivery.

These projects were entrusted to pilots chosen for their expertise and having the means to explore and implement concrete solutions. The pragmatic approach uses test and learn mode by experimenting with new approaches through POC (Proof of Concept). Once the solution is validated, it can easily be standardized and deployed at a low cost.

One of the key projects, involving both the industrial and information systems teams, is the establishment of a futuristic factory model using supervisory and data processing systems to improve performance, the availability of the means of production, the anticipation of breakdowns, but also quality, traceability and the optimization of energy consumption. At the same time, the Group is developing new, more economical and flexible automation models, using collaborative robots (cobots) and auto-guided vehicles (AGV) to reduce the difficulty of tasks. Lastly, augmented reality systems will help operators achieve their goals and improve performance.

All these improvement plans are systematically supported by the Group's approach to health and safety, as continually improving the safety of personnel in the workplace, particularly by steadily reducing the number of workplace accidents, is a key priority for the Group (*reduced by 50% between 2018 and 2020*). For further details, see Chapter 3 on Corporate Social Responsibility on pages 123 to 204.

Another key component of the Group's competitiveness is Planning and Logistics, which is managed on a global level with the aim of improving the service to our customers and ensuring their satisfaction while optimizing our finished product stocks. To achieve this, the Group has deployed a transversal and collaborative S&OP (*Sales and Operating Planning*) process, from sales forecasting in market companies to capacity planning, production and delivery to the customer. In parallel, a supply chain optimization project was launched, as well as a *Supply Chain Academy* to develop our dedicated teams' skills.

In 2020, in addition to managing the specific challenges associated with the Covid-19 crisis (see box p. 35), the Group continued its program of continual improvement of the productivity and competitiveness of its industrial sites, by:

- in linen care, completing the transfer of plastics processing activity from the Saint-Jean de Bournay site to the Pont Évêque assembly site (France). The key aim of the transfer is to optimize the production environment on the basis of shortened flows, improved flexibility and versatile teams;
- finalizing the readjustment plan for WMF's Consumer business in Germany: transferring production of stainless steel cookware from Geislingen to other Groupe SEB plants in Europe (Omegna in Italy and Selongety in France) and consolidating logistics operations into a single warehouse in Dornstadt;
- maintaining an ongoing program of streamlining, with factory productivity plans (increased automation, processes, etc.) like those in Colombia (Rio Negro), or the United States (All-Clad, in Canonsburg);
- increasing capacity to better serve the markets (Egypt, China, Vietnam, and so on).

Industrial investments amounted to €183 million in 2020 (compared to €266 million in 2019). This temporary reduction in industrial investment is a direct consequence of the Covid-19 health crisis which has slowed down many projects.

A RIGOROUS AND RESPONSIBLE PURCHASING POLICY

Purchasing combines both production procurement, which covers requirements for materials (metals, plastics, paper/cardboard packaging, etc.) and components (parts, sub-assemblies, etc.) for manufacturing, non-production purchasing (transport and logistics, services, information systems, travel, etc.) and purchases of sourced finished products. Generally speaking, and for a number of years, purchases have increasingly been managed at Group level, through a panel of approved suppliers and the use of shared global product family platforms making it possible to consolidate volumes and standardize materials and components. This approach makes it possible to optimize negotiations (on price, quality, on-time delivery, etc.) and to develop pooled procurement offering greater flexibility between manufacturing sites and increased synergies within the Group. Suppliers are selected in accordance with a strict process, which assesses their competitiveness and their ability to fulfil the Group's requirements in terms of quality, delivery timescales and compliance with the Group's ethical standards with respect to corporate social responsibility. More generally, since 2012, purchasing has been governed by the Group-wide Responsible Purchasing Charter.

The Group's direct spend policy is based on the best possible balance of cost, quality and availability, by seeking out and selecting the most competitive suppliers at the same time as introducing suppliers to the Group's approach to innovation and its required quality standards. Amongst other things, this policy makes it possible to establish and maintain a real partnership with the best-performing suppliers and to closely involve them in the improvement process and the Group's objectives in terms of competitiveness. In 2020, the panel suppliers for manufacturing supplies comprised 494 suppliers (456 in 2019) with global purchasing coverage of 74% (70% in 2018).

Non-production purchases continue to follow the same process aimed at better qualifying approved suppliers and building an across-the-board Group purchasing methodology with a panel of approved suppliers representing 42% of non-production purchases (identical to 2018). The purchasing office team undertakes to cover a very broad range of expenditures and an increasingly large international scope for sourcing. Calls for tender are launched on a regular basis and cross-functional teams thoroughly rework our specifications to optimize purchasing in new fields.

The organizational arrangements for outsourced finished products help to maintain (or even strengthen) quality processes and a responsible approach by providing suppliers with technical and methodological assistance from Group teams. At the same time, it demonstrates the Group's desire for upstream integration of suppliers in the product development processes in order to foster greater fluidity in creating the product offering. The Group has thus ranked its finished-goods suppliers according to three categories, based on its strategic goals, performance criteria (e.g., timeliness, quality, costs) and social and environmental responsibility (environmental impact, respect for Human Rights, etc.), namely: (i) preferred suppliers; (ii) recommended suppliers; and (iii) non-recommended suppliers. In 2020, the Group had around 500 suppliers, of which 69 who represented 80% of purchases.

1.3 Organization and internal control

The scope of application of internal control and risk management procedures encompasses all of the Group's companies and employees, from governance bodies to individual employees. The operational and functional management structures are responsible for implementing these procedures.

Groupe SEB is an international entity, organized primarily into geographical zones by continent, each with their own ranges of products to sell. In addition, operations are managed by activity, covering a

group of product lines and trademarks. Lastly, functional management supports operations transversally across all of the Group's businesses. The primary aim of this functional management is to ensure that activities are consistent and effective and to oversee the control functions (e.g. by means of financial standards, IT tools, quality rules, etc.).

The Group's conduct and operational processes are based on two key documents: the Group's Code of Ethics and the Internal Control Manual, which sets out what is expected of employees.

ORGANIZATION OF INTERNAL CONTROL AND KEY PLAYERS

The key control activities are identified within the functional departments described below, which report directly to a member of the Group Executive Committee.



Audit and Internal Control department

The Audit and Internal Control department is tasked with evaluating compliance with the Group's internal rules and procedures and detecting non-compliance with local legislation. This department is also required to evaluate the efficient conduct of operations and to ensure that business risks are identified and mitigated.

To achieve this, the Audit and Internal Control department is focused on three parallel activities:

- **defining and rolling out internal control procedures** ("Internal Control Manual"). This document covers all of the Group's control processes. It is circulated to all the Group's entities once a year, after Internal Control has carried out its annual update to reflect changes in operations, regulations and management systems;
- **implementation of a multi-year audit plan**, based on prioritizing the entities to be covered according to several parameters: assessment of the level of risk (size of the subsidiary, geography, information system, environmental factors, etc.); frequency of audit coverage; and lastly, the rating of the most recent audit. The plan is approved by the Audit and Compliance Committee each year;
- **coordination and oversight of risk mapping**. The Group's risk map is updated every year using the process described on p. 47 "Risk identification and control process".

The Group's Audit and Internal Control team consisted of twelve auditors, three internal controllers and one Head of Audit and Internal Control as at 31 December 2020.

Legal department

The role of the Legal department is to ensure compliance with any legal and regulatory requirements that affect the Group in the various countries in which it operates, to protect its assets (particularly its intellectual assets) and its businesses as a whole. It also protects the Group's interests by means of effectively managing risks and litigation. The Legal department is led by the General Counsel, who is a member of the Group Executive Committee and Secretary of the Board of Directors of SEB S.A.

Its main tasks are based on the following activities:

- **providing Legal support for operations**, regarding all types of regulations, drawing up and updating contract strategy (purchase of goods and services, terms of sale, sales promotions, after-sales service, etc.), negotiation support, oversight of legal firms consulted, pre-litigation and litigation management, coordination of all the Group's lawyers, defense strategy for intellectual creations, protection of industrial property titles (trademarks and trade dress in particular), and legal watch;
- **protecting intellectual property assets**, including legal support for the increasingly digital side of the business (connected products, data marketing, etc.), managing international intellectual property before and during litigation and managing anti-counterfeit operations;
- **ensuring Compliance**: instituting a compliance policy (anti-corruption measures, GDPR, etc.) in line with all Group-wide corporate, operational and continental functions;
- **corporate governance**: overseeing around 150 subsidiaries, including two listed companies, SEB S.A. and Supor, ensuring insider trading is prevented, managing shareholder services, negotiating finance contracts and supporting the Group's real estate projects;
- **coordinating the Group's insurance program**, described in detail on p. 62 "Insurance", allowing for an appropriate insurance program for the Group's activities and risks;
- **participating in the acquisition strategy**: preparatory agreements, merger control, contract negotiation, and post-acquisition restructuring.

Financial Communication and Investor Relations department

The Financial Communication and Investor Relations department works closely with the other departments within the Finance Function, with the operational, support and continental management structures, and with the Sustainable Development and Corporate Communications departments in order to carry out two key tasks related to the status of SEB S.A. as a listed company:

- **developing and disseminating the Group's financial communications.** This communication takes place according to a specific timetable and in compliance with the regulatory framework (AMF *, ESMA *, etc.), ensuring in particular the dissemination of clear, accurate, precise and true financial information, as well as conformity to the principles of equal treatment of investors and consistency of information. The documents and materials produced, published and circulated (Universal Registration Document, the AGM convening notice, press releases, the finance section of the Group website www.groupeseb.com, analyst and investor presentations, letters to shareholders, etc.) undergo a structured, traceable, production process and are prepared in close collaboration with the Group's various functions. They are reviewed by concerned business Managers and finally approved by the Executive Committee. The Financial Communication department, in conjunction with the Legal department, coordinates the MAR (Market Abuse regulation) Committee described on p. 44;
- **identifying the shareholder base and investor relations** throughout the year, through physical or telephone conferences, roadshows, analyst/investor days or individual meetings. These exchanges are intended to give the market information about the Group's strategy, performance and outlook, and to maintain and fuel interest in the stock. In 2020, nearly all events took place remotely, due to the health crisis. These events led to nearly 1,000 contacts.

Finance and Treasury department

The Group's Finance and Treasury department is tasked with ensuring the liquidity of Group operations, the security, transparency and efficiency of treasury and finance operations, and hedging against all financial risks. Its areas of work are as follows:

- **managing financial resources to ensure the Group's liquidity;**
- managing and securing cash flows (cash management);
- **quantifying and hedging against financial risks** (particularly currency, interest rates and raw materials risks);
- monitoring relations with banks;
- **financing projects**, particularly acquisitions;
- **overseeing strategies for hedging customer risk.**

Introduction to the Group

Organization and internal control

Group Controlling department

The Group Controlling department coordinates budget planning and control, using a handbook of management procedures and rules applicable to all entities, including Group budgeting, re-projections and management reporting methods.

Its key oversight responsibilities are as follows:

- **budgeting process.** Guidelines and recommendations are circulated to the various entities for budgeting purposes. The Group Controlling department consolidates and oversees the various budgetary adjustments before a budget is approved by the Executive Committee and the Board of Directors;
- **re-projections:** throughout the year, as the Group's business evolves, the Group Controlling department alerts the Executive Committee in the event of a deviation from the budget, quantifies the impact of corrective measures and coordinates re-projections at key times during the year. These are then consolidated and approved at the Executive Committee level;
- **reporting and analysis of operational performance:** every month, to enable effective Group oversight, the Group Controlling department consolidates all information from a single, centralized management tool to establish dashboards for the Executive Committee and Group management. The dashboards include appropriate analyses of significant deviations and trends.

Accounting and Tax department

The Accounting and Tax department is responsible **for ensuring that the Group's accounting principles** and standards are compliant with commonly accepted international accounting standards. It defines the Group's accounting standards and oversees their distribution and application, particularly through training courses. It is responsible for preparing the Group's Consolidated Financial Statements and closes the Group's Financial Statements, in collaboration with the entities, in a timely manner.

The Group Accounting and Tax department oversees and **coordinates the Shared Service Centers for Accounting and Management Services. These entities**, in France, Poland, Germany, the United States, and China, help improve the Group's internal control system through the sharing of best practices, standardization of procedures and the division of tasks.

The Group Accounting and Tax department also ensures compliance with tax **regulations and obligations in all countries** where the Group operates. It also ensure the:

- **monitoring tax inspections carried out by tax authorities in all of the Group's entities;**
- **ensuring consistency in the tax procedures used by the entities;**
- **liaising with tax consultants to verify that the Group's main activities are compliant with current legislation.**

Sustainable Development department

The Sustainable Development department drives **and coordinates the sustainable development policy**. It documents and rolls out short- and medium-term action plans, in line with the Group's priority criteria, in each division and on every continent, thus promoting appropriate conduct.

In addition, the Sustainable Development department is responsible **for the content of the Group's Code of Ethics** and ensures that it is properly circulated and understood in all the entities. As the principles of the Code of Ethics are included in the Internal Control Manual, the ethical compliance of our subsidiaries is regularly checked on site by the internal audit teams.

Conformity to the values mentioned in the Code of Ethics does not stop with the company: the Sustainable Development department also monitors the **application of these principles by suppliers**, by means of a Responsible Purchasing Charter, which is circulated to and signed by all its partners, and regular outsourced audits. This last measure is fully in keeping with our action plans for compliance with the "SAPIN II" and "Duty of Vigilance" laws.

Each of the Group's plants is organized to prevent any pollution (of air, water, or soil) or environmental accidents and to reduce its carbon and environmental impact (particularly in terms of energy, water, and waste). To achieve this, **each plant complies with local environmental regulations** as well as standards shared by all Group sites. The regulations, and changes in them, are monitored locally by Health, Safety and Environment coordinators.

Measures to assess risks, prevent pollution and reduce environmental impact are implemented locally and coordinated at Group head office: a dedicated staff member is responsible for setting environmental goals and defining shared standards. The Sustainable Development department **also ensures the implementation of performance indicators**, which are then monitored and consolidated.

Environmental risk is overseen by a dedicated Group team which regularly monitors changes in regulations and transcribes these regulations into the Group's standards. The processes are then rolled out to the plants.

As part of its **compliance** policy, the Sustainable Development department appoints an external service provider to audit the Group's industrial sites in countries presenting ethical, social and environmental risks.

Personnel Administration department

The Group had nearly 33,000 employees at 31 December 2020, divided between more than 100 operational entities worldwide. The Personnel Administration department is responsible for ensuring the consistency of personnel management processes. It is organized around the following main areas:

- **defining personnel management rules applicable** to all of the Group's businesses, in line with local regulations: management of working time and leave, business expenses, tools available to personnel (computers, telephones, cars, etc.), and the payroll process (checks, approval and security);
- **rolling out and overseeing a single personnel** management tool at Group level, in accordance with local personal data protection regulations. This includes the administrative process related to employee entry, performance monitoring, and exit;
- **managing the Shared Service Center dedicated to payroll for all French entities**, ensuring the division of tasks and a strict level of control. The Personnel Administration department also reviews the standard processes for setting up outsourced payroll management;
- **keeping people safe**: the Personnel Administration department is responsible for drawing up safety rules, particularly in countries identified as risky (Ministry of Foreign Affairs) and coordinates the monitoring of traveling employees with an external partner to ensure their safety.

Purchasing department

The Group has two purchasing departments, one which manages the purchasing of components and raw materials required to manufacture products, as well as indirect purchases, and the other that manages the purchasing of finished products. The scale of the financial flows involved means that the Purchasing department is central to the Group's internal control process:

- **managing centralized purchasing**, one department based at head office in France and the other close to our suppliers in Asia for finished products. Both departments use the same organizational principles: operational buyers located close to where the need is (plants, R&D centers, markets) and category buyers, who determine the Group's purchasing strategy. This centralized oversight begins with the implementation of standard processes and strict rules on how to manage purchases (calls for tenders, purchase requests, approvals, etc.);
- **overseeing suppliers**, mainly by category managers, through performance indicators and reviews and audits of suppliers, relating not only to operational aspects (quality, supply chain, etc.) but also responsibility and ethical, social and environmental compliance, in partnership with the Sustainable Development department;
- **monitoring purchasing performance**: establishing purchasing strategies, objectives and analysis to optimize efficiency and strengthen control. A dashboard makes it possible to accurately monitor key indicators and adjust the action to be taken.

Information Systems department

Groupe SEB's information systems are designed to guarantee the security, integrity, availability and traceability of information.

Several priority areas within the Information Systems department help to improve the Group's control environment, including:

- **operational tools (ERP, business software, office automation, communication, etc.):** the Information Systems department oversees operations for the Group's tools and participates in an Information Systems Steering Committee, described on p. 44;
- **network architecture:** the Information Systems department ensures the consistency, availability, and integrity of the Group's networks;
- **security of information systems and personal data protection:** a Group Head of IT Security or Chief Information Security Officer (CISO) was recruited in July 2020 to reinforce the existing security system. His role is to define the IT security strategy in order to address the cybersecurity challenges the organization faces. He ensures that the mapping of cyber risk is up to date and that adequate protection measures and systems are in place to address the various risks identified. In charge of IT systems security, he defines and implements the Group's security policy, oversees the Group's key security indicators, monitors the implementation of security rules in projects, and takes the necessary information, awareness and risk prevention measures. This activity is supported by an Information Systems Security Committee (described on p. 44). With regard to personal data protection requirements, the CISO works with the Head of Personal Data Protection and the Legal and Personnel Administration departments: this cross-functional organization is described on p. 43 ("Cybersecurity and Information Systems failure risk");
- **digital applications:** The Information Systems department ensures the implementation of software components and infrastructure to ensure the quality, security and availability of the service provided to consumers: downloadable applications on mobile phones and tablets to facilitate the use of connected products and give access to digital content, photos, recipes, etc.

Supply Chain department

The distribution of the Group's businesses across all continents requires constant optimization of the production process, flows, procurement and logistics.

The role of the *Supply Chain* department is to ensure customers are satisfied and products are available, while optimizing costs and inventories. To achieve this, the department must have a comprehensive overview of the issues, from our suppliers to our customers and use sales forecasts to control scheduling, to provide a high level of customer service. Specifically, this involves:

- **reviewing our optimal logistical footprint between** our industrial facilities and our customers, as well as the global deployment of our OPS program, which enables us to guarantee high quality at optimum cost, in the drive for continuous improvement of our performance;
 - **defining and rolling out stock management procedures** that apply to all the Group's warehouses, outsourced or not, including a receipt and dispatch management process, an inventory management process and security requirements at storage sites;
 - **oversight of product flows:** defining and optimizing product flows (with a view to improving the flexibility of industrial sites) in line with international regulations and in compliance with customs regulations.
- With a view to continually improving customer service, the Group is in the process of changing the structure of its supply chain, which will be organized along three key principles:
- centralized calculation of demand, based on market data and the use of statistical forecasting tools, as well as centralized management of logistics centers to optimize our distribution network;
 - maintaining the structures required to serve our customers on continents and within markets. These structures will define our logistics offerings by customer type and implement them, from taking orders to delivery;
 - centralizing the «Planning» *function* in our Business Units which, based on demand calculated by the central function, will schedule production and supplies to service the markets. The BUs are also responsible for product offerings, plants and marketing plans.

Industrial Efficiency department

Ensuring the competitiveness of our industrial operations has always been a central concern for the Group. Groupe SEB has implemented a system for the continuous improvement of industrial performance, known as OPS, which has for many years been used in all the Group's plants. In recent years we have also been working on adopting the latest digital techniques to improve our plants using cutting-edge technology.

This department is responsible for the following processes:

- **OPS, a performance management process that includes procedures**, tools and methods for the smooth running of our plants, based on the principle of seeking excellence and continuous improvement.
- **a "factory of the future" program** that sets out the new digital tools and methods to be deployed to improve our plants by means of industrial IT.
- **Continual** evaluation of the need to progress our industrial footprint and our industrial strategy.

Quality & Environment department

Improving the quality of its products and processes has always been a central concern for Groupe SEB. Groupe SEB uses a Quality and Environment Management System, a key pillar of any business, implemented through a shared tool available on the Group Intranet.

This system includes all the procedures, tools and methods relating to the Group's key processes:

- **management procedures with the definition of Group policy**, strategic planning, continuous quality improvement, and safeguarding of the environment;
- **operational processes**, including strategic marketing, R&D, sales and marketing, customer order processing and production;
- **operational support functions**, covering human resources, information systems, purchasing, finance, after-sales service, and customer assistance;
- **monthly reporting** allows the Quality department to accurately track key indicators and adjust its actions.

Health and Safety department

Employee health and safety within the Group is our number one priority and everyone's responsibility, whether they work in industry, on logistics platforms, commercial subsidiaries, or at headquarters.

The Health and Safety policy is coordinated by the Group Health and Safety department, which is responsible for managing it. It is structured around five focus areas that are communicated to the sites continuously:

- **ensuring that health and safety is always seen as our number one priority**;
- **focusing on one ambitious objective**, monitored with indicators on site and at Group level;
- **taking every serious accident or incident into consideration** and making it a learning opportunity;
- **sharing the same level of skills and requirements** based on shared standards;
- **acting promptly on any recorded non-compliance** to address it rapidly.

A Group-wide Strategic Health/Safety Committee is described on p. 44.

Alongside these departments overseeing the Group's control activities, Committees have been set up spanning various control topics. These Committees meet two to four times a year and involve managers from the aforementioned departments. Each are responsible for identifying, in their respective areas, any situations requiring action at the central level (regulatory changes, evolution of the market context, etc.). In this case, each Committee will report to the Group Executive Committee.

GROUP SEB EXECUTIVE COMMITTEE (COMEX)

Thierry de La Tour d'Artaise	Chairman and Chief Executive Officer
Stanislas de Gramont	Chief Operating Officer
Nathalie Lomon	Senior Executive Vice-president, Finance
Delphine Segura Vaylet*	Senior Executive Vice-president, Human Resources
Harry Touret	Senior Executive Vice-president, Human Resources
Alain Leroy	Executive Vice-president, Industrial Operations
Patrick Llobregat	Executive Vice-president, Cookware
Olivier Naccache	Executive Vice-president, Small Electrical Appliances
Oliver Kastalio	Chief Executive Officer WMF
Vincent Rouiller**	Executive Vice-president, Research
Cathy Pianon**	Executive Vice-president, Public Affairs & Communication
Philippe Sumeire**	Executive Vice-president, Legal, General Secretary of the Board of Directors.
Cyril Buxtorf	Executive Vice-president, EMEA
Martin Zouhar	Executive Vice-president, Americas
Vincent Tai	Executive Vice-president, Asia - Executive Vice-president, EMEA

Compliance Committee

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

Information Systems Security Committee

- Information Systems department
- Audit and Internal Control department
- Human Resources department

MAR (Market Abuse Regulation) Committee

- Chairman and Chief Executive Officer
- Chief Operating Officer
- Senior Executive Vice-president, Finance
- Legal department
- Financial Communication and Investor Relations department

Sustainable Development Steering Committee

- Sustainable Development department
- Audit and Internal Control department
- Human Resources department
- Quality & Environment department
- Research department
- Brands department
- Marketing department
- Sales department
- Strategy department
- Legal department
- Customer Satisfaction department
- Industrial department
- Purchasing department

Information Systems Steering Committee

- Information Systems department
- Continental departments
- Products & Innovation department
- General Finance department
- General Human Resources department

Health and Safety Committee

- Chairman and Chief Executive Officer
- Chief Operating Officer
- Senior Executive Vice-president, Human Resources
- Group Communication department
- Directors of Industrial Activities
- Group Health/Safety department

* Appointment to COMEX on 01/01/2021.

** Appointment to COMEX on 01/02/2021.

In particular, the Compliance Committee implements measures relating to recent regulatory developments. A cross-functional action plan involving several Group departments has been drawn up to address the requirements of the SAPIN II law and the Duty of Vigilance law relating to parent companies and principals.

This action plan focuses on the following key points, most of which are already in place:

- Code of Conduct;
- internal whistle-blowing system;
- risk mapping, corruption and suppliers;
- customer and supplier assessment procedures;
- internal and external accounting control procedures;
- training system;
- disciplinary system;
- internal system to control the implementation of the above measures.

Lastly, to ensure efficient overall management, Groupe SEB relies on the decentralization of operational responsibilities and clearly defined

rules of operation and delegation. It also benefits from a well-established corporate culture, rooted in shared fundamental human values that foster an ethical working environment: Entrepreneurial drive, Passion for innovation, Professionalism, Group spirit, and Respect for people.

Groupe SEB has been a signatory of the Global Compact since 2003 and supports the values set out in this document, promoting them throughout the company. The Group Human Resources department states in its guiding principles: "The Group is a community of men and women who share the same objectives and values".

The Code of Ethics, published in September 2012, serves as the frame of reference for Groupe SEB's values and standards. It defines individual and collective rules of conduct to guide the actions and inspire the decisions of each employee. It is supplemented by a whistle-blowing system that allows any employee to report a serious violation of the Code of Ethics.

More details on the whistle-blowing system are provided in Chapter 3.3, page 135.

1.4 Risk factors

MAIN RISK FACTORS

PRESENTATION OF THE MAIN RISKS



RISKS INVOLVING EXTRA-FINANCIAL ISSUES (DESCRIBED IN CHAPTER 3, ("CORPORATE SOCIAL RESPONSIBILITY"))

Strategic risks

Degree 3

- Market competition and concentration for Small Domestic Equipment market
- Changes in the distribution industry
- Innovation and intellectual property
- Image and reputation

Operational risks

Degree 2

- Business volatility and competitiveness
- Talent attraction and retention 
- Macroeconomics, geopolitics and regulations
- Compliance 
- Cybersecurity and Information Systems failures

Industrial and environmental risks

Degree 1

- Product quality and consumer safety 

Degree 2

- Business continuity
- Employee health and safety and environment 

INTRODUCTION

The nature of Groupe SEB's business and its large international presence opens up significant development opportunities, but also exposes it to various types of internal and external risks. These risks may adversely affect the Group's activities, results, financial position or assets, or have consequences for its various stakeholders – consumers, employees, shareholders, customers, suppliers, partners, the local ecosystem (public authorities and civil societies), etc.

The Group implements a range of measures to identify risks and measure their potential impacts and probability of occurrence. These risks are then managed according to risk control plans that are regularly reviewed and involve the players concerned in the Group's various departments. As with any control system, however, it cannot provide an absolute guarantee of total control or elimination of all risks.

RISK IDENTIFICATION AND CONTROL PROCESS

In accordance with regulation (EU) 2017/1129 and its delegated regulation (EU) 2019/980, which took effect on 21 July 2019, this section outlines, in a limited number of categories, the most significant risks in terms of materiality and specificities in relation to the Group's activities.

Within each category, the most significant risk factors are presented first.

The risk identification and control process is an ongoing process incorporated within the Group's operations. In order to provide comprehensive information, the various stages of collecting and processing information were defined as follows: operational approach, consolidation by key theme, review by the Executive Committee.

COLLECTION OF OPERATIONAL RISKS

Operational risks—risks related to operations, legal affairs, the industrial side of the business and the environment—are identified and reviewed annually by means of interviews with key divisional managers.

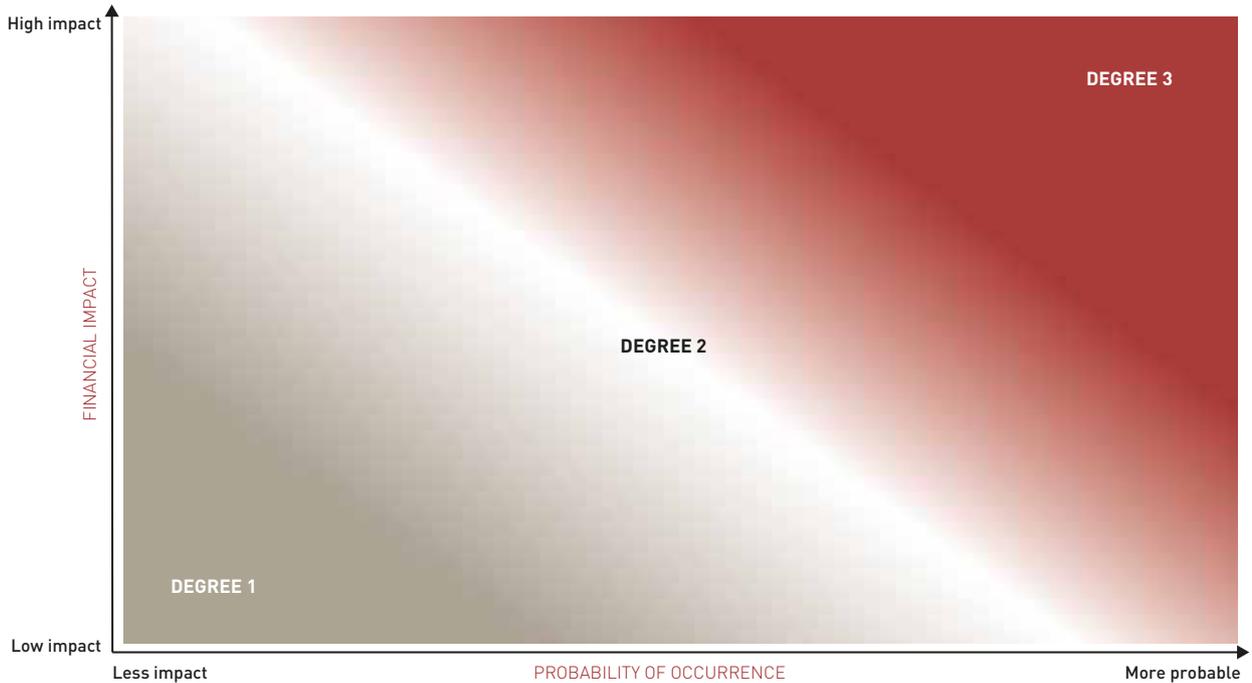
Risk forms are then created and consolidated by the Audit and Internal Control department to identify the main issues by theme.

On the basis of this consolidation, each function director meets individually with the Audit and Internal Control department so as to assess thoroughly the main risks and associated risk management plans.

CONSOLIDATION AT GROUP LEVEL

An annual working meeting is held with the Executive Committee members on the basis of the above elements. This meeting covers all the information from the operational collection. Each risk is reviewed in detail, to evaluate how it has evolved and its relevance in terms of both potential impact for the Group and probability of occurrence.

For each residual risk, after taking mitigation measures into account, a degree of exposure is defined, with level 1 corresponding to the risks to which the Group is least exposed, and level 3 to the risks to which the Group is most exposed.



Lastly, the review of the Group's risk mapping activity is included as a specific agenda item at an annual meeting of the Audit and Compliance Committee (review of methodology, risks, their assessment by Group management and the associated action plans).

SPECIFIC RISK: COVID-19

Description of risk

The risks associated with the coronavirus epidemic were significant, although it is difficult to quantify precisely the impact they had on the Group's activities in 2020.

This crisis was reflected by two trends; some habits, such as home-made cooking, increased, which in turn highlighted the relevance of our products, and the expansion of e-commerce accelerated. This meant that our consumer business was able to end the year with sales that were almost as high as those of last year.

Professional activity, on the other hand, suffered from the closure of cafés, restaurants, hotels and large catering chains. This situation resulted in our customers suspending, postponing or reducing their capital expenditure on equipment—particularly coffee machines—significantly limited our maintenance business.

The safety of the Group's employees has been, and remains, our absolute priority, requiring us to put in place the following measures:

- protective measures in the workplace (masks, social distancing, hygiene measures);
- isolation measures, by closing sites (up to 25 industrial sites closed); and
- organizational measures for telecommuting.

Despite the rollout of vaccination programs worldwide, the public health situation remains highly uncertain.

The Group has needed to, and may yet need to, temporarily close one or more of its sites (production sites, warehouses, commercial subsidiaries and administrative offices, retail stores etc.) due to the restrictions put in place by national governments.

In addition, the supply chain for Group finished products, raw materials and components may be affected insofar as Group suppliers and subcontractors have seen or may see restrictions to the manufacture and distribution of their products and logistics were or may be disrupted.

Lastly, travel bans and confinement measures in some countries, resulting in a drop of footfall in physical stores and even the closure of many stores, could have a direct and significant impact on the resale of our products to end users. This decline may only be partially offset by an increase in online sales.

This could result in late payments or the risk of insolvency of certain customers.

All of these elements could lead to a decrease in sales and in Operating Result from Activity (ORfA) in several Group geographies, as was the case in 2020, and could result in increased business volatility, depending on the health measures in place.

Management of risk

The Group has put in place a procedure to continually review the impact of this crisis under the authority of a dedicated Committee comprising members of General Management and operational managers.

A Business Continuity Plan has been elaborated, which provides in particular for:

- Systematic implementation of measures taken by national governments;
- Specific crisis management and protection measures for Group employees in the various sites (plants, warehouses, commercial subsidiaries and administrative offices, retail stores etc.) including in particular:
 - provision of protective equipment (hydroalcoholic gel, masks) for employees, regular cleaning and disinfection of common areas, layout of workstations to respect the necessary distance and ensure strict compliance with barrier gestures recommended at all Group sites;
 - possibility of using telework for all employees whose activity allows, on all Group sites;
 - in general, intense communication, information and awareness campaigns for all employees.
- Continuity of customer service through continuation of our logistics platforms, while safeguarding employee health;
- Communication with partners, customers, suppliers and stakeholders regarding the continuity of key services;
- Banning travel for all Group employees;
- Reduction in operational expenses, strict control on administrative costs;
- Strengthened monitoring of customer receivables. It will also be recalled that:
 - the Group operates in numerous distribution networks, depending on the country and its activities, and that its customer portfolio is balanced,
 - the Group has a broad and international program of credit insurance policies.
- Securing of liquidity, thanks to balanced funding in terms of instruments and maturities. The Group's short-term debt is fully covered by undrawn syndicated credit lines for an amount of more than €1 billion. Loans and lines of credit are not subject to any prepayment clause based on covenants. Information on the maturities and characteristics of the borrowings and credit lines can be found in Note 24 to the consolidated financial statements on page 271 of this document.

1.4.1 STRATEGIC RISKS

RISK RELATED TO COMPETITION AND CONCENTRATION IN THE SMALL DOMESTIC EQUIPMENT MARKET

Description of risk

The Small Domestic Equipment market is buoyant, but it is still fragmented on a global level, particularly in certain segments or geographic areas.

As explained in Chapter 1, p. 22, there are a large number of competitors, and particularly:

- large global groups, generalists or specialists, with global brands in one or more product categories;
- groups operating primarily in their domestic markets or a in small number of reference markets;
- leading players concentrating on a single product category;
- companies selling their products under retailer brands or without a brand name.

Also, with some Asian companies gaining traction in domestic and international markets and with new 100% online BtoC business models popping up, some brands are quickly gaining market share in targeted categories, at the expense of our products.

This large number of players, combined with pressures on retail, results in intense competition, which creates an environment driven by sales promotions. In this context, differentiation and competitiveness are crucial.

Furthermore, in addition to its organic growth targets, for decades the Group has implemented an external growth strategy to accelerate its expansion and consolidate its market positions. This strategy has resulted in major strategic acquisitions (Moulinex in 2001, Supor in 2007, WMF in 2016) and more targeted acquisitions (All-Clad, Imusa, Krampouz, StoreBound, etc.). Therefore, missing an acquisition opportunity could be detrimental to the Group. Likewise, if our competitors ramp up their acquisitions policies, they could bolster their positions in the markets concerned – Small Electrical Appliances, Cookware or the BtoB market (coffee in particular). Such a gain in momentum could impact the Group's competitiveness as the Group would receive reduced economies of scale and bargaining power with distributors.

Finally, each of these acquisitions has specific features in terms of corporate culture, structure, operational processes and distribution channels. Failing to identify these or not taking them into account could have an adverse effect on the integration process and the value creation expected from these operations.

Management of risk

- With regard to competition risk and the need to be competitive, the Group serves its customers to the best of its ability by relying on the widest range available on the market, fueled by an ongoing approach to innovation that makes it stand out from the crowd, on its unique portfolio of brands, on a presence in all distribution networks and on an effective and versatile manufacturing base. In particular, the Group has an industrial base in Asia through its subsidiary Supor, which, in addition to the Chinese domestic market, supplies the Group's international markets.
- Market fragmentation can also be a strategic opportunity. With a long-standing commitment to consolidating the market, and in its position as market leader, the Group actively and continuously watches the markets to identify companies that could become good acquisition targets. This watch prioritizes the most strategic sectors/geographic areas.
- In fact, the Group's acquisitions policy is based on complementarity and supports its organic growth strategy. It focuses on strategic and structuring acquisitions or more targeted acquisitions that provide synergies in terms of products, geographic area, business sector or business model. The Group's cash position also makes it a player in market consolidation.
- Where new acquisitions are concerned, over the years the Group has built up real experience and strong skills in integration. An ad hoc structure has been set up, which combines post-acquisition due diligence processes and the creation of an integration committee. Its role is to oversee, support and coordinate each integration process between all the stakeholders involved (the acquired company, the relevant Business Units within Groupe SEB and the markets affected by the acquisition). The integration of employees of the new entity, the rollout of Group processes (e.g. financial reporting), the harmonization of IT tools, and the performance of audits, in particular, are carried out by the various departments in question (Strategy, Human Resources, Management Control, Information Systems, Audit and Internal Control, etc.).

RISK ASSOCIATED WITH CHANGES IN THE DISTRIBUTION INDUSTRY

Description of risk

The distribution industry has experienced some major changes over the past few years. These changes have had a lasting impact on the Group's business: sector consolidation (through acquisitions or by setting up central buying organizations). The rapid emergence and success of e-commerce specialists have radically transformed the business environment as well. Similarly, new digital companies offering direct BtoC service have appeared, shattering traditional distribution models.

Some of the Group's long-standing customers, especially traditional retailers in mature markets, have not been successful in transforming their business to digital. As a result, they have had to embark on major reorganizations to counter declines in store traffic – shifts within the portfolio of products sold, major discounts to attract customers, lean inventory management, limited re-stocking, reducing their store network, etc.

In 2020, as a result of the restrictive measures implemented worldwide to halt the spread of Covid-19 (including temporary store closures), the growth of online sales accelerated sharply, further weakening some brands that had not developed their digital business – or had not developed it sufficiently.

Furthermore, and more generally, 2020 confirmed the blurring of the boundaries between physical retail and e-commerce; the trend is now towards omnichannel distribution.

In some cases, these changes included restructuring, including cost reduction measures and even store closures, which may have resulted in bankruptcies.

As a result, this profound transformation within the distribution industry may spill over onto the Group and adversely impact sales and/or market share, or even unpaid debts.

Management of risk

- The Group strives to grow in a balanced and sustainable way, using all existing distribution networks in order to optimize its market exposure and diversify its risks. In fact, in 2020, the Group's largest customer accounted for just over 5 percent of consolidated revenue, but in some countries the weighting of a given distributor can be significantly more. In essence, we're talking about long-term partners with whom the Group is keen to maintain a solid, trustworthy business relationship.
- Changes in the distribution industry can also be a strategic opportunity for the Group and fine-tuning how we do business is a core concept of our corporate plan. The sales teams are structured to provide an adequate response to this.
- The Group's e-commerce sales account for around 35% of consumer sales, rising steadily for several years. The same has been true for pure players and Click&Mortar stores. In direct to consumer, the Group has already generated around 7% of its consumer sales through its network of directly operated stores (Home&Cook, WMF, Supor Life Stores, etc.). It is also developing an online direct to consumer model via brand websites (around 100 online sales outlets at the end of 2020).
- The unique circumstances of 2020 prompted the Group to ramp up significantly the liquidity monitoring of some of its retailer customers, so as to anticipate potential defaults (customer profile, in-house credit analysis, centralized indicators and reports, etc.).

RISK RELATED TO INNOVATION AND INTELLECTUAL PROPERTY

Description of risk

The Group has to regularly renew our product portfolio through innovations. Innovations are designed to satisfy consumers' new needs and may emerge through existing product or service improvements or via breakthrough innovations.

Over the past few years, product life cycles have shortened, and agile players have emerged with short-lived product offerings (even mono-products) delivered through an innovative marketing and distribution approach. This phenomenon is in tune with new consumer trends and rapid technological developments, especially "digital" products, connected products and related services.

Adapting to these new trends and understanding new ways to consume products and services is a key issue for the Group as we have to learn them and respond to them with an innovative product offering to defend and even increase sales and market share.

The Group's brands and innovations are world-renowned. This leads to various types of intellectual property right infringements (patents, trademarks, designs), which can hurt the Group's sales and create image risks.

All of the Group's innovations must therefore be protected through patent, design and model filings along with other intellectual property assets including a portfolio of registered brands.

Conversely, the Group's active innovation approach is liable to be in conflict with a patent or a design already filed by a competitor. This would result in a litigation, reputational or financial risk in the event of a recall of the product concerned.

Management of risk

- Innovation has been a major part of the Group's strategy since the very beginning. That's why we invest considerable human and financial resources to support it (€240 million or 3.5% of sales in 2020).
- A product offering that stands out above the crowd and fast factory to shelf time are major advantages that can add momentum to the business and win market share. With this in mind, the Group is constantly striving to make the product development process more agile so innovations can be launched on the market faster. Over these past few years, the Group has emphasized digital innovations with the development of connected products to improve consumers' daily lives and offering related services as part of a comprehensive ecosystem.
- In addition, actively monitoring consumer trends and competitor innovations provides input on both changes in product offerings and on potential acquisition targets for the Group.
- The Group allocates the budgets required to protect and develop our key intangible assets such as trademarks and innovation, and to combat counterfeiting. A strategy of targeted registration of trademarks, designs and patents has been implemented, taking into account the sales outlook and high-risk countries;
- The Group monitors risk of intellectual property right infringement online and in the field:
 - anti-counterfeiting measures are being systematically applied in the field, primarily in high-risk countries such as China and the Middle East as well as in high-stake trading countries; These measures include monitoring trade fairs where investigations are performed which lead to customs seizures, legal action and destruction of molds and inventories,
 - on the internet (marketplaces, websites), measures are being taken thanks to a global monitoring system that generates regular reports and makes it possible to take rapid action to have online copies removed and combat trademark infringement and cybersquatting.
- The Group also monitors risk of third parties having their intellectual property infringed upon due to actions integrated into the product innovation and development process. As a result, many product launch projects are subject to a freedom to operate analysis of the trademarks, designs and patents before validation and launch. Nevertheless, the probability remains that a prior industrial property right has not been identified, and in this case, the Group may have to modify the technical or aesthetic construction of a product to eliminate any risk of litigation, negotiate an amicable settlement of the potential dispute or defend itself if the prior industrial property right is not a priori invalid or if the alleged infringement is not proven.

IMAGE AND REPUTATIONAL RISK

Description of risk

Groupe SEB relies on a unique portfolio of around 30 brands that hold leadership positions around the world in their respective domestic market. The reputation of these brands is based on product quality and their distribution method, as well as on the marketing and advertising policies they implement.

Products or communication that is inappropriate to the image of the brands, improper conduct by the Group's brand ambassadors, employees, distributors or suppliers, as well as the circulation of damaging information in the media could affect the brand's reputation, have an adverse effect on sales or negatively impact the brands' valuation on the balance sheet (over €1 billion at 31 December 2020).

In times where information circulates more and more rapidly (through internet sites, instant messaging, social networks, etc.), any negative overtones may have an impact on the Group's image, at a country, a region, or even global level, with repercussions on sales and profit.

Risk can emerge based on founded or unfounded information and/or rumors and can cover a wide array of subjects – product quality or safety, material safety (especially food), manufacturing processes, environmental impact, business practices, ethical values or compliance with regulations (tax, labor).

Management of risk

Groupe SEB supports and builds up the reputation of our brands by collaborating with reputable professionals in their fields (communication agencies, ambassadors, influencers etc.), to respect and promote the personality of each brand.

At the same time, the Group actively protects our brands' reputation using a three-level protection mechanism:

- the first level of protection against image risk is preventative and consists in not creating a situation that could lead to negative communication about the Group. This is achieved by conforming to the Group's values and the Code of Ethics, and complying with internal processes (particularly quality, financial reporting, internal control, safety, etc.). All Group employees are regularly reminded of these key principles: when they are hired, and during long-term training and communications. They are alerted to compliance with ethical rules at all levels and some employees receive training in digital technology and social networks and how to use them;
- the second protection consists in setting up a response system for monitoring information: in addition to conventional means for monitoring traditional media, the Group uses an e-reputation tracking tool on social networks, alongside an internal (feedback to management, decision-making) and external (crisis management and procedure unit) communication process;
- lastly, the Group applies measures to secure information-sharing processes to limit the risks of fraudulent communication and identity theft.

1.4.2 OPERATIONAL RISKS

COMPLIANCE

Description of risk

Increasingly complex regulations, the Group's expansion into new geographical areas, changes in technology, and growing competitive pressure are all factors that increase the risks of fraud arising, whether originating internally or externally, or of non-compliance with domestic or international regulations, or with the Group's in-house rules. Compliance and corruption risks are factored into the mapping of Group risks.

Despite our sophisticated and regular internal control and audit process (internal and external), the Group is not immune from violations, whether material or modest, intentional or otherwise.

These violations may carry a risk of administrative or legal proceedings alongside financial and/or reputational risk.

Management of risk

- Compliance with international and local regulations is a Group priority set out in our Code of Ethics.
- The Group conducts continuous regulatory monitoring and is gradually developing training courses adapted to regulatory developments, as part of a Global Compliance training program. This program includes a "Code of Ethics" training course as a starting point, as well as more specific training ("Antitrust", "Anti-corruption" or indeed "Personal data protection").
- With respect to the protection of personal data (GDPR regulations), the Group has established a specific, dedicated entity comprising members from several functional departments: legal, human resources, information systems, marketing, etc. In addition, security procedures in the event of security breaches to our IT applications that affect personal data have been drawn up and rolled out to ensure a rapid and effective response to this risk.

In terms of tax regulations, the Group cooperates with and has an open relationship with the tax authorities and endeavors to comply with and implement tax regulations in all the countries in which it operates.

Regulatory changes are monitored by the Accounting and Tax department and local finance departments.

The Group's Code of Ethics sets out the principles governing its tax policy:

- "We pay all taxes due in the countries in which we operate."
- "We endeavor to ensure that the accounting and tax filings we make to the authorities are exhaustive and reflect the real picture in each subsidiary."

The Group also applies OECD transfer pricing recommendations and is regularly audited by the relevant tax authorities.

- With respect to the fight against external fraud, a process of systematically reporting information on attempted fraud to the Audit and Internal Control department allows the Group to analyze these situations, inform all entities of the risks and respond quickly by implementing new checks (particularly updating our firewalls). A major initiative to raise awareness among financial employees and the systematic implementation of dual checks, for example, have enabled the Group to fight against attempts of identity theft of customers, suppliers and Group senior managers through technological means.
- The policy for managing the risk of corruption is presented in the Non-Financial Performance Statement in Chapter 3 "Corporate Social Responsibility".

RISK LINKED TO THE VOLATILITY OF OUR BUSINESS AND TO COMPETITIVENESS

Description of risk

A significant proportion of our product sales are made during holiday periods or for special events (Prime Day, Black Friday, Christmas, Chinese New Year, Ramadan, Singles' Day in China, Mother's Day, Shrove Tuesday, etc.), with the biggest money-making events taking place in November and December. Because of this, we achieve a substantial proportion of revenue at the end of the year. As a result, traditionally, both sales and earnings are heavily weighted toward the 4th quarter. Additionally, since some holidays fall on different days (Chinese New Year, Ramadan, etc.), sometimes an event could happen twice in one fiscal year and then not at all during another. Some of our products are also highly seasonal and depend on weather conditions, such as fans.

The Group's several-year-long commitment to loyalty programs for consumers with distributors is another factor in sales volatility. These high-visibility operations generate major sales but, on the other hand, can dry up the market and generate elevated revenue that may not be recurrent from one year to the next.

Groupe SEB also pursues a product partnerships policy to develop new concepts and boost sales. However, in this market, our partners can change their policies, which can generate revenue risk.

Lastly, in Professional Coffee, beyond our current business, signing and executing major contracts with certain customers (large restaurant chains, convenience stores, gas station chains, etc.) for equipment or to replace machines can lead to sales volatility.

The number of products sold, and therefore the Group's revenue and operating result, can fluctuate considerably over a quarter, a half-year or over a year.

In addition, the Group must be able to streamline the productivity of its facilities in order to remain competitive, which involves:

- flexibility on the part of its plants and logistics centers in response to this fluctuating demand;
- shifting between in-house and outsourced production, managing industrial investments and manufacturing costs, simplifying processes and flows, optimizing the supply chain and related inventories (components, work in progress, finished products), etc.;
- speeding up throughput over the entire value chain to better respond to customers' expectations;
- streamlining product diversity and complexity (by delayed differentiation, in particular);
- taking into consideration changes in external factors, such as the price of raw materials and exchange rates.

On average, over the past two years, aluminum has represented 11% of direct purchases for manufacturing, steels / metal parts 19%, plastic materials / parts 18% and components electrical / electronic 25%.

Management of risk

- Business during high resale periods are planned in conjunction with our major distribution partners to reduce unknown risks. Sales and promotional campaigns remain aggressive during the low season to spread out revenue a little more evenly throughout the year. The Group's geographic diversification also reduces the risk of volatility caused by seasonal products sold due to weather conditions.
- With regard to loyalty programs, the Group has set up a meticulous management process – no loyalty program can be started without management's approval and after analyzing operational what-ifs (offerings, visibility, brand, supply chain) and profitability. This process is accompanied by monitoring throughout the campaign with the different stakeholders, to secure volumes and procurement. Lastly, with regard to partnerships, the main measure of risk management is based on sustainability of the relationship (the major partnerships are more than 15 years old) and on the diversification of these partnerships that allows portfolio balancing in this activity. Regarding our professional coffee machines business, the Group makes every effort to have a growing list of contracts – including the smaller contracts – that it manages in an order book, to offset the impact from huge one-off deals from one year to another.
- As a manufacturing company, Groupe SEB constantly has to decide between internal or outsourced production. Against this background, around two thirds of the Group's products are manufactured internally, particularly products with a high technological value in Europe and products with strong competition in China, while more commonplace products are outsourced. Thinking in terms of Total Cost Ownership, we want to simplify product outflows while attempting to manufacture as much as possible close to our customers and limit the distance in between our suppliers' manufacturing sites.
- For in-house production, our local and central/cross-functional manufacturing teams continuously strive to improve the competitiveness of our sites, specifically through the rollout of continuous improvement programs. At the same time, the production teams have put in place an industrial flexibility program using diverse technological platforms to improve our responsiveness and adaptability to market need, as well as to potential rapid developments in market conditions (currencies, customs fees, raw materials, etc.).
- The Group's currency position is short in dollars and yuan and long in all other currencies. The Group is required to adjust its pricing policy to offset fluctuations in exchange rates, which are sometimes sudden and significant. In addition, Groupe SEB addresses exposure to currencies and raw materials with a hedging policy that is described in Note 26 of the financial statements.

RISK RELATED TO ATTRACTING AND RETAINING TALENT **Description of risk**

When the company is experiencing sustained growth in a market that's in constant flux, we have to constantly shape our human resources and expand our expertise within the Group.

Our Consumer markets (small electrical appliances and cookware) and BtoB are largely impacted by major societal trends (consumption patterns, and especially food, environmental impact from the business, robotics, digitization, etc.). The Group is keeping up with these trends with a strong commitment and major investments – in innovation, supply chain, data, digital technology – requiring increasingly specialized and qualified employees.

For some of these key profiles, shortages and/or increasing competition could make it difficult to attract and retain talents. This could cause delays in integrating expertise needed to develop and manufacture Group products.

Certain geographic areas, or certain areas of the Group's expertise, are particularly prone to this risk.

Management of risk

In broad terms, the management policy for this risk is presented in the Non-Financial Performance Statement in Chapter 3 "Corporate Social Responsibility".

CYBERSECURITY AND INFORMATION SYSTEMS FAILURE RISK

Description of risk

Information systems are embedded within the Group's businesses, in terms of both operational processes (production management, accounting, reporting, etc.) and means of communication (email, networks, telephones, tablets and connected objects).

If these systems break down or are disrupted, it would have a potentially significant impact on the Group's operations. A failure could come from a cyber-attack, an intentional or unintentional system contamination by a computer virus or by exploiting weaknesses in our systems' security.

Moreover, the sharp increase in the volume of information processed and the development of connected objects are making data management processes and tools more complex and more technical. Combined with the reinforcement of international regulations on personal data protection (particularly in Europe with the General Data Protection regulation), this significantly increases the impact that a security breach could have on data. A data breach involving our customers, suppliers, consumers or employees, for instance, could have a major long-term impact on the Group's business.

In addition, the Group's expansion (geography, size, business sector) frequently requires us to upgrade or develop our infrastructures, our management systems (ERP), and our applications. This may necessitate minor (adaptation of systems in place) or major changes (definition, construction and implementation of a new system). Each of these developments causes complexity and disruption in the existing IT environment with, in particular, risks to the resources affected by implementation and to operations, if the migration is not effective.

These two risks can produce substantial costs and can expose the Group's business and performance to risk.

Management of risk

- Regarding cybersecurity risk and systems failure, a coordinated watch with several suppliers specializing in systems protection and security aims to monitor developments and actions to counter cybercrime (antivirus, firewalls, and user identification processes). The Information Systems department draws up an annual IT risk map, in collaboration with the Audit and Internal Control department.
- The Group has a highly centralized information systems management policy to guarantee consistency in the security and management of tools. Most of our application servers and data servers are hosted by third parties located in France, in highly secure and redundant environments, enabling business continuity without loss of data. Backup and filtering solutions (antivirus, antispyware, web filtering, etc.) are continuously reinforced.
- Lastly, the Group has taken out insurance policies specifically covering cyber-attacks. The policy also covers personal data breaches.
- Resources are specifically dedicated to these issues and are structured internally (reporting to the Chief Information Security Officer (CISO) and the Information Systems Security Committee) and externally (e.g. an intrusion detection specialist).
- Generally speaking, however, the Group is responsible for making all employees accountable: specialists (developers, network administrators, etc.) or end-users (password protection, procedures for opening e-mails, compliance with the IS Usage Charter included in an annex to the internal rules).
- When tools are developed and new businesses integrated, the Information Systems department, in collaboration with the Group Controlling department, sets up dedicated transition/project teams to ramp up new systems while maintaining existing systems to ensure a smooth and seamless transition.
- The Group minimizes these changes as much as possible over the same time period or geographic area. On average, in one year, less than 20% of subsidiaries are affected by an upgrade or change in management system.
- Next, each management system roll-out is supported by specialized service providers, enabling correct definition of needs and configuration of the management tools, minimizing operational risk when the tool is launched.
- Lastly, the Group makes sure to employ extra resources internally during the start-up phases to reduce the impact on local teams and ensure the solid, stable launch of new solutions.

MACROECONOMIC, GEOPOLITICAL AND REGULATORY RISKS

Description of risk

Since the Group operates in nearly 150 countries, we are exposed to various outside risks that are beyond our control. These outside risks go beyond currency risk – the Group must deal with political, economic or social instability, particularly in developing countries where we achieve a significant portion of our sales.

This instability may adversely impact consumer confidence and thus household consumption. If there is a proven and prolonged recession, the Group's business could suffer from currency depreciation for the local currency combined with an upsurge in inflation.

The Group also has to face geopolitical risks which could result in economic sanctions between countries – embargoes or high taxes on certain goods or commodities, which could include our products – or they could result in open conflict. The Group may decide to pass on a portion of these taxes onto the product's sale price, which risks losing a competitive edge compared to competitors that may not be subject to the tax, or we can keep prices the same and lose profit margin.

Lastly, regulatory and / or tax changes (corporate income tax, VAT, withholdings, tax agreements, etc.) may impact the Group's operations in the countries concerned.

Management of risk

- The Group's international presence – both commercial and industrial – helps to diversify risks, as they can be offset between countries and geographical areas.
- A risk map is also drawn up each year by the Audit and Internal Control department, in collaboration with the management teams of the entities concerned, to assess changes in risks (political, social, economic, etc.) for each country.
- Constantly adapting to changes in the markets is an integral part of the Group's know-how. When the Group was going through the financial crisis, we knew we needed to adjust our structures and prices quickly to reduce impacts from local currency depreciation as quickly as possible and adjust our cost bases to a reduction in sales.
- The Group's powerful and versatile manufacturing base gives the Group some flexibility in how to supply different markets and potentially transfer the manufacturing base if necessary.
- Continual monitoring of activity in all the countries where the Group operates means it can react quickly to circumstances that may arise.

1.4.3 INDUSTRIAL AND ENVIRONMENTAL RISKS

RISK OF BUSINESS INTERRUPTION

Description of risk

Because of its size and product diversity, Groupe SEB manages an increasingly complex procurement process that includes raw materials, components and finished products.

It is subject to several factors that could have an impact on the Group's business continuity:

- As a manufacturer, the Group manufactures 2/3 of the products we sell in our own plants. Our ability to forecast sales and adjust our production schedule, and our ability to correctly deliver our contracts are therefore crucial.
- Every year the Group purchases significant volumes of raw materials, components, finished products, etc. Having an excessive concentration of suppliers could lead to dependency with a high risk to business continuity if there is ever a disruption (delivery delay, business interruption, business relationship gone sour, bankruptcy, major incident such as fire, etc.)
- As the Group operates on a global scale, the supply chain in place is increasingly complex. The way our plants, suppliers and markets are spread out leads to a high dependence on certain logistics routes (China to Europe, China to the United States, Europe to the Middle East or the Americas, etc.). These routes could be disrupted, especially if natural or geopolitical risks arise, significantly impacting our operations.
- The Group has to face natural risks (fires, floods, landslides) or epidemics that can affect our plants, warehouses or a geographic area where the Group operates and could affect industrial operations at the site or in the area concerned.
- The Group is exposed to industrial risks (accidents, pollution emissions, fires), which may affect its 40 plants worldwide.

Management of risk

- Planning and logistics are managed at the global level. The Group has rolled out a group-wide and collaborative S&OP (Sales and Operating Planning) process, from sales forecasting in market companies to capacity planning, production and delivery to the customer.
- The Group is particularly vigilant about diversifying risks and limiting dependence in terms of component, raw material and finished product supplies. Its priority is to ensure continuity of production under optimum economic conditions, while conforming to ethical principles, and to have alternatives at its disposal within a single product family or for a specific technology.
- With regard to logistics routes, there is no systematic alternative for all shipments; however, the Group encourages alternative routes as much as possible, such as river transportation.
- Concerning the continuity of our industrial operations, each of the Group's plants complies with international standards and uses specific industrial processes, if necessary. All the Group's production sites undergo an annual assessment of local risks and prevention plans are put in place. Additionally, the Group has applied an active approach to industrial risk prevention by conducting regular audits, investing in maintenance and optimizing certain processes to limit the probability of such risks occurring. The European, US and Chinese sites are generally not, or only slightly, exposed to major natural risks (hurricanes, floods, earthquakes, etc.), and the same is true of the warehouses.
- Moreover, the risk of a pandemic is included in our international health plan "Health in SEB" and in each sites continuity plans. Details of the "Health in SEB" plan are given in Chapter 3, page 159. Information about the continuity plans and the management of the Covid-19 pandemic is given in the specific section on Covid-19 risk on page 49.

EMPLOYEE HEALTH AND SAFETY AND ENVIRONMENT RISK **Description of risk**

The health and safety of its employees are among Groupe SEB's foremost concerns. Nonetheless, the risk of work-related illnesses, workplace accidents or physical injuries cannot be ruled out.

With nearly 33,000 employees spanning the globe, the risk of a workplace accident will always be present and it concerns all categories of employees (on site, in stores, at headquarters, etc.).

On the other hand, with 40 plants around the world, the Group is exposed to industrial risks (fires, accidents, pollution emission), which may affect the health of our employees and the environment.

As the Group operates in nearly 150 countries, we are also exposed to safety and security risk for our employees: operations in at-risk countries, frequent work travel in different areas where the Group operates, abrupt geopolitical changes in certain areas involving physical risks for local teams, etc.

We cannot totally rule out these events from occurring and it could have an adverse impact on the Group's business and results, our human resources as well as our image and reputation.

Management of risk

Permanent measures are in place to protect the health and safety of employees. These are documented and training is delivered regularly, including via e-learning.

The management policy for this risk is presented in the Extra-Financial Performance Declaration in Chapter 3 "Corporate Social Responsibility".

As a result of the Covid-19 crisis in 2020, exceptional health measures were implemented at all of the Group's sites (plants, offices, warehouses, stores, etc.). These measures are described in the specific section on Covid-19 risk.

PRODUCT QUALITY AND CONSUMER SAFETY RISK

Description of risk

The Group is particularly vigilant in matters of consumer safety and pays the utmost attention to the safety and security of raw materials, components and finished products. It may, however, have to accept liability or witness its image, or that of its brands, being tarnished. Instances of users being hurt when a product malfunctions or is used inappropriately cannot be ruled out. The Group is, therefore, exposed to risks of warranty or liability claims from customers and consumers. Product recalls may prove necessary in some cases.

Meanwhile, regulations regarding food products and materials liable to create a health risk are constantly changing (generally moving towards a tightening of regulations) and are sometimes preceded by media campaigns about the harmfulness of certain materials. Any of these situations might generate a risk zone for the Group if one or more of the materials concerned were used in the production of our products.

Management of risk

- The Group's quality policy is fully incorporated into the design and manufacture of all products: each stage of product design is part of a standard quality process and is subject to successive approvals, particularly with regard to the components used, the materials implemented, and the suppliers selected.
- In addition, the Group has implemented an internal and external quality control protocol for the products it markets. We also endeavor to include simple and accessible user information sheets with our products to warn of potentially hazardous uses.
- In the markets, the Group uses a network (usually outsourced) of service centers, which manages product repair and follow-up. The employees/technicians in these service centers receive regular and comprehensive training from the Group to ensure they can provide optimum support to consumers should one of its products malfunction. The service centers are also authorized to handle customer complaints, repairs under and outside warranty, and the sale of spare parts and consumables, in order to provide the best level of service to our consumers.
- With regard to potential health risks, the Group has set up a regulatory and technical watch process (on all media, including the internet). This ensures that standards and restrictions in these areas (including the update following the European Directive on Dangerous Substances amongst other things) are rolled out to the R&D teams.
- The measures implemented by the Group to ensure consumer health and safety are set out in the Vigilance Plan in Chapter 3 "Corporate Social Responsibility".

1.4.4 INSURANCE

GROUP GENERAL INSURANCE COVER (EXCLUDING INSURANCE OF PERSONS)

Groupe SEB's policy concerning insurance coverage (Fire, Accidents and Miscellaneous Risks) is, on the one hand, to protect its assets against risks that could affect the Group and, on the other, to cover its liability for any damages caused to third parties. This transfer of risk to insurance companies is nonetheless accompanied by risk protection and prevention measures. For confidentiality reasons, the amount of the premiums is not disclosed. Acquired companies are incorporated into global insurance programs.

INTEGRATED WORLDWIDE COVERAGE

The Group has established worldwide insurance plans with major international insurers to protect itself against major risks, which include damage to property and loss of earnings, civil liability, environment, transport and inventory, cybercrime and customer risks.

DAMAGE TO ASSETS AND LOSS OF EARNINGS

Coverage for risk of property damage and consequent loss of earnings resulting from common risks (fire, flooding, etc.) amounts to €250 million per claim for factories and warehouses, with an additional €150 million for certain strategic sites.

This figure was calculated using the "Maximum Foreseeable Loss" hypothesis in consultation with the insurer and its assessors, who analyzed the impact of the total destruction of one of the Group's main production centers. Lower thresholds are in place for other types of more specific or localized risk, such as the risk of earthquake in certain regions where the Group operates abroad.

This policy takes into consideration additional risk protection measures at Group sites, which are regularly visited by specialist risk prevention assessors from the insurance companies concerned.

CIVIL LIABILITY

All the Group's subsidiaries are included in a worldwide civil liability insurance plan that covers liability relating to their operations and the products that they manufacture or distribute, as well as the cost of product recalls.

The amounts of coverage are based on the quantification of the risks to which the Group is exposed in view of its business.

The Group also covers its senior managers for civil liability under a specific insurance policy.

ENVIRONMENT

A multi-risk environmental insurance policy covers environmental risks on all Group sites.

Coverage applies to:

- accidental, historical and gradual pollution;
- damage to biodiversity;
- pollution clean-up costs.

TRANSPORT AND INVENTORY

The Group's transport insurance covers damage to transported merchandise for all types of transport: sea, road/rail or air transport anywhere in the world.

This insurance covers transport risks up to an amount of €10 million per occurrence.

It also covers incidents occurring at warehouses up to a maximum of €15 million, with any amount over this limit being covered by the policy for damage to property and loss of earnings.

CYBER

Financial protection held by Groupe SEB against attacks on its IT systems covers damage and liability for a total amount of €15 million. This broad-scope insurance policy also covers attacks on personal data.

CUSTOMER RISK

With rare exceptions relating to local issues, the Group's subsidiaries hold credit risk insurance under a Group plan to cover the majority of their risk on customer receivables.

LOCAL INSURANCE POLICIES

More specific insurance policies are taken out locally by each of the Group's companies, as appropriate.



3 Corporate Social Responsibility

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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. The network had almost 70 member companies in 2020. In addition to conferences and workshops, the network organized a series of webinars over the course of this year where committed business leaders shared their visions for and thoughts on CSR. Some of the themes addressed included sustainable innovation inspired by how people live, responsible trading, the role of a CSR manager, the workspaces of tomorrow, new tools for engagement, responsible investment, etc. These were all discussed in a spirit of openness and with a desire to help develop practical actions.

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 healthy and tasty homemade food accessible to everyone,
 - **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 ROADMAPS

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. The Sustainable Development department also relies on the network of continental Human Resources Managers who act as contacts with the countries.

Thematic roadmaps

The four pillars of the new sustainable development strategy were rolled out in 2019. Eleven thematic roadmaps were developed together with the representatives of the relevant businesses along with **targets for 2023**⁽¹⁾. The 11th, launched at the end of 2020, is dedicated to exploring new economic models for the circular economy. It will be instrumental in developing a circular economy strategy and prioritizing human and material resources for these nascent business activities.

(1) These targets are summarized on page 139 and specified in each relevant section of chapter 3, under the heading "Groupe SEB 2023 Targets".

The 11 thematic roadmaps:

- Health and Safety;
- Responsible Purchasing;
- Cooking for Good;
- Better Home Life;
- Circular Revolution;
- Inclusive Design;
- Eco-Design;
- Eco-Manufacturing;
- Eco-Logistics;
- Green IT;
- New Circular Business Activities.

All business lines are involved in these roadmaps: Purchasing, Quality, Environment, R&D, Marketing, Brands, Health and Safety, Human Resources, Production, IT and Digital, Logistics, Consumer Satisfaction, Design, etc. Each one is built around projects with targets and quantitative indicators. Once or twice a year a progress report is put together by the Sustainable Development department with the “business” contributors. In 2020, the Group created a new position to embed sustainable development even further at the center of its businesses: International Product Director, Sustainable Innovation for Small Electrical Appliances – a position being added to that of CSR manager for the cookware already in place.

Country roadmaps

In 2020, the country teams finalized their areas of priority, in line with the direction of the new strategy. These priorities are formalized in the “country” roadmaps steered by the sustainable development contacts, which are usually the subsidiaries’ Human Resources Manager. To monitor the progress of these roadmaps, the larger subsidiaries have begun to set up local steering committees with representatives from the businesses involved in the priority areas. The Sustainable Development department also supports the local teams with the planning projects resulting from these roadmaps and aims to create a network of best practice-sharing to drive momentum.

3

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 next meeting that which will be held mid-2021 will focus on eco-design and the Cooking for Good road map. At the previous meeting in 2020, the panel members had discussed the Group’s evolving sustainable development strategy and the company’s exploration of its sense of purpose.

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, the “Télex” and events. In 2020, a new group was launched on the Yammer internal social network: *Act for sustainable livings*. Objective: to share the teams’ initiatives as well as the Group’s commitments and successes. 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 142).

Every year, a sustainable development week is organized worldwide and is a special opportunity to enlist the cooperation of employees. In 2020, the event formats were adapted in response to the public health situation. In France, the events focused on healthy eating and sustainable food and were publicized on the *MySEB* intranet and websites. They included daily tips and information about how to eat healthily and sustainably, as well as recipes for preventing food waste from “in-house” chef Bruno Blancho. Seb Campus organized workshops, for example on the topic of (re)discovering pulses and their health and environmental benefits. In other countries, the teams took advantage of this initiative to raise the salaries’ awareness of the priorities set out in their sustainable development road map.

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 810 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 energy efficiency 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 ethical, social and environmental audit procedure (see page 143). This strengthens the ethical, social and environmental monitoring within all the Group's processes.

For sites that are not audited during the year, the Audit and Internal Control department runs a self-assessment campaign using risk management software (GRC). This self-assessment 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.

The initiatives supported by the Sustainable Development and Audit and Internal Control departments are coordinated by the Compliance Committee, which also includes the Legal, Finance and Human Resources departments. The committee meets four times a year.

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 having a selection verified social and environmental information from the 2010 financial year on a voluntary basis, and before the regulatory obligation to verify appeared in 2013. An independent third-party organization (Mazars) was mandated to issue a moderate assurance opinion on compliance

and the sincerity of the Declaration of Extra-Financial Performance (see a detailed description of the reporting process on page 140 and Mazars' report for 2020 on page 201). Since 2010, 88 audits have been carried out on 28 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.

NON-FINANCIAL RATING

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

This performance is recognized by the **CDP (Carbon Disclosure Project) agency**, which manages the largest database of company environmental data in the world. In 2020, the Group joined its prestigious "A List", comprising the most transparent companies for environmental reporting. The Group was awarded an A- in the "Climate change" category for its efforts to reduce its emissions, mitigate climate risks and develop a low-carbon economy. Out of the 9,600 companies rated by CDP, only the best-performing 8% make the A list.

The Group's commitments and initiatives are also assessed every two years by **Vigeo-Eiris**, 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 143).

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 4.4/5 (*Personal & household goods* category), an improvement on 2019. The Seb share also features in **Forum Ethibel's** Excellence Europe index. Finally, it is on the research panels of Gaïa Rating, Sustainalytics and ISS-ESG, which has awarded it Prime status.

When it comes to its CSR reputation, in 2018 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 with 38,000 participants, was based on three aspects: working environment, governance and social commitment.

AWARDS

The Group's CSR approach won numerous awards in 2020, including:

- the inclusive design guide (Good Design Playbook) was recognized by the International Design for All Foundation in its Good Practices Awards 2020. It also won a silver award at the International Design Awards (IDA). In 2019, the collaborative nature of its approach was recognized twice, once with the Mines ParisTech & Cegos Sustainable Development CSR Award and again with the LSA "La conso s'engage" award. See page 179;
- the RépareSEB workshop won recognition at the 11th edition of the "**Trophées Parisiens de l'économie sociale et solidaire**" awards for the non-profit and social sector, presented by the City of Paris. The Group also received the LSA "La conso s'engage" award in the Charity Collaboration category for its partnership with Ares. See page 183;
- Tefal won the CSR award Grand Prix Responsabilité Sociétale de la Marque (organized by Produrable and LinkUp Factory) for its eco-designed e-commerce packaging. See page 191;
- the Great Place To Work institute ranked Groupe SEB among the 25 best workplaces in Europe in the multinational company category.

Giving consideration to social and environmental issues is 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 most recent study (2019), Seb was still in the top 10 of the best rated brands in France.

3.2 Non-financial performance statement DPEF DV

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 CSR risks. It supplements the Duty of Vigilance (DV) established by the French law of March 28, 2017 on the prevention of "serious infringements of Human Rights and fundamental freedoms, the health and safety of individuals and the environment".

BUSINESS MODEL DPEF

The Groupe SEB business model is presented in pages 8 and 9 of this document. In order to develop the Business Model, a working group composed of the Sustainable Development, Strategy and Financial Communication departments was set up in 2018. After studying the recommendations of the Medef⁽¹⁾ and different ITOs⁽²⁾, the working group discussed key financial and extra-financial indicators representative of the performance of the Group in the long term. This issue was also the subject of discussions with General Management, which validated the Business Model at the end of 2018. Since 2019, following an exchange within this working group, it was decided to keep the entire content of the Business Model while updating the data.

RISKS DPEF DV

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

The Group's risk identification and control method (see methodology described under "Risk factors" Chapter 1 page 46) has been applied to the areas covered by the Duty of Vigilance law and the Non-Financial Performance Statement, namely CSR risks relating to ethical, social, employment-related and environmental factors.

As part of this process, the Audit and Internal Control department interviews the divisional managers representing all of the Group's operations (49 interviews in 2020) to identify and integrate these risks into the company's overall mapping of risks.

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 its operations but also the risks inherent to the countries in which its 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.

Main CSR risks identified:

- health and safety of staff;
- talent attraction and retention;
- corruption;
- tax evasion;
- Human Rights;
- climate change.

Chapter 1 of this document presents risks that are particularly important and specific to Groupe SEB, including two of the CSR risks:

■ health and safety of staff

- **Description of risk:** see Chapter 1, page 61,
- **Risk management:** see Chapter 3.7, Health and safety, page 157;

■ talent attraction and retention

- **Description of risk:** see Chapter 1, page 56,
- **Risk management:** see Chapter 3.7, Attractiveness of the Group and career development, page 148.

(1) *Mouvement des Entreprises de France.*

(2) *Independent third party.*

The four other CSR risks, considered less significant and less specific to the Group, are presented in this Chapter only:

■ **corruption:**

■ **description of risk:**

the Group operates in nearly 150 countries, and its business activities include production, distribution and sales. These involve being in contact with numerous suppliers and customers and being exposed to public and private officials. Any proven instance of corruption could have material financial consequences for the Group (conviction or fines) as well as risks to the Group's image and reputation.

in addition to applying the Group's risk identification and control method (see page 47), the risk of corruption is handled in a specific manner in accordance with the French Sapin II law of November 8, 2016. Each year, the Group updates its corruption risk mapping, which states the size of the risk by location (low, moderate or relatively high risk). The risk level is assessed based on a combination of three criteria: responses to a detailed questionnaire on the subject sent to 217 entity and function managers; the Transparency International map on a country's level of exposure to corruption; and the scale of the Group's business activities in the country in question,

■ **risk management:** see Chapter 3.7, Anti-corruption measures, page 143;

■ **tax evasion:**

■ **description of risk:**

the domestic and international environment has become more complex over the years. This can lead to compliance risks, particularly in terms of tax. Any non-compliance brings a risk of administrative or legal proceedings alongside financial and/or reputational risk,

■ **management of risk:**

the Group cooperates with and has an open relationship with the tax authorities and endeavors to comply with and implement tax regulations in all the countries in which it operates. Regulatory changes are monitored by the Accounting and Tax department and local finance departments. The Group's Code of Ethics sets out the principles governing its tax policy: "We pay all taxes due in the countries in which we operate. We endeavor to ensure that the accounting and tax filings we make to the authorities are exhaustive and reflect the real picture in each subsidiary." The Group also applies OECD transfer pricing recommendations and is regularly audited by the relevant tax authorities. For all compliance issues, the Group is supported by a Compliance Committee (described on page 44);

■ **human Rights:**

■ **description of risk:**

the Group has approximately 33,000 employees and deals with more than 4,000 suppliers. Being at the center of such a large, complex human environment means that the Group is faced with risks relating to the respect of Human Rights, which are also intrinsically linked to the Group's founding values. In terms of the Group's operations, this risk may arise at the Group's own sites as well as those of its suppliers and subcontractors through non-compliance with the principles of the UN Global Compact (to which the Group is a signatory), the fundamental conventions of the International Labour Organization (ILO) and the working conditions recommended by the World Trade Organization (WTO). Any breaches in this area could incur financial consequences from the competent authorities, and above all have an impact on the Group's reputation.

■ **risk management:** see Chapter 3.7, Human Rights and Responsible Purchasing, page 144.

■ **climate change:**

■ **description of risk:**

the nature of the Group's activities in manufacturing and marketing small domestic equipment products means that it generates greenhouse gas (GHG) emissions that contribute to global warming. Most emissions are linked to three main factors, which in decreasing order are: the use of products (mainly electrical products), the transport of materials, components and finished products, and the manufacture of products. Failure to comply with the regulations in this area and failure to meet the company's expectations on emissions could have financial implications, but it would above all negatively impact the Group's reputation.

■ **management of risk:**

Groupe SEB has joined the Science Based Targets (SBT) global initiative to align its low carbon approach with the goal of keeping global warming below 2 °C by the end of the century. The Group has set itself ambitious targets for 2023 and 2030 and is aiming for carbon neutrality by 2050. To do this, it has strengthened its roadmaps and action plans, particularly in the areas of eco-design, eco-manufacturing and eco-logistics.

Read about the actions in more detail in Chapter 3.10, Climate action, page 187.

RISK VALIDATION PROCESS

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	
Social and societal	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 3.7/Health and safety/p. 157
	Talent attraction and retention	Promote recruitment, development and retention of talents, thanks to career and attractiveness of the Group	Average employee turnover rate	Chap3.7/ A responsible employment policy/p. 146
Ethics and corruption	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"> • Code of Ethics – Code of Ethics <i>training</i> (e-learning and classroom) • an anti-corruption <i>e-learning</i> module 	Rate of roll-out of Code of Ethics e-learning training	Chap 3.7/Ethics compliance/p. 142
	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. 46
	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"> • a Code of Ethics • a responsible purchasing policy 	Percentage of sites with an overall compliance score greater than 80% Intertek Audit of suppliers (Group level)	Chap 3.7/Ethics compliance/Code of Ethics/p. 142
Environmental	Climate change	Reduce the Group impact on climate change thanks to: <ul style="list-style-type: none"> • a circular economy policy • the 4x20 objectives • science-based targets 	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) Greenhouse gas emissions from the transportation of products and components per product sold	Chap 3.9/ Using recycled materials/p. 184 Chap 3.9/ Reparability/p. 182 Chap 3.10/ Eco-manufacturing/ p. 192 Chap 3.10/ Eco-logistics/p. 197 Chap 3.10/ Eco-design/p. 190

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 third 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 its activities as well as those of its 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, objectives, responsible purchasing policy, and more.

The plan is the subject of dedicated monitoring. In 2020, monitoring and updating of the plan were coordinated by the Department of Sustainable Development. This coordination was performed through the Roadmaps involving Purchasing, Health & Safety 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 146, Chapter 3.7)*

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 ⁽¹⁾ 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.

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

2020, 88% of 11,109 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.

In 2020, the Group developed a reminder module annual sent to all employees connected as part of the Compliance refresher program.

Human Rights

Integrated in the Code of Ethics, respect for Human Rights is one of its 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 covered almost 99% of the workforce and drove improvements.

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

Since 2015, Groupe SEB has applied the same **ethical, social and environmental audit** procedure that it operates with its suppliers to its plants in risky areas⁽¹⁾, using the same specialist consulting firm.

The audits (conducted on average 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 performed by an independent firm.

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 "Tefal commitment" notice which has been on Tefal/T-fal non-stick cookware for several years. This commitment gives a guarantee that there is no⁽²⁾ lead or cadmium and that the coatings are generally 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⁽³⁾ 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 lost days (2017 base) in half, i.e. LTIRi < 1.0;
- 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 (except in 2020 because of Covid-19). 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). By the end of 2019, the Group's health and safety management system had become OHSAS 18001 certified (all of the Group's industrial and logistics entities are certified). In 2020, the Group "switched" to ISO 45001. All sites have implemented a specific action plan. Those that needed to be audited in 2020 (by the firm DNV) all passed their audit in the last six months of the year and all received positive results. This means that the Group is now ISO 45001 certified.

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

(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.

■ **Safety:** Groupe SEB's safety approach is reflected in the worldwide Safety in Seb program. More specifically, it places special emphasis on 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 been successful: between 2017 and 2020, the number of workplace accidents with days lost fell by around 40%. 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 Group's six "golden safety rules" are systematically communicated to these entities, and some sites have introduced their own "unbreakable rules".

■ 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. Every industrial and logistics site around the world has the objective to improve the ergonomics of 25% of its workstations every year.

■ 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.

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.

■ 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. 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 roll-out over 2020-2023. 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 2023.

■ 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. More than half of its members are women, and it works with an NGO specializing in this area. 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*(Detailed on page 187, Chapter 3.10, Climate action, and page 182, Chapter 3.9, Circular revolution)*

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 CO₂ equivalent (base year 2016),
- 15% fewer greenhouse gas emissions related to the energy consumption of the products (base year 2016);

■ **By 2050:** contribution to reaching global 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 three 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 three targets for 2023:

- ZERO expanded polystyrene,
- 90% recycled fibers in the boxes,
- ZERO internal plastic packaging.

■ **Eco-manufacturing:** Saving resources is one of the goals of the manufacturing sites through the policy of eco-manufacturing:

- 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. Lower empty transport means emitting less CO₂ 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.

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.

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 is widely communicated through the Code of Ethics, training on the Code of Ethics and its publication on the Group's intranet site. It is also included in the Group's Internal Regulations.

En 2020, all reports were analyzed and were 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 2020.

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.

Composition of the Compliance Committee:

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

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

BUSINESS LINE ROADMAPS

The implementation of Groupe SEB's CSR actions is based on a dozen thematic roadmaps 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. Once or 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 business lines, 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
Employees 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.).
Future employees	Website, careers site, social networks, school forums, outreach meetings, etc.
Employee representatives Employee representative bodies	Labor relations agenda, employee-management dialog bodies, dedicated intranet, signing of collective agreements, etc.
Consumers	Group and brand websites, social networks, Groupe SEB TV, media and non-media communications, marketing research, Home & Cook stores, consumer service, etc.
Suppliers and subcontractors	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.
Public authorities	Participation in working groups, conferences, partnerships/local projects, public/private research partnerships, competitiveness clusters, etc.
Shareholders	Business and Sustainable Development report, Universal Registration Document, letter to shareholders, website, webzine, Annual General Meeting, information meetings, etc.
Customers Distributors	Code of Ethics, sales meetings, partnerships and multi-year action plans, etc.
Professional associations APPLiA, Gifam, Unitam, Medef, Afep, Demeter, Éco-Systèmes, FIEEC and other eco-organizations, etc.	Participation in working groups, involvement in governance, etc.
Civil society 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.
Financial and non-financial bodies Rating agencies, financial analysts, institutional investors, banks, funds, etc.	Business and Sustainable Development report, Universal Registration Document, website, SRI meetings, <i>road shows</i> , responses to questionnaires, press releases, communication on progress of the UN Global Compact, Investor Days, formal meetings, etc.

The breakdown of value between Groupe SEB and its various stakeholders is presented in the activity report published each year on its website.

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.

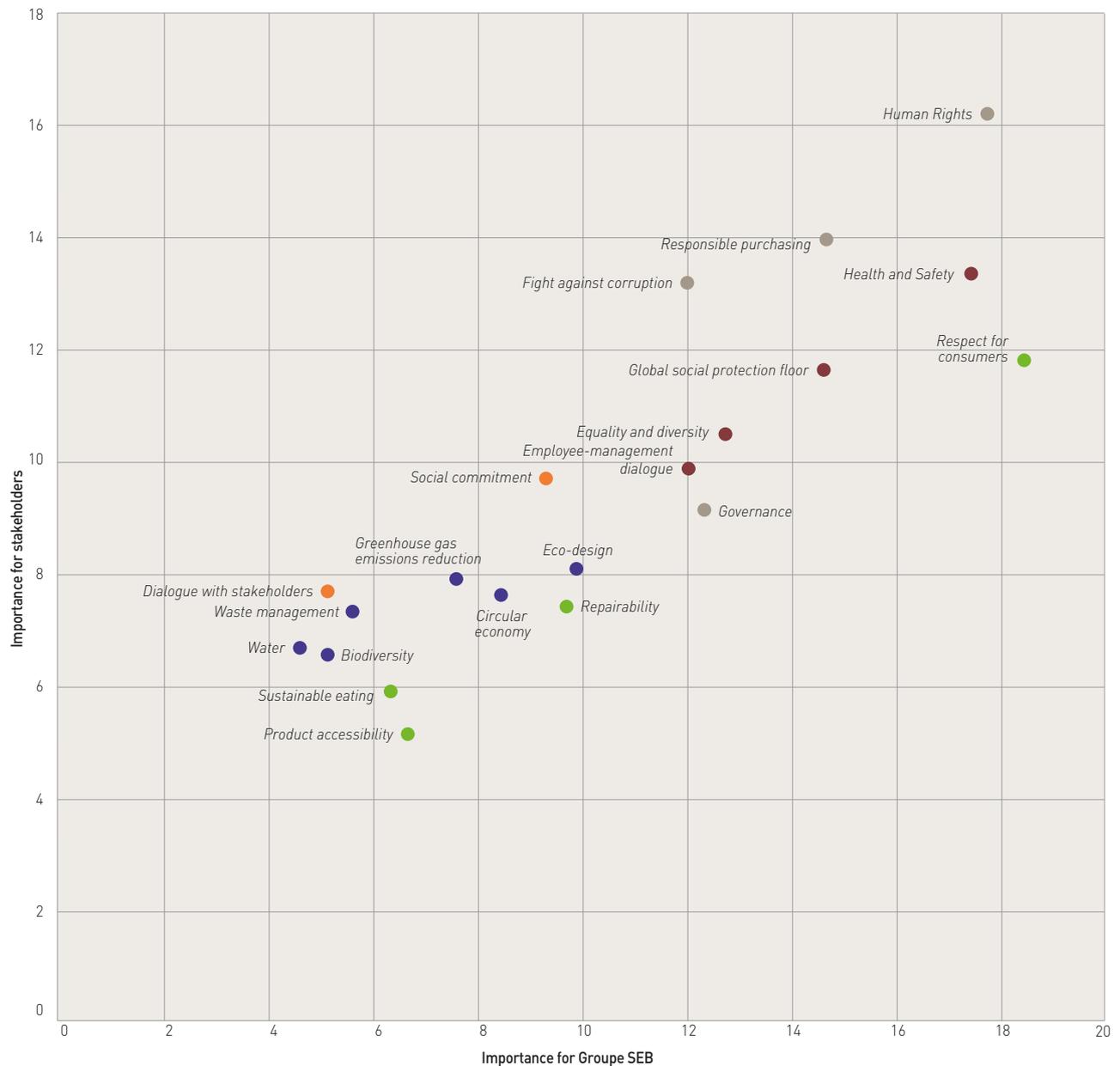
In 2020, Groupe SEB continued to act to promote the circular economy by emphasizing the importance of product reparability and by continuing to demand the creation of a tax incentive to encourage sector operators to repair and use recycled materials. It also acted in the context of the European work 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*
PEOPLE MATTER/ETHICS			
Human Rights	Fight against any form of forced or compulsory labor, concealed work, child labor, inhuman working conditions and excessive overtime.	143	
Responsible purchasing	Require our suppliers to respect Human Rights and essential ethical, social and environmental principles.	144-145	
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.	143	
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	
PEOPLE MATTER/A RESPONSIBLE EMPLOYMENT POLICY			
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.	151-154	
Employee-management dialog	Respect for freedom of association and union representation while encouraging employee-management dialog on both an individual and collective basis.	155	
Health and Safety	Provide each employee with a safe and healthy working environment.	157-161	
Global social protection floor	Ensure fair pay, minimum social cover and decent working conditions for all employees.	162	
PEOPLE MATTER/A CORPORATE CITIZEN			
Dialog with stakeholders	Take into account the expectations of all the stakeholders in the conduct of our activities: consumers, associations/NGOs, municipalities/public authorities, suppliers, customers, shareholders, employees, etc.	125	
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.	166-170	
SUSTAINABLE INNOVATION AND RESPECT FOR CONSUMERS			
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.	172-174	
CIRCULAR REVOLUTION/A MORE CIRCULAR ECONOMY			
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.	182-186	
Reparability	Facilitate the repair of the products: design, availability and price of spare parts, training of approved service centers, etc.	182-186	
BETTER HOME LIFE/PRODUCTS ACCESSIBLE FOR AS MANY PEOPLE AS POSSIBLE & A HEALTHY HOME			
Product accessibility	Promote the accessibility of the product offer to as many as possible by working on price, ergonomics and distribution networks.	179-180	
GOOD AND HEALTHY COOKING/HEALTHY AND SUSTAINABLE HOMEMADE FOOD			
Sustainable eating	Promote consumption modes favoring healthy and sustainable eating by innovating and supporting consumers.	175-178	
CLIMATE ACTION/REDUCTION OF ENVIRONMENTAL IMPACT			
Eco-design	Reduce the environmental footprint of products through eco-design.	190-191	
Water	Limit the water consumption of our sites together with their emissions to water.	196	
Waste management	Limit and recover waste from production by favoring solutions with a smaller impact on the environment.	195	
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.	187-200	
Biodiversity	Promote ordinary biodiversity and limit the impacts of the processes and products on biodiversity.	196	

* 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>Employment Conditions, Health & Safety</p>	<ul style="list-style-type: none"> > 100% of employees worldwide are covered by the global employment conditions program > Cut the number of workplace accidents with time lost* by at least two, i.e. LTIRi < 1.0 (<i>base year 2017</i>) > 100% of plants certified in accordance with health and safety standards – OHSAS 18001/ISO 45001
<p>Equity & diversity</p>	<ul style="list-style-type: none"> > 30% of women hold management positions > Bring the% of female managers into line with the% of women in the Group
<p>Quality of life at work</p>	<ul style="list-style-type: none"> > Achieve 75% on the GPTW question: “All in all, I can say it is a great place to work”
<p>Solidarity</p>	<ul style="list-style-type: none"> > 100% of the countries in which we operate run a corporate philanthropy program



<p> Better homelife</p>	<ul style="list-style-type: none"> > Develop an inclusive design range of products per main product family > Create one awareness program around healthy homes
<p> Cooking for good</p>	<ul style="list-style-type: none"> > One program to make homemade food accessible to everyone > One Charter to promote healthy and sustainable eating for recipes associated with our products



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



<p>Factories</p>	<ul style="list-style-type: none"> > -40% carbon intensity of our plants (<i>base year 2016</i>) > 100% of plants certified in accordance with the ISO 14001 Environmental Management standard
<p>Logistics</p>	<ul style="list-style-type: none"> > -10% carbon intensity of the transportation of our products and components (<i>base year 2016</i>)
<p>Products & packaging</p>	<ul style="list-style-type: none"> > -15% carbon intensity of the energy consumption of our products > Eco-packaging: <ul style="list-style-type: none"> • 0 expanded polystyrene • 90% of recycled fibers • 0 plastic packaging

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 2020 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, amended by the European Directive transposed into national law, in 2017, by articles L. 225-102-1 and R. 225-104 to R. 225-105-2 of Commercial Code. 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 Wforminlassie 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.

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.

For 2020, all the data communicated in this chapter excludes new acquisitions, namely Ethera, Groupe SEB Media (750 g), Feeligreen and Krampouz.

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.

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).

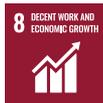
AUDIT

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⁽¹⁾ 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 33,000 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 2020, 88% of 11,109 connected employees had taken the online training program, available in ten languages on the *iGrow@Seb HR online platform*. It consists of six 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. In 2020, the Group developed a yearly refresher module sent to all connected employees as part of the Compliance Refresher program (see section Training, page 163).

For employees without online access, classroom-based training began in 2019. Coordinated by the Human Resource managers and site managers, it focuses on areas considered priority and on specific cases tailored to local circumstances. Its deployment, hampered in 2020 by the public health situation due to Covid-19, will be ramped up in 2021 to cover all teams concerned.

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. The system is also shared with suppliers through the Responsible Purchasing Charter and a clause included in agreements whenever these are renewed.

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

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 Code of Ethics as well as in the Code of Ethics training program and made available to employees on the Group's intranet.

In 2020, all reports were analyzed and were 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 46 onwards.

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, in 2007 the Group decided 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 covered almost 99% of the workforce and drove improvements.

External audits in risky areas

Since 2015, Groupe SEB has applied the same ethical, social and environmental audit procedure that it operates with its suppliers (WCA – Workplace Condition Assessment) to its plants in risky areas⁽¹⁾, using the same specialist consulting firm Intertek (see below).

The audits (conducted on average 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 2020, five sites were audited in Egypt, China, Colombia and Russia. The average compliance score was 91.6/100, and no zero tolerance non-compliances were identified.

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, in 2003, the Group signed up to the UN's Global Compact, whose tenth principle requires businesses to work against corruption.

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.

Code of Conduct

In addition to the Code of Ethics, a specific anti-corruption Code of Conduct was finalized in 2020 to be issued at the beginning of 2021. The Code aims to guide all Groupe SEB employees in the performance of their duties if they believe a particular situation presents a vulnerability risk in terms of corruption and influence peddling. In accordance with the French Sapin II law (12/09/2016), a professional whistleblowing process (see above) allows employees to confidentially report any violation or suspected violation of the Code or of any law or regulation governing Groupe SEB.

Corruption risks questionnaire

As part of the annual update to the corruption risk mapping, the Group sends out a detailed questionnaire on corruption risks to all entity managers (commercial subsidiaries, plants, shared service centers) and to all support managers, i.e. 217 people. Analyzing the returned questionnaires makes it possible to detect any warning signs or weak signals and therefore adjust courses of action accordingly. If necessary, checkpoints may be added to the Internal Control Manual.

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

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. Each year, an audit campaign is conducted to identify gaps and correct them through dedicated action plans (see below).

This policy is continually reinforced. 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.

The Purchasing teams also play a leading role in the Group's initiatives to reduce its environmental footprint, such as in the supply of recycled materials (for products and packaging), the development of renewable energies (photovoltaic projects), and low-emissions logistics solutions (see chapters on Circular revolution, page 182, and Climate action, page 187). They are also involved in forging partnerships with players in the non-profit and social sector.

In 2019, Groupe SEB in France signed the responsible supplier relationship Charter, drawn up by the National Council for Procurement and Business Mediation, under the auspices of the minister of the Economy and Finance. Through 10 commitments built on best practices, this Charter aims to drive improvement in dealings between SMEs and their major clients: financial equity, reciprocal reduction in dependency risks, assessment of total purchasing cost, incorporation of environmental issues, etc. It is wholly in line with Groupe SEB's responsible purchasing policy.

RESPONSIBLE PURCHASING CHARTER

The Responsible Purchasing Charter, which stems from the Group's Code of Ethics and responsible purchasing policy, is available in French, English, German, Chinese, Spanish and Portuguese. **It is sent to all of Groupe SEB's listed suppliers⁽¹⁾.** In this document, the Group reiterates its requirements as regards respect for Human Rights and its ethical, social and environmental principles. This Charter is a common frame of reference for the Group's Purchasing teams and its suppliers. The aim is to ensure that the fundamental principles of sustainable development in purchasing (supplier relationship, environmental impact of production activities, anti-corruption, etc.) are taken into account as key drivers of success and performance.

PRELIMINARY EVALUATION OF SUPPLIERS

Any new supplier of raw materials, components or finished products is subject to a rigorous preliminary evaluation. **Social and environmental criteria play a significant role in the assessment and have a direct impact on the decision to approve the supplier (minimum levels**

required). 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. Furthermore, the Group made the process of becoming a listed supplier even more rigorous in 2020, requiring any supplier located in a risky area to first pass an ethical, social and environmental audit (see below).

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.

Subcontractors in the disability and inclusive employment sector

This impetus is a game changer, especially in the strengthening of links with players in the non-profit and social sectors, particularly in France. 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). By the same token, the Pont-Évêque plant welcomes a team from a sheltered employment center to its premises and assigns the team increasingly complex product assembly tasks, just like at the Lourdes site, which works with an organization that employs people with learning disabilities. The Faucogney site calls on welfare-to-work associations for the packaging of spare parts and accessories, while at the Is-sur-Tille site, the Groupe Coopératif Demain (an organization that works to get people into work who have previously been excluded from the job market) provides a recycling service. At the Seb Campus in Écully, ten companies from the protected sector are involved in jobs such as catering, cleaning, hospitality and maintenance of green spaces. Handishare, a company providing work to workers with disabilities, also provides administrative services for Human Resources and general services.

See more details about these partnerships in the "A responsible participant in the economy" section, page 170.

At the end of 2020, work subcontracted to the disability and inclusive employment sector totaled more than €3.9 million, across all of the Group's French sites.

(1) Groupe SEB's listed suppliers comprise a selection of around 480 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.

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 2020, these sessions were held as webinars because of Covid-19, and 138 Chinese suppliers were invited to attend. They were also attended by Group buyers responsible for monitoring them.

Internal global network of social audit leaders

17 Purchasing Directors from Asia (7), South America (4) and Europe (6) make up the network of Social Audit Leaders, which gained five 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 monitoring of Groupe SEB's listed suppliers 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 formal 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 ⁽¹⁾ later to check that the issue has been resolved. If not, the Group decides to end the collaboration.

- 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 (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 five 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 those with a score of between 51/100 and 70/100 every three years. The rest are monitored more closely as they are then required to implement corrective measures (see above).

In 2020, the audit plan was disrupted by the Covid-19 outbreak, which led to temporary site closures or access restrictions, meaning that 59 audits had to be postponed until 2021, mainly in South America. Overall, the Group completed 137 initial audits (168 in 2019) of suppliers in Asia (123), South America (8) and Europe (6). Over the past three years (2018–2020), 121 follow-up audits were scheduled to check the implementation of action plans. In 2020, four suppliers, which refused to undergo this follow-up audit or did not take action, were removed from the Group's listed suppliers and the Group stopped all new projects with them.

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 2020, 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⁽²⁾ and REACH⁽³⁾).

For further information on how purchasing is organized within Groupe SEB, see page 36.

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

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

(3) Registration, Evaluation and Authorization of Chemicals.

A RESPONSIBLE EMPLOYMENT POLICY

2020 – a year shaped by Covid-19

In 2020, Groupe SEB's human resources management was heavily impacted by the global Covid-19 outbreak, which spread throughout the year in successive waves, alternating with periods of relief and recovery. The Group has had to continuously adapt in unpredictable circumstances.

Health first

As Groupe SEB's top priority is the health and safety of its employees, it has made every effort to ensure that they stay protected. In addition to complying with local regulations, the Group introduced strict health and safety measures in each country, which were largely based on the rigorous measures taken in France and are set out in a handbook for reference (guidelines for offices, stores and plants). This health protocol, drafted in French and English, has been continually updated (see more information on these measures in the Health and Safety section, page 157).

The Human Resources department has ensured that it has kept very tight control over the situation by using its continental contacts in cooperation with the Health and Safety department. The Executive Committee received two types of report every week. There was a daily update on the number of Covid cases, and there was a weekly detailed report on the situation in various countries, covering their health conditions, restrictions and lockdown measures, site closures, tele-commuting, etc. Monitoring the situation this closely allowed the Group to make decisions very rapidly and react in real time to how the epidemic was developing so as to limit its impact on the teams and on business. At the end of December, the Group was sorry to hear that there had been one death among its teams worldwide.

Social assistance

At the beginning of the crisis, more than 60% of the countries where the Group operates had no structured public financial mechanism to support employees in the event business activity temporarily ceases (site closure, short-time working, etc.). The Group examined the situation in each country and quickly took measures, where necessary, to compensate for this lack of legal provisions. Action was taken in the US, for example, to maintain healthcare coverage.

To make up for scaled back operations, the Group used all the statutory mechanisms available (depending on the country: short-time working measures, reduction in working hours, taking leave, etc.) to avoid redundancies as a result of Covid-19.

Solidarity

The Group's various entities have shown great solidarity. In France, a series of innovative measures were adopted to make up for the pay cuts taken by employees most affected by short-time working schemes. Such measures included: the company covering the employee's top-up health insurance contribution; a mechanism for employees to donate their leave to another employee with employer contributions, subject to agreement with employee representatives; and a 20-25% reduction in the remuneration of Group executives during the period in question (executive officers, French members of the Executive Committee, members of the Board of Directors). These measures were applied to a total of 870 employees, which helped to limit salary losses to under €10. In addition, a business continuity bonus was paid to employees who ensured that sites continued to operate by attending the sites during lockdown.

Actions were also taken to keep employees connected, particularly during periods when a large part of the workforce was working from home. For example, the Group set up a dedicated community on the Yammer internal social network where all employees can leave a message of solidarity or post a photo or video. It also published a newsletter, providing a mix of news from the Group and practical information. In the field, the subsidiaries stepped up initiatives aimed at staying connected within the teams.

See page 167 for details of the community actions that the Group and its subsidiaries took for carers and people in need.

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 2020 Best Employers in France awards run by the Capital magazine and Statista Institute, Groupe SEB was ranked in the top three in the electrical equipment sector for the third year running, with

special mention of CSR (Corporate Social Responsibility) and Quality of Life at Work (QLW).

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.

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 enables more automated tasks, connects up the various processes more easily and improves 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⁽¹⁾, 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 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.

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

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 2019-2020, 95.7% of the 3,400 or so managers eligible for an AAI received such an interview worldwide.

In parallel to managerial skills, in 2018 Groupe SEB developed a **framework of professional skills and their associated jobs** (marketing, sales, finance, purchasing, manufacturing, etc.). It is now incorporated into the AAI as a basis for assessing job competency. At year-end 2020, some 250 job descriptions were available to all employees, including via the intranet.

In 2018, the Group also launched an accreditation program for its experts to recognize employees with key technical and scientific skills in different fields. An internal jury awards the Expert label, which can be renewed every year. Talented employees who are given this award have specific experience and training. This program is gradually being rolled out in the Group. In 2020, 12 experts were confirmed in the Research field with 11 in the Development field, while the selection process began for the Industry field.

The Human Resources department maintains close ties with HR teams at the subsidiaries thanks to numerous on-site visits. While international travel was suspended in 2020 because of the Covid-19 pandemic, they continued to work closely by organizing virtual trips: days dedicated to a specific country with numerous remote meetings, interviews and events to continue monitoring and developing projects.

ATTRACTIVENESS OF THE GROUP AND CAREER DEVELOPMENT

Professional development

Internal promotion is a priority for the Group: in 2020, 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 **transfer** is a component of internal promotion, and it is applying to an increasingly diverse population: in 2020, for example, more than half of the international transfers took place outside France and Europe. The Group generally encourages and supports all forms of internal transfer, whether functional or geographical, national or international, through various management and mobility tools, guidance and financial assistance.

The Group has offered a **mentoring** program since 2017 to develop and retain talented individuals while promoting women's access to positions of responsibility. 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. Two to three cohorts of around ten pairs are established each year. Over three years, the program has involved 156 people from 23 countries, working in various functions and at different levels. Of those involved, 45 received a promotion or were transferred geographically.

The digital sphere helping recruitment

When it comes to external recruitment, the Group relies heavily on digital tools, which has enabled it to remain very active in recruitment in 2020 despite the pandemic. It is increasing its presence and activity on targeted **social media/networks**, led by LinkedIn, but also Twitter, Instagram, JobTeaser, YouTube, Glassdoor and Wikipedia. The Group's follower base is constantly growing. At year-end 2020, it totaled 134,000 on LinkedIn (+22% compared with 2019) and around 3,350 on Twitter (+8%). On the Instagram channel, publications showing life inside the Group (#InsideGroupeSEB) and stories resulted in a 46% 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 **international careers website**, featuring more content 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. Since its launch in May 2019, the number of visits to the careers website has increased by 35%.

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 35,000 applications in 2020 (15,000 applications in 2015). In order to get its job offers out into the marketplace, the Group partners with major jobs sites, both globally (LinkedIn, for example) and locally (in France: APEC, Cadremploi, Hellowork, etc.). The Taleo platform offers candidates a simplified and seamless experience that allows them to apply from any device (smartphone, tablet, etc.) in just a few minutes. Taleo also manages internal transfer requests (*iMove@Seb*).

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, ten of which were shortlisted and voted on by the jury and employees in 2020. The five final teams presented their project online to the jury. In September, the Group invited them to discover the Seb Campus and its businesses.

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 November 2020, the Group launched the third wave of its Graduate Program. It aims to train young graduates from business

and engineering schools 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: Finance, Industry, Marketing, Supply Chain, Information Systems, etc.

Another key program dedicated to young talent is VIE (Volontariat International en Entreprise), a French voluntary international work experience scheme. The Group offers around ten assignments per year, lasting a period of 12 to 24 months. Some of the scheme's participants have moved to work in finance in the United States, in marketing in Sweden or in e-commerce in the United Kingdom.

On average, the Group takes in about 300 **interns and work-study trainees** every year. In 2020, for the seventh year running, it was awarded the Happy Trainees (France) label, which recognizes excellence in its commitment to its students. The Happy Trainees survey involved some 273 students, based on six criteria: professional advancement, stimulating environment, management, motivation, pride, job satisfaction. The Group was also awarded the new label *HappyIndex@Trainees* Alternance 2021 France. Based on the opinion of work-study trainees, the label recognizes organizations where the trainees say they are the happiest and most motivated. The Engagement Jeunes platform, which lists companies that are good for training or starting a career, awarded Groupe SEB the "Engagement Jeunes 2020" label.

This Young Talents policy, which includes interns, work-study trainees and participants in the *Graduate Program* and VIEs produced results in 2020: the Group recruited nearly 80% of its young graduate employees (management positions) by drawing on this pool.

The Group's attractiveness is not limited to young people: in 2017, the *Reputation Institute* included Groupe SEB 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 and Seb Professional Shanghai)

(number of individuals)	2020	2019	2018
France	5,661	5,843	5,882
Other EMEA countries	10,255	10,575	9,711
Americas	2,738	2,716	2,707
Asia	13,730	14,159	14,390
WORLD	32,384	33,293	32,690

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 2020, Groupe SEB had 32,384 employees based on the scope defined in the table above. Including EMSA Taicang, WMF Heshan, and Seb Professional Shanghai, the Group has nearly 33,000 employees.

BREAKDOWN OF CHANGES IN THE WORKFORCE

Worldwide (excluding WMF Heshan, EMSA Taicang, SEB Pro Shanghai, WMF Shanghai, EMSA Vietnam, Schaerer AG, Schweiz, SSEAC, SEB Professional NA, WMF France Consumer Goods, SEB Professional France, Wilbur Curtis, Seb Professional Iberia, GS AUSTRALIA, GS NEW ZEALAND).

<i>(number of individuals)</i>	2020	2019	2018
France			
Recruitment ^(a)	403	562	710
Fixed-term and work-study	239	308	357
Permanent contracts	164	254	353
Departures ^(a)	563	564	603
Economic redundancies	0	0	6
Terminations for other reasons	60	50	55
AVERAGE STAFF TURNOVER RATE ^(b) (IN %)	1.37*	1.40*	1.08*
Other EMEA countries			
Recruitment ^(a)	1,644	2,593	2,423
Fixed-term and work-study	772	970	1,247
Permanent contracts	872	1,623	1,176
Departures ^(a)	1,765	2,001	1,978
Economic redundancies	55	44	49
Terminations for other reasons	138	194	151
AVERAGE STAFF TURNOVER RATE ^(b) (IN %)	6.06*	8.37*	6.93*
Americas			
Recruitment ^(a)	462	552	661
Fixed-term and work-study	116	124	129
Permanent contracts	346	428	532
Departures ^(a)	537	589	751
Economic redundancies	116	163	270
Terminations for other reasons	100	65	121
AVERAGE STAFF TURNOVER RATE ^(b) (IN %)	4.78*	7.27*	8.09*
Asia			
Recruitment ^(a)	5,865	6,569	8,546
Fixed-term and work-study	5,692	5,968	8,347
Permanent contracts	173	601	199
Departures ^(a)	6,070	6,739	8,476
Economic redundancies	22	21	62
Terminations for other reasons	604	3	12
AVERAGE STAFF TURNOVER RATE ^(b) (IN %)	10.03*	13.01*	13.5*
World			
Recruitment ^(a)	8,374	10,276	12,340
Fixed-term and work-study	6,819	7,370	10,080
Permanent contracts	1,555	2,906	2,260
Departures ^(a)	8,935	9,893	11,808
Economic redundancies	193	228	388
Terminations for other reasons	902	312	337
AVERAGE STAFF TURNOVER RATE ^(b) (IN %)	4.72*	6.37*	5.57*

(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 2020, the turnover rate was 4.72% (6.37% in 2019).

BREAKDOWN OF WORKFORCE BY TYPE OF CONTRACT

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

	2020	2019	2018
France			
Permanent contracts, fixed-term contracts or other short-term contracts excl. work-study	5,661	5,531	5,590
Full-time workforce (incl. work-study)	90.2%	90.4%	89.9%
Part-time	9.8%	9.6%	10.1%
Work-study trainees*	253	312	292
Other EMEA countries			
Permanent contracts, fixed-term contracts or other short-term contracts excl. work-study	10,255	10,338	9,482
Full-time workforce (incl. work-study)	77.8%	77.4%	75.2%
Part-time	22.8%	22.6%	24.8%
Work-study trainees*	206	237	229
Americas			
Permanent contracts, fixed-term contracts or other short-term contracts excl. work-study	2,738	2,641	2,623
Full-time workforce (incl. work-study)	99.8%	99.7%	99.6%
Part-time	0.2%	0.3%	0.4%
Work-study trainees*	88	75	84
Asia			
Permanent contracts, fixed-term contracts or other short-term contracts excl. work-study	13,730	14,109	14,339
Full-time workforce (incl. work-study)	99.8%	99.8%	99.8%
Part-time	0.2%	0.2%	0.2%
Work-study trainees*	18	50	51
World			
Permanent contracts, fixed-term contracts or other short-term contracts excl. work-study	32,384	32,619	32,034
Full-time workforce (incl. work-study)	91.1%	91.1%	90.8%
Part-time	8.9%	9.0%	9.2%
Work-study trainees*	565	674	656

* Working under apprenticeship/professional training contracts.

Worldwide, 66.9% of the workforce are on permanent contracts, 34.4% on fixed-term contracts, including 1.7% work-study trainees. Excluding Supor China and Supor Vietnam, where fixed-term contracts are normal and often for long periods, particularly for manual workers, 92.1% of the workforce are on permanent contracts.

DIVERSITIES

When the Group talks about diversity, it likes to use the plural of the word to highlight the fact that it is multifaceted and that the Group promotes diversity in all its aspects. In 2017/2018, the Human Resources teams in France and the Executive Committee took the first steps to learn about stereotyping, diversity and gender equality. Since then, these awareness-raising initiatives have been replicated across all Group entities. With the belief that the different aspects of diversity are sources of vitality, creativity and innovation, the Group organized its diversity policy around four priority areas in 2020:

- gender equality;
- equal opportunities (integrating social diversity and generational diversity);
- disability;
- cultural diversity.

Work in these four areas is driven by Group-wide action plans, focusing in particular on: recruitment and integration (quantified targets); training and awareness-raising initiatives for employees; career management (including internal and international transfer); leadership and managerial practices (raising awareness, training, joint development groups); internal communication and encouraging employee engagement.

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. Since 2018, training has been developed on the theme “Recruiting and managing without discriminating, harassing or slandering” for Human Resources managers, people responsible for recruitment, employee representatives and Management Committees at French sites. 232 people have been trained over these last three years, and the training will continue in 2021. 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 a recruitment firm specialized in the promotion of diversity (Mozaik RH). In 2019, some nine young work-study trainees were hired using a *job dating* format during which managers met candidates without having first reviewed their CVs. This type of partnership is set to develop in 2021, with new collaborations currently being explored.

Across the world, subsidiaries are taking many initiatives to support diversity in all its forms, with the support of the Group. In Brazil, for example, 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's initiatives to promote gender equality during 2019/2020 included:

- 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;
- webinars and conferences organized on several occasions and accessible via Skype and/or the intranet.

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 2020, Groupe SEB was actively involved in the organization of the AME annual conference in November (in digital format), which focused on the theme of women's participation in executive committees and featured a talk with Thierry de La Tour d'Artaise.

FRANCE: A KEY AGREEMENT

In France, gender equality in the workplace is covered by a **collective agreement** (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.

Under the law of September 5, 2018, any company in France with more than 50 employees must calculate and publish pay gap indicators covering multiple criteria (remuneration, raises, promotions, etc.), with the objective of achieving a score of at least 75%. In 2020, all Groupe SEB companies in France far exceeded this threshold, with scores ranging from 83% to 99%.

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).

The agreement on quality of life at work, which was renewed in France in 2019 (see page 156), also includes measures to support gender equality in the workplace, such as tele-commuting, ensuring that applications sent by recruitment firms are diverse, and covering child-care costs during training under certain conditions. Since 2016, this agreement had included suggestions from the **Forum on gender equality in the workplace** held that year with 150 employees from all French sites and in the presence of the Group Chairman and CEO.

ACCESS TO MANAGERIAL POSITIONS

The Group also strives to improve the gender balance in management worldwide: between 2016 and 2020, the number of women in managerial positions increased from 38% to 42% at constant scope. However, if recent acquisitions are included, particularly WMF where there are fewer women in management roles, this proportion remains at 38%. It is for this reason that the Group is highlighting the topic of gender equality in management so that all its entities get on board with efforts in this area. With regard to recruitment, 49% of new managers hired from outside the Group in 2020 were women (63% in France).

Women accounted for one third of expatriate managers in 2020. They still only make up 18.5% of the Group's 172 or so managers (key positions), however, but this percentage is rising: it stood at 12% in 2015, and the Group is aiming to achieve at least 25% by 2023. Two women recently joined the Executive Committee as the Senior Executive Vice-president, Finance, (September 2019) and the Senior Executive Vice-president, Human Resources (January 2021).

RECOGNITION FOR WOMEN IN SENIOR ROLES

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. It is worth highlighting that in 2020, the Managing Director of Groupe SEB subsidiaries in Egypt and the Middle East was honored as the Top CEO in Egypt's

Top 20/Blue Star Awards, as well as in the Middle East's Woman Leaders Awards. These examples demonstrate the effectiveness of the efforts that the Group has been making since 2018 in this region, where promoting diversity was a real challenge. Similarly, in Korea, the Managing Director of the subsidiary was given an award by the Korean government for her work to promote gender equality in the workplace. Within the company, she has developed a women-friendly working environment, while outside the company she participates in numerous activities around career and leadership development for women.

To accelerate the rise of women to senior management positions, the Human Resources department makes efforts to ensure that at least one woman is included in the shortlist of applicants for key posts. The mentoring program launched in 2017, based on strict gender parity, is also contributing (see Attractiveness section, page 151), as is the joint development program that was created in 2018 and is aimed at women (groups of seven to eight people). The aim is to develop confidence, discuss cases of discrimination (particularly implicit) and suggest ways to progress. These groups work very well and are expected to expand.

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 thus become line supervisors, machinists or welders. A number of Group subsidiaries have similar initiatives. For example, in 2019, Groupe SEB Egypt welcomed the first ever female intern in the subsidiary's maintenance department. After obtaining her degree in 2020, she was hired as an electrician. She is the first woman to hold this position in the company.

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. Beyond compliance with statutory requirements, Groupe SEB regularly organizes awareness-raising initiatives and training sessions on harassment for all employees at its subsidiaries. It also uses proactive procedures to prevent such behavior, ensure careful investigation of complaints or reports, and finally protect the victims and discipline those responsible. In India, for example, the subsidiary has established a dedicated committee to deal with sexual harassment. More than half of its members are women, and it works with an NGO specializing in this area. 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. Since 2019, each French legal entity with over 250 employees has had an adviser tasked with combating sexual harassment and sexist behavior.

GENDER BREAKDOWN BY CLASSIFICATION

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

<i>(in %)</i>	2020	2019	2018
Men			
Manual workers	28	28.0	29.5
Employees	21	21.2	20.4
Managers	8.8	8.5	7.9
TOTAL	57.5	57.7	57.8
Women			
Manual workers	15.8	15.8	17.2
Employees	21.3	21.4	20.2
Managers	5.4	5.1	4.8
TOTAL	42.5	42.3	42.2

At the end of 2020, 43.6% of the Group's workforce were manual workers, 42.2% were employees and 14.2% were managers, 37.7% of whom were women. Excluding Supor, manual workers, both male and female, represented 30% of the workforce, while the percentage of managers was 20%.

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.

GROUP AGREEMENT APPROVED BY THE STATE

In 2020, the Group strengthened its commitment in France by renewing the three-year collective agreement on people with disabilities. The French State approved it, attesting to the high standard of this agreement. Signed unanimously by trade unions, the agreement consolidates the actions already taken and adds new measures aimed at further facilitating the inclusion of people with disabilities within the Group. More specifically, these measures strengthen support for the employees with disabilities, such as financial assistance for adapting their car, for driver's license fees or for relocating to better accommodate their needs, and better schemes for parental leave and leave to care for ill children. The agreement also has a provision to allocate 5% of the training budget to people with disabilities, particularly to increase their employability, and for each French entity, the agreement sets a recruitment target for people with disabilities. These developments supplement measures from the previous agreement, such as workstation adaptation, the offer of mentoring from a Group employee, and end-of-career planning (option of reducing working hours by 20% on production of a doctor's note, while keeping the same rate of pay and benefits). Awareness-raising actions are also planned for all employees and specific training has also been designed for managers to make it easier for employees with disabilities to return to work after a long absence. It should be noted that each French site has a disability specialist and that there is also one at Group level (France).

PRACTICAL MEASURES

In terms of raising employee awareness, all French sites participated in the European Disability Employment Week in November 2020, with fun and practical actions, such as distributing a Disability Guide to combat prejudice and give practical advice; an online sign language taster workshop; participating in the French national DuoDay initiative for people with disabilities and Group employees to share experiences online; and a conference on the guide to inclusive design (Good Design Playbook, see page 179).

To further the recruitment of people with disabilities, Groupe SEB informs its partner schools of its disability policy and works with specialized organizations. Since 2019, the Group has also been working with French project Hello Handicap, a 100% virtual recruitment fair specifically for employing people 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 in October 2020, the Group picked 23 applicants, with interviews to follow in early 2021. Another initiative in Egypt: the subsidiary entered into a partnership with IECD (Institut Européen de Coopération et Développement) to help it with hiring people with disabilities.

In its ongoing efforts to strengthen inclusion, the Group has also implemented an inclusive design approach to improve the accessibility of its products (see page 179).

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

	2020		2019		2018	
	World	France	World	France	World	France
Number of disabled employees	669	323	467	324	405	312
% of disabled employees*	2.1	5.8	1.8	5.6	1.6	5.36

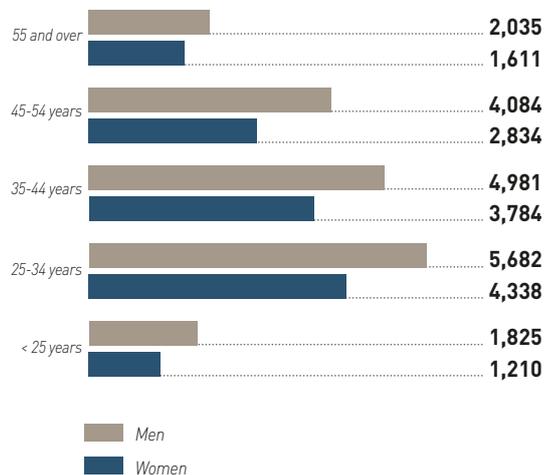
* Ratio between the number of employees with disabilities and the total number of employees as of 31 December excluding temporary employees and ESAT (sheltered employment center) employees.

With the exception of Supor, where the number of physically disabled employees is relatively low, the number of disabled employees stood at 3.2% in 2020 (2.1% in 2019).

GENERATIONAL BALANCE

Breakdown of employees by age

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



The three-year inter-generational contract, signed in France in 2016 with employee representatives, aimed 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. It concluded at the end of 2019 and proved a success: in three years (2017-2019), the Group recruited 908 employees, 48% of whom were under the age of 30 (the target was 25%). The Group also hit its recruitment objective for 5% of the employees it hires to be over the age of 50.

The key measures of this agreement have been incorporated into the system for forward planning of employment and skills (GPEC – see below), signed in 2020.

FORWARD PLANNING OF EMPLOYMENT AND SKILLS

In France, Groupe SEB management and the trade unions have been cooperating openly and constructively on the forward planning of employment and skills (GPEC) since 2007. The goal is to anticipate business trends and foster skills development in light of changes in Groupe SEB's environment and strategic direction.

At the end of 2020, Group management and trade unions renewed the three-year GPEC collective agreement, which aims to maintain and increase the employability of Group employees.

The new agreement strengthens existing measures and takes the process one step further. Its new provisions include:

- target to recruit 40% of interns and work-study trainees for permanent and short-term contracts (compared to 30% previously);
- annual appraisal interview with the manager for every Group employee in France (including production teams, which previously had the interviews every two years);
- training all employees with first-level qualifications to obtain the "Internet and computer training certificate for adults" (Brevet informatique et internet adultes) with a bonus;
- skills training and support for unqualified job seekers under 27;
- measures to facilitate the success of a VAE (Validation des Acquis de l'Expérience – French scheme to gain qualifications from work experience and achievements) or a CQP (Certificat de Qualification Professionnelle – professional qualification certificate);
- employees over 45 have the option to complete 50 hours of training or study a year for their CPF (personal training account) for skills training throughout their working life until retirement.

Employee representatives and management attend twice yearly **Career Centers** to review the progress of the GPEC action plan, examine changes in jobs mapping and analysis, and monitor the implementation of various tools and systems (gateways between professions, technical mentoring, etc.).

A few key figures on actions related to the GPEC (at year-end 2020):

- employing young people: 32% of work-study trainees and interns are hired on a permanent or short-term contract at the end of their assignment;
- employing older people: 15% of employees in France are over 55; routine ergonomic review of workstations for employees over 57 working in manufacturing;
- training and employability: 37% of the sites' training plan is directly linked to the GPEC objectives; 117 VAEs since 2017; 30 technical mentoring partnerships since 2018 to ensure the transfer of key skills.

This approach to GPEC is also being gradually rolled out across different continents. Annual human resources reviews look at various topics: organizational transformation and skills forecasting, key challenges to remaining agile and competitive in an environment influenced by digitalization, and the rapid emergence of new professions and new organizational models.

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.

3

Collective agreements

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

	2020	2019	2018
France	38	10	38
Other EMEA countries	87	42	24
Americas	16	16	19
Asia	40	39	41
WORLD	181	107	122

A total of 181 collective agreements were signed in 2020. 34.0% of these agreements related to remuneration, 19% to health and safety, 6% to employee management dialog and 4% to diversity.

The Group renewed two major agreements in France in 2020:

- the collective agreement on people with disabilities, unanimously approved by employee representatives and approved by the State (more information on page 153);
- the agreement on the forward planning of employment and skills (GPEC), approved by a large majority (more information on page 154).

At year-end 2020, 88% of Groupe SEB's workforce was covered by a collective agreement signed during the year.

QUALITY OF LIFE AT WORK

GROUPE 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 2020 edition was postponed until spring 2021 because of Covid-19. The 2021 survey will cover around 50 countries. In 2019, some 30 countries contributed 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 improvers in 2019 were three Central European countries (Bulgaria, Hungary, Slovakia), which were up over 20 points, with over 80% of employees broadly satisfied. In 2018, **Austria** had improved 13 percentage points (overall satisfaction level of 92%). In France, the 2016 survey revealed that employees felt that there was a lack of recognition from some teams for the work that they have done. The Group had thus responded 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 get involved so that actions ultimately improve employees' perceptions. In **France**, for example, managers are encouraged to take their team's pulse regularly and put in place an appropriate progress plan. Since 2020, the Group has given managers a simple, fun tool to conduct anonymous mini surveys with their employees: *Bloom@work*. It takes the form of a quiz on ten topics (atmosphere, team spirit, relationship with manager, recognition, training, working conditions, etc.) and is offered once or twice a month. The results are shared with the team so that practical steps can be taken. 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 entities are adopting flexible working hours and facilitating tele-commuting.

Many of them are also placing an emphasis on **health** (although the proposed activities were frequently put on hold in 2020 because of Covid-19). In the **US**, the Living Healthy program is led by the Well-being committees and has more than 100 initiatives, such as weight-loss competitions, online stress management seminars, sports activities, healthy cooking workshops, help to give up smoking, etc. In **Mexico**, the subsidiary is helping employees to become more physically active (deals with sports clubs at discounted rates). It has set aside a relaxation area 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 recognizes certain entities with good scores through its Best Workplaces award. As such, in 2019, the entities in the UK, Portugal and Spain made the national rankings. In 2020, the entire Groupe SEB was ranked among the 25 best workplaces in Europe in the multinational company category.

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. From the outset, this agreement has led to the introduction of various measures such as tele-commuting, which has been a real success with employees and repeatedly became the default mode of working in 2020 as part of measures to halt the spread of Covid-19. The actions taken also include a social assistance hotline rolled out to all the sites, and, at 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 (MyPrevention).

The latest version of the agreement contains a number of areas for improvement: 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 extremely warm weather in places where plants are located, etc. With respect to break rooms, washrooms and locker rooms, improvement works continued in 2020 particularly for production employees. Several sites have also improved green spaces near buildings, as Saint-Lô has done recently, for instance.

HEALTH/SAFETY

GROUPE SEB 2023 TARGETS

- Cut the number of workplace accidents with lost days (2017 base) in half, i.e. LTIRi < 1.0 ⁽¹⁾
- 100% of plants certified to health and safety standards – OHSAS 18001/ISO 45001

Taking action to combat Covid-19

In 2020, the Covid-19 pandemic led to a strong response from the Health and Safety and Human Resources teams at all levels of the organization, as well as all management and occupational health teams to ensure maximum protection for Group employees and all those in its orbit: temporary workers, subcontractors, store customers, etc. The Health and Safety department led a coordination unit, which has continued its work in 2021. Each site has a Covid-19 adviser, usually the site's Environment, Health and Safety Coordinator (for more information on measures to deal with Covid-19, see page 49).

Rigorous health protocol

Beyond strict compliance with each country's specific rules, the Group issued a health protocol in all its subsidiaries. The protocol is based on measures taken in France, which are often much clearer than local regulations, and it serves as guidelines to show which actions need be taken. The Group also initially drew on the experience of its Chinese subsidiary Supor, which found itself on the front-line of the pandemic in February. In all countries, there has been a very proactive response to tailor the protocols as the pandemic has developed as it didn't hit everywhere at the same time. This delay allowed US entities, which were affected later, to better predict the actions that needed to be taken.

The measures implemented focused primarily on:

- limiting travel and allowing as many employees to work from home as possible;
- providing personal protection equipment (masks, screens, etc.) and disinfectants;
- organizing work (rotating teams), managing how people move around (using signage) and social distancing;
- disseminating information and raising awareness of the protocols that need to be followed;
- screening procedures, including for visitors.

The Group has been particularly careful when looking at the conditions for reopening sites that were temporarily closed (factories, stores, etc.). Before any activity can be resumed, each site must provide a list of points to be observed and return it to the Health and Safety department for joint validation with the Human Resources teams and/or the area manager. Requirements include wearing masks, which applies to everyone, without exception. Entities that struggled to obtain masks received assistance from the Group, which was able to provide masks thanks to the close collaboration between the Purchasing department (especially the Seb Asia purchasing office) and the logistics and customs teams. Being extremely careful to manage the conditions for reopening has built trust and enabled operations to resume with employees feeling safe. It should be noted that of the 300 people who tested positive for Covid-19 in France in 2020, no cases were associated with workplace infection.

In 2020, the daily inspections organized by local managers at industrial and logistics sites, offices and stores included checks to prevent infection risks. A specific list of points to check has been drawn up to ensure that the measures are properly understood and applied. This checklist was the subject of a weekly report including reminders of the rules wherever necessary.

(1) Work-related injuries – LTIRi: Lost Time Injury Rate, including temporary workers.

Groupe SEB continually implements measures to reduce the number of workplace accidents and limit the number of work-related illnesses (and particularly musculoskeletal disorders in France). This policy is driven by the highest level of management through a Health and Safety Steering Committee attended by several members of the Group's Executive Committee. To step up the implementation of this policy globally, the Group created the position of Group Health and Safety Director, reporting directly to the Executive Vice-president, Industry, in 2017. In 2020, the Group Health and Safety Directive was updated to incorporate the new ISO 45001 certification along with measures to strengthen pandemic-related risk prevention/management.

The health and safety policy draws on a **global network of 35 Environment, Health and Safety (EHS) Coordinators**, who cover

ISO 45001 Certification

(Worldwide)

	2020 ISO 45001	2019 OHSAS 18001	2018 OHSAS 18001
Number of certifiable entities	44	41	34
Entities holding certification*	100%	100%	100%

* Based on industrial and logistics entities at the end of the year concerned.

At the end of December 2020, 100% of the Group's industrial and logistics entities had this workplace Health/Safety certification, with three new entities compared to 2019: EMSA, GS India, and WMF Heshan.

Safety

Groupe SEB's approach to Safety is reflected in its worldwide Safety in Seb program. It places special emphasis on 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.

In 2020, the Group stepped up its efforts at sites with the highest workplace accident rates (enhanced action plan and monthly review with site management). In addition, the Health and Safety department increased the frequency of its visits at all sites, particularly at those where accidents have occurred, to learn from them. In France, the Group has assigned health and safety objectives to all managers of industrial and logistics sites. It has also introduced a routine interview with any employees returning to work after time off following an accident.

This Safety in Seb program has borne fruit: the number of workplace accidents with days lost has fallen by over half since 2017.

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

all of the plants and logistics sites (more than 40) in 13 countries. In 2020, they met remotely (via Skype or Teams) on a monthly basis for teams in France and quarterly for other sites around the world. These annual meetings make it possible to strengthen the international dynamic of the network, something that is also supported by the Yammer community. By the end of 2019, the Group's health and safety management system had become OHSAS 18001 certified (all of the Group's industrial and logistics entities are certified). In 2020, the Group "switched" to ISO 45001 as part of a major transition project aimed at addressing the differences between the two systems. All sites have implemented a specific action plan. Those that needed to be audited in 2020 (by the firm DNV) all passed their audit in the last six months of the year and all received positive results. The Group is now ISO 45001 certified.

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 2020, 24 standards were operational, the most recent ones covering the assessment of chemical hazards and the management of outside companies. Two of these standards, one covering noise and the other covering the assessment of occupational hazards, have been updated. Battery storage was also the subject of a new recommendation.

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.

FEEDBACK

Safety-specific checkpoints have been incorporated into day-to-day field visits by local managers worldwide 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. In 2020, these visits placed great emphasis on the prevention of risks associated with Covid-19.

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 – the safety vigilance Flash system. In 2020, emphasis was placed on the “action plan” component of this system with a view to increasing efficiency and facilitating its implementation at the various sites.

Having noted that 40% of accidents are linked to non-compliance with rules, in 2018 the Group reviewed the definition of the “mandatory rules” required at each plant and logistics site and on the Seb Campus (Group HQ), to make them more precise 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, and they have applied everywhere since the beginning of 2020. 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

The Group’s safety culture is in action at tertiary (office) and commercial entities (stores). The golden rules are systematically communicated and some sites have introduced their own unbreakable rules. These entities are also 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 initiatives by local teams to improve safety, with original and fun activities such as an escape room organized by WMF in Riedlingen (Germany) in 2019: 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

(Covid-19: see pages 146 and 157)

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. Every industrial and logistics site around the world has the objective to improve the ergonomics of 25% of its workstations every year.

In France, Health Plan 2 (2017-2020) has been a step forward in combining health with performance by prioritizing prevention and employee well-being. It resulted in action plans around three focal areas: reducing physical and mental health risks (especially MSDs); making health dashboard charts more reliable; and improving health management and communication. A multidisciplinary Health Steering Committee makes it possible to share best practices and focal areas for the Group’s health policy. It monitors health-related issues in the workplace and promotes 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 2020, the Group had 55 MSD specialists in France with 13 trained new recruits among the operators and employee representatives.

In 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. The France Health network met again (remotely) at the end of 2020 for another session to share and discuss approaches and developments.

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: know, detect, act” 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, and the program started being rolled out in 2020. Despite the public health situation, 66 managers were able to take this training, which will continue to be run in 2021.

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 2020, 69 employees contacted the counseling office, which is less than the national average according to Turka.

(Worldwide, excluding Seb Professional, Wilbur Curtis, Schaefer AG. Schweiz, Krampouz and Groupe SEB India entities)

	2020	2019	2018
France			
Number of workplace accidents with days lost	37	44	41
Number of days lost	2,650	3,093	2,217
LTIR ^(a)	4.95	5.25	4.9
Severity rate ^(b)	0.35	0.37	0.26
Number of workplace fatalities	0	0	0
Other emea countries			
Number of workplace accidents with days lost	31	56	71
Number of days lost	886	1,275	1,204
LTIR ^(a)	2.25	4.02	5.94
Severity rate ^(b)	0.06	0.09	0.1
Number of workplace fatalities	0	1	0
Americas ^(c)			
Number of workplace accidents with days lost	2	11	8
Number of days lost	185	641	147
LTIR ^(a)	0.43	2.1	1.6
Severity rate ^(b)	0.04	0.12	0.03
Number of workplace fatalities	0	0	0
Asia			
Number of workplace accidents with days lost	5	13	20
Number of days lost	1,145	1,148	1,437
LTIR	0.15	0.35	0.56
Severity rate ^(b)	0.03	0.03	0.04
Number of workplace fatalities	0	0	0
World			
Number of workplace accidents with days lost	75	124	140
Number of days lost	4,866	6,157	5,005
LTIR ^(a)	1.25	1.91	2.24
Severity rate ^(b)	0.08	0.09	0.08
Number of workplace fatalities	0	1	0
WORLD LTIR ^(c)	1.46	2.0	2.6

(a) Lost Time Injury Rate.

(b) Number of days lost per thousand hours worked.

(c) Lost Time Injury Rate including temporary employees.

Groupe SEB has used the Lost Time Injury Rate (LTIR) as a safety performance indicator since 2014. It is calculated based on the number of accidents with a direct causal link with work in relation to the number of hours worked. The internal recording system has no effect on local legal declarations specific to each country.

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 2020 for the LTIRi (Lost Time Injury Rate including temporary workers) was 1.8 for the World, 3.7 for France and 2.8 for WMF.

The 2020 results were: World LTIRi = 1.46; severity rate is 0.08.

France LTIRi = 5.9

WMF LTIRi = 2.41

France recorded 53 lost time injuries with temporary workers, as well as 112 work-related accidents with and without lost days, including temporary employees. The LTIRi is 5.9 and the severity rate is 0.34.

WMF records 26 accidents with and without lost time directly related to work, including 14 accidents with lost time, including temporary staff. The LTIRi is 2.41 and the severity rate is 0.08.

EMSA recorded 7 LTIRi, as well as 16 work-related accidents with and without lost days, including temporary employees. The LTIRi is 12.8 and the severity rate is 0.2.

These three Group entities, France, WMF and EMSA thus account for nearly 79% of the total number of work-related accidents with lost days.

Finally, Groupe SEB recorded a total of 94 work-related accidents with days lost, and 103 accidents without lost days in 2020, 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 47 fewer accidents with time lost than in 2019, a reduction of 33%, and 88 fewer than in 2018, including temporary employees. The Health and Safety department has been closely monitoring entities with the largest number of accidents since 2018. These entities are required to implement an enhanced action plan with a regular review with local management and the Executive Vice-president, Industry.

The severity rate for temporary employees is down slightly, with 5,471 days lost compared to 6,376 days in 2019.

A worldwide survey of work-related illnesses has been conducted since 2013. 37 new cases of occupational illnesses were recognized throughout the Group in 2020, excluding temporary employees. This number is lower than the 48 cases reported in 2019.

Number of new occupational illness cases recognized in the year	2020	2019	2018
France	35	44	27
Other EMEA countries	0	0	0
Americas	2	4	1
Asia	0	0	0
WORLD	37	48	28

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.

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 roll-out over 2020-2023.

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 2023. 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 2024.

The Group also looks to review employment contracts on a regular basis in order to supplement and/or improve existing insurance coverage. In 2020, for instance, medical insurance was extended in several countries, including Colombia and Romania.

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)	2020		2019		2018	
	World	France	World	France	World	France
Remuneration ^(a)	986	270.5	1,007.9	277.7	951.3	252.3
Payroll taxes ^(b)	168.7	65.5	219.7	67.5	181.3	66.3
Pension and other post-employment benefit plan costs	71.5	42.8	63.1	45	70.4	43.8

(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 evenly across all employees in France. In addition, since it was

listed on the Paris Stock Exchange in 1975, the Group has had employee shareholders. Since then, it has implemented 15 employee shareholding programs, gradually extending beyond France starting in 1992. The last program, in July 2019, covered 34 countries and the plan was taken by close to 4,200 employees (23% of the eligible employees).

(France)

(in € thousands)	2020	2019	2018
Provision for bonuses	11,718	18,139	16,117
Provision for profit sharing	12,433	16,893	17,500
By 2019	N/A	2,145	N/A
TOTAL	24,151	37,177	33,618

In 2020, the amount paid in profit-sharing and bonuses amount to €24.1 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. The **Learning and Development department** develops and delivers Group training programs that correspond to the challenges faced by the businesses, the company's strategy and employee development objectives. This range of training opportunities is supplemented by training programs organized at local level, particularly at industrial sites.

Jointly developed training for businesses

The Group aims to foster a culture of learning by providing multiple training opportunities tailored to the needs of the businesses, both in technical expertise and in soft skills, such as cooperation, effective communication, creativity, critical thinking, etc. In 2020, the Learning and Development department began to reorganize and further develop the training offer around courses specific to the Group's various businesses: Commercial, Marketing, Research, Design, Development, Industry, Supply Chain, Finance, Human Resources, IT, Purchasing, Quality, Environment, Health and Safety, etc. The roll-out will gradually ramp up in 2021. Each course is jointly developed by the Learning and Development department and a contributing team from the business supervised by a sponsor. Together, they identify the priority skills that need to be developed/acquired to meet the challenges that they think the business will face in the future. Every year, they review the adjustments required to keep the course in step with evolution of these challenges.

Each training course consists of three "blocks" that combine both programs specific to the business and programs relevant to a broader group:

- **acculturation** at Groupe SEB: onboarding new employees, compliance, the Group's fundamental principles, etc.;
- **business line**: the basics, tools and technologies, strategic challenges, etc.;
- **transferable skills**: leadership, managerial practices, personal development, soft skills.

Depending on the circumstances, the training programs are delivered in person, remotely (video), through digital learning platforms or as a combination of different formats. Some are delivered in house with internal trainers, while others are delivered by external service providers. The Group explores and harnesses all teaching methods to provide a rich, dynamic and tailored offering.

Highlights of 2020

Open-access digital learning: This offering has expanded considerably, particularly at the end of the year thanks to a new partnership with a specialist provider (Edflex). Edflex offers training modules selected from the best on the internet, covering a wide range of topics and delivered in all formats (a new feature), such as videos, podcasts, in-depth articles and MOOC⁽¹⁾. These different forms of content allow trainees to learn

flexibly and potentially in very short periods (quick learning). At year-end 2020, the Group's 11,000 or so connected employees had accessed these quick learning modules via the HR *iGrow@Seb* portal, the majority of which are available in several languages.

Path to Innovation: This new program, which was created in 2020, aims to develop a common understanding of the process involved in creating the Group's range of products and services within the Innovation teams (several hundred people). It cuts across several business lines involving innovation: Marketing, Research, Design, Development, Quality, Purchasing, Supply Chain. It is delivered in person over four days and features 25 speakers from within the company. Rollout began at the beginning of 2021.

E-commerce acceleration: This is another new program that was launched in 2020, and it is aimed at managers who are directly or indirectly affected by e-commerce matters but are not experts on the subject. The program aims to develop their skills to address this strategic challenge for the Group. Initially designed to be delivered in person, it was very quickly transformed to be presented remotely because of Covid-19. This change enabled us to target a larger number of people worldwide (around 200) and adapt the content to specific local conditions. Several sessions were held in 2020 in Europe, Asia-Pacific and North America, and the program will continue in 2021.

ChallengeMe: Peer learning is proving particularly effective, and the Group wants to further develop it. At the end of 2020, the Group trialed the ChallengeMe tool in several businesses: employees from a participating entity are invited to use the dedicated platform to share their thoughts on a common issue. They can make contributions based on their knowledge or practices and respond to other people's submissions. After two to three weeks, the contributions are evaluated and the most relevant are shared and/or implemented. This tool makes it quick and easy to access know-how and expertise within the organization and leverage it to strengthen individual skills and collective intelligence. It also encourages openness and creativity. It will be launched more widely in 2021.

Welcome Seminar held remotely: The Group's Welcome Seminar for new managers, which is usually held in Écully, was adapted in 2020 because of Covid-19, allowing it to be held remotely with the same participants using video. This new format proved very successful and enabled the Group to welcome a greater number of international newcomers. As a result, the remote format will be kept in addition to the in-person seminar at Écully (which takes place over three days with three to four sessions a year).

2020 also saw the international roll-out of the digital onboarding scheme, "**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. It supplements local onboarding schemes.

(1) Massive Open Online Courses.

Compliance Refresher: The digital Compliance program, which all newcomers to the Group are required to take, was expanded in 2020 with an annual refresher module for all employees. Like the full program, this module is available in 10 languages and covers the Code of Ethics, IT security, anti-competitive practices, internal control and personal data protection. The module aims to ensure that everyone in the Group is always well informed about the principles and rules to follow.

Summer Digital Learning Camp: The second edition of this international campaign took place over July and August 2020, and it offered nearly 6,000 employees a selection of three quick-learning modules to take each week. There were 2,000 active participants, with a satisfaction rate of 4 out of 5.

Training (workforce and training hours)

(Worldwide)

	2020	2019	2018
	World	World	World ^(a)
Number of training hours	398,471	585,898	507,870
Number of employees trained	31,833	35,899	29,316
Number of women trained	11,475	13,048	11,010
Number of men trained	20,358	22,850	18,305

(a) Excluding GS Belgium.

Of the total hours of training completed in 2020, 52% was for manual workers, 34% for office employees and 14% for managers.

In addition to the training referred to above, 6,869 connected employees spent more than 18,000 hours on the iGrow@Seb platform through the various e-learning modules.

The decrease of the number of hours and of the number of learners is directly linked to the current crisis context.

Training budgets

(Worldwide)

(as a % of payroll)	2020	2019	2018 ^(a)
France	2.85	4.67	4.63
Other EMEA countries	0.62	1.84	1.74
Americas	0.42	1	2.4
Asia	0.59	1.44	1.54
WORLD	1.22	2.47	2.88

(a) Excluding GS Belgium.

The Group's training expenses represented 1.22% of its payroll in 2020. For the Supor subsidiary, these expenses amounted to 0.7% of its payroll for this year. The WMF subsidiary's training expenses accounted for 0.6% of its payroll.

LEARNING AND DEVELOPMENT (L&D)

(Worldwide, excluding WMF and EMSA)

	2020	2019	2018
Number of employees trained	822	1,517	1,294
Number of training sessions	130	173	186
Number of training hours	15,352	36,089	32,710

The decrease of the number of hours and of the number of learners is directly linked to the current crisis context.

ABSENTEEISM RATE

Worldwide (excluding WMF Heshan, EMSA Taicang, SEB Pro Shanghai, WMF Shanghai, EMSA Vietnam, SSEAC, SEB Professional NA, WMF France Consumer Goods, SEB Professional France, Wilbur Curtis, Seb Professional Iberia, GS Hangzhou Hub, GSE Cote d'Ivoire, GSE Maroc, WMF Bulgaria, GS Singapore, SEB Professional BELUX, Coffee Day Schaerer India)

	2020		2019		2018	
	World	France	World	France	World	France
Absenteeism rate ^(a)	2.6	4.0	3.3	3.7	4.2	3.5

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

Overtime

Worldwide (excluding SEB Professional North America, WMF France Consumer Goods, SEB Professional France, Wilbur Curtis, Seb Professional Iberia, GSE MAROC, GSE COTE D'IVOIRE, GS Hangzhou Hub et Coffee Day Schaerer India).

	2020		2019		2018	
	Worldwide excluding Supor	Supor	Worldwide excluding Supor	Supor	Worldwide excluding Supor	Supor
Number of overtime hours <i>(in thousands)</i>	1,087	11,143	691	12,436	587	11,796
Full-time equivalent <i>(in persons)</i>	490	5,304	313	5,942	264	5,646

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 54,812 hours of overtime (equal to 30 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 ^(a)

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

	2020	2019	2018
France	973	668	639
Other EMEA countries	517	720	175
Americas	1,061	1,014	627
Asia	1,994	2,720	3,491
WORLD	4,545	5,122	4,932

(a) Temporary full-time equivalent employees.

A CORPORATE CITIZEN

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

CORPORATE PHILANTHROPY AND SOLIDARITY: 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 cause-related marketing campaigns. 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 €)	2020	2019	2018
Financial donations	2,068,227	2,432,811	2,345,656
<i>including Fonds Groupe SEB</i>	<i>448,889</i>	<i>500,000</i>	<i>345,000</i>
Product donations	1,288,761	614,697	561,944
<i>including Fonds Groupe SEB</i>	<i>188,539</i>	<i>199,970</i>	<i>356,142</i>
TOTAL CORPORATE PHILANTHROPY EXPENSES	3,356,988	3,047,508	2,907,599

Overall, the Group allocated €3.36 million to corporate philanthropy activities in 2020, an increase of more than €309,000 (+10.2%) over 2019. This rise is due to a significant increase in product donations, which were gifted to help healthcare organizations responding to the pandemic in many countries where the Group operates, resulting in an increase of more than €674,000 (+110%). Priority was given to product donations over financial donations, which were down

€364,000 (-15%). The financial donations include 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

SOLIDARITY DURING THE COVID-19 PANDEMIC

Groupe SEB and its subsidiaries have been deeply involved in responding to the global pandemic with a number of community support initiatives, both within the Group (see section “A responsible employment policy”, page 146) and with healthcare organizations, healthcare workers and those left vulnerable by the crisis.

HELP FOR HOSPITALS AND HEALTHCARE PROVIDERS

When the pandemic first started, several Group entities donated **masks** to healthcare workers, particularly in **China**, where Supor donated children’s masks, in France, where the Group provided FFP2 masks to hospitals in Paris and Lyon, and in Brazil where the subsidiary donated masks to Recife and the states of São Paulo and Rio de Janeiro. In Greece, the teams procured cloth to manufacture masks as part of a national initiative. Other products were also donated. For instance, Supor gave water and air purifiers to a charity in Wuhan, while the Brazilian subsidiary donated fans to public organizations.

To bring some comfort to healthcare workers, the Group also donated thousands of **products to brighten up their break times**, such as coffee machines, kettles and toasters. Many countries contributed to this drive, including France, Germany, Austria, Switzerland, Poland, Mexico, Egypt, and Turkey. Several entities also made financial donations to healthcare institutions.

ENLISTING HELP FROM THE GROUP’S INDUSTRIAL BASE

The Group’s plants also participated in the general Covid-19 response effort. Groupe SEB Brazil helped develop an innovative, low-cost ventilator for intensive care units (a project led by the University of São Paulo). In France, the Group was involved in two ventilator manufacturing projects (consortium organized around Air Liquide and the MakAir project). Other examples include the manufacture of protective visors in Brazil (Recife), hand sanitizer in France (Rumilly) and disinfection cabins in Egypt (Borg el Arab) – a wide range of products that were supplied to healthcare organizations free of charge.

SUPPORTING VULNERABLE PEOPLE

The Group’s teams stepped up their efforts across the board to help people in precarious situations, who have been made even more vulnerable by the pandemic. Such efforts focused on essential necessities, particularly food. In **Argentina**, for instance, the subsidiary’s 24 employees cooked meals at home to give to families in a poor neighborhood in Buenos Aires, Villa 21. During the three months that this campaign – “Chain of flavors” – ran, they prepared 600 tubs of food, which a charity then distributed in Villa 21.

In **India**, the Group’s employees were involved in efforts during a period of traditional festivals in October and November. They provided meals to feed people who have been ostracized by society and taken in by The Earth Saviours Foundation: the elderly, people affected by incurable diseases and people with mental health conditions and developmental disabilities. The subsidiary also gave out food packages in May and June to day laborers, a demographic that was deeply affected by the crisis.

In **Colombia**, many street coffee vendors (“tinteros”) found themselves struggling to feed their families and pay for accommodation. Thanks to the donations from Groupe SEB employees and other local players, the foundation Imusa-Samurai, Taller de Sueños was able to deliver 300 bags of food to the vendors.

In **France**, Fonds Groupe SEB also provided essential products to furnish accommodation facilities: cookware and personal care products for the new emergency accommodation center at Le Foyer Notre-Dame des Sans-Abri homeless shelter in Lyon; induction cooktops for Agence du Don en Nature to equip residents’ rooms during lockdown in private hospital or university facilities where there is usually catering.

CHARITY WEEK

Every year, Charity Week, which is coordinated by Fonds Groupe SEB, is an eventful time for teams worldwide as they get involved in local community actions. The 2020 edition, on the theme of “**Working together to combat exclusion**”, was adapted to take account of health restrictions. It took place over a longer period (end of 2020/early 2021) with different setups (fewer in-person activities), but our solidarity was as strong as ever, even more so, in fact. Employees from 65 sites and 41 countries (increased numbers) took part in a wide variety 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 organized **collections** of food, toys and clothing to hand out to those who need them most. They also competed to come up with the best ideas to raise funds for local associations: sales of home-baked cakes and cards designed by the employees’ children, competitions, raffles, auctions, etc. In some countries, the funds raised by employees were topped up with contributions from the company. Several subsidiaries reserved a portion of the income from selling Group products to staff and used it to support community initiatives, often for organizations chosen by employees.

In France, Seb Campus and sites in the Lyon region organized remote **solidarity workshops** (via Teams) in cooperation with the charities that Fonds Groupe SEB supports. The workshops included how to prepare for a job interview with people supported by the social and professional integration organizations Wake Up Café and Clubhouse and support with drawing up and implementing a communication plan for Épicentre, a “social supermarket”. Chef Bruno Blanco led a live cooking workshop on Instagram, cooking two seasonal, low-cost recipes, with the participation the Group’s partner associations.

Many actions targeted support for **children and young people in need or with disabilities**. In **Mexico**, for example, the subsidiary chose to support the Renacimiento center, a shelter housing 33 homeless young people between the ages of 8 and 17. The subsidiary provided clothing, board games, smart TVs and microwave ovens. In **Chile**, the subsidiary supported the Sentido foundation, an organization that helps young adults with no family to gain independence when they leave the orphanage. The subsidiary’s employees ran a cooking workshop where the young people received Tefal and Moulinex products. In **Thailand**, the teams offered essential products to a school for children who are blind and have multiple disabilities. Several entities used the Christmas period as an opportunity to make children’s wishes come true. In **Egypt**, for instance, employees used

the proceeds from a raffle to buy gifts for 50 children living at two orphanages. The amount collected also enabled the employees to give the orphanages a computer and a smart TV. Similar actions took place in other countries, including in **Portugal** where the subsidiary supported two children's shelters and in **Colombia** where 500 children of *tinteros* (street coffee vendors) received the gifts of their dreams.

In **Australia**, the Group participated in the charity day hosted by tele-shopping network TVSN and donated a share of the revenue from sales of Tefal products to Foodbank. Many entities also donated Group products to families in poverty or to furnish facilities that host marginalized people (drop-in centers and shelters, schools, healthcare facilities, orphanages, etc.). For instance, the **Greek** team donated products to a social supermarket in Athens together with demonstrations, which helped 160 families.

THE SUBSIDIARIES COMMIT

The Group's subsidiaries also directly support and initiate projects all over the world outside Charity Week. It should be noted that because of Covid-19 restrictions, many of the team solidarity days traditionally organized "on the ground", particularly in France (where 15 were originally scheduled), had to be postponed or changed into remote actions.

In **China**, 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, 24 schools have opened (including one in 2020 in Guizhou) giving over 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 supported the organization of e-learning courses in 2020. This program asks employees to volunteer through leadership, learning support and book donation initiatives, including in particular during Charity Week. In 2020, eight employees spent several days with the children at the new school in Guizhou.

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 **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 training, which runs over several months and to which volunteer employees contribute as speakers. In addition to financial assistance and employee involvement, the Group also donated small electrical appliances to Gastromotiva. In 2020, 58 people aged 18 to 35, more than half of whom were women, were trained with the Group's support: 29 on professional cooking skills and 29 on how to manage a restaurant business.

Teams at various subsidiaries also supported victims of **natural disasters** over the past year. In October, Groupe SEB Turkey organized for blankets and essentials to be sent to residents in the Izmir region, who were hit hard by a tsunami following an earthquake in the Aegean Sea. A month later, Groupe SEB Andean came to the aid of communities in Colombia that were heavily affected by hurricane Iota and a winter cold snap. The country's Imusa-Samuraï, Taller de Sueños foundation donated several thousand items of cookware and kitchen utensils to families and soup kitchens set up by the government and charitable organizations.

CAUSE-RELATED MARKETING PRODUCTS

Cause-related marketing products represent another form of philanthropy performed by Groupe SEB. In France, Tefal and Veepee, an online sales specialist, ran this sort of campaign over one week in October 2020: every product purchased meant an item of Tefal cookware would be gifted to the Banque Solidaire de l'Équipement, run by the Emmaüs Défi association. As the campaign proved to be a success, it was extended by two days. In the end, more than 45,000 products were gifted to the association. Tefal had run the same campaign with Camif in 2019. These initiatives gave poorer families a helping hand in equipping their homes. In the same spirit, in October, Calor joined forces with a retailer in Mauritius as part of a campaign to fight cancer: for every Calor product purchased from the retailer, the brand donated to the charity Breast Cancer Care Mauritius. The same scheme was used for the campaign run in Australia in December with TVSN (Tefal products).

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 2020, Fonds Groupe SEB supported 23 projects from a support budget that amounted to €583,000 in cash and €100,000 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;
- Delphine Segura Vaylet: 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 458 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.

Education, training

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 2020, 15 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.

SOCIO-PROFESSIONAL INTEGRATION

Several new projects that were supported in 2020 focused on the socio-professional integration of various groups.

The organization **Réseau Étincelle** is aimed at “dropouts” aged between 16 and 21 who have left the school system early with no high school diploma or job. The organization offers them an educational program where they spend several days within a company with support from employees and external professionals: gaining firsthand work experience at the company, role playing, picking up workplace etiquette, discovering opportunities, etc. In 2020, Fonds Groupe SEB financed the organization of two programs that will take place in 2021 at its sites in Mayenne and Pont-Évêque.

The organization **Wake Up Café** helps people leaving prison to reintegrate into the community for good by drawing on a network of professionals and a supportive community. Groupe SEB supported the setup of the organization’s Lyon branch in 2020.

Capucine et Gaston is a social and solidarity-based enterprise that produces and sells organic and local food in jars while supporting young people with disabilities. The organization trains them in cooking, restaurant service and retail with a view to integrating them into mainstream environments. The Group gave the enterprise a helping hand to finance capital expenditure and launch at the end of 2020.

HOUSEHOLD EQUIPMENT

In the area of household equipment and providing access to a healthy diet, the Fonds renewed its support, in 2020, 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 296,000 products, financial assistance totaling €255,000, and the provision of skills.

Fonds Groupe SEB is also a member of **Entreprise des Possibles**, a coalition of businesses in Lyon working to ensure decent housing for the homeless and the poorest and most vulnerable in society. The organization pools and allocates to social stakeholders time (volunteer employees) as well as financial and material resources, significantly amplifying them.

INVOLVING EMPLOYEES

For the eighth year running, the Group 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 2020, the Fonds supported 15 projects selected by the sites’ local juries. The “Défis Solidaires en Équipe” (Team Community Challenges), launched in 2017, worked well in 2019 (solidarity days during Charity Week on Seb Campus, Charity Days at Groupe SEB France, etc.) and the API Sol’ concept began to expand internationally under the name **Charity Boost** (China, Greece, India and Russia). In 2020, organizing these challenges was disrupted by the public health situation, but they will resume as soon as it is possible.

To encourage and facilitate employees’ social commitment, Groupe SEB introduced the Microdon platform in 2020. Accessible through the **MySEB** intranet homepage, the platform centralizes all information about the Group’s corporate sponsorship policy and programs that rely on voluntary participation from employees in France. Depending on their location and interests, employees can choose a project that interests them, discover proposed assignments and apply to contribute. Employees can also log in to the platform at home using a personal username. This means that it can be accessed by all employees, including those who do not have log-in details at their workplace (production employees in particular).

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 144). 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, for subcontracted Human Resources services (processing job applications, recording training data, digitizing files, concierge service hotline, etc.) and general services. In 2020, the Group tasked Handishare with helping HR go paperless at 11 French sites. The **Lourdes** production facility is also taking action to promote 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, a company specifically specializing in recycling that has over 140 employees, around half of whom are part of an inclusive employment program.

In 2020, the work subcontracted to the disability and inclusive employment sector totaled more than €3.9 million, across all of the Group's sites in France.

Beyond France, a growing number of Group entities are using inclusive employment organizations for subcontracting. In 2020, for example, the Italian industrial site in Omegna (Lagostina) began working with Laboratorio Fuori Rario, which employs people with disabilities. It assigns certain assembly activities to the organization. The Group is also building partnerships with social organizations to give them access to reduced-price products. Two such partnerships have been in place in France since 2019 with the associations VRAC and Revivre (see section Cooking for good, page 178).

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. In 2020, they were given hundreds of food packages to help make their food supply more stable, which had been severely hit by the health crisis. 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 five sites: Écully, Pont-Évêque, Mions, 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 at the 2015 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 regularly takes part in discussions on social issues, such as food, health, inclusion and the circular economy. These are topics that are handled by its Sustainable Development and Research and Development teams (see page 171).

3.8 Sustainable innovation



OFFER PRODUCTS AND SERVICES THAT ALLOW CONSUMERS TO MAKE SUSTAINABLE CHOICES

SUSTAINABLE INNOVATION AND RESPECT FOR CONSUMERS

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 27). 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 seminar at the end of 2019.

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 as part of an open, exploratory approach;
- an open cross-disciplinary approach to come up with new concepts (creative marathons) with the involvement of several teams: Research, Marketing, Design, Development, but also Brands, Legal, Commercial, Engineering, IT and, of course, Sustainable Development;
- flexible and iterative methods to quickly test the concepts generated.

The Cook For the Planet project, which was launched in 2018, produced a dozen innovative concepts in 2019, meeting a range of challenges: efforts to combat waste, saving energy, food preservation, flexitarian transition, etc. They were tested on target groups in different countries and two of them started the research phase in 2020: technical feasibility studies, consumer tests, creating models and prototypes, etc. Other concepts led to the emergence of eco-responsible ideas, which have been used in products already under development.

The Home For the Planet project began in autumn 2019. In 2020, the creative marathon for personal care produced some 20 concepts, eight of which were selected for their energy efficiency, modularity and low-tech specifications (frugal innovation without compromising on

the service provided). The concepts will be refined and tested with consumers in 2021. In terms of linen care, the creativity sessions confirmed the relevance of the new concepts already included in the Research road map and helped to enhance some of them.

In addition to the outcomes from the conceptual work, which should in the short term lead to the development of innovative products, these two projects have helped to ensure that consumer expectations for eco-responsible solutions are taken into account at a very early stage in the creation process. New methodologies were implemented on this occasion in partnership with consultancy agency Maobi, which specializes in sustainable innovation. Another positive outcome was that the teams became more aware of sustainable development issues in product innovation (environment, inclusion, etc.). In 2020, this preliminary exploratory approach was applied to other areas using innovative tools (e.g. design fiction), while still taking a Group-wide approach to all businesses.

In parallel with these two projects, the Group continued its work on the **inclusive design** approach designed to facilitate the usage of its products by everyone. This work culminated in a "good design" guide (see page 179) in 2020.

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 opening up to new methods, incorporating new skills and taking on technological challenges in fields such as materials, energy consumption and ergonomics.

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 strengthened these resources by adding the BiiS (Boost innovation with a Social impact), representing an experimental approach that originally focused on social innovation. This approach, renamed Boost, now applies to any Group innovation project that requires a preliminary exploratory phase. It 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. Other methods such as Sprint focus more on agility and acceleration.

Sustainable development issues, both environmental and social, feature prominently in sessions run by SEB Lab, often at the request of participants, with the Group's teams becoming more and more aware of such issues. In 2020, for example, SEB Lab led sessions around the replacement of expanded polystyrene supports in packaging, natural solutions for personal care, healthy beverage recipes, the Charter on eco-designed products and the sustainable innovation strategy. It also supported the *Cook for the Planet* project.

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 is particularly the case with the challenge of eating healthy and sustainable food (see chapter *Cooking for good*, page 175). This open innovation also includes start-ups, in which the Group acquires stakes through the Seb Alliance Fund (see page 28). 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.

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 the Group'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 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 61.

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 first two years, over half are linked to sustainable development (energy saving, waste reduction, healthy sustainable eating, etc.). In 2020, three were in development and one was already on offer to consumers: nine low-sugar gourmet recipes were added to the Cake Factory app. After a year's break in 2020 due to Covid-19, the All Innovators Challenge will resume in 2021 and will be organized at European level.

(For more information on Groupe SEB's innovation strategy, see Chapter 1.2, page 27).

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): products resulting from the 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. For example, at the Shaoxing (China) site, endurance tests on blenders in 2020 involved over 250 products, with each being tested over an average of 910 cycles. Meanwhile at Pont-Évêque, over 300 steam generators are tested over 1,000 cycles each on average over a full year.

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). The equipment played a role in approving new packaging that was developed specially to meet the requirements of e-commerce (see page 191 – Eco-packaging).

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 secure the launch of the product and reduce the scrap rate as much as possible. In 2020, 84% of these pre-production runs were deemed “good the first time round” compared to 61% in 2014, highlighting the progress that has been 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

To strengthen the continuous improvement loop, the Group systematized the Product Quality Reviews: for each product line, the various teams involved (Marketing, Development, Production and Quality) collectively analyze the scrap rates at plants, the rate of returns under warranty, consumer comments gathered by call centers, comments from approved repair centers, etc. On this basis, an action plan is implemented under the supervision of the Quality department. Proof of the continuous improvement in quality is that returns under warranty continued to fall: between 2009 and 2019, they dropped by a factor of more than 2, and the rate continued to improve by 3% in 2020.

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. Finally, it takes monitoring measures and proactive steps to raise quality standards in the interests of consumers (see page 61).

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 Safety 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 “Tefal commitment” notice which has been on **Tefal/T-fal non-stick cookware** for several years. The Group guarantees the safety of its cookware for consumers:

- **selecting the safest materials**, particularly for coatings: applying stringent standards to materials in contact with food, Tefal exclusive coating, 60 years of expertise;
- **no controversial substances** (checked by independent laboratories), in particular: no PFOA⁽¹⁾, cadmium, or lead;
- **level of requirements higher than regulations**: substance control thresholds up to ten times stricter than required with inspections up to five times more frequent;
- **anticipating regulations and applying the precautionary principle**: ongoing scientific monitoring, review of specifications, dedicated investments.

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⁽²⁾ 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 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.

In 2020, a year shaped by the Covid-19 crisis, customer support increased significantly during the various lockdowns around the world as consumers were using their products more and required assistance. In Europe, for example, the Group recorded up to 30% more contact with customers across all 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 183).

(1) PFOA: perfluorooctanoic acid.

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

3

Corporate Social Responsibility

Sustainable innovation

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.

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 HEALTHY AND TASTY HOMEMADE FOOD 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 sustainable diet, encouraging practices with a lower environmental impact.

MAKING HOMEMADE FOOD EASIER FOR EVERYONE

GROUPE SEB 2023 TARGETS

- One program to make homemade food 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⁽¹⁾. 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 home cooking easier thanks to solutions that simplify life, save time and help produce recipes that allow people to eat well and enjoy their food. The Cook2Health European program confirmed that using the Group’s connected products had a positive impact on health (see page 177).

Innovation supporting healthy eating

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. To date, 2.8 million have 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.

Homemade food at the heart of many activities

In many countries, Group subsidiaries are organizing events to promote home cooking. In France, *Le Grand Live 2020* by Moulinex gave more than 330,000 people the chance to watch chefs live, including the very popular Cyril Lignac, as they created dishes with Cookeo and Companion. The event, which took place across social media and on the moulinex.fr website from November 2 to 8, was shared by retailers and generated nearly 20,000 live comments. Also available on catchup online, it reached nearly four million people in just a few weeks. Another 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 in front of 120 people including influencers, journalists, aspiring chefs, 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 in 2019. Many studies show that healthy eating from a young age helps to significantly reduce diet-related diseases such as diabetes and obesity.

(1) 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.

Products at affordable prices

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 hopes to use this program as a platform to provide advice (good planning and tips) on healthier eating.

At year-end 2020, 22,000 families had benefited from the Malin program since its launch, with new member registrations growing year on year: 5,500 in 2020 compared with 3,700 in 2019 and 1,800 in 2018. Over time, it will be offered to 480,000 eligible families throughout France with the goal of reaching at least 160,000.

HEALTHY, TASTY MEALS

GROUPE SEB 2023 TARGETS

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

A healthy and sustainable recipe Charter

To tackle the double challenge of providing 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 reduction of over 50% in animal protein consumption⁽¹⁾. Aside from the positive health effects, the adoption of a **flexitarian diet**⁽²⁾ 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 and no overly processed ingredients are the broad guidelines of this Charter. What this means in practice is managing the number of portions per person, limiting quantity and prohibiting certain ingredients. 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.

TOWARDS INTERNATIONAL EXPANSION

This Charter is a reference framework for expanding the proportion of healthy and sustainable recipes in the thousands of savory recipes that the Group shares with consumers via a whole range of channels: apps connected with products, brand websites, social media, cookbooks, etc. It was translated into English in 2020 so that it could be distributed to subsidiaries in various countries, which enrich the Group’s collection of recipes with variants tailored to local tastes and trends.

AN AMBITIOUS OBJECTIVE IN FRANCE

In France, the Group’s objective for 2023 is to have healthy and sustainable savory recipes make up **30%** of the content in the apps that come with its flagship products: the Cookeo smart multi-cooker, the Companion cooking food processor, the Actify fryer and the Steam’Up steam cooker. In 2020, the Group **updated its recipe collection** for the first time to bring certain recipes in line with the Charter, specifically those that were almost compliant and required just a few adjustments. The Group also focused on using pulses in its new recipes, and the cookbooks took the same approach. This was the case with the cookbook for the pressure cooker Clipso Minut’ Éco-Respect, launched at the end of 2020, which focuses on vegetables, pulses and fish and provides zero-waste tips. Released in 2019, the cookbook for the Nutricook+ steam cooker also offers a balanced breakdown of recipes: fruit and vegetables, pulses, fish and seafood, and meat each represent 20% of recipes, carbohydrates 15% and dairy products 5%. It also lists seasonal ingredients and provides advice on how to minimize waste.

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. Here are some examples.

TEFAL

Thanks to its invention of the nonstick frying pan, which makes it possible to cook with little to no oil, Tefal has been contributing to healthier eating from the outset, and it continues to innovate in this area. For instance, the **Preserve frying pans** range, launched in France in 2018, is specifically designed for cooking on low heat. This helps retain up to 30% more vitamin C in the food compared to high-temperature cooking.

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.

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

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

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.

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 2021, 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. With Steam’Up, reverse steam cooking technology makes it possible to blend and retain flavors, taking steam cooking upmarket and allowing users to make dishes that are both healthy and tasty. The appliance’s dedicated app always features ways to enhance the recipes.

SUPOR

Supor has also developed innovations for cooking rice in a healthier way: **Healthy & Tasty** cooks rice in two stages with a system that results in 20% less carbohydrates 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 under the Supor brand in China and under the Tefal brand in Malaysia, Hong Kong and Singapore.

In 2017, Supor introduced vacuum technology to its blenders, which reduces the oxidization of food and conserves its full nutritional value. This innovation, which features in the **Vacuum Nutrition Plus** range (Supor), was adopted by Moulinex in 2018 on the European market in the Freshboost range, featuring the same technology.

Collaboration and partnerships

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

COOK2HEALTH EUROPEAN PROJECT

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 (Université Grenoble Alpes, Aberystwyth University and the University of Barcelona), physicians, dietitians and digital players. This unique clinical study was conducted with a large panel of people in France and the United Kingdom. Its results showed that regularly using connected kitchen appliances had a positive impact on health (monitoring of 30 health parameters). The volunteers were equipped with the Seb fryer Actify and the Moulinex multi-cooker Cookeo, combined with an app featuring 500 recipes and a personalized nutritional coaching service. The results showed that 43% of people using Groupe SEB products ate more healthily and changed their eating habits for good.

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 Innovation Regions scheme. 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? In this pilot scheme, Groupe SEB’s contribution will focus specifically on making home cooking easy so that people can eat healthily and sustainably using connected products and associated services and functions (recipes, shopping lists, cooking tips, etc.), along the lines of the Cook2Health project.

FOCUS ON PULSES

Between 2017 and 2020, the Group also contributed to the Proveggas (plant protein for food products) 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 program facilitated the development of processes to make pulses more appealing to consumers, through simpler preparation (faster cooking), easier digestion and improved sensory properties.

Awareness-raising actions

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

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 in France. This Chair develops innovative, fun food education activities using educational tools, often based on digital technologies and aimed at the wider public: millennials, families, people in precarious situations, etc. This partnership allows the Group to better understand eating habits and help households eat more healthily at home.

In 2019, the Group turned to the “Diet, nutrition and eating behavior” Chair 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 at the end of 2019 for all connected employees in France where it has enjoyed great success. An English version was developed in 2020 and made available to employees internationally.

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 and recipes to cook them, as well as 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. Some products can be turned into effective anti-waste tools such as *blenders*, which 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 created a lot of social media content on blender recipes, particularly around the new range of Perfect Mix+ blenders (recipe for chilled cucumber soup using cucumber peelings, for example).

Cookbooks related to the products also come with extra advice on how to use **as much of the foodstuff as possible**. The cookbook included with the Moulinex juicers (Juice & Clean, Juiceo, Power Juice), for example, is abound with ideas on how to cook the pulp instead of throwing it away. Anti-waste tips are also included on the contents pages of the cookbooks for the newly launched pressure cooker Clipso Minut' Éco-Respect and the steam cooker Nutricook+. Services related to connected products also have anti-waste features, such as the “In my fridge” app (Cookeo and Companion ranges), which suggests recipes using the food available in your kitchen.

RAISING CONSUMER AWARENESS

The Group's brands are involved in raising consumer awareness on how to eat more sustainably. In France, for example, Tefal works in partnership with chef François Pasteau, who promotes eco-responsible food consumption. In 2020, he appeared on the brand's social media channels in France, sharing various recipes, particularly

during Sustainable Development Week. The year before, three young top chefs taking an environmentally friendly approach had been invited to cook “zero waste” recipes live on Facebook using a Seb pressure cooker (10,000 viewers). For several years now in Brazil, the Group has held cooking classes showing how to use fruit and vegetables in their entirety, including peelings.

Solutions for more sustainable everyday habits

REUSABLE STORAGE BOXES

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 retailers HIT and Edeka provide 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.

BOTTLES, MUGS, ETC. TO AVOID SINGLE-USE PLASTICS

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. This goal of combating single-use plastic bottles led Groupe SEB to acquiring a stake in Castalie in 2020 through its Seb Alliance investment fund. Castalie designs and markets micro-filtered water fountains for companies and restaurants. Water is bottled on the consumer's premises in reusable containers (flasks, bottles, glasses, etc.). As a result, there are zero kilometers between where the water is sourced and consumed and zero plastic waste.

The Group also targets consumers who want to grow their own herbs or vegetables with the indoor vegetable garden specialist **Click & Grow**, in which the Group holds a stake through its Seb Alliance investment fund (see page 28). The right combination of water, oxygen and nutrients ensure optimal growth with, amongst other advantages: no transport, less waste, 100% natural foodstuffs that can be picked all year round, etc.

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, page 182 and Climate action, page 187).

BETTER HOME LIFE



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



INCLUSIVE-DESIGN PRODUCTS

GRUPE SEB TARGET

- Develop an inclusive design range of products per main product family

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 2019 the Group decided to develop a practical good design guide in partnership with *APF France Handicap* and with the support of Caisse Nationale de Solidarité pour l'Autonomie. This guide, the Good Design Playbook, was completed in 2020. It is accessible, free of charge, to all stakeholders who are interested in taking an inclusive approach to design.

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 and symbols), 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: three workshops, 60 participants (people with disabilities, helpers, designers, occupational therapists, anthropologists, engineers, etc.) and creativity tools to co-create solutions that help everyone;
- prototyping: bringing solution ideas to life (models and prototypes);
- evaluation of prototypes by people with or without disabilities to assess the universal added value of the inclusive product for all consumers.

The Good Design Playbook is also based on recognized standards. It is available in open-source digital format on Groupe SEB's website and on the *APF France Handicap* website. 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.

This inclusive design guide, which so far has been unique in this product area, has received multiple awards. It was recognized by the International Design for All Foundation in its Good Practices Awards 2020. It was also awarded silver at the International Design Awards (IDA). In 2019, the collaborative nature of its approach was recognized twice: the Group received the Mines ParisTech & Cegos Sustainable Development CSR Award and the LSA "La conso s'engage" award.

Initiatives to keep up the momentum

At the end of 2020, the Good Design Playbook was translated into English to be distributed widely to Groupe SEB's international teams. It will also serve as a basis for the development of a training module on inclusive design aimed at players in the Innovation community (research, marketing, design, development, etc.) and more broadly for all teams involved in user experience. The aim is for an increasing number of employees to adopt this inclusive approach.

- With this in mind, the immersion workshops held in 2019 to raise the awareness of the Design team regarding different forms of disability and how they affect everyday use of products should soon be extended to other teams, starting with marketing and R&D. 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).
- The diversity of consumer profiles is being considered even more within the Group. In 2020, for example, it began to bring people with disabilities into the design process for its products and services, particularly in user testing. These tests are configured progressively in accordance to international standards (e.g. SUS score – system usability scale). Similarly, consumer panels that assess products during pre-launch previews will be expanded to include more specific profiles.

INCLUDEO, AN INCLUSIVE BREAKFAST SET

■ In spring 2021, Groupe SEB is launching its first range showcasing this inclusive design approach. The Includeo toaster, coffee maker and kettle have been designed to better meet the needs of all demographics, including the elderly, people who have disabilities, people who are left-handed, etc. while featuring a smart esthetic. The ergonomic improvements are discreet but make the products easier to use, particularly in terms of operability, safety and clear labels.

INSTRUCTIONAL LEAFLETS THAT ARE EASY TO READ AND UNDERSTAND

■ The Group is also working to improve the instructional leaflets that come with the products, based on the European rules on making materials easy to read published by Inclusion Europe. The rules cover the clarity of sentences, the choice of words, illustrations, layout, etc. In 2020, the operating instructions for the Cookeo Touch were rewritten using the easy-to-read rules, in partnership with a sheltered employment center that works with people with disabilities. They are available in hard copy, digital and audio versions.

■ Brand websites and the Group's institutional site have also launched projects to improve the sites' accessibility.

Although all this progress illustrates that the Group has been placing particular emphasis on accessibility since 2018, this focus is not new. 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.). The Air Force Flex vacuum cleaner (2019) easily vacuums under furniture without the user having to bend down, something that is much appreciated by people with back pain.

A HEALTHY HOME

GRUPE SEB TARGET

- Create an awareness program around healthy homes

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 in the air. 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.

Clinically proven effectiveness on respiratory allergies

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).

PARTICLES AS SMALL AS VIRUSES

Furthermore, tests carried out in 2020 by an external laboratory on the Pure Air and Intense Pure Air ranges showed that their filtration was up to 99.9% effective for airborne particles as small as viruses (tests carried out on the H1N1 strain, using the full device at maximum speed). In France, the Auvergne Rhône-Alpes region tested the Intense Pure Air XL purifier and added it to its public procurement catalog at the end of 2020 as part of a campaign to equip schools and high schools, particularly their canteens.

CLEANING LINEN AND FLOORS WITHOUT CHEMICALS

Consumers also care about eliminating bacteria, viruses and other germs with limited use of chemicals when washing linen, floors and other surfaces. A steam/heat combination proved to be a very effective tool in this regard, and the method has now been integrated into a range of solutions offered by the Group. To prove their effectiveness, in 2020 the Group began a series of tests that they outsourced to independent laboratories.

For floor care, Groupe SEB has an innovative solution that doesn't require detergents: the **Clean & Steam** vacuums and steam cleans the floor in one go. Besides saving time, cleaning in this way eliminates up to 99.9% of bacteria, which are destroyed by the heat. This is especially good for people suffering from allergies and parents of young children. The new version launched in 2020, Clean & Steam Revolution, is more lightweight and compact.

For household linen and textiles, the Group's steam solutions go beyond just ironing or getting creases out, they also clean the fabrics, as demonstrated by the initial tests conducted in 2020. As such, the Access Steam portable garment steamer and the Ixeo Power all-in-one solution eliminate up to 99.99% of viruses and bacteria (tests performed on cotton fabric under strict conditions).

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.

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's brands are committed to taking this circular economy approach, and particularly Rowenta, which has been heavily involved in improving the environmental performance of its products for many years. Optimizing resource consumption is one of the pillars of its new brand platform, finalized in 2020, with three main areas: product

sustainability (particularly through repairing), using recycled materials and reducing energy consumption without compromising on efficiency.

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

GRUPE SEB TARGET

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

92% of products repairable for 10 years⁽¹⁾

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 at least 10 years after the most recent purchases and for at least 15 years in France;
- 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 92% 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. Since 2019, all new ranges of WMF small electrical appliances have benefited from the 10-year commitment to repair (communication will begin in 2021). Its extension to the Brazilian brand Arno is under development (the first Arno product with this logo will be launched in 2021).

This "10-year repairable product" commitment also applies to all ranges of pressure cooker, which are over 99% repairable. For this type of product, the Group keeps stocks of spare parts for up to 35 years after production has finished.

(1) Mostly repairable, on small electric appliances.

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 2020, of the 92% of repairable electrical appliances, 78% 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 five days rose from 70.3% in 2012 to 85% in 2020.

AN ATTRACTIVE REPAIR PACKAGE

In 2020, to encourage consumers to repair their products more beyond the warranty period, Groupe SEB launched a **flat-rate repair service**, 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 repair package has been offered for all the Group's brands in France since mid-2020. Consumers can purchase the repair package directly on the brands' websites, then follow the instructions to send the product or take it to an approved repair center. The service will become available in Spain, Portugal and Italy (for Tefal, Moulinex, Rowenta and Krups) in 2021, before extending to the rest of Europe and North America.

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 50,000 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 7.5 million spare parts are stored at the Group's central warehouses in Faucogney in the east of France (30,000 m² 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. In mid-2020, the Group expanded its storage capacity for spare parts and accessories in Hong Kong: the new local warehouse is double the size of the previous one and allows the Group to stock triple the number of items, which are then immediately available for repairers and consumers in Asia.

DIY REPAIR AND 3D PRINTING

Customer support experienced a spike in activity in 2020, particularly during the lockdowns caused by the public health crisis: all around the world, consumers used and repaired their appliances more. Many consumers repaired products out of warranty themselves: in Europe, for example, the Group recorded increases of between 20% and 40% (depending on the time period) in orders for spare parts and consumables from its websites, and approved repair centers experienced similar increases in demand for these items. Conversely, the number of repairs carried out by approved centers, which were mainly on products under warranty, remained the same.

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, qualification testing has been carried out on repairs with volunteer "pilot" consumers to evaluate how the parts hold up over time. Since the beginning of 2020, more than 100 3D-printed functional and technical parts have been supplied to all repairers worldwide with the note "3D-printed part certified by the manufacturer". The most basic of these are also available on brand websites for consumers who wish to repair their products themselves (e.g. a vacuum bag holder for an old model).

RÉPARESEB IN PARIS: A DEDICATED CIRCULAR AND SOLIDARITY ECONOMIC HUB

Opened in December 2020 in Porte de La Chapelle, Paris, the RépareSEB project has a dual objective: to work towards a circular economy by repairing small domestic electrical appliances while helping people previously excluded from the world of work to get into employment. It is a joint social venture created by Groupe SEB and the Ares Group (**Association pour la Réinsertion Économique et Sociale**) in partnership with the City of Paris and offers several complementary services:

- small electrical appliance repair in a workshop that is certified for all Groupe SEB brands;
- appliance rental using the Eurêcook model (see page 186);
- product refurbishment (mostly recovered as part of the after-sales service) for resale as "second hand" on site at fair prices;
- an incubator for start-ups in the circular economy;
- raising public awareness of responsible consumer practices.

RépareSEB ultimately aims to help around twenty people, who are seeking to enter the world of work, to find employment every year. In 2020, the project won recognition at the 11th edition of the “Trophées Parisiens de l'économie sociale et solidaire (ESS)” awards for the non-profit and social sector, presented by the City of Paris. The Group also received the LSA “La conso s'engage” award in the Charity Collaboration category for its partnership with Ares.

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 shared widely 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 190) 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 2020 was over 80%.

USING RECYCLED MATERIALS

OBJECTIFS GROUPE SEB – 2023

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

Groupe SEB uses more and more recycled materials in its products. In 2013, the Group set itself the target of incorporating 20% recycled materials in new products and packaging by 2020. It has now exceeded this goal, achieving 34%. 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). By the same token, the product design process now includes a new stage in which the Purchasing and Development teams thoroughly explore the possibility of using recycled plastic in various parts.

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 stainless steel cookware produced in Europe (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 16 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). Tefal is going further in committing to reaching 50% recycled aluminum for all its products manufactured in France by 2025.

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 reduce 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).

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

The Expresseria (Krups) 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. A dozen new projects are underway (full-automatic coffee machines, shredder, mincers, etc.), and the list of products incorporating recycled plastic is growing each year, including in South America and Asia. In Brazil, an Arno fan and a non-automatic washing machine have been designed to use up to 70% recycled plastic, while in Vietnam, a range of fans uses 50% recycled plastic. In both cases, the polypropylene comes from local recycling industries. In addition to its long-standing partnership with Veolia in France, the Group is gradually expanding its portfolio of recyclers on all continents.

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 one covering 75% of needs) also helps to reduce the carbon footprint involved in transporting the materials. In 2020, 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 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. 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. Since 2019, the offer has focused on recycled aluminum cookware (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 2020, in France, this campaign involved stores that included Leclerc (partners involved from the outset), Intermarché and Auchan. Since 2012, all these campaigns have led to the collection and recycling of 1,000 tons of cookware, corresponding to around 1.5 million cookware items.

Campaigns to collect and recycle frying pans and saucepans are being rolled out in ever more countries and retailers. In 2020, this was the case in the UK and Romania for the second year.

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⁽¹⁾, 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 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 has taken on a new dimension in 2021 in Paris as part of the RépareSEB project (see page 183).

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.

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 almost 4,000 appliances back into circulation in 2020 that would, otherwise, have been destroyed. Over a three-year period, it has also allowed 18 people caught in an unemployment trap to get back working. The RépareSEB center in Paris (see page 183) incorporates 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.

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

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 281.

The data given below are for a worldwide scope for ISO 14001-certified entities⁽¹⁾. They include the WMF Logistics site in Dornstadt (Germany), which was certified in 2019. The Seb Campus headquarters in Écully has been included in the reporting scope since 2015.

Data concerning new acquisitions will be included progressively, as and when they are integrated into the various Group processes. The 2020 data therefore exclude EMSA and WMF Heshan (China).

3

ANALYSIS OF THE GROUP'S GREENHOUSE GAS EMISSIONS

In 2017, Groupe SEB assessed the greenhouse gases (GHGs) emitted along the entire length of its supply chain (2016 data) with the assistance of 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 tCO₂eq

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

Scope 2: 149,106 tCO₂eq

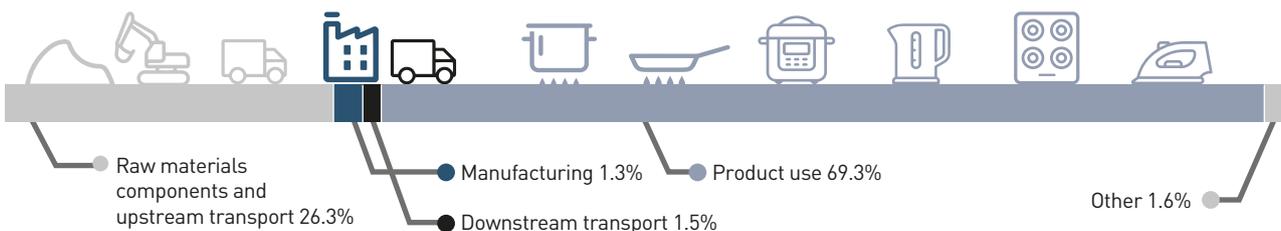
Scope 1 and 2 emissions (207,155 tCO₂eq) consist of the Group's emissions from its plants and logistics sites (see eco-manufacturing section on page 192).

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 tCO₂eq

Groupe SEB's total emissions in 2016 amounted to 15.7 million tons of CO₂ 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⁽¹⁾). 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.

SHORT AND LONG-TERM TARGETS

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

RESULTS FROM THE FIRST PHASE OF "2020 TARGETS"

In 2013, the Group set out an initial series of 2020 targets. This first stage has just come to an end and the results are as follows:

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

Achieved by year-end 2020: down 12% on reference products.

This area specifically features in the Science Based Target objectives (see below). Eco-design projects and developments in technology will make it possible to achieve significant progress. This is already the case for steam generators, hair dryers and kettles;

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

Achieved by year-end 2020: 28.5% reduction at constant scope⁽²⁾;

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

Achieved by year-end 2020: 34% for products manufactured by the Group;

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

Achieved by year-end 2020: 40.2% reduction.

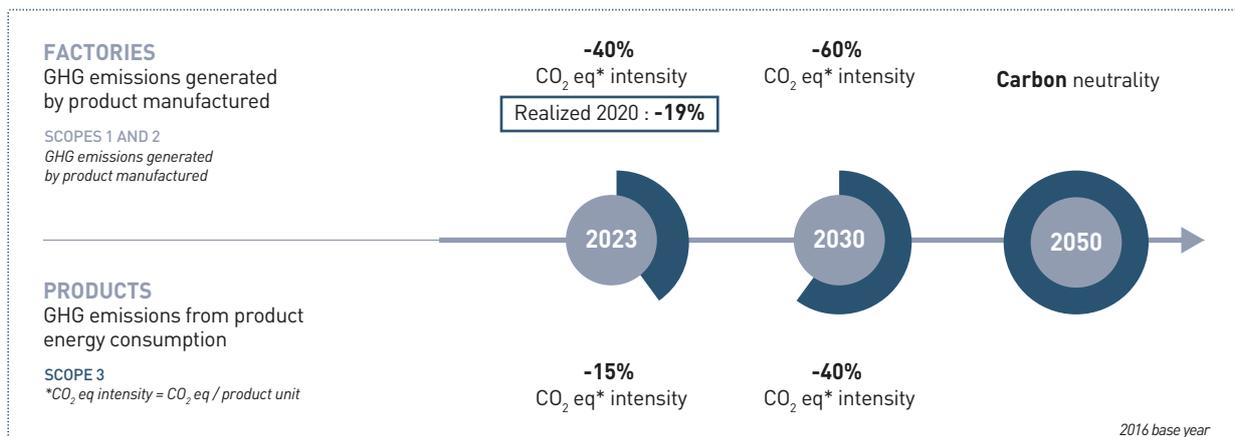
(1) French Environment and Energy Management Agency.

(2) Covers all the industrial and logistics sites within the 2010 sustainable development reporting scope.

PHASE 2: TOWARDS CARBON NEUTRALITY – SCIENCE-BASED TARGETS OBJECTIVES

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 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.

The strategy for working towards carbon neutrality at industrial sites is broken down into three areas:

- reducing the sites’ energy use by optimizing consumption: energy audits, roll-out of an energy indicator (kWh/product unit) within manufacturing operations, adjusting processes, choice of less carbon-intensive energy sources, etc.,
- increase in the share of renewable energy: on-site energy generation using solar panels, purchasing green energy through long-term Power Purchase Agreements,
- as a final measure: offsetting residual greenhouse gas emissions.

See details about these actions on page 192 (Eco-manufacturing).

■ the “use of products” low-carbon strategy (scope 3) is coordinated via the eco-design road map. Under this road map, in-depth reviews (2019) were carried out for each product category to adjust the priority areas to its particularities. Actions to reduce greenhouse gas emissions caused by the use of products generally include:

- repairing products,
- integrating recycled materials,
- raising consumer awareness about how to use products efficiently,
- reducing how much energy products consume (eco-design and new technologies).

See details about these actions on page 182 (Circular revolution) and page 190 (Eco-design).

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 191).

ECO-DESIGN

WHAT “ECO-DESIGNED PRODUCT” MEANS

Groupe SEB's eco-design policy aims to reduce the environmental footprint of the Group's products throughout their life cycle. In 2020, the Group refined its definition of an eco-designed product. It is a product that must:

- be repairable and designed to last;
- be recyclable;
- have a significant third environmental benefit (e.g. it is more energy efficient or incorporates alternative materials⁽¹⁾).

Eco-friendly packaging is also strongly encouraged.

There are specific criteria (quantitative thresholds and/or qualitative features) for sustainability, recyclability, energy efficiency and the integration of alternative materials for each product category: Small Electrical Appliances, Cookware, and Kitchen Utensils and Gadgets. Formalized in 2020, these criteria were tested with the assistance of Ernst & Young to ensure that they were relevant and robust. They act as operating guidelines for the teams.

The Group has set itself the objective of launching at least one eco-designed product a year for each product family starting in 2021.

ECO-DESIGN GUIDE

To move forward with this policy, the teams are supported by the Group's **eco-design guide**, drafted in 2014, 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 has been distributed to the entire innovation community (e.g. the Marketing, R&D, Design, Purchasing, Quality and Legal teams) and is the focus of regular training sessions. In 2020, the Group incorporated eco-design into the new Path to Innovation training program (see page 163) with a more operational perspective. The goal is to help innovation teams 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.).

The Group favors any initiative designed to increase the eco-responsibility of its 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 analysis (LCA)**. These significant studies⁽²⁾, which measure the various impacts of products on the environment, enable us to focus our research on reducing their ecological footprint. In 2020, around 75% of families of products defined as the most significant were covered by a life cycle analysis. A new LCA study was done on two motor technologies (universal motor and brushless motor), and the study on fully automatic coffee makers was fully reviewed. A special effort was made in 2018 to make the LCA 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 LCA study, they respond to three 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. A new fact sheet was distributed in 2020, raising the number of environmental profiles done to date to 13.

ENERGY EFFICIENCY

Over the whole product life cycle analysis, 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, 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, and selected 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 (water level indicator for one cup with the Delfini range by Tefal). There is also a focus on **hair dryers**: in 2020, an update to the two key ranges Dry and Powerline (Rowenta/Calor) incorporated Effiwatts technology. The

(1) Materials with lower environmental impact.

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

hair dryers consume on average 20% less energy than the standard models without affecting performance. 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. Projects on the energy efficiency of toasters are also underway.

When it comes to **vacuum cleaners**, the Group has made significant progress in recent years. In ten years (2010-2020), it cut the average energy consumption of its canister vacuum cleaners by up to more than a third, without compromising on cleaning power or noise level. 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.

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. A similar concept is currently under development for irons.

ECO-PACKAGING

GROUPE SEB 2023 TARGETS

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

The Group's eco-design policy includes product packaging (eco-packaging). It must properly fulfil its protective, storage, transport, information and handling functions while minimizing its environmental impact. The Group standardized and formalized its responsible packaging policy in 2018 with the support of the WWF (World Wide Fund for Nature). In 2020, to further support project prioritization and monitoring, the Group created an eco-packaging Steering Committee comprising the Development, Marketing, Purchasing and Sustainable Development teams. The eco-packaging policy was produced and co-signed by the Sustainable Development department and the Purchasing department, and it has 10 targets.

Practical steps for an eco-packaging policy

The top three priorities for 2023 are to use 90% recycled fibers, eliminate internal plastic packaging and eliminate expanded polystyrene packaging. 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.

Cardboard to replace plastic bags and expanded polystyrene supports

With regard to the level of **recycled fibers**, the packaging used at the European and Asian production sites is already above the 90% target. The Group is thus focusing its efforts on the Americas.

As regards the **elimination of plastic packaging** and the **replacement of expanded polystyrene supports**, actions were stepped up in 2020 with solutions typically made from cardboard. Woks and fondue appliances (Tefal) manufactured in Rumilly, for example, are no longer packaged in a plastic bag and are now protected and perfectly secured in place using a custom-designed cardboard sleeve. Over the past two years, the list of products that have made these changes has continued to grow: multi-cooker Cookeo and steam cooker Steam'Up (Moulinex), the five-second mini meat mincer (Tefal), etc. The Group is continuing to explore various packaging solutions for keeping products secured in place, including “honeycomb cardboard”, an option that has already been used for several years now for Rowenta vacuum cleaners manufactured in Vernon. Molded pulp packaging is another possible alternative.

Eco-designed e-commerce packaging to limit overpackaging

The explosion in online sales led to a sharp increase in e-commerce retailers overpackaging products to send to consumers from their logistics platforms. To avoid this environmentally unfriendly practice, the Group has developed a specific packaging for e-commerce. The solution no longer requires the product to be repackaged between leaving the factory and arriving on the consumer's doorstep. The packaging is made from 100% recycled cardboard, which can in turn be recycled, and does not use any plastic or polystyrene bags. It meets retailers' most stringent certifications in terms of product protection and user experience. This innovative solution, implemented in 2020 at the Tefal site in Rumilly, was awarded the Grand Prix Responsabilité Sociétale de la Marque (organized by ProDurable and LinkUp Factory): Tefal took home the “Coup de cœur” favorite award for the eco-designed e-commerce packaging.

Other examples of progress on eco-packaging include bakeware (Kaiser) intended for the 8,000 counter displays designed for retailers: since 2019, they have ceased being individually wrapped and instead are 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.

RECYCLABILITY AND USING RECYCLED MATERIALS

See page 184

REPARABILITY

See page 182

HARMLESSNESS AND UNPOPULAR SUBSTANCES

See page 173

ECO-MANUFACTURING

GRUPE SEB 2023 TARGETS

- 100% of plants ISO 14001 certified
- -40% carbon intensity of our plants (base year 2016)

Covid-19 has had a moderate impact on greenhouse gas emissions from plants, varying greatly between the plants around the world, closely linked to the scenario in each country and the local health measures in place.

GLOBAL GROWTH BASED ON ISO 14001 CERTIFICATION

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.

ISO 14001 certification

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

(Worldwide)

(in tons)	2020	2019	2018
Number of certifiable entities	44	41	34
Entities holding ISO 14001 certification*	100%	100%	100%

* 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 2020 successfully earned their certificates. The WMF sites were certified in 2019 and 2020. The EMSA sites in Emsdetten (Germany) and the sites in India were certified in 2020. **The Groupe SEB Egypt and EMSA Taicang sites** were recently included in the scope of certifiable sites and are planned for 2021.

In 2017, the Group adopted the new version of ISO 14001, which strengthens the role of management and promotes a more global approach to the impact of site operations on product life cycle. This change implies the upskilling of the teams through training and increased involvement of the international network of 35 **Health, Safety and Environment coordinators**. When new environmental coordinators join the network, they always have a welcome meeting during which they are shown the Group's eco-manufacturing road map and all the processes and tools implemented. This network is coordinated in particular through quarterly meetings, typically using video.

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. In 2020, this did not happen due to Covid-19, but the sites continued their efforts, particularly around energy. It has highlighted and shared around 250 projects since 2014. More than half of these focus on reducing energy use and using renewable energy, while around 50 focus on recycling and reducing waste and 20 seek to reduce water consumption. The remainder is split between several topics, prime among them is the protection of biodiversity and environmental awareness.

REDUCING THE SITES' CARBON FOOTPRINT

To achieve its low carbon targets for product manufacturing (scopes 1 and 2, see page 189), 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 in-house 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 2020, the Group trialed a system designed to measure, monitor and manage energy consumption as a means of optimizing the energy efficiency of its sites: **DSM (digital shop-floor management) Énergie**. The system was trialed at two sites in France and will be gradually rolled out internationally. Using sensors installed on equipment, monitoring software and energy management modules, the system will allow sites to quickly take the necessary remedial actions in the event of consumption drift (alerts) and will help them carry out more in-depth analyses to refine machine settings (predicting tools). Energy experts at the industrial sites are in prime position to leverage the data collected by the system, with the support of the DSM Énergie corporate team. Everyone is trained in energy management in industry (training continued in 2020).

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;
- **compressed air** production is also one of the areas targeted for improving energy efficiency, and several sites are making progress here, such as Lourdes, which installed a variable speed compressor in 2019. 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. The Shaoxing, Hangzhou, Shanghai and Erbach sites are also making similar efforts in this area;

- 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 CO₂ 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 Omega (Italy), 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. Photovoltaic electricity production began at two industrial sites in 2020: Pont-Évêque in France and Rionegro in Colombia. In Rionegro, the Group used the Power Purchase Agreement (PPA) mechanism for the first time with support from public authorities. Instead of investing in a solar power plant itself, it signed a long-term contract (20 years) with a renewable energy producer (in this case: GreenYellow). The producer financed the electricity production facilities on the site, and sells electricity back to the site at an attractive price, which is set at the beginning of the contract and stays fixed for its entire duration. Other projects that use PPAs are being explored, specifically in France, China, Egypt, Vietnam and the United States.

By 2023, one or two new renewable energy projects will be launched at a Group site every year. 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 28.5%, at constant scope, exceeding the 20% reduction target set for 2020.

CONSUMPTION OF RESOURCES

(ISO 14001-certified entities)

Direct raw materials

(in tons)	2020	2019	2018
Total consumption of metals	158,355	166,707	165,758
Total consumption of plastics*	92,628	100,558	94,247
Total consumption of packaging	106,119	106,546	114,370

* 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.

Steps taken to improve packaging are detailed on page 191 (Eco-packaging).

Indirect raw materials

	2020	2019	2018
Total consumption of natural gas (in GWh)	263.9	282.9	217.9
Total consumption of liquefied gas (in tons)	5,259.9	4,640.2	4,857.3
Total consumption of electricity (in GWh)	365.7	385.9	373.4
Total consumption of water (in thousands of m ³)	3,028.2	3,394.5	3,395.1
Total consumption of heating oil excluding fuel (in m ³)	150	153.1	20.6

Total natural gas consumption fell 7% this year. Reduced activity in Europe in spring 2020 led to a fall in the use of natural gas for industrial processes and heating buildings. With natural gas being the main source of energy for heating at the Group's plants, weather patterns have a significant effect on consumption.

The increase in activity at the Supor Yuhuan and Supor Vietnam sites, where liquefied gas is used in the manufacturing processes, explains the 13% rise in liquified gas consumption.

Changes in the product mix in China, alongside a reduction in the use of the anodization process, are allowing energy and water consumption to be reduced. Actions to improve energy efficiency and reuse water (Supor Vietnam) are making a significant contribution to reducing electricity and water consumption.

REDUCING WATER CONSUMPTION

The Group is mindful of conserving water resources and is implementing action plans to reduce water consumption and recycle wastewater on industrial sites. Many sites are involved in this approach:

the Canonsburg site (All-Clad) has developed 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.

As most of the Group's water consumption is for manufacturing **cookware**, the Group also invests to make production processes water efficient. For example, in Selongey (France), a project launched in 2019 that focused on the process of washing and degreasing stainless steel parts when manufacturing pressure cookers. Replacing the existing wash tunnels with more efficient equipment aims to reduce water consumption by 70%, saving 50% in natural gas and 10% in electricity. A first tunnel washer was changed in 2019 and the three others will be shortly.

GROUP SITES AND WATER STRESS ZONES

In addition to monitoring and working to reduce the volumes consumed, it is of paramount importance 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 tool measures availability, quality and water-related dispute risks on an aggregate basis. The assessment carried out by the Group was updated in 2020 and will provide a basis for updating its Water Strategy in 2021. It will allow the Group to identify priority areas and address the challenges highlighted by this new risk assessment.

WASTE

Progress is being made in the reduction of industrial waste, capitalizing on practical initiatives. On many of the Group's plants, the largest

(Scope: ISO 14001 certified entities)

	2020	2019	2018
Non-hazardous waste (NHW) ^(a) (in tons)	25,677	34,599	26,559.5
Percentage of NHW recycled (as a %)	60	69.3	58.30
Percentage of NHW used for energy ^(a) (as a %)	19.1	14.9	18.1
Production of Hazardous Waste – excluding waste oil, effluent and sludges (in tons)	5,033	1,991	1,954.1
Sludges produced by internal wastewater treatment plants (in tons)	3,949	3,708	3,712.4

(a) Excluding Oils, Metals and Sludges.

Beyond the reduced activity in Europe, significant variations in non-hazardous and hazardous waste were primarily due to non-recurring work waste on site in 2019 and 2020. In 2020, 79.1% 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: 19,008 tons.

GREENHOUSE GAS EMISSIONS

(Scope: ISO 14001 certified entities)

(in tons of CO ₂ equivalent)	2020	2019	2018
Greenhouse gas emissions	217,315	228,484*	206,986*

* Updated emissions factors

The overall decline in the energy consumption of the sites has led to a 5% reduction in greenhouse gas emissions between 2019 and 2020. The reductions in electricity consumption in China contributed significantly to this decline.

With regard to volatile organic compounds (VOCs), Groupe SEB regularly tests its emissions in order to treat and control these

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 soleplates (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 Pont-Evêque (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.

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. All environmental risk analyses are incorporated into a centralized database, providing a comprehensive overview at Group level and making it easier for sites to share information.

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.

In 2019, the EMSA site in Emsdetten (Germany) worked to conserve water while reducing waste. 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.

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 2020, Groupe SEB emitted 181 tons of COD from its own wastewater treatment plants.

Impact on soil

Besides metal stamping (pressure cookers, frying pans and saucapans), 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

The Group's biodiversity policy has two priorities. The first is to minimize the environmental strain of its activities (eco-manufacturing). This includes combating climate change and overexploitation of resources and limiting land use (or change in land use). The second priority is to support biodiversity through specific actions (conservation gardens, shelter for wildlife, maintenance of wetlands, etc.).

Best practices

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 for 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. In 2020, biodiversity has been integrated into the "country" roadmaps.

The Campus also houses a 300 m² 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 workshops on aspects of gardening, which are run from March to November. This initiative was so successful that the number of workshops was doubled in 2020 to accommodate more people. A dozen sessions were organized despite the public health situation. During lockdown periods, workshops were either postponed or held virtually. 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, China, etc.).

ECO-LOGISTICS

GRUPE SEB 2023 TARGETS

- -10% carbon intensity of the transportation of our products and components (GHG emissions by product transported – base year 2016)

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.

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.

An initial assessment of greenhouse gas emissions related to logistics transport was conducted by the Group in 2009. To reduce its emissions, the Group is focusing on four areas:

- increasing the loading rate of transport units (trucks or containers);
- reducing distances traveled (direct deliveries);
- developing low-impact forms of transport as alternatives to road travel (river transport, rail, etc.);
- responsible purchasing (through the choice of shippers).

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 CO₂ 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.

FRET 21 SCHEME

In 2017, Groupe SEB signed up to the Fret 21 scheme launched by the ADEME and the AUTF⁽¹⁾ to help companies better incorporate the impact of transport within their sustainable development strategies. Between 2017 and 2019, this scheme involved the subsidiary Groupe SEB France as a pilot. Over three years, the measures taken around the four improvement areas helped to reduce greenhouse gas emissions by nearly 4% within the scope of the project. Here are some examples of progress achieved by year-end 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 6.6 compared with 2016;
- increase in transport methods other than road transport: 42.4% increase in rail transport between the port of Le Havre and the Orléans platform compared with 35% in 2016;
- encouraging haulage firms to improve their sustainable development approaches: at the end of 2019, one-third of inter-site haulage firms were signatories to the Objectif CO₂ Charter introduced in 2016 by the French Ministry of Transport and the ADEME.

The Group renewed this commitment in 2020 (2020-2022) with a broader scope, incorporating shipping from China to Europe in particular. It aims to reduce greenhouse gas emissions by 7% within this scope, which is nearly a third of the Group's emissions from transporting products. In addition to continuing efforts already underway, the Group will focus on using alternative fuels (B100, NVG, etc.), using low-emissions transport and rolling out the Oracle Transport Management system.

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.

3

(1) French Association of Freight Transport Users.

GREENHOUSE GAS EMISSIONS

(Worldwide)

(in tons of CO₂ equivalent)

	2020	2019	2018
Average value of greenhouse gas emissions	259,826	241,810	228,744

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.

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 CO₂ emissions to cover new countries. The share of extrapolated emissions is therefore steadily declining.

In 2020, Groupe SEB emitted 259,826 tons of CO₂ equivalent: 21% from maritime transport, 75.5% from road transport, 3% from air transport and 0.5% 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 CO₂ 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 transport management system (OTM – Oracle Transport Management) 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 international roll-out of this system continued in 2020.

Reducing empty space in packaging

The Group is also endeavoring to reduce the **empty space inside packaging** as much as possible. Transporting less empty space means emitting less CO₂ 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. The eco-logistics unit developed a tool for estimating the economic (avoided expenses in €) and ecological (avoided CO₂ 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. For example, in the case of the Ultra Silence Force (Arno) desk fan launched in 2020, simply separating the fan head, neck and base during packaging (which can be easily reassembled by consumers) makes it easier to arrange the different product components. This reduces packaging volume and empty space by 30%, and so increases the number of products per pallet, bringing both environmental and economic benefits.

A similar project was conducted with the Steampod steam hair straightener (Rowenta/L'Oréal partnership): the teams reduced both the product footprint (including integrated tank) and the size of the packaging, doubling the number of products per palette as a result. The end result: out of approximately 600,000 items sold in 2020, the project helped to prevent 343 tons of CO₂ in emissions (the equivalent of traveling around the earth 72 times by car) and save 200,000 m² of cardboard (or 1,680 trees).

	2020	2019	2018
Container loading rate	83.7%	83.9%	84.1%
Truck loading rate (intergroup shipments)*	63.1%	63%	62.1%

* 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 83.5%. Containers departing from Europe have a loading rate of 85.6%. 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 CO₂ and is the least costly. Emissions have also been improved by the use of new high-performance container ships: in 15 years, they have cut CO₂ emissions per ton transported by half.

Alternatives to road transport

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 is working on developing **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 CO₂ emissions. In 2019, the percentage of non-road transport in Europe (EMEA) was 36%. 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).

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 (809 printers in 2020). 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 to reduce the volume of printing, which fell 4.2% in 2020 compared to 2019 (excluding WMF), i.e. the equivalent of 56 trees saved. It has fallen by almost 40% since 2007. 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%.

Direct deliveries

The Group also optimizes the how transport flows are organized to reduce the distance traveled. For example, it prioritizes direct deliveries to European customers from its plants or Mions platform in France, without passing through the subsidiaries' warehouses. Similarly, some containers arriving in Le Havre are dispatched directly to French retailers without passing through the Group's logistics platforms.

In the event of an urgent supply of components, the Group prioritizes trains over planes as far as possible, in particular **between China and Europe**. Rail times are half the time required for maritime freight (three weeks on average compared with six for ships and two for planes), which is often sufficient. In terms of carbon footprint and financially, it is much more favorable than planes (-94% CO₂ emissions). The use of rail is not limited to urgent transport: in 2020, more than 800 containers from China were sent to European sites by rail (there were fewer than 200 in 2019 and fewer than 100 in 2018). In 2019, the Pont-Evêque site, for instance, put in place a procedure for such distant supplies by rail. In 2020, it received 170 tons of components from China by train, which reduced greenhouse gas emissions by 56% compared to the maritime route.

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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 the company working in the protected sector – Triade Avenir – to dismantle the products. In nine years, more than 12,616 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. In 2020, the Group replaced its 16 largest servers, which were hosted in the two data centers, with eight devices that are both more powerful and more energy efficient. The

new storage devices contain 14 disks instead of 68, providing three times the capacity and lower energy consumption. These two changes led to a reduction in electricity consumption of approximately 18%. Another benefit is that they save space, which in turn saves energy (smaller rooms requiring fewer cooling systems, for example).

New ways of communicating as alternatives to travel

Instant communication tools such as Skype and Teams are having a significant impact on reducing travel. In 2020, the increase in telecommuting because of Covid-19 caused a surge in the use of these tools. This meant that approximately 40,000 meetings could be held on average each month (nearly four times more than in 2019), including 635,000 one-to-one connections. The videoconferencing system, for its part, recorded an average of 57 video conferences a month (average length: 1 hour 40 minutes), down because of the widespread use of Skype/Teams.

At the end of 2020, 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 six years, the Group has increased the number of good practices implemented from 39% to 76%. The areas needing improvement included raising employee awareness, particularly on

how to use search engines properly, and reducing energy use at workstations. It is worth mentioning that the development of cloud-based IT solutions makes it possible to adjust how machines and services operate depending on requirements, such as shutting some of them down at night or at weekends.

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 125) also help to promote eco-friendly actions.

3.11 Report by the Independent-Third Party on the consolidated non-financial statement included in the Group management report

For the year ended 31/12/2020

This is a free translation into English of the Statutory Auditor'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), and member of the Mazars network of one of the company's Statutory Auditors, we hereby report to you on the non-financial statement for the year ended 31, December 2020 (hereinafter the "Statement"), included in the group management report pursuant to the requirements of articles L. 225 102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (Code de commerce).

3

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 non-financial 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

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. 225 105 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 with reference to 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⁽¹⁾:

- 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. 225 102 1 III, as well as information regarding compliance with human rights and anti-corruption 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; concerning certain risks “Fights 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 entities²;
- 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, 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 and covers between 23% 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.

(1) ISAE 3000 - Assurance engagements other than audits or reviews of historical financial information.

(2) SUPOR China Hangzhou Prod., Supor China Shaoxing Prod., WMF Production Consumer Riedlingen, TEFAL Rumilly Articles culinaires, SEB Is-sur-Tille.

MEANS AND RESOURCES

Our work was carried out by a team of 5 people between October 2020 and March 2021 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.

Paris La Défense, the 30th of March 2021,

The Independent third party,

French original signed by

Francisco Sanchez
Partner

Edwige REY
CSR Partner

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APPENDIX: INFORMATION CONSIDERED AS THE MOST IMPORTANT

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

- Health and safety conditions at work (prevention actions);
- Actions to promote the attraction and retention of talent;
- Fight against corruption;
- Promotion of Human Rights;
- Organization of the company to take into account environmental issues and the fight against climate change.

Quantitative information, including Key Performance Indicators

- Total workforce as of December 31st, 2020;
- Lost Time Injury Rate;
- E-Learning Code of Ethics Training Deployment Rate;
- Percent of sites with an overall compliance score greater than 80%;
- Electricity consumption;
- Gas consumption;
- Greenhouse gas emissions (scopes 1 and 2);
- Greenhouse gas emissions related to the transportation of products and components by product sold;
- Quantity of waste generated;
- Financial and product donations for philanthropic actions (SUPOR China).

3

Corporate Social Responsibility

Thank you!

to our 33,000 employees,
to our customers,
to our consumers and
to our stakeholders
who have supported
and helped us going
through this so special year.

2020

■ WWW.GROUPESEB.COM ■

Groupe SEB

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