

FINANCIAL REPORT
AND REGISTRATION DOCUMENT

2018



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Registration Document

& Annual Financial Report 2018



€6,812 million

2018 SALES



+7.8%

ORGANIC SALES GROWTH



+11.8%

INCREASE IN NET PROFIT



34,000

EMPLOYEES WORLDWIDE

The world leader in Small Domestic Equipment,

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

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

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

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

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

AUTORITÉ
DES MARCHÉS FINANCIERS
AMF

This Registration Document was filed with the French Financial Markets Authority (Autorité des Marchés Financiers or AMF) on 1 april 2019, in accordance with Article 212-13 of the AMF's general regulations. It may be used as a basis for financial transactions if it is accompanied by an AMF information memorandum. This document was drawn up by and is the responsibility of the issuer and its Chairman and CEO.

This Registration Document is available on Groupe SEB's website, www.groupeseb.com and on the AMF website, www.amf-france.org.



Editorial

from the Chairman
and CEO

“ In an overall environment that was more complicated than expected, Groupe SEB delivered a good 2018 performance, with organic growth of nearly 8%, an Operating Result from Activity up 2.5% – despite negative commodity and currency effects of more than €100 million – and a Net Profit above €400m for the first time. Continued debt reduction reflected in a net debt / adjusted EBITDA ratio below 2 at end December, in line with the target we had set.

Our main growth engines / drivers have been leveraged successfully: China, of course, where Supor continues to outperform a still promising market, Japan, South Korea, Central Europe, Ukraine and Russia. On the activity side, the dynamic was robust in Home Care, Electrical Cooking, Food Preparation and Professional Coffee. Lastly, e-commerce was a strong contributor to the increase in sales and now accounts for nearly 25% of Group revenue.

Our profitable growth strategy, which is based on the strength of our brand portfolio, solid product momentum, and a foothold in all distribution channels across the globe gives us a major competitive advantage. This strategy is implemented daily by our dedicated teams who are always ready to meet new challenges. I would like to thank them for their professionalism and commitment. This strategy is designed for the long-term through a responsible approach on the social, societal and environmental fronts which is widely recognized and creates value for everyone.

2019 has started with an environment that remains uncertain. Yet the Group is well prepared and aims in 2019 to achieve further organic sales growth and improve Operating Result from Activity. ”



Thierry DE LA TOUR D'ARTAISE
Chairman Chief Executive Officer

An **extensive and diversified** offering

KITCHEN ELECTRICS

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

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

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



HOME AND PERSONAL CARE

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

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

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

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



COOKWARE

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



CONSUMER BRANDS

GLOBAL

Tefal

Rowenta

Moulinex

KRUPS

REGIONAL

SUPOR

Tfal

ARNO

IMUSA

SEB

calor

emsa

ORIGINAL KAISER

MAHARAJA WHITELINE

ASIA

MIRRO

WearEver

PANEX

OBH NORDICA

samurai

Rochedo

clock

esteras

UMCO

PREMIUM BRANDS

WMF

Lagostina

All-Clad METALCRAFTERS LLC CANONSBURG, PA USA

Silit

WMF

schaerer swiss coffee competence

HEPP

Curtis

PROFESSIONAL BRANDS

PROFESSIONAL BUSINESS

Coffee machines

Hotel equipment



Business model

OUR RESOURCES⁽¹⁾



STAFF

34,000 employees

19 hours/year of training per employee in average

38% female managers



INNOVATION AND DIGITAL

> 1,400 people in the innovation community

3.6% of sales reinvested in innovation⁽²⁾

40% of media investment in digital



INDUSTRY AND PURCHASING

2/3 of products manufactured in-house

28% of production performed in Europe

€1.9bn direct purchasing

€213m invested⁽³⁾, i.e. **3.1%** of sales



FINANCES AND SHAREHOLDING

Sales of: **€6,812m** ORfA of: **€695m**

and profit of: **€419m**

Net debt/Adjusted EBITDA = **1.90** at 31 December 2018

Long-term, major shareholders



SOCIETY AND ENVIRONMENT

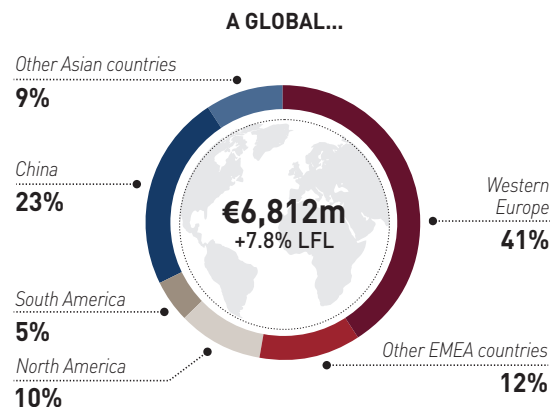
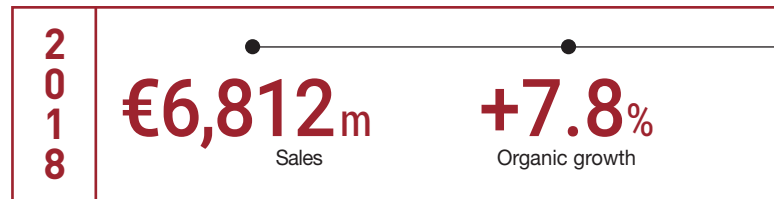
100% of sites ISO 14001 certified

~ **€3m** spent on philanthropy

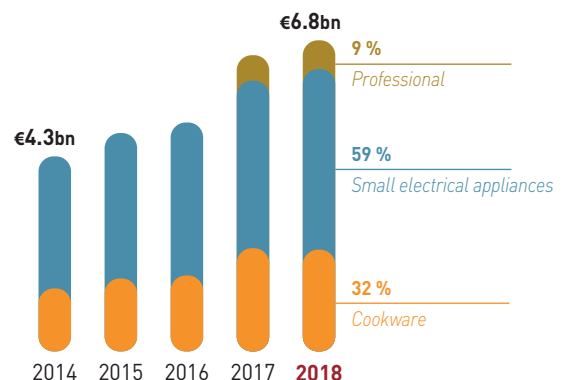
1 Code of Ethics with **18** sections, translated into **11** languages

Focus on growth

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



ACTIVITIES WITH STRONG POTENTIAL



Optimize our industrial facilities...

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

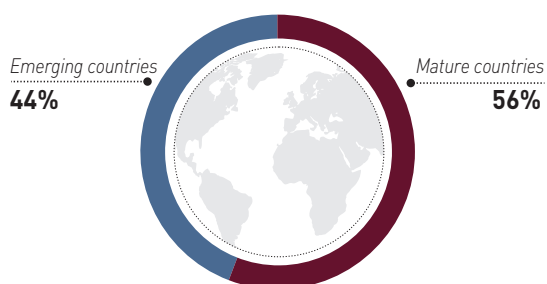
(1) Data 2018. (2) Net investments in R&D, strategic marketing and design. (3) Cash outflow for capital expenditures.

Groupe SEB is the **world leader in Small domestic equipment**, a steadily growing global market, estimated at over **€75bn** in 2018: **around €45bn** for small electrical appliances, **€23bn** for Cookware and **€8bn** for the professional Coffee market.

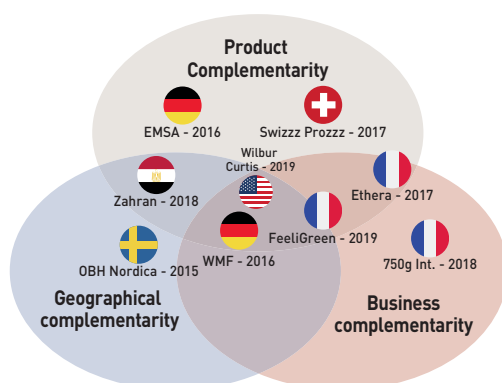
- Multi-channel distribution strategy
- Development in the professional market
- Active acquisition policy

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

...AND BALANCED PRESENCE



TARGETED ACQUISITIONS TO STRENGTHEN ITS LEADERSHIP*



* Acquisitions of the last 5 years

Strengthen our competitiveness

... and develop our assets

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

(4) Lost-time injuries with temporary replacements. (5) Electrical materials and equipment sector – Ranking by Capital magazine and the Statista Institute.

OUR ADVANCES⁽¹⁾

STAFF

1 global social protection floor
Workplace accidents⁽⁴⁾ halved in 5 years
Recognized as the best employer in the sector⁽⁵⁾

INNOVATION AND DIGITAL

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

INDUSTRY AND PURCHASING

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

FINANCES AND SHAREHOLDING

Annual organic sales growth of **7%** in 5 years
10.2% operating margin
Profit up by a factor of **2.1** in 5 years
Dividends **+9%** per year over 10 years

SOCIETY AND ENVIRONMENT

> 500 projects supported by the Fonds Groupe SEB in 10 years
93% of domestic electrical appliances are mostly repairable
-20.5% energy consumption on production and logistics sites (reference year: 2010)

Corporate Social Responsibility

A committed Group



PEOPLE MATTER

Demonstrating every day our respect for each person and our utility to society

- Governance and social dialog
- Working conditions
- Ethics and Human Rights
- Responsible employment policy
- Citizenship engagement and community involvement by sharing our values



BETTER HOMELIFE

Helping everyone to live better in a healthy home, regardless of age or health

- Inclusive-design
- Healthy home and personal care

KEY FIGURES

100%
of sites ISO 14001 certified

93%
of electrical appliances are mostly repairable



COOKING FOR GOOD

Making homemade, healthy, tasty food accessible to everyone

- Homemade for everyone
- Healthy food and sharing
- Sustainable food



CIRCULAR REVOLUTION

Reinventing our products and services to put them at the heart of the circular economy

- Repairability
- Second life
- Recycling and recycled
- Functional economy



CLIMATE ACTION

Contribute to the fight against global warming thanks to our low-carbon strategy

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

2018

43

eco-innovative projects

A global e-learning campaign for the Code of Ethics

Board of Directors

at 31 December 2018



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



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



VENELLE INVESTISSEMENT
Director - member of the Founder Group



FÉDÉRACTIVE
Director - member of the Founder Group
SARAH CHAULEUR
Permanent representative of FÉDÉRACTIVE on the Board of Directors



YSEULYS COSTES
Independent director



HUBERT FÈVRE
Director - member of the Founder Group, member of GÉNÉRATION



FFP Invest
Independent director
BERTRAND FINET
Permanent representative of FFP Invest 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
Employee director



JEAN-NOËL LABROUE
Independent director



CÉDRIC LESCURE
Director - member of the Founder Group, member of GÉNÉRATION



JÉRÔME LESCURE
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 Committee



Member of the Nomination and Remuneration Committee



Family directors



Independent directors



Employee directors



14
members

1/3
independent directors

46%
of women

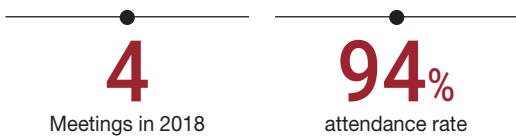
8
meetings in 2018

97%
attendance rate
(with a minimum individual attendance rate of 87.5%)

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

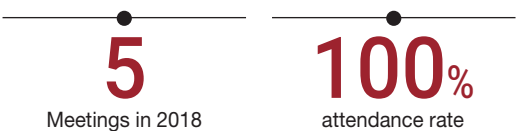
Audit Committee

- 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.



Nominations 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 free 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.

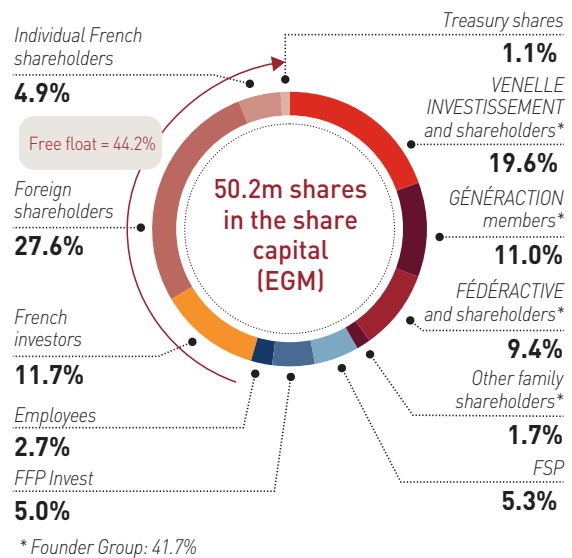


CHANGES IN THE COMPOSITION OF THE BOARD OF DIRECTORS IN 2018

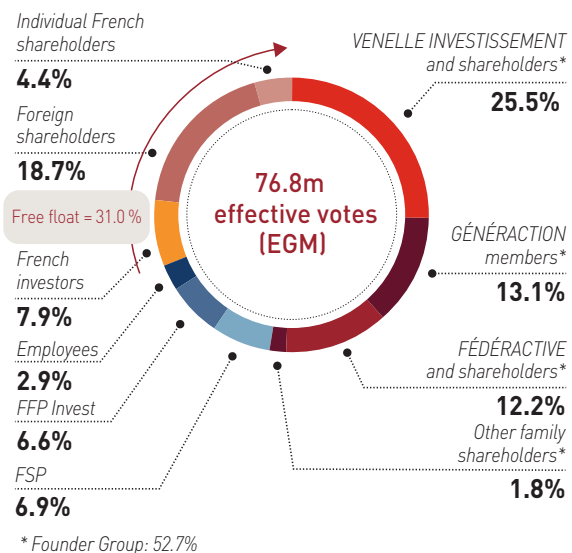
During the General Meeting of 16 May 2018, reappointment as directors for a 4-year term of office of:

- Jean-Noël Labroue;
- FÉDÉRACTIVE, represented by Sarah Chauleur;
- Delphine Bertrand

STRUCTURE OF SHAREHOLDING AT 31/12/2018



DISTRIBUTION OF VOTING RIGHTS AT 31/12/2018



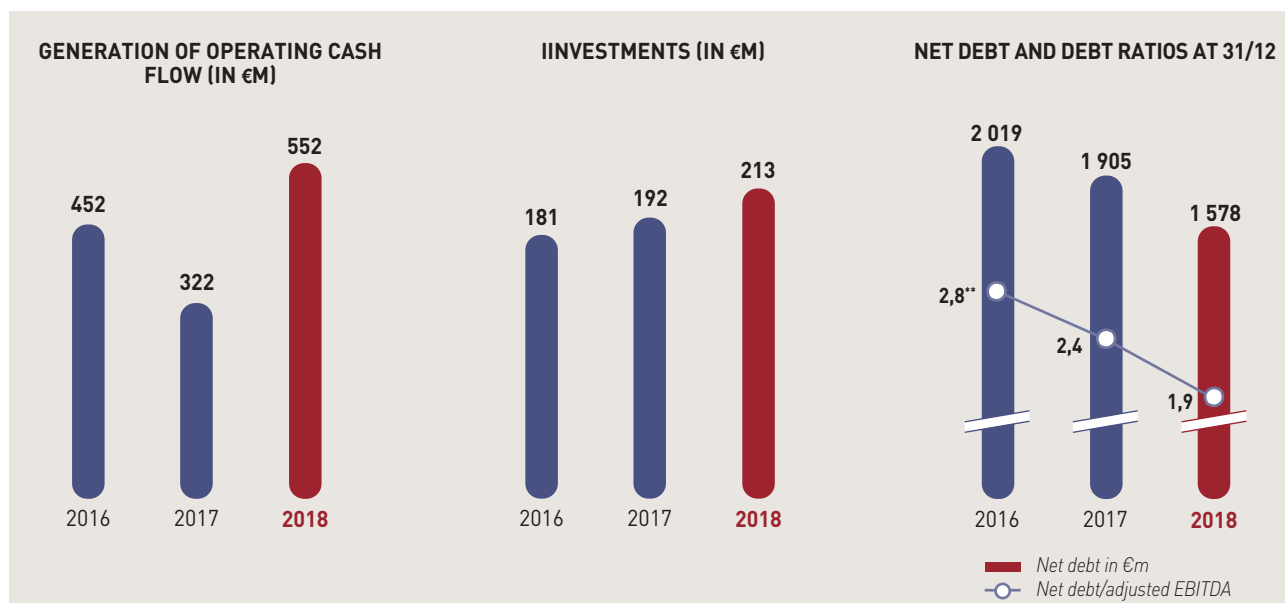
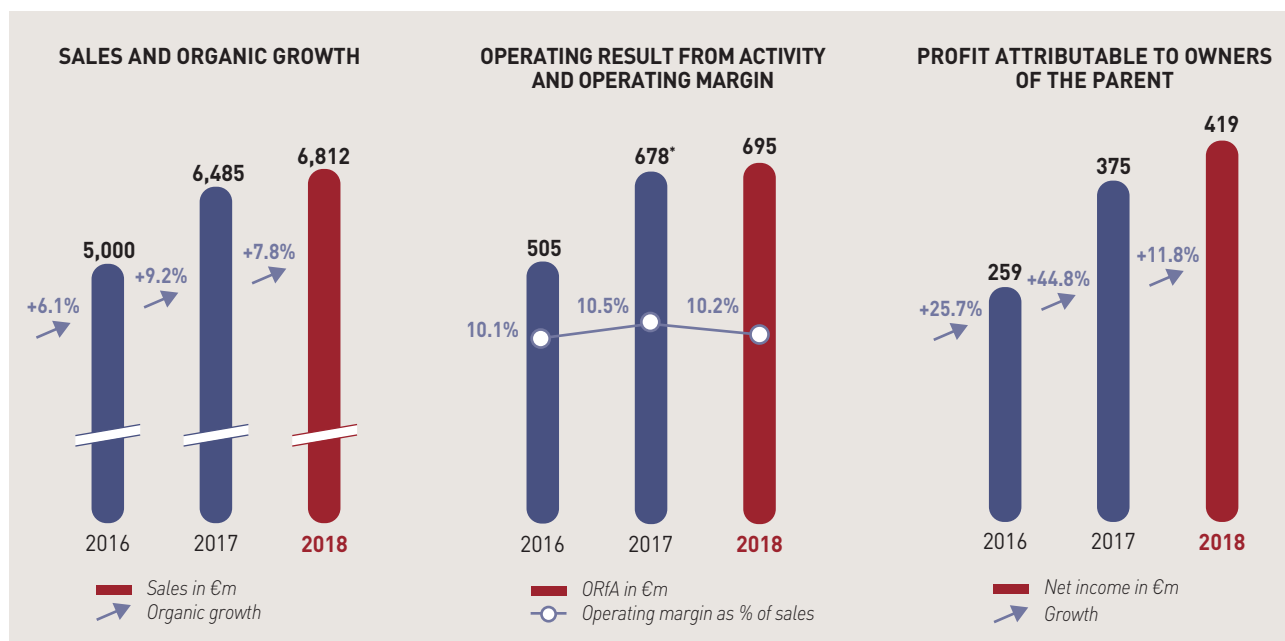
CHANGES IN THE COMPOSITION OF THE BOARD OF DIRECTORS IN 2019

- Within six months of the 2019 Annual General Meeting, appointment of a new employee director by the European Works Council
- At the 2019 Annual General Meeting:
 - Appointment of a new independent director, Jean-Pierre Duprieu,
 - Appointment of a director from GÉNÉRACTION, Thierry Lescure, to replace Cédric Lescure whose term of office expires at that same Annual General Meeting.
 - Appointment of GÉNÉRACTION, represented by Caroline Chevalley, to replace Hubert Fèvre, whose term of office expires at that same Annual General Meeting,
 - Appointment of a new director from VENELLE INVESTISSEMENT, Aude de Vassart, and
 - Reappointment of William Gairard for a four-year term.

Key figures

2018

Financial performance

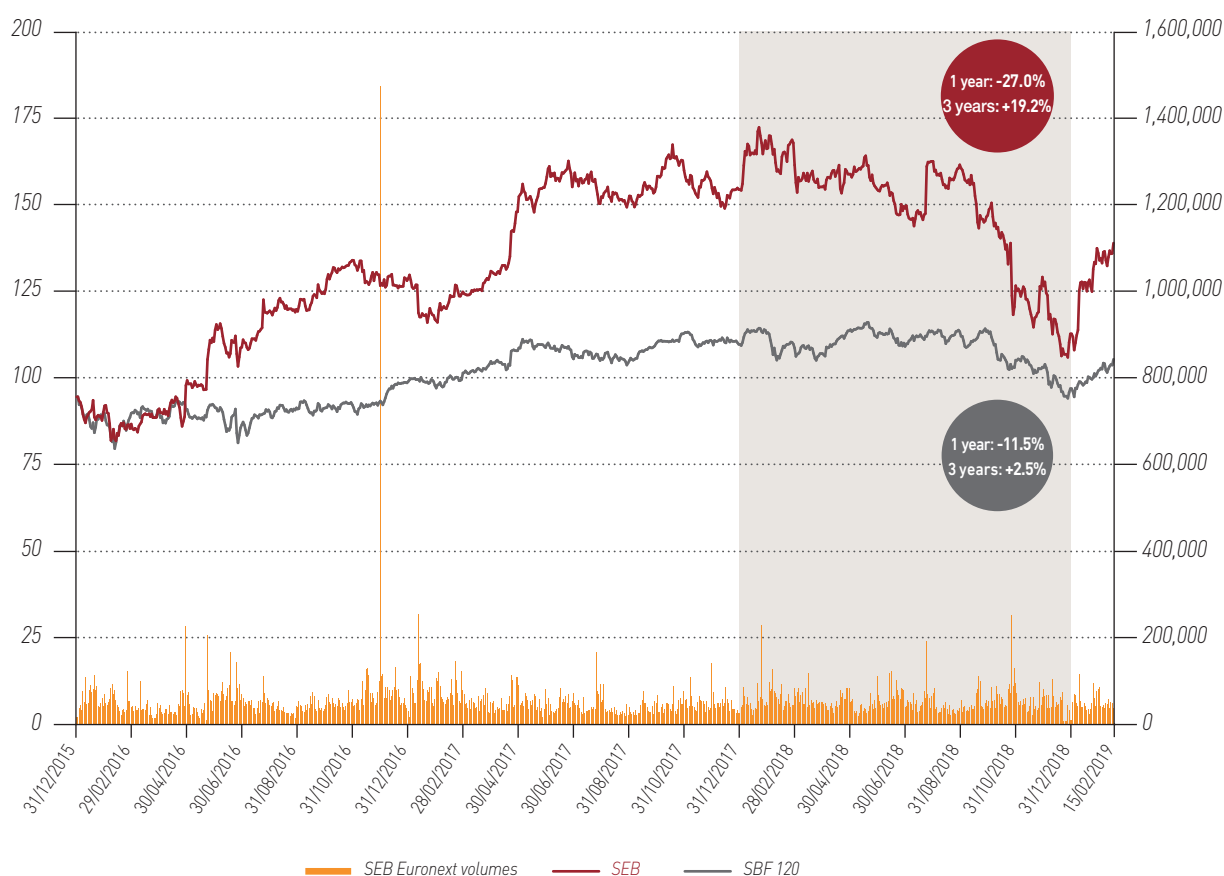


* Excluding one-off impacts of the WMF purchase price allocation: - €17m.

** Net debt / Proforma adjusted EBITDA (with WMF).

Stock market performance

CHANGES IN THE SHARE PRICE SINCE 31/12/2015



DATA SHEET

LISTING

Euronext Paris,
Compartment A

ISIN CODE

FR0000121709

LEI CODE

969500WP61NBK098AC47

LISTING DATE

27 May 1975

NUMBER OF SHARES

50,169,049 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

OTHER INFORMATION

IAS index –
Eligible in SRD

TICKERS

Reuters: SEBF.PA
Bloomberg: SK.FP

PERFORMANCE 2018

Closing price at
31/12/2018: **€112.80**

Stock Market Capitalization
at 31/12/2018 **€ 5,659M**

Highest price mid-session: **€175.90**

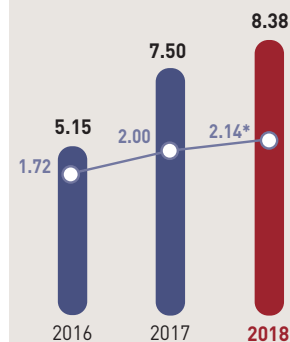
Lowest price mid-session: **€105.60**

Average for the year
(closing price): **€149.66**

Average of the last
30 prices for 2018 **€116.91**

Average daily trading volume
(number of shares): **56,108**

DILUTED EARNING PER SHARE AND DIVIDEND



■ Diluted earnings per share in €
○ Dividend in €

* Dividend proposed at the AGM of 22 May 2019



3 Corporate Social Responsibility

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Commitment at the highest level	114	Making homemade food easier for everyone	158
Our evolving sustainable development strategy	114	Healthy, tasty meals	159
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An established CSR policy	116	A healthy home	161
		Taking care of yourself at any age	162
3.2. Non-Financial Performance Statement (DPEF) & Duty of Vigilance	117	3.8. Circular revolution	163
Business model DPEF	117	Repairing products	163
Risks DPEF DV	117	Pooling product use	164
Actions tailored to mitigate risks or prevent serious harm DV	119	Giving products more than one life	165
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Measuring of societal, employment-related and environmental performance	127	Eco-logistics	175
3.5. People matter	129	Tertiary sites and IT	177
Ethical compliance	129	3.10. Report by one of the Statutory Auditors, appointed as an independent third party, on the consolidated non-financial statement included in the Group management report	178
A responsible employment policy	132		
A corporate citizen	154		

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 Nominations 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 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 October 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.

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 wanted to take this a step further to proactively incorporate the challenges associated with its businesses.

The new strategy, completed in 2018, is the result of a major internal consultation in 2017 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 5 pillars that underpin the "business" challenges:

- **People matter:** Show our respect for everyone (employees, consumers, stakeholders) and our benefit to society on a daily basis.
- **Cooking for good:** Promote healthy and delicious home cooking that is accessible to everyone, and offer our consumers moments of sharing, products and services that facilitate day-to-day cooking.
- **Better Homelife:** Help everyone to live better in a healthier home, with appropriate products and technologies, regardless of their age and health.
- **Circular revolution:** Reinvent our products and services to make them part of the circular economy.
- **Climate action:** Help fight climate change thanks to our low-carbon strategy, within the concept of the 2°C scenario of the Paris Agreement.

STEERING AND ROAD MAPS

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

2018 was mainly spent rolling out the five pillars of the evolving sustainable development strategy. A dozen thematic road maps were developed together with the representatives of the relevant businesses. All functions were involved in the process: Purchasing, Quality, Environment, R&D, Marketing, Trademarks, Health and Safety, Human Resources, Production, IT and Digital, Logistics, Consumer Satisfaction, Design, etc. Each road map is built around projects with targets and quantitative indicators. Twice a year a progress report is put together by the Sustainable Development department with the "business" contributors.

In parallel, the country teams started to determine their areas of priority, in line with the direction of the new strategy. The "country" road maps are steered by the sustainable development contact, typically the subsidiary's Human Resources Manager. The Sustainable Development department also supports the local teams with project planning and aims to create a network of best practice-sharing to drive momentum.

DIALOG WITH STAKEHOLDERS

Paying close attention to the Group's "ecosystem", the Sustainable Development department has been holding a series of discussions with a panel of the Group's stakeholders since 2013, to gather their opinions and suggestions about its sustainable development policy. This panel was mainly comprised of external experts: expert in positive branding, Santé Environnement France association, expert in responsible consumption, expert in environmentally-friendly design, representative from Ademe (Agence de l'environnement et de la maîtrise de l'énergie – French Agency for Environment and Energy

Management), cooking blogger, etc. and an employee representative, member of the European Works Council. The meeting organized at end-January 2019 mainly looked at the corporate social responsibility of brands and specifically Tefal and Rowenta. At the previous meeting in 2018, panel members had discussed the Group's new strategic direction in terms of sustainable development and the vigilance plan designed to identify and anticipate risks. In 2016, they had worked on circular economy projects.

RAISING EMPLOYEE AWARENESS

The Group uses a number of communication methods to increase employee awareness of sustainable development issues, including a dedicated section on the Group's intranet, which is regularly updated with news, articles in site newspapers, telexes and events. There is also the Yammer internal social network's Sustainable Innovation community, which is a forum for discussions on sustainable innovation. Many sustainable development-related themes are also dealt with in the Group's Code of Ethics, which regularly inspires training and awareness-raising initiatives (see page 129).

Every year, a **sustainable development week** is organized worldwide and is a special opportunity to enlist the cooperation of employees. The 2018 theme was the circular economy, one of the five pillars of the Group's evolving sustainable development strategy. The activities on the program took varied forms including for example: quiz on the

circular economy available on the intranet; repair cafe and no-waste cooking workshop (France); paper recycling awareness through the installation of a "green box" (Egypt); replacing plastic cups with mugs and raising awareness about food waste (Brazil); "no print day" challenge (Chile and Argentina); educational games on the UN's Sustainable Development Goals (WMF), etc.

In 2019, the Group will roll out a major communications campaign on the Group's evolving sustainable development strategy to share it with all employees worldwide. This campaign uses a wide range of tools with a view to making it accessible to everyone: videos, website, booklet, on-site events, etc. It also provides "business" sheets giving each person a view of their personal contribution, and places great importance on education, in particular to explain concepts such as the circular economy.

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. In 2018, the Group decided to include environmental, social and ethical performance criteria when calculating the bonuses awarded to its 690 top managers. The goal is to embed the Group's non-financial performance in all businesses and levels of the company, as part of an overall value creation approach. A portion of the bonus will thus be

subject to the achievement of the Group's carbon emission goals, from its plants to its logistics chain, to the number of workplace accidents and social compliance rating awarded to Group sites in the course of social audits of emerging markets.

INTERNAL AUDIT AND SUSTAINABLE DEVELOPMENT

In 2013, the Audit and Internal Control department included the Code of Ethics and the Responsible Purchasing Charter in the internal control manual used when auditing subsidiaries. Since 2016, the Sustainable Development department has also sent it the action plans implemented by the subsidiaries as part of the new ethical, social and environmental audit procedure (see page 131). This strengthens the ethical, social and environmental monitoring within all the Group's processes. Sites that are not audited by the Audit and Internal Control department during the year are sent a self-assessment

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

EXTERNAL VERIFICATION OF DATA

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

the completeness and fairness of the social, employment-related and environmental information in the Registration Document audited. In 2017, Groupe SEB changed its audit company to Mazars (see a detailed description of the reporting process on page 127 and Mazars' report for 2018 on page 178). Since 2010, 74 audits have been carried out on 25 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 (CSR) of listed companies, or including this factor in their stock-picking process. Several dedicated funds are Groupe SEB shareholders as a result. The CSR policy is regularly included in the Group's financial communication, and the Sustainable Development department meets with specialized CSR investors at least once a year, at conferences or dedicated roadshows.

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

This performance is increasingly gaining recognition by the CDP (Carbon Disclosure Project) agency, which manages the largest database of company environmental data in the world. In 2018, the Group's rating improved from B- to B in the Supply Chain category, which is above the sector.

The Group's commitments and initiatives are also assessed every two years by **Vigeo-Eiris** (1), the leading agency in Europe. Its 2018 rating, up 7 points on 2016, makes Groupe SEB the leader in its sector in Europe ranked against 32 other companies. It is also ranked 29th out of 4,159 companies globally, outpacing some main competitors such as Philips and Electrolux. With respect to human rights (+9 points), the report highlighted the Group's structured approach, in particular as part of its responsible purchasing policy, as well as its commitment to combat discrimination and encourage diversity within the company. The Group also increased its environmental score by 19 points and its community involvement score by 10 points, with a special mention for its support for combating social exclusion.

Vigeo-Eiris also published a study at end-2018 entitled "Human rights in a globalised world: why do companies need to pay more attention?", which puts Groupe SEB in the top 1% of the best performing companies in the world in terms of human rights.

The SEB share is also 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. Groupe SEB has also confirmed its place in the **FTSE4Good** international index, a global benchmark in the field, with a score of 4/5. It is listed in the Personal & Household Goods category. The SEB share also features in **Forum Ethibel's** Excellence Europe index.

When it comes to its CSR reputation, Groupe SEB was ranked 4th in the Rep Track survey, out of a panel of 200 large companies active on the French market. This survey, conducted in 2018 with 38,000 participants, is based on three aspects: working environment, governance and social commitment. The Group is also on the research panels of Gaïa Rating, Sustainalytics and Oekom, which has awarded it "Prime" status.

The Group's CSR approach won numerous awards throughout 2018 (CSR Award, École des Mines / CEGOS, LSA «Development of Environmental Responsibility» Award, Special Award at the Trophées Défis RSE 2018). The Group won the Social Responsibility and Environmental Awareness Award at the European Business Awards. Selected from 112,000 competing companies in 34 European countries, Groupe SEB stood out by virtue of its reparability policy for its Rowenta, Tefal, Moulinex, Krups, Calor and SEB brands.

Giving consideration to social and environmental issues is also a winning strategy for the brands, as shown by Havas Media Group's Meaningful Brands study, which in 2017 examined the performance of brands with regard to the quality of life and well-being of consumers (1,500 brands in 33 countries). For the first time, two Groupe SEB brands were included in the French selection (Seb and Moulinex). Both went straight to the top of the national brands most trusted by French consumers (4th and 6th place respectively).

(1) *Vigeo and EIRIS merged in October 2015.*

3.2. Non-Financial Performance Statement (DPEF) & Duty of Vigilance

In accordance with the French law no. 2017-399 of 28 March 2017 on the duty of vigilance of parent companies and ordering companies (“Duty of Vigilance”) and Order no. 2017-1180 of 19 July 2017 on the disclosure of non-financial information by certain large companies and major corporate groups, the Vigilance Plan and the Non-Financial Performance Statement (*Déclaration de Performance Extra Financière*, OR “DPEF”) are intended to present the measures implemented within the Group to identify risks and prevent serious harm to the human rights and fundamental freedoms, health and safety of individuals

and the environment, related to our activities as well as those of our subcontractors and suppliers.

Corporate social responsibility has been an essential component of the Group’s strategy for many years, and these risks have been identified over time and form the basis for the implementation of all the Group’s sustainable development actions and policies. The new legal requirements relating to the duty of vigilance therefore reflect the values and actions defended by the Group for many years.

3

BUSINESS MODEL DPEF

The Group SEB business model is presented in pages 6-7 of this registration document.

RISKS DPEF DV

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

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

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

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

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

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

RISK VALIDATION PROCESS (DPEF AND DUTY OF VIGILANCE)

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

POLICY AND KEY INDICATORS DPEF

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	Lost time injuries rate*	Chap 3.5 / Health and safety / p. 141
			Rate of OHSAS 18001 certified entities	
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 training (e-learning and classroom) • Anti-corruption e-learning module planned for H2 2019 	Rate of roll-out of Code of Ethics e-learning training *	Chap 3.5/ Ethics compliance / p. 129
Ethics and corruption	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 	Rate of employee self-assessment Intertek audit of plants in emerging countries (Group-wide) * Proportion of plants with an aggregate compliance score of over 80% *	Chap 3.5/ Ethics compliance / Code of Ethics / p. 129
Environmental	Climate change	Réduire l'impact du Groupe sur le changement climatique grâce à la mise en place : Reduce the Group impact on climate change thanks to : <ul style="list-style-type: none"> • A Circular economy policy • the 4x20 objectives 	Rate of recycled material 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 Proportion of recycled and reused waste out of total waste* Rate of ISO 14001 certified entities Electricity consumption* Natural gas consumption *	Chap 3.8/ Using recycled materials / p. 165 Chap 3.8/ Reparability / p. 163 Chap 3.9 / Eco-production / p. 171 Chap 3.9 / Eco-logistics / p. 175 Chap 3.9 / Eco-design / p. 169
			Greenhouse gas emissions associated with product and component transportation*	
			Greenhouse gas emissions generated by our plants and logistics platforms	

* Data audited by Mazars

ACTIONS TAILORED TO MITIGATE RISKS OR PREVENT SERIOUS HARM DV

PARENT COMPANY AND SUBSIDIARIES

Code of Ethics

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

The roll-out of the Code of Ethics, in 2012, involved nearly 10,000 hours of training. In 2018, the Group launched a new training campaign to ensure that every employee understands the key concepts and knows how to deal with an ethical dilemma. 91.5% of 11,000 connected employees have done an e-learning program between December 2018 and February 2019, which is available in seven languages (French, English, Chinese, Portuguese, Spanish, German and Japanese) on the RH iGrow@SEB online platform. This six-module curriculum is both interactive and engaging. Each module includes a theoretical portion followed by a quiz and a practical example where the employee is presented with an ethical dilemma. For employees without online access, classroom training will be rolled out in 2019, facilitated by Human Resources supervisors and site managers. 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, and Health and Safety. It is one of several mandatory training courses for all new employees.

Internal Control Manual

To ensure that the principles of the Code of Ethics are effectively implemented and complied with, the Internal Audit department has incorporated verification elements from the Code of Ethics into its Internal Control Manual.

Action plans by site:

We also have numerous action plans involving the Group's various teams to mitigate these CSR risks:

■ ISO 14001 certification of our sites:

Since 2003, the Group has adopted a worldwide environment management system. Its main objectives are the prevention of pollution, the control of resource consumption (energy and water) and the reduction of waste. This approach has resulted in the gradual certification of the sites in accordance with ISO 14001, whose guidelines the Group undertakes to adhere to, namely compliance with current regulations and laws, and the principle of continuous improvement of its already-strong environmental performance pollution prevention. In 2017, the Group adopted the new version of this standard, which emphasizes the concept of leadership, within an increased role for management, up to site director level. It also reflects a more global approach to the impact of the site's operation on a product's life cycle. This change has meant that the teams tasked with environmental management in the field have had to acquire new expertise. This has been achieved through training, support for the sites, and through greater contributions from the international network of Health, Safety and Environment coordinators.

Teams involved: Industry, Environment

■ OHSAS 18001 certification of our sites:

Since 2007, the Group has set all its sites to work on the certification of its Health and Safety management system (OHSAS 18001). At the end of December 2018, 100% of the Group's industrial and logistics entities had this workplace Health/Safety certification.

Teams involved: Health and Safety, Industry, Human Resources

■ "Health in SEB" plan:

In 2016, Groupe SEB laid the groundwork for an international health plan (Health in SEB). An analysis was performed on all the industrial sites 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.

Teams involved: Human Resources, Health and Safety, Industry

■ "Safety in SEB" worldwide program:

Groupe SEB's approach to Safety is reflected in its worldwide Safety in SEB program. The 2020 road map emphasizes the involvement of employees as participants in their own safety.

Teams involved: Human Resources, Health and Safety, Industry

SUPPLIERS AND SUBCONTRACTORS

Groupe SEB has a great responsibility to ensure that its products are manufactured 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. This policy has been consistently reinforced since 2012. It is the subject of a shared road map between the Purchasing and Sustainable Development departments. It is implemented by teams that are well-versed in responsible purchasing: this issue is integrated into the various training courses and activities of the purchasing community, such as web forums that are regularly held on specific topics.

PROCEDURES FOR THE REGULAR EVALUATION OF SUBSIDIARIES, SUBCONTRACTORS OR SUPPLIERS WITH WHICH A COMMERCIAL RELATIONSHIP IS MAINTAINED DV

PARENT COMPANY AND SUBSIDIARIES

Respect for Human Rights forms an integral part of the Groupe SEB Code of Ethics as well as the training offered in this regard to international HR Managers. As a signatory of the Global Compact since 2003, the Group decided to evaluate its teams' practices in relation to Human Rights in subsidiaries employing more than 10 people, starting in 2007. Up until 2014, it used the HRCA (Human Rights Compliance Assessment) Quick Check self-assessment tool, developed by the Danish Institute for Human Rights and for sites operated by its Chinese subsidiary Supor, the CBSSC (China Business and Social Sustainability Check). These self-assessments, which were carried out every couple of years or so, covered almost 99% of the workforce and fostered a dynamic of improvement.

In 2015, Groupe SEB took things to another level by applying the same ⁽²⁾ **ethical, social and environmental audit procedure** that it operates with its suppliers (WCA – Workplace Condition Assessment) to its industrial sites in risky areas, using the same specialist consulting firm (Intertek – see below).

The audits (conducted once every three years) are accompanied by action plans to rectify any non-compliances, and sites with a compliance score of less than 70% 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.

Responsible Purchasing Charter

The Responsible Purchasing Charter, which is based on the Group's Code of Ethics, is available in French, English, German, Chinese, Spanish and Portuguese. Sent to all suppliers on the panel, it explains the Group's requirements in terms of respect for human rights and its ethical, social and environmental principles, with a specific focus on the fight against corruption. Ninety percent of suppliers are signatories or are considered to comply with the Group's requirements thanks to their own policies in this area.

Internal Control Manual

To ensure that the principles of the Code of Ethics are effectively implemented and complied with, the Internal Audit department has incorporated verification elements from the Code of Ethics into its Internal Control Manual.

SUPPLIERS AND SUBCONTRACTORS

Preliminary evaluation of new suppliers

In the preliminary evaluation of any new supplier of raw materials/ components and finished products, **25% of the score depends directly on social and environmental criteria**. Moreover, since 2013, if just one of the major social or environmental criteria is rated unsatisfactory, the supplier will be discarded. For the environmental aspect, these criteria primarily include the following factors: ISO 14001 certification, visible pollution (water, ground and air), and use of hazardous products. For the social aspects, the main criteria are: existence of a formal ethical/social policy or the signature of Groupe SEB's Responsible Purchasing Charter, working conditions, observance of employment law (age, working hours, etc.) and of safety rules. To evaluate new indirect (non-production) suppliers, the CSR criteria account for a minimum of 10% of the score, depending on the purchasing category.

Ethical, social and environmental audits

ETHICAL, SOCIAL AND ENVIRONMENTAL AUDIT CHARTER

In the interests of transparency, the Group has drawn up an Ethical, Social and Environmental Audit Charter for its suppliers. This Charter is shared with them, along with the points that are evaluated during the audits. To help suppliers make progress in social and environmental matters, the Group offers 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, especially in the areas of Health, Safety and working conditions.

(2) Risky areas as defined by the Amfori/Business Social Compliance Initiative – Country Risk Classification.

INTERNAL GLOBAL NETWORK OF SOCIAL AUDIT LEADERS

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

A HIGHLY-FORMALIZED PROCEDURE

Ethical, social and environmental audits are carried out by the Intertek consulting firm. A global audit management tool ensures immediate and specific listed supplier monitoring and also makes it possible to compare the results obtained by the Group's suppliers with those of companies listed in the Intertek database (more than 30,000 audits).

The procedure is very formal. During an initial in-depth audit (involving one to three days on site, depending on the size of the company), the 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, excessive weekly working time, etc.) to minor non-compliances, with moderate and major non-compliances (no pay slip, no emergency exit signs, etc.) in between. The final score, calculated out of 100, is ranked according to four performance levels: high performance (85 to 100), average (71 to 84), poor (51 to 70) and very poor (0 to 50). The audit report is sent to the Group's Purchasing department. A single "zero tolerance" non-compliance (e.g. failure to comply with the legal working age) triggers the following actions: a letter from the Purchasing Director or Sourcing Director requiring the implementation of a corrective action plan within two weeks, immediate suspension of any new consultations and a follow-up audit (by Intertek) one month later⁽³⁾ to check that the issue has been resolved. If not, the Group ends the collaboration. With scores of less than 50, the regional Purchasing or Sourcing manager

sends a formal letter warning the company to remedy the deficiency and checks that the situation has been rectified through a follow-up audit in the months to come.

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 5 levels ranging from A (Very good) to E (Unacceptable) and a 6th reserved for zero tolerance cases. The Group considers A, B and C results to be acceptable. Zero tolerance cases are managed according to the Group procedure defined for WCA, as are D and E ratings, which are managed in the same way as WCA scores of between 0 and 50% (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 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 over 70% are audited every four years, and the others once a year or every two years, depending on the volume of business they have with the Group. In 2018, it completed 173 initial audits (177 in 2017) of suppliers in Asia (124), South America (43) and Europe (6). All suppliers that had a "zero tolerance" non-compliance level and those that scored less than 50% have taken corrective actions as part of the Group's established procedure. The 64 follow-up audits carried out in 2018 showed the effectiveness of the action plans implemented: more than three-quarters of the suppliers concerned achieved the two highest levels of compliance performance (85-100% high performance/71-84% medium performance).

Intertek also hands out an Achievement Award (AA) label to suppliers who have an overall score of at least 85% and do not present any major or zero tolerance-type non-compliances. In 2018, 39 Group suppliers received the AA label (20 in 2017).

WARNING AND REPORTING MECHANISM DV

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. This procedure sets out in detail the various steps to be followed when exercising rights as a whistleblower, the people to be contacted, the information to be provided, the way in

which reports are handled, the confidentiality rules and protection for whistleblowers, insofar as they come forward disinterestedly and in good faith. It is explained in the Code of Ethics as well as in the new Code of Ethics training program and made available to employees on the Group's intranet.

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

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

(3) For non-compliance related to weekly working time, the follow-up audit may take place within three to six months, depending on the case.

3

Corporate Social Responsibility

Non-Financial Performance Statement (DPEF) & Duty of Vigilance

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

of the Compliance Committee of the Groupe SEB Board of Directors, which annually receives a report on the ethics warnings received and dealt with.

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

In 2018, we had 35 returns, all of which were analyzed. Detailed action plans were prepared for 5 of them.

MONITORING SYSTEM FOR THE IMPLEMENTATION AND EVALUATION OF MEASURES TAKEN AND THEIR EFFECTIVENESS DV

COMPLIANCE COMMITTEE

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

This committee includes members from the:

- Audit and Internal Control department;

- Legal department;
- Human Resources department;
- Sustainable Development department;
- Finance and Treasury department;

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

3.3. 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 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 (AAls), 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, 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 CECED, 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, Registration Document, website, SRI meetings, road shows, responses to questionnaires, press releases, communication on progress of the UN Global Compact, Investor Days, formal meetings, etc.

The breakdown of revenue by stakeholder is shown in our Business and Sustainable Development report.

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 2018, Groupe SEB continued to act to promote the circular economy by highlighting the importance of producing products that can be repaired. In particular, it calls for the creation of a tax incentive for repair sector operators, and the use of recycled materials. It has also been involved in challenges such as:

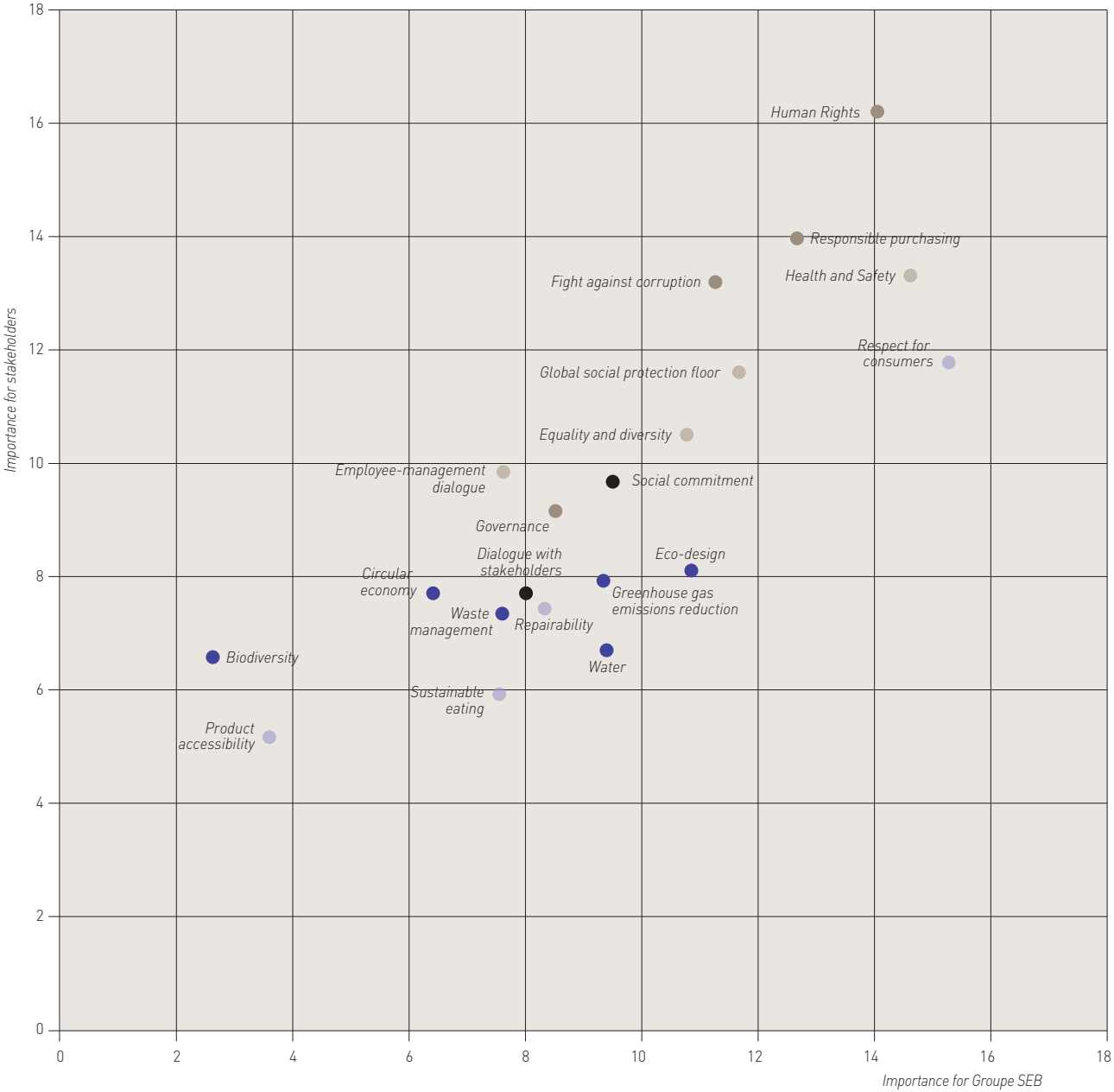
- the regulations on materials in contact with food;

- 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:

- the 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.
PEOPLE MATTER/ETHICS		
Human Rights	Fight against any form of forced or compulsory labor, concealed work, child labor, inhuman working conditions and excessive overtime.	130
Responsible purchasing	Require our suppliers to respect Human Rights and essential ethical, social and environmental principles.	130-131
Anti-corruption measures	Prohibit strongly any kind of corruption in our relationships, not only with our commercial and institutional partners, but also with the Government.	132
Governance	Work in favor of a more responsible governance: diversity and independence of the Board of Directors, increased female participation in key positions, transparency about the pay of executive officers, etc.	Chapter 2
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.	138-140
Employee-management dialog	Respect for freedom of association and union representation while encouraging employee-management dialog on both an individual and collective basis.	140
Health and Safety	Provide each employee with a safe and healthy working environment.	141-144
Global social protection floor	Ensure fair pay, minimum social cover and decent working conditions for all employees.	145-146
PEOPLE MATTER/A CORPORATE CITIZEN		
Dialog with stakeholders	Take into account the expectations of all our stakeholders in the conduct of our activities: consumers, associations/NGOs, municipalities/public authorities, suppliers, customers, shareholders, employees, etc.	115
Social commitment	Fulfill our economic and social responsibilities in the territories in which we operate: creating jobs, taking part in the development of local companies and supporting local associations acting against exclusion.	151-153
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.	156
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 reuse chain). This economic system is based on exchanges and production. At every stage of the life cycle of the products, goods and services, it aims to increase the efficiency of the resources and reduce the impact on the environment while enabling the well-being of individuals.	163-166
Repairability	Facilitate the repair of our products: design, availability and price of spare parts, training of approved service centers, etc.	163-164
BETTER HOME LIFE / PRODUCTS ACCESSIBLE FOR AS MANY PEOPLE AS POSSIBLE & A HEALTHY HOME		
Product accessibility	Promote the accessibility of products by as many people as possible by working on the price, ergonomics and distribution networks.	161
COOKING FOR GOOD / HEALTHY AND SUSTAINABLE HOMEMADE FOOD		
Sustainable eating	Promote consumption modes favoring healthy and sustainable eating by innovating and supporting consumers.	160
CLIMATE ACTION / REDUCTION OF ENVIRONMENTAL IMPACT		
Eco-design	Reduce the environmental footprint of products through eco-design.	169-170
Water	Limit the water consumption of our sites together with their emissions to water.	174
Waste management	Limit and recover waste from production by favoring solutions with a smaller impact on the environment.	173-174
Greenhouse gas emissions reduction	Reduce greenhouse gas emissions linked to the production process (optimization of energy consumption, use of renewable energies, etc.) and the transport of products, raw materials and components.	171-172; 175-177
Biodiversity	Promote ordinary biodiversity and limit the impacts of our processes and our products on biodiversity.	174-175

3.4. 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 2018 cover all of the items listed in Article 225 of French law no. 2010-788 of 12 July 2010, known as the Grenelle 2 law. The Group goes beyond this legal requirement by reporting other indicators that fall particularly under Global Reporting Initiative (GRI) recommendations. Based on these guidelines, which are an international standard for the reporting of non-financial information, Groupe SEB has incorporated the materiality approach within its reporting process in order to identify the main sustainable development priorities and the related indicators.

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

components of certain indicators to improve the reliability of published data, and in many areas has extended the reporting scope, including new acquisitions where possible.

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

METHODOLOGY AND TOOLS

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

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

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

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

The reporting of these data involves more than 200 correspondents from different divisions on all Group 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.

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 sustainable development reporting is the financial year, which corresponds to the calendar year in Groupe SEB's case (1 January to 31 December).

AUDIT

To comply with what are now legal obligations, Mazars's auditors verified the completeness and fairness of the social, employment-related, and environmental information in this Registration Document.

3.5. People matter

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⁽⁴⁾ 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 globalised 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 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 has become an increasingly international group. It now has close to 34,000 employees around the world, with around two-thirds of its workforce located outside of Europe. Since a common culture and a shared set of values are essential to a successful ethical approach, Groupe SEB has structured and formalized its policy in the form of a Code of Ethics, which was drafted in 2012. Translated into the Group's 11 main languages, it has been distributed to all employees worldwide and is now available online on the Group's intranet. This document addresses 18 key areas, including child labor, anti-corruption measures, non-discrimination, environmental protection and the prevention of conflicts of interest.

A global training program

The implementation of the Code of Ethics in 2012 was backed up with close to 10,000 hours of training. In 2018, the Group launched a new wave of training to ensure that every employee understood the key concepts and knows how to act when faced with an ethical dilemma. 91.5% of the 11,000 connected employees have done an e-learning program between November 2018 and February 2019,

which is available in seven languages (French, English, Chinese, Portuguese, Spanish, German and Japanese) on the RH iGrow@SEB online platform. It consists of 6 modules designed in an interactive and fun manner. They comprise a theoretical component followed by a quiz and a case study where the employee is faced with an ethical issue. For employees who are not connected, an equivalent classroom-based training will be organized in 2019, coordinated by the Human Resources managers and site managers. 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.

Whistleblowing system

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

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

In 2018, we had 35 returns, all of which were analyzed. Detailed action plans were prepared for 5 of them.

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 36 onwards.

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

HUMAN RIGHTS

Respect for Human Rights forms an integral part of the Groupe SEB Code of Ethics as well as the training offered in this regard to international HR Managers. As a signatory of the Global Compact since 2003, the Group decided to evaluate its teams' practices in relation to Human Rights in subsidiaries employing more than 10 people, starting in 2007. Up until 2014 it used the HRCA (Human Rights Compliance Assessment) Quick Check self-assessment tool, developed by the Danish Institute for Human Rights and, for sites operated by its Chinese subsidiary Supor, the CBSSC (China Business and Social Sustainability Check). These self-assessments, which were carried out every couple of years or so, covered almost 99% of the workforce and drove improvements.

In 2015, Groupe SEB took things to another level by applying the same **ethical, social and environmental audit** procedure that it operates with its suppliers (WCA – Workplace Condition Assessment) to its industrial sites in risky areas ⁽⁵⁾, using the same specialist consulting firm (Intertek – see below).

The audits (conducted once every three years) are accompanied by action plans to rectify any non-compliances, and sites with a compliance score of less than 70% 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 2018, 6 sites were audited in the Czech Republic, India, China and Brazil. The average compliance score was 80.7%, and no zero tolerance non-compliances were identified. The 2 sites that received less than 80% implemented a corrective action plan.

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. 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.

Responsible purchasing charter

The Responsible Purchasing Charter, which stems from the Group's Code of Ethics, is available in French, English, German, Chinese, Spanish and Portuguese. Sent to all listed suppliers (including Supor) ⁽⁶⁾, it explains the Group's requirements in terms of respect for human rights and its ethical, social and environmental principles, with special mention for efforts to combat corruption. 90% of suppliers have signed up or are deemed to be compliant with Group requirements thanks to their policy in this area.

Preliminary evaluation of suppliers

When doing the preliminary evaluation of any new supplier of raw materials/components and finished products, **25% of the rating is directly dependent on social and environmental criteria**. Moreover, since 2013, if just one of the major social or environmental criteria is rated unsatisfactory, the supplier will be discarded. For the environmental aspect, these criteria primarily include the following factors: ISO 14001 certification, visible pollution (water, ground and air), and use of hazardous products. For the social aspects, the main criteria are: existence of a formal ethical/social policy or the signature of Groupe SEB's Responsible Purchasing Charter, working conditions, observance of employment law (age, working hours, etc.) and of safety rules. To evaluate new indirect (non-production) suppliers, the CSR criteria account for at least 10% of the score, depending on the purchasing category.

Mapping of CSR issues by purchasing family

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

This impetus is a game-changer: for example, FM Logistic France, which manages the Group's product logistics at its Saint-Cyr-en-Val platform, near Orléans, created FMEA, a company providing work to people with disabilities, on this site in 2015. This organization employs people with disabilities to perform repackaging operations (such as adding starter kits or samples to packaging). At the end of 2018, work subcontracted to the disability and inclusive employment sector totaled more than €3 million, equal to 301 Full-Time Equivalent (FTE) jobs, across all of the Group's French sites.

(5) Risky areas as defined by amfori/Business Social Compliance Initiative – Country Risk Classification, 2018./Risky areas as defined by the firm Maplecroft in the Human Rights Risk Index.

(6) Groupe SEB's listed suppliers comprise a selection of circa 440 direct suppliers (of materials and components), and 700 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, especially in the areas of health, safety and working conditions. In 2018, the representatives of 128 Asian suppliers (China and Vietnam) attended four sessions, along with the Group buyers responsible for monitoring them. Numbers at these sessions are continually rising (83 suppliers in 2016, 101 in 2017).

■ Internal global network of Social Audit Leaders

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

■ A very formal procedure

Ethical, social and environmental audits are done by Intertek. A global audit management tool ensures immediate and specific listed supplier monitoring and also makes it possible to compare the results obtained by the Group's suppliers with those of companies listed in the Intertek database (more than 30,000 audits).

The procedure is very formal. During an initial in-depth audit (involving one to three days on site, depending on the size of the company), the auditor reviews nearly 300 checkpoints taken from the WCA (Workplace Condition Assessment) audit criteria. Each checkpoint is assessed according to a four-level scale of compliance ranging from "zero tolerance" (forced labor, blocked emergency exits, excessively long hours, etc.) to minor non-compliances, with moderate and major non-compliances (no pay slip, emergency exit signs, etc.) in between. The final score, calculated out of 100, is ranked according to four performance levels: high performance (85 to 100), average (71 to 84), poor (51 to 70) and very poor (0 to 50). The audit report is sent to the Group's Purchasing department. A single "zero tolerance" non-compliance (e.g. failure to comply with the legal working age) triggers the following actions: a letter from the Purchasing Director or Sourcing Director requiring the implementation of a corrective action plan within two weeks, immediate suspension of any new consultations and a follow-up audit (by Intertek) one month ⁽⁷⁾ later to check that the issue

has been resolved. If not, the Group ends the collaboration. With an aggregate score of less than 50, 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 ⁽⁸⁾ (Business Social Compliance Initiative). These audits are added to the Intertek database, and so the Group has signed up to the BSCI in order to better monitor them. The BSCI's compliance scale has 5 levels ranging from A (Very good) to E (Unacceptable) and a 6th reserved for zero tolerance cases. The Group considers A, B and C results to be acceptable. Zero tolerance cases are managed according to the Group procedure defined for WCA, as are D and E ratings, which are managed in the same way as WCA scores of between 0 and 50% (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% are audited every four years, and the others once a year or every two years, depending on the volume of business carried out with the Group. In 2018, it completed 173 initial audits (177 in 2017) of suppliers in Asia (124), South America (43) and Europe (6). All suppliers with a "zero-tolerance" non-compliance and those with a score under 50% took corrective actions in line with the procedure set out by the Group. The 64 follow-up audits carried out in 2018 showed the effectiveness of the action plans implemented: over ¾ of the suppliers in question achieved the highest compliance performance levels.

Intertek also hands out an Achievement Award (AA) label to suppliers who have an overall score of at least 85% and do not present any major or zero tolerance non-compliances. In 2018, 39 Group suppliers received the AA label (20 in 2017).

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 ⁽⁹⁾ and REACH ⁽¹⁰⁾);

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

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

(8) Business Social Compliance Initiative (2003).

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

(10) Registration, Evaluation and Authorization of Chemicals.

ANTI-CORRUPTION MEASURES

This topic was incorporated in the Code of Ethics that applies to all employees worldwide. It provides, in particular, that Groupe SEB strictly prohibits any form of corruption in its dealings with commercial and institutional partners as well as with the government. No financial rewards or other types of benefits may be offered in an effort to seek an advantage or be received in exchange for preferential treatment. In addition, in 2003, the Group signed up to the UN's Global Compact, 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 bribery of the purchaser) and sales (active bribery 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.

Lastly, the various points of consideration of the SAPIN II Act were taken into account, in particular with the strengthening of the whistleblowing system, the establishment of an e-learning program that will include an anti-corruption module and finally a focus on supplier management.

A RESPONSIBLE EMPLOYMENT POLICY

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

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

The data given below are for a worldwide scope, excluding EMSA ASIA 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 incorporates the latest generation of digital tools. This increased digitization enables more automated tasks and connects up the various processes more easily, improving global Human Resources management.

The Managerial Competency Model, rolled out in 2016 in every country ⁽¹¹⁾, was integrated in 2017 into the framework of the Annual Appraisal Interview (AAI). It was incorporated 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. This framework, 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. To help managers implement it day-to-day, in 2018 the Group organized workshops for various entities' Management Committees: Egypt, South Korea, Hong Kong, Brazil, Cookware business, Group's Health and Safety department, various French industrial sites, etc. This operation will continue in 2019. 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 and become familiar with this shared language.

Of the 5 personal targets defined in an AAI, 1 or 2 are linked to the personal development of the manager, directly linked to the Managerial Competency Model. In 2017-2018, 95.33% of the 2,900 or so managers eligible for an AAI received such an interview worldwide. For the second time, the managers were given the opportunity to self-assess ahead of the AAI with a view to improving the discussion at interview-time.

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

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

ATTRACTIVENESS OF THE GROUP AND CAREER DEVELOPMENT

The professional and personal development prospects offered by Groupe SEB are the basis of its appeal, both internally and externally.

Professional development

Internal promotion remains a priority for the Group: in 2018, most managerial positions were filled by Group employees, both in France and worldwide, and 80% of key positions, succession plans being driven internally. Internal job offers are published on the iMove@SEB website accessible on the intranet, which employees can use to apply for jobs. Geographic and job transfers are a component of internal promotion. The Group reviewed its international transfer policy in 2017 to clarify and formalize the rules.

The Group launched a mentoring program in 2017, to develop and retain talented individuals while promoting women's access to positions of responsibility, initially in France. 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. In 2018, this program was rolled out internationally with three cohorts of 20 pairings (EMEA; Asia; Asia/EMEA/Americas). Since its inception, a hundred or so managers benefited from it.

The digital sphere helping recruitment

When it comes to external recruitment, the Group relies heavily on digital tools. It is increasing its presence and activity on targeted social media/networks, led by LinkedIn, but also Twitter, JobTeaser, Instagram, YouTube, Glassdoor, SlideShare and Wikipedia. Its followers continue to grow. At end-2018, they totaled 87,000 on LinkedIn (+22.5% compared with 2017) and close to 3,000 on Twitter (+18%). On Instagram (#InsideGroupeSEB), the popularity of stories led to a 54% increase in followers. Awareness of the Group on social networks is growing thanks to a diversified editorial line, with contributors from all backgrounds from within the company (at least one publication a day). It is also boosted by the activity of a community of around 50 Groupe SEB employee ambassadors, from every entity and every division, who relay the Group's messages on the networks to which they belong. The Group's attractiveness has also been enhanced by a Careers website tailored to 17 geographic regions and a "Careers" section on the Groupe SEB TV channel (YouTube).

All external applications, wherever they come from, are gathered on a single, scalable e-recruitment platform appropriate to the Group's global structure (Taleo). This platform has been introduced in 46 countries, where it collected more than 30,000 applications in 2018, a figure

that is constantly growing (15,000 applications in 2015). In France, North America and Scandinavia, between 15% and 20% of new hires came from LinkedIn. Taleo also manages internal transfer requests (iMove@SEB). It is a key tool for HR teams responsible for recruitment.

Attracting young talent

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

To make itself more attractive to students of engineering schools and scientific universities, the Group established the Tech Challenge in September 2018. As part of this international challenge, 179 teams submitted innovative projects on the theme of "Home Robotics". 10 of them were pre-selected to present their project in March 2019 on the SEB Campus in Écully, prototypes in hand.

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

In 2018, the Group took another step in the on-boarding of talented young graduates by launching its first Graduate Program. It targets young people graduating from business and engineering schools and from universities and offers them the chance to join a dedicated program within the Group involving three successive assignments: an initial 12-month assignment in France, followed by two six-month international assignments in the subsidiaries. There are various programs: Manufacturing, R&D, Marketing, Finance or indeed IT. The recruitment of the second class began in January 2019. On average, the Group takes in about 300 interns and work-study trainees every year. In 2018, for the fifth year running, it was awarded the Happy Trainees (France) label, which recognizes excellence in its commitment to these students. Groupe SEB was then ranked one of the Top 10 companies awarded the label in the category of 100 to 499 interns/work-study trainees. The Happy Trainees survey, based on the responses of 280 students, revealed that 9 out of 10 would recommend Groupe SEB as a place to carry out an internship or work-study training. This is based on six criteria: professional advancement, work environment, management, motivation, pride and friendliness.

This "Young talents" policy, which includes interns, work-study trainees and participants in the Graduate Program and VIEs ⁽¹²⁾ is producing results: the Group recruits nearly 70% of its young graduate employees by drawing on this pool.

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

Starting in 2018, as part of measures to hire interns, the Group worked in France with the social start-up “Vendredi” to offer internships shared with charitable organizations. Interns spend four days a week at the company and one day working for a charitable organization, on an assignment with a high social impact. This program, which is in keeping with the Group’s societal commitment focused on combating exclusion, will be deployed more widely in 2019.

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

BREAKDOWN OF TOTAL WORKFORCE BY GEOGRAPHIC REGION

Worldwide (excl. EMSA Asia, WMF Heshan)

<i>(number of individuals)</i>	2018	2017	2016
France	5,882	5,771	5,716
Other EMEA countries	9,711	8,170	2,768
Americas	2,707	2,736	2,773
Asia	14,390	14,266	14,728
WORLD	32,690	30,943	25,985

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 2018, Groupe SEB had 32,690 employees based on the scope defined in the introduction in page 132. Including WMF Asia, EMSA Asia and the total headcount of Groupe Seb Egypt Zahran, the Group has around 34,000 employees.

BREAKDOWN OF CHANGES IN THE WORKFORCE

Worldwide (excluding EMSA ASIA, WMF ASIA, SSEAC, GS BRASIL RETAILING, SCHAERER CH, WMF CH, WMF EMEA (excluding DACH), GROUPE SEB EGYPT, SCHAERER USA, WMF USA)

(number of individuals)	2018	2017	2016
FRANCE			
Recruitment ^(a)	710	645	536
Fixed-term contracts	357	340	271
Permanent contracts	353	305	265
Departures ^(a)	603	562	558
Economic redundancies	6	1	5
Terminations for other reasons	55	70	29
AVERAGE STAFF TURNOVER RATE ^(b) (%)	1.08*	1.33	1.17
OTHER EMEA COUNTRIES			
Recruitment ^(a)	2,423	816	546
Fixed-term contracts	1,247	397	298
Permanent contracts	1,176	419	248
Departures ^(a)	1,978	553	476
Economic redundancies	49	50	54
Terminations for other reasons	151	54	117
AVERAGE STAFF TURNOVER RATE ^(b) (%)	6.93*	9.42	6.86
AMERICAS			
Recruitment ^(a)	661	1,342	703
Fixed-term contracts	129	256	268
Permanent contracts	532	1,086	435
Departures ^(a)	751	1,367	714
Economic redundancies	270	646	302
Terminations for other reasons	121	182	62
AVERAGE STAFF TURNOVER RATE ^(b) (%)	8.09*	8.18	6.09
ASIA			
Recruitment ^(a)	8,546	10,163	10,582
Fixed-term contracts	8,347	9,591	9,918
Permanent contracts	199	572	664
Departures ^(a)	8,476	10,540	10,409
Economic redundancies	62	37	2
Terminations for other reasons	12	9	17
AVERAGE STAFF TURNOVER RATE ^(b) (%)	13.5*	12.2*	15.76*
WORLD			
Recruitment ^(a)	12,340	12,966	12,367
Fixed-term contracts	10,080	10,584	10,755
Permanent contracts	2,260	2,382	1,612
Departures ^(a)	11,808	13,022	12,157
Economic redundancies	388	734	363
Terminations for other reasons	337	315	225
AVERAGE STAFF TURNOVER RATE ^(b) (%)	5.57*	5.48*	4.62*

(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: ASIA FAN, SUPOR ASIA, EMSA ASIA, WMF ASIA, SSEAC, GS BRASIL RETAILING, SCHAERER CH, WMF CH, WMF EMEA (except DACH), GROUPE SEB EGYPT, SCHAERER USA, WMF USA.

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 2018, the turnover rate was 5.57% (5.48% in 2017).

In Brazil, in 2016, Groupe SEB began transferring its industrial electrical product (Mooca) and cookware (São Bernardo do Campo) activities to Itatiaia, a new plant in the state of Rio de Janeiro, 350km north of São Paulo. The Mooca and São Bernardo site closures took place at the end of 2017, and were prepared for and carried out in line with the Group's values. The redundancy plans, which affected 498 and 188 people (50 key jobs were transferred), were approved by the union organizations and 90% of employees. These plans go far beyond the regulations and local practices, as they were announced eight months before the first production line was transferred and are accompanied by a large bonus in addition to the statutory redundancy compensation (nearly nine months' additional pay for a worker). They also provide for the maintaining of the meal allowance for eight months and health insurance for six months after departure, although this is not required by law.

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

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

BREAKDOWN OF WORKFORCE BY TYPE OF CONTRACT

Worldwide

	2018	2017	2016
FRANCE			
Permanent contracts, fixed-term contracts or other short-term contracts	5,590	5,512	5,489
Full-time	89.9%	89.7%	89.6%
Part-time	10.1%	10.3%	10.4%
Work-study trainees ^(a)	292	259	227
OTHER EMEA COUNTRIES			
Permanent contracts, fixed-term contracts or other short-term contracts	9,482	7,956	2,759
Full-time	75.2%	75.3%	85.3%
Part-time	24.8%	24.7%	14.7%
Work-study trainees ^(a)	229	214	9
AMERICAS			
Permanent contracts, fixed-term contracts or other short-term contracts	2,623	2,680	2,732
Full-time	99.6%	99.4%	99.5%
Part-time	0.4%	0.6%	0.5%
Work-study trainees ^(a)	84	56	41
ASIA			
Permanent contracts, fixed-term contracts or other short-term contracts	14,339	14,266	14,728
Full-time	99.8%	99.9%	99.9%
Part-time	0.2%	0.1%	0.1%
Work-study trainees ^(a)	51	0	0
WORLD			
Permanent contracts, fixed-term contracts or other short-term contracts	32,034	30,414	25,708
Full-time	90.8%	91.6%	96.1%
Part-time	9.2%	8.5%	3.9%
Work-study trainees ^(a)	656	529	277

(a) Working under apprenticeship/professional training contracts.

Worldwide, 62.8% of the workforce are on permanent contracts, 35.2% on fixed-term contracts and 2% are work-study trainees. Excluding Supor, where fixed-term contracts are normal and often for long periods, particularly for manual workers, 89.7% of the workforce are on permanent contracts.

DIVERSITY

Because diversity is a source of vitality, creativity and innovation, the Group promotes it in all its aspects: gender equality, social and cultural mix, age-group balance, inclusion of people with disabilities, etc. Groupe SEB has a non-discrimination policy to ensure that all employees are treated equally as regards their recruitment, pay and career development within the Group, in accordance with our Code of Ethics. In France, the Human Resources teams received awareness-raising training in stereotypes, diversity and gender equality in 2017. This approach was pursued in 2018 with a session dedicated to the Group Executive Committee. More specific training was developed on the theme "Recruiting and managing without discriminating, harassing or slandering" for Human Resources Managers and people responsible for recruitment. It will continue in 2019 and 2020 and will be rolled out to all managers and social partners.

In France, Groupe SEB has been a signatory of the Diversity Charter since 2005. Numerous actions have been implemented to support this policy at local sites and raise employee awareness. Diversity is monitored by specific committees covering signed collective agreements on this issue. More specifically regarding gender equality, a Group committee tasked with monitoring the collective agreement (France) analyzes the actions taken in this regard. Moreover, the sites must roll out local action plans on various issues: professional development, access to training, equality in terms of remuneration, work-life balance and recruitment.

To improve the diversity of work-study trainee applicant profiles, and particularly increase the share of young people from poor districts, in 2017, in France, the Group began a partnership with recruitment firm Mozaïk RH, a specialist in the promotion of diversity. In 2018, this relationship made it possible to hire some 20 young work-study trainees using a new job dating format during which managers met candidates without having first reviewed their CVs. The partnership will continue in 2019.

Gender equality

A KEY AGREEMENT

Gender equality in the workplace is an integral part of the non-discrimination and diversity promotion policy followed by Groupe SEB. In France, it was the subject of a collective agreement, which was renewed at 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. For the purposes of implementing this agreement, every French site is required to put together an action plan that includes at least one action per annum that is specific to the local situation. The

results of these actions are included in the Comparative annual report, which measures actual progress.

WORK-LIFE BALANCE

Among the measures taken to help people balance their work and personal lives, employees were given the option of flexible work scheduling, and several sites introduced child-care or concierge service arrangements (Rumilly and Écully). In France, the agreement on quality of life at work, signed in June 2016, took up a number of suggestions from the Forum on gender equality in the workplace held in March of the same year, attended by 150 employees from all the French sites, and the Group's Chairman and CEO and the Senior Executive Vice-president, Human Resources. The proposals taken up in the quality of life at work agreement include tele-commuting, ensuring the diversity of applications transmitted by recruitment firms, and the paying of child-care costs during training, under certain conditions. (See Quality of Life at Work on page 140).

ACCESS TO MANAGERIAL POSITIONS

The Group is also endeavoring to improve the balance between men and women in management worldwide: in 2018, 37.5% of managers were women (29% in 2007) and 40% of the external new hires in this category (51% in France). Some entities are performing particularly well in terms of equality, like the Southern Central Europe cluster: women hold 5 of the 11 seats on its Management Committee, 19 of the 28 managerial positions and represent 50% of employees. In France, they accounted for 60% of managerial hires in 2018. They also accounted for 30% of expatriate managers. They still only make up 18.5% of the Group's 180 or so key managers, however, although this percentage is rising, standing at 12% in 2015.

To accelerate the rise of women to senior management positions, the Human Resources department is planning to have at least one woman in the short list of applicants for key posts. The mentoring program launched in 2017, based on strict gender parity, is also contributing (see Attractiveness section, page 133), as is the joint development program tested in France in 2018. This collective coaching (groups of 7 to 8 people) is intended for "high potential" women and places great importance on the ideas of trust and solidarity. In 2018, the Group also decided to bring on board Alliance pour la Mixité en Entreprise (AME). This association brings together the networks of some 20 large companies with a view to encouraging experience sharing, benchmarking and mutual assistance on this matter.

DIVERSITY OF THE BUSINESSES

To make it easier for women to move into technical jobs, traditionally held by men, since 2016 the Group has asked all the French sites to introduce specific training (awarding academic credits) for them, accompanied by offers of higher grade jobs. Production operators can in this way become line supervisors, machinists or welders. 21 women took such training over the past three years. The Group is also doing its bit to promote gender equality in the workplace by being a partner in the digital platform Egalités.fr, where it presents the profiles of several women within the Group with jobs that have traditionally been considered to be masculine roles ("The gender of my job" heading). Since 2018, it has also been part of the Femmes@Numérique group,

which brings together some 40 associations and as many large French companies to increase female representation of the digital businesses.

MEASURES TO COMBAT HARASSMENT

Groupe SEB pays very close attention to the issue of sexual harassment, an issue on which many countries have passed specific laws. In the Scandinavian countries, for example, it updated its policy in this area in 2017, and disseminated it to all its employees through the intranet. In India, where the government also legislated against sexual harassment in the workplace, Groupe SEB has introduced a very detailed policy to prevent such behavior, along with a procedure

for filing complaints. In 2016, the subsidiary organized awareness-raising sessions on this policy for all its staff. It has created a sexual harassment committee, one of whose tasks is to manage complaints. In France, the updating of the internal rules of all sites makes it possible to raise awareness and to reflect, in all entities, the new legislative provisions designed to combat all forms of harassment.

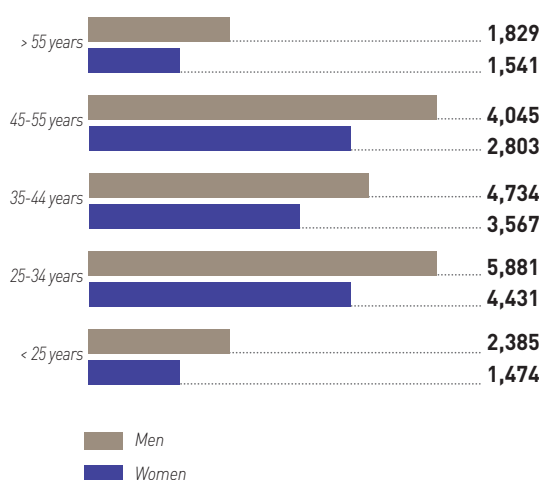
GENDER BREAKDOWN BY CLASSIFICATION WORLDWIDE

(in %)	2018	2017	2016
MEN			
Manual workers	29.5	32.2	34.9
Employees	20.4	18.5	17.7
Managers	7.9	7.5	7.5
TOTAL	57.8	58.1	60.1
WOMEN			
Manual workers	17.2	18.5	20.4
Employees	20.2	19	15.1
Managers	4.8	4.3	4.4
TOTAL	42.2	41.9	39.9

At the end of 2018, 46.7% of the Group's workforce were manual workers, 40.6% were employees and 12.7% were managers, 37.5% of whom were women. Excluding Supor, manual workers, both male and female, represented 32% of the workforce, while the percentage of managers totaled 19%.

Breakdown of employees by age

Worldwide



The inter-generational contract, renewed in France in 2016 with the employee representatives, aims to bring young people, and particularly those without qualifications, into the workforce, to hire and keep older employees and to ensure that knowledge is transferred. Under this agreement, between 250 and 290 new hires are planned in France by 2019, 25% of whom will be young people, rising to 33% in the case of new hires to replace retired employees at industrial sites. The new contract also includes a systematic ergonomic analysis of the jobs held by employees over 57, so as to reduce physical hardship as much as possible. Over the period covered by the previous contract (2013-2016), the Group largely exceeded the recruitment forecasts, including for young people who received training and assistance, primarily through mentorships. The average age of Group employees is 41.8.

People with disabilities

Disability represents a two-fold challenge for Groupe SEB, which works to prevent it through its health and safety policy, while providing employment opportunities to people with disabilities. The three-year collective agreement on people with disabilities was renewed by Groupe SEB in France in 2017. It aims to deliver better conditions for disabled workers joining the workforce and ensure their long-term integration within both industrial and tertiary companies through a number of practical measures. Under the terms of this agreement, disabled workers undergo frequent monitoring during their induction within the Group and possible adaptations to improve their workstations are examined. They also receive increased specific financial assistance, training to develop their employability and, if they wish, mentoring by a Group employee, organized on a voluntary basis.

Disabled employees reaching the end of their careers may reduce their working hours by 20% by producing a doctor's note, while keeping the same rate of pay and benefits. Specific training has also been designed for managers to make it easier for disabled employees to return to work after a long absence. The agreement also provides for

the extending of leave to take care of sick children to disabled children, with no age limit. Groupe SEB has informed its partner schools of the signing of the agreement and works with specialized organizations to act from the recruitment stage.

(Worldwide)

	2018		2017		2016	
	World	France	World	France	World	France
Number of disabled employees	405	312	439	311	453	326
% of disabled employees ^(a)	1.6	5.36	1.42	5.39	1.77	5.70

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

With the exception of Supor, where the number of physically disabled employees is relatively low, the number of disabled employees stood at 2.0% in 2018 (2.3% in 2017).

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, to encourage the exercise of trade union rights, in 2007 Groupe SEB signed a specific agreement with employee representatives. Team managers also receive training in employee-management dialog.

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

COLLECTIVE AGREEMENTS

(Worldwide, excluding WMF, EMSA, GS India, GSE Morocco, GSE Israel, GSE Ivory Coast, Tefal-OBH Nordica Group China and GSE BRASIL RETAILING)

	2018	2017	2016
France	38	38	51
Other EMEA countries	24	35	32
Americas	19	12	12
Asia	41	37	38
WORLD	122	122	133

A total of 122 collective agreements were signed in 2018. 41.0% of these agreements related to remuneration (50), 21% to health and safety (26), 6% to diversity (7) and 22% to employee-management dialog (27).

The Group signed three major agreements in France in 2018. The first covers employee-management dialog. It supplements the agreement signed in 2007 to encourage the exercise of trade union rights and the new operating guidelines for employee representative bodies included in the 2017 orders. It specifically strengthens the measures

for safeguarding and promoting careers of social partners. The second agreement renews for a period of 4 years (2018-2022) the gender equality agreement (see page 138). The third covers disability and death and emphasizes fairness with in particular a single contribution rate regardless of the status and remuneration of the employee, and harmonization of death benefits.

At the end of 2018, 67% of Groupe SEB's workforce was covered by a collective agreement signed in the course of the year.

QUALITY OF LIFE AT WORK

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 2018. It is

done every two years. In 2018, 13 entities responded to the survey, with a higher average completion rate of 80% (76% in 2017). Over the 2016-2018 period, 68% of employees felt Groupe SEB was a good place to work (i.e. 4 points above the industry average) and 71% of them said they were proud of working for the Group. 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. Progress is in fact being made: in 2018, countries that carried out the survey for the second time improved their overall score by 3 points on average. The best improver was **Canada**, which rose 19 points, with 75% of employees broadly satisfied, followed by **Austria** (+13 points, overall satisfaction rate of 92%). This country is in the DACH zone (Germany, Austria, Switzerland) where the 2016/2017 survey had found a sense of lack of recognition of certain teams for the work they had done. In 2018, the Group responded to this expectation by introducing a profit-sharing system for people not receiving a bonus.

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

The actions carried out by subsidiaries to improve the Quality of Life at Work differ according to local priorities. A number of subsidiaries emphasize health. Thus, in the **US**, the Living Healthy program is run by the Well-being committees, which relay more than 100 initiatives, such as weight-loss competitions, online stress management seminars, sports activities, cooking and health workshops, help giving up smoking, etc. **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. In 2018, over 100 employees participated in it. **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". In **Scandinavia**, the teams felt a little unsettled following the integration of OBH Nordica in 2015

and the resulting reorganization, as was evidenced in the Great Place To Work 2017 survey. Management focused efforts on six priority areas, involving employees in the action plans and carrying out satisfaction surveys to confirm progress. Within 12 months, the average satisfaction rate in the six areas went from 45% to 59%.

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

A **collective agreement** on Quality of Life at Work was signed in **France**. Signed in 2016, it took practical form with the introduction of various measures such as tele-commuting, which has been a real success with employees: at end-2018, close to 500 of whom had already adopted it. The actions taken also include a social assistance hotline rolled out to all the sites, or indeed, on some sites, physiotherapy, osteopathy and occupational psychology services, as well as easier access to intercompany nursery facilities and the offering of concierge/personal services. Another measure considered to be very positive by its users is the telephone support service for employees and their spouses who are caring for an elderly or disabled loved one (Responsage). Moreover, the improvements to break rooms continued in 2018, particularly for production staff.

As part of the prevention of **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. Over the past three years, 37 employees contacted the counseling office, which is less than the national average according to Turka.

HEALTH AND SAFETY

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

The health and safety policy draws on a global network of 32 Environment, Health and Safety (EHS) Coordinators, who cover all of the industrial and logistics sites (more than 40) in 13 countries. This network met at end-October 2018 in Germany for the second EHS Net international seminar. Over three days, the participants discussed the Group's strategies in this field, shared some 50 best practices and worked on the managerial stance and the professional skills of the EHS coordinator. These annual seminars make it possible to strengthen the international dynamic of the network, something that is also supported by the Yammer community (Groupe SEB social network). The Group has also undertaken to certify its health and safety management system (OHSAS 18001), with 100% of its industrial and logistical entities certified at the end of 2018.

SAFETY

Groupe SEB's safety approach is reflected in the worldwide Safety in SEB program. The 2020 road map emphasizes the involvement of employees as participants in their own safety. At the plants, for example, safety is one of the points that is reviewed daily by the production teams as part of the OPS (Operation Performance SEB) initiative, via Frequent Events. The Group has set itself a target of halving the number of accidents (LTI - Lost Time Injuries) between 2017 and 2020, while including temporary employees. 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 2018, the Group continued to roll out its **safety standards** worldwide. These procedures formalize the Group's minimum requirements, above and beyond compliance with national and international regulations. These standards are incorporated into safety management procedures and are written in English, French and Chinese. They apply to all teams worldwide. Some standards concern safety organization and management, while others target the prevention of specific risks. Internal audits are conducted to ensure their application. At end-2018, 23 standards were operational, the most recent one covering the applicable rules in the event of exposure to noise. Of the new standards rolled out in 2017-2018, the new version of the behavior-based safety inspection (VCS) standard is of particular importance. As more than 75% of accidents could be avoided by making behavioral changes, the aim of the VCS is to eliminate dangerous practices and conditions on the basis of a discussion between the employee "inspected" and a line manager. The health and ergonomic aspects of the new VCS standard have been strengthened, notably by including new checkpoints relating to postures. Every industrial or logistics site employee is inspected twice a year on average for risky sectors. In 2018, WMF and Emsa continued to roll out VCS and the "inspector" training plan.

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

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

Any accident where feedback can be helpful to the action plan is communicated to all managers and to the Groupe SEB safety community (Safety Vigilance Flash system). In 2018, noting that 40% of accidents were linked to non-compliance with rules, the Group decided to review the definition of "mandatory rules" required at each manufacturing and logistics site and on the SEB Campus (Group HQ), to make them more exact and better suited to the reality on the ground. Developed together with the operating teams, the new "mandatory rules" are now defined per business. Their review started on the French sites in 2018 and is being progressively extended to other countries. 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.

Since 2016, the Group has strengthened the safety culture in its tertiary and commercial entities (offices and shops). The golden rules are systematically communicated and some sites have introduced their own unbreakable rules. These entities are also now part of the Safety Vigilance Flash system.

HEALTH

In the health field, Groupe SEB focuses a large part of its efforts on combating **musculoskeletal disorders (MSDs)** in the upper limbs, and lower back pain. The aim is to prevent them from appearing and slow their deterioration. This is a major issue for the industrial sites, particularly in Europe, exacerbated by the aging of the workforce and extensions to the pension age. The Group's response involves awareness-raising and training measures, taking MSD prevention into account from the design phase of products and processes as well as the carrying out of specific measures on the sites.

In 2016, Groupe SEB laid the groundwork for an international health plan (Health in SEB). An analysis was performed on all the industrial sites to identify the main health risks (dust, noise, repetitive work, etc.). This inventory was used as a basis for the creation of Group standards and to define health targets, accompanied by monitoring indicators. This is particularly true of ergonomics where the indicator measures improvements that are deemed significant using specific analysis methods, scoring grids, a decision-making tool developed by ergonomists and the person's experience. All industrial and logistics sites worldwide have taken steps to improve workstation ergonomics in order to achieve the target of 25% of workstations to be improved in 2018.

In France, the Group launched the Health Plan 2 (2017-2020) in 2017, following on from the first health plan in 2009. Its aim is to pass a new milestone by combining health with performance and prioritizing prevention and the well-being of employees. It has three focal areas: reducing physical and psychological risks (and especially MSDs); making health dashboard charts more reliable and developing communication; and improving safety management. A multidisciplinary Health Steering Committee makes it possible to share best practices and the focal areas for development of the Group's health policy, to monitor health-related issues in the workplace, and manage the measures taken, with the promotion of investments that combine health with performance.

Every French industrial 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. In 2018, the Group had 42 MSD Specialists in France. 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 have been taken to prevent the emergence of MSDs.

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

(Worldwide, excluding GS India, WMF and EMSA)

	2018	2017	2016
FRANCE			
Number of workplace accidents with days lost	41	40	48
Number of days lost	2,217	2,160	2,588
LTIR ^(a)	4.9	4.8	5.8
Severity rate ^(b)	0.26	0.26	0.31
Number of workplace fatalities	0	0	0
OTHER EMEA COUNTRIES			
Number of workplace accidents with days lost	13	9	6
Number of days lost	131	143	101
LTIR ^(a)	2.6	2	1.4
Severity rate ^(b)	0.03	0.03	0.02
Number of workplace fatalities	0	0	0
AMERICAS ^(c)			
Number of workplace accidents with days lost	8	12	11
Number of days lost	147	362	436
LTIR ^(a)	1.6	2.5	1.9
Severity rate ^(b)	0.03	0.07	0.07
Number of workplace fatalities	0	0	0
ASIA			
Number of workplace accidents with days lost	14	21	34
Number of days lost	1,382	1,113	2,357
LTIR	0.4	0.6	0.9
Severity rate ^(b)	0.04	0.03	0.06
Number of workplace fatalities	0	0	0
WORLD			
Number of workplace accidents with days lost	76	82	99
Number of days lost	3,877	5,482	5,482
LTIR ^(a)	1.4	1.5	1.8
Severity rate ^(b)	0.07	0.07	0.10
Number of workplace fatalities	0	0	0

^(a) Lost Time Injury Rate.^(b) Number of days lost per thousand hours worked.

All the data shown in the table exclude temporary employees.

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

It should be noted that beginning in 2018, the Group's Health and Safety targets include temporary employees as well as the whole WMF and EMSA scope.

Accordingly, the 2018 target for LTIRi (Lost Time Injury Rate including temporary employees) was 2.5 Worldwide, 5.5 in France and 7.1 in WMF.

The 2018 results were: 2.6 Worldwide, 6.0 in France and 7.6 in WMF.

France recorded 59 lost-time injuries with temporary replacements, as well as 184 work-related accidents with and without days lost, including temporary employees. The LTIRi is 6.0 and the severity rate is 0.24.

WMF recorded 59 LTI, as well as 109 work-place accidents with and without days lost, including temporary employees. The LTIRi is 7.6 and the severity rate is 0.16.

These two Group entities, France and WMF thus account for close to 65% of the total number of workplace accidents with days lost.

Lastly, overall including GS India and EMSA, Groupe SEB recorded 182 workplace accidents with lost time injuries and 221 workplace accidents without lost time in 2018, including temporary employees. The LTIRi is 2.6 and the severity rate is 0.08.

Even if the targets are not met, the Group's results are once again on the right track. Thanks to the multiplication of global prevention efforts, standards and tools, Groupe SEB recorded 10 fewer workplace accidents with days lost than in 2017, and 39 fewer than in 2016, including temporary employees.

The lower severity rate reflected a 3,193 reduction in days lost compared with 2017 and 8,459 days lost compared with 2016.

A worldwide survey of occupational illnesses has been conducted since 2013. 28 new cases of occupational illnesses were recognized throughout the Group in 2018, excluding temporary employees. This number is significantly lower than the 66 and 62 cases reported in 2017 and 2016.

Number of new occupational illness cases recognized in the year	2018	2017	2016
France	27	55	57
Other EMEA countries	0	0	0
Americas	1	11	4
Asia	0	0	1
WORLD	28	66	62

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

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

OHSAS 18001 CERTIFICATION

(Worldwide)

	2018	2017	2016
Number of certifiable entities	4	35	36
Entities holding OHSAS 18001 certification ^(a)	100%	97%	92%

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

Since 2007, the Group has set all its sites to work on the certification of its health and safety management system (OHSAS 18001). At the end of December 2018, 100% of the Group's industrial and logistics entities had this workplace health and safety certification.

Egypt and India EMSA sites were recently included in the scope of certifiable sites. The certifications are planned for 2020 and 2021.

The WMF sites were certified in 2018.

GLOBAL SOCIAL PROTECTION FLOOR

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. In 2018, the Group started to roll out the global social protection floor, which is built on three 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 (70% of actual costs) and mandatory preventive medical visits;
- parenthood: maternity leave (14 weeks) and paternity leave (2 weeks).

Every employee, regardless of his/her country and level, will enjoy this coverage at the very least. This will be progressively rolled out by 2020,

with life insurance being effective for all as of 1 January 2019 (except for WMF, which will be covered from January 2020).

The Group also looks to review employment contracts on a regular basis in order to supplement and/or improve existing insurance coverage. In 2017, for instance, medical insurance was extended in several countries, including Poland, Ukraine and Canada.

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.

3

(in € millions)	2018		2017		2016	
			World	France	World	France
Remuneration ^(a)	951.3	252.3	921.1	244.8	601.7	242.7
Payroll taxes ^(b)	181.3	66.3	185.8	69.0	125.9	68.0
Pension and other post-employment benefit plan costs	70.4	43.8	56.9	42.7	55.5	41.3

(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

(France)

<i>(in € thousands)</i>	2018	2017	2016
Provision for bonuses	16,117	19,058	19,337
Provision for profit sharing	17,500	18,498	17,458
TOTAL	33,618	37,556	36,795

Amounts paid over the year in question for the previous year.

In 2019, the amount paid in profit-sharing and bonuses will amount to €33.6 million in respect of 2018. Please note that figures include the employer's social tax contribution.

listed on the Paris Stock Exchange in 1975, the Group has had employee shareholders. In 40 years, it has implemented 13 employee shareholding operations, gradually extending beyond France starting in 1992. The last operation, in 2012, covered 30 countries and the plan was taken up by over 30% of the employees concerned. At the end of 2018, there were 804 direct employee shareholders (shares managed by the Group's shareholder department directly), plus 1,486 former employee shareholders.

TRAINING AND SKILLS DEVELOPMENT

Training is essential to skills development. It covers all Group employees and most training programs are organized in a decentralized manner. Every year, the Human Resources department defines the Group's training priorities. Using this frame of reference, each subsidiary develops its own training plan based on the employees' needs and expectations. In the case of managers, these expectations are expressed during the Annual Appraisal Interviews, carried out worldwide. In France, all non-managerial employees have an Annual Appraisal and Personal Development Interview, which includes a training and skills development component. A global reporting system makes it possible to track the training provided throughout the world.

In 2018, the Group continued to enhance the training part of its digital HR platform iGrow@SEB, translated into five languages (English, French, German, Spanish and Portuguese). All connected employees worldwide included in the SAP HR databases (excluding Supor) now have access to this platform and to the 160 e-learning modules offered, regardless of their job or place in the reporting line. New training courses were added to it, such as the Compliance program, which already includes three modules on the Code of Ethics, followed

by 91.5% of the 11,000 connected employees (see page 129), on IT security and anti-competitive practices, followed respectively by 75% and 88% of the 8,000 employees targeted. This will shortly be supplemented by anti-corruption, personal data protection and internal control modules. Another new program offered on iGrow@SEB: SEBOPOLY, which allows people to become familiar with the Group's economic environment and its specific language.

Aside from this free access for all to e-learning modules, iGrow@SEB now allows connected employees at various entities and countries to access a personalized training catalog and to submit training requests online, after which the process continues automatically (approval by the employee's line manager and the HR department and setting up of the training). This service is operational in France, the United States, Mexico, Hong Kong and at WMF. Moreover, since 2018, line managers can, in just a few clicks, assign certain training to their team members and query their past trainings via reports and dashboards. Lastly, special algorithms have been developed to automatically assign certain mandatory trainings to newcomers.

TRAINING (WORKFORCE AND TRAINING HOURS)

(Worldwide, excluding WMF and EMSA)

	2018	2017	2016
	World ^(c)	World ^(b)	World ^(a)
Number of training hours	507,870	489,628	401,810
Number of employees trained	29,316	29,954	25,015
Number of women trained	11,010	12,954	8,663
Number of men trained	18,305	16,999	16,352

(a) Excluding Groupe SEB Korea

(b) Data updated to correct a calculation error

(c) Excluding GS Belgium

Of the total hours of training completed in 2018 including Supor (and excluding WMF and EMSA), 44% was for manual workers, 36% for office employees and 20% for managers. WMF entities in Germany organized 54,825 hours of training and trained 2,626 people in 2018.

In addition to the training referred to above, 7,477 connected employees (excluding Supor, Vietnam Fan, non-managers, Groupe SEB Hellados, WMF and EMSA) spent more than 22,000 hours on the iGrow@SEB platform through the various e-learning modules.

Forward planning of employment and skills

Groupe SEB management and the social partners are cooperating on the Forward Planning of Employment and Skills (GPEC). The goal is to anticipate business trends and foster skills development in light of changes in Groupe SEB's environment and strategic direction.

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

There was fresh impetus in May 2018. All French sites did the same forward-looking analysis, involving the HR teams, Management

Committees, operational staff and the elected members of the Career Centers. On the basis of Group jobs mapping, each site was able to identify emerging jobs, those under pressure (recruitment difficulties) and those in transformation. On the basis of this, specific measures were defined across all French sites and presented at the Career Centers in October and November.

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

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

In 2019, the addition of the training component to the Forward Planning of Employment and Skills (GPEC) initiative will include the creation of Jobs Schools while the number of technical mentors is expected to double within a year. Technical mentoring allows an experienced employee to pass on his/her knowledge to a mentee, over a period of a number of months. 15 pairings were in place in 2018. The other mentoring systems in place within the Group are work-study training (355 pairings in 2018) and the on-boarding of new employees (514 in 2018).

TRAINING BUDGETS ^(a)

(Worldwide, excluding WMF and EMSA)

<i>(as a % of payroll)</i>	2018 ^(c)	2017 ^(b)	2016
France	4.63	4.33	3.90
Other EMEA countries	1.74	1.52	2.15
Americas	2.4	2.73	0.89
Asia	1.54	0.88	1.03
WORLD	2.88	2.59	2.38

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

The Group's training expenses represented 2.88% of its payroll in 2018. For the Supor subsidiary, these expenses amounted to 1.64% of its payroll for this year. WMF's training expenses for the German entities accounted for 2.70% of its payroll.

GROUPE SEB UNIVERSITY (UGS)

(Worldwide, excluding WMF and EMSA)

	2018	2017	2016
Number of trainees	1,294	1,112	900
Number of training sessions	186	157	95
Number of training hours	32,710	31,681	25,306

The increase in the number of hours and the number of people trained is linked to the creation and roll-out of new training programs. The Groupe SEB University offers high-level training to employees, in France and elsewhere. It continued to focus on leadership, digital tools and "professional" sales and marketing skills in 2018.

2018 saw the introduction of 3 digital training campaigns covering various different aspects of compliance: Code of Ethics, IT security, Competition law. The training teams were actively involved in these campaigns in 2018, in close cooperation with the business teams, which jointly developed these modules in 7 languages. From February to December, over 7,000 employees took at least two of these trainings in 28 countries. The content on the Digital Academy platform has also been expanded. It offers over 80 e-learning modules covering 10 different themes: Digital culture, Well-being at work, Future of work, Future of Sales, Management and Leadership... In 2018, over 900 employees took at least one course on this platform, which is available on a self-service basis.

On the theme of leadership, the UGS training range was expanded in 2018 with a new program for middle managers: Management & Leadership in Action. Offered in five languages, it takes 5 months, alternating between face to face and e-learning. Following two pilot sessions in 2018, it started its international roll-out in January 2019 and should involve some 1,300 Group managers over 4 years. Two other programs supplemented the 2018 leadership training: Developing Your Leadership Impact and Developing Our Talents, which both target talented young people (its content was extensively reviewed in 2018). More than 150 people completed one of these three programs in 2018.

Within the Sales & Marketing School, the UGS developed new trainings in 2018 including a module focused on new marketing approaches (classroom based) and a cooking course (e-learning + face to face) intended for the Marketing and Innovation teams working on food issues.

The program on the OPS (Opération Performance SEB) initiative for the local management of industrial sites, launched in 2017 in France, is being progressively extended to other countries.

DIGITAL AND COMMUNICATIONS UNIVERSE

THE DIGITAL SPHERE IMPROVES THE “EMPLOYEE EXPERIENCE”

The Group is stepping up its digital transformation in every field, including to optimize the “employee experience” of its employees: after having rolled out Microsoft Office 365 in all entities worldwide in 2017, in 2018 the Group began developing a **customized and personalizable interface**. This will allow its 11,000 connected employees to, from a single welcome page, access all the collaborative tools and functionality of Office 365, their Yammer communities and the business tools and information needed in their work. This single welcome page will be customized to reflect the user’s profile and personalizable on the basis of their interests, regardless of their location and the device that they use. The Group is also examining the potential of digital technology to offer improved access to Group information and services for employees in the field and on the production floor. The first version of this new work environment was launched in early 2019.

Aside from the e-learning platform which is constantly seeing new modules on the digital sphere, the Group’s digital transformation is going hand-in-hand with various communications initiatives targeted at employees: “Chroniques du Digital” (Digital Chronicles) on the Intranet publishing articles and video interviews on digital developments within the Group; “Digital Digest” offering a twice monthly review of key digital events in the market; themed conferences in the “Digital Room” on the SEB Campus, refurbished and expanded in 2018 to accelerate the digital assimilation of its employees and allow them to experiment with new ways of working.

ABSENTEEISM RATE

(Worldwide excluding EMSA ASIA, WMF, GS BELGIUM, SSEAC, GS BRASIL RETAILING, SEB SERVICOS BRASIL, GSE ISRAEL)

	2018		2017		2016
	World	France	World	France	France
Absenteeism rate ^(a)	4.2	3.49	4.0	4.4	4.0

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

INFORMATION AND COMMUNICATION

The almost daily publication of “télex” on the Intranet keeps employees informed about the Group’s news across the world. The Group also helps employees to use social media appropriately, both in the professional sphere and in their private activities on the internet, especially when they refer to the Group. This is the purpose of the Guide to Social Media Best Practices. The in-house press also plays an important role. Tempo, the magazine published by the Corporate Communication department, is provided in electronic format to all of the Group’s connected employees. In parallel, many sites and subsidiaries publish their own in-house newspaper.

SEB Campus, in Écully, where circa 1,200 people work, saw very active local communication in 2018: cycle of conferences with well-known speakers (“SEB Talks”), management workshops to share best practices between team managers, a job and internal transfer week, a Quality of Life at Work week, and other events.

On the external communications front, in addition to the usual publications (Business and Sustainable Development report, Group business card, etc.) and social media work where the pace has picked up even more (see page 133), 2018 saw the launch of the Group’s **new website** www.groupeseb.com. Offering enhanced content – news feed, infographics, visuals, testimonials, videos, etc. – it was completely overhauled, in particular to offer improved navigation and smartphone and tablet compatibility.

OVERTIME

(Worldwide)

	2018		2017		2016	
	Worldwide excluding Supor	Supor	Worldwide excluding Supor	Supor	Worldwide excluding Supor	Supor
Number of overtime hours <i>(in thousands)</i>	587	11,796	652	11,268	874	10,469
Full-time equivalent <i>(in persons)</i>	264	5,646	291	5,400	381	5,014

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 56,610 hours of overtime (equal to 31 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)

	2018	2017	2016
France	639	851	635
Other EMEA countries	175	651	441
Americas	627	699	1,560
Asia	3,491	431	406
WORLD	4,932	2,632	3,042

(a) Temporary full-time equivalent employees.

A corporate citizen

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

CORPORATE PHILANTHROPY: LOCAL COMMITMENT, GLOBAL DYNAMIC

COMBATING EXCLUSION

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

The Group formalized and clarified its corporate philanthropy policy in a document disseminated in 2017 to all the Corporate Philanthropy Correspondents (one correspondent per subsidiary). This document sets out the corporate philanthropy mission and strategic focuses, the participants involved (subsidiaries and Fonds Groupe SEB), their roles, and the various possible forms of contribution. These include financial

donations, donations of products, philanthropy based on providing expertise, and cross-partnership or product-sharing operations. To encourage employee involvement, the subsidiary may give every permanent employee one day a year of working time to work on a public interest project linked to the fight against exclusion.

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

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

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

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TOTAL CORPORATE PHILANTHROPY EXPENSES

(Worldwide)

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

Overall, the Group allocated €2.91 million to corporate philanthropy activities in 2018, up over €230,000 compared with 2017. This change is mainly due to the increase in financial donations by the SEB Développement subsidiary and exceptional donations of Groupe SEB France products to the Fonds Groups SEB. This includes donations to public-interest organizations and cross-partnerships that are more

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

Local initiatives

CHARITY WEEK

Every year, the **Charity Week**, which is coordinated by the Fonds Groupe SEB, is a high point of employees' worldwide involvement in community actions. In 2018, the theme of the event, held at end-November/early December, was "**Working together to combat exclusion**". It resulted in the participation of employees from 53 sites and 32 countries in a wide range of actions. Some teams participated for the first time, like the ones from WMF, Emsa and Thailand. Each entity was able to share its initiatives with the whole Group thanks to the Charity Week community on the internal social network Yammer.

In France, the SEB Campus organized a series of actions including 10 **team solidarity days** involving 122 employees: a painting workshop in an accommodation center, furniture refurbishment with employees of an integration workshop, day of sharing with refugees, etc. Most sites worldwide did **collections** of food, toys and clothing, and "homemade" cake sales for local voluntary associations.

Many actions targeted support for **children in need**. In Brazil, for example, employees in Recife rebuilt a struggling small neighboring school; in Mexico, the subsidiary supported the Fondation Renaissance, which helps street children; in Germany, employees did up the garden of a school teaching children in difficult circumstances.

Various initiatives were also undertaken for people with **disabilities** and social events with Group employees, often involving the preparation of meals or snacks. This happened in Turkey, the Czech Republic, Poland... In the United Kingdom, 40 volunteers restored an activity center for young people with disabilities.

During Charity Week, many Group employees also chose to **share in the day-to-day work of an association that supports the poorest and weakest in society**. In Hong Kong, for example, 24 SEB Asia employees prepared over 2,000 hot meals with the Food Angel association, while volunteers from Tournus and Lourdes also spent a day with Restos du Cœur and Secours Populaire, respectively.

Another example of team solidarity: in Colombia, at the initiative of Fondation Imusa Samurai, 60 employees helped build 7 houses for poor families in the vicinity of Bogota and Medellin, in partnership with Fondation Techo.

THE SUBSIDIARIES COMMIT

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

In **China**, for example, since 2006, **Supor** has pressed ahead with a vast construction program, **building schools** for disadvantaged children in rural areas. 22 schools have opened since the project's launch (including two in 2018 in the Hubei and Yunnan provinces) and four are under construction. In addition to funding schools and organizing training sessions for teachers, this program asks employees to volunteer through leadership, learning support and book donation initiatives, including in particular during Charity Week.

In **South Korea**, in 2012, the Groupe SEB subsidiary entered into a partnership with the American NGO Child Fund, supporting disadvantaged children. This includes a charity sale held every year in September, whose proceeds go to the organization, and a festive event for children living in hostels at Christmas time. The staff of the subsidiary are widely involved during these two busy periods.

In the **Scandinavian countries** (Sweden, Denmark, Norway and Finland), Groupe SEB continued the partnership begun more than 10 years ago by OBH with the Star of Hope organization, which is working for 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 **France**, 150 employees participated in March 2018 in the first Charity Days event run by Groupe SEB France, which came out of the Be#One company-wide project. Goal: to get to know each other better, join together in a community project. More than a third of the subsidiary's employees took part in the national collection for Restos du Cœur and many other actions: clothes sorting, furniture refurbishment, painting or gardening as part of integration projects, landscaping of green areas, events in social housing, distribution of foodstuffs, etc.

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

In **Egypt**, during Ramadan, the subsidiary supported various charitable organizations in partnership with Fondation Misr el Kheir which helps a series of causes. The teams worked on five initiatives: distribution of 25 tons of food parcels, preparation of 600 meals, assumption of the debt of two poor families and handing out of clothing to 100 people for the Aid-el-Fitr holiday, which marks the end of the month of Ramadan. These actions were publicized every month on the local Facebook pages of Moulinex and Tefal.

CAUSE-RELATED MARKETING PRODUCTS

Cause-related marketing products represent another form of philanthropy performed by Groupe SEB. In France, Tefal and Carrefour did something along these lines in 2018: for every product purchased, another product was gifted to Agence du Don en Nature, an association supported by Fonds Groupe SEB (see next page). By the same token, Groupe SEB partnered with Camif, an online sales specialist, for the "Acheter, c'est aussi donner" campaign. Every purchase of a Seb pressure cooker resulted in an item of Group cookware being gifted to Banque Solidaire de l'Équipement, run by the Emmaüs Défi association.

In Poland, the 15 Group stores, operating under the Home&Cook brand, took an original initiative: for 6 months, they suggested that buyers add €1.2 to the price of a frying pan in the Expertise range to help fund a charitable association chosen by each store.

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, the Fonds Groupe SEB provides financial support for various projects focused on inclusiveness, mainly in France. In 2018, the Fonds Groupe SEB supported 18 projects from a support budget that amounted to €400,000 in cash and €356,000 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;
- **Vincent Léonard:** Senior Executive Vice-president, Finance, Treasurer of the Fonds;
- **Harry Touret:** Senior Executive Vice-president, Human Resources;
- **Chantal Monvois:** Managing Director of Fondation AgroParis Tech;
- **Véronique de Montlivault:** former Managing Director of Fondation Emergences.

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

In France

Since 2007, the Fonds has supported 413 projects in France aimed at "better living for all", conducted by charitable organizations with which it has close links, such as Emmaüs Défi, the Agence du Don en Nature (ADN), Énergie Jeunes, the Institut Télémaque and others.

Énergie Jeunes, for example, works to encourage children to continue with their studies at priority assisted schools in disadvantaged areas through input from volunteers primarily from the corporate world. These volunteers instill in young people the desire to learn, using highly interactive teaching methods. Since 2013, around 20 employees have taken part in initiatives in the Lyon, Isère and Burgundy regions. 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 the **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 2018, 12 Group employees acted as tutors to one young person each to help them prepare for the future. The young people assisted through this project were invited in October to a participative cooking workshop run by the La Légumerie association on the SEB Campus. They also prepared remarkable recipes with local, organic and seasonal products.

In the area of household equipment and providing access to a healthy diet, the Fonds renewed its support, in 2018, 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 281,000 products, financial assistance totaling €255,000, and the provision of skills.

The new projects supported in 2018 included one on exclusion because of illness. It is run by the **Clubhouse** association that helps vulnerable people suffering from severe mental illness socialize and get back into the workforce thanks to day centers. Fonds Groupe SEB supported the development of the center opened in Lyon in 2017. Another new project designed to combat the isolation of people living in areas defined as priority by the French City Ministry: the **VoisinMalin** association works through a network of residents who inform and support, basically by knocking on doors, to reconnect and build some positive momentum. Fonds Groupe SEB supports this project in the Lyon region.

The Fonds also runs programs to encourage employees to get involved in community projects. For the sixth year running, it organized the **API Sol'** in-house call for projects. The aim of this initiative is to support projects sponsored by the Group's employees. In 2018, the Fonds supported 16 projects selected by the sites' local juries. The Fonds also started the "Défis Solidaires en Équipe" (Team Community Challenges) in France in 2017, again to get employees involved. The movement continued in 2018 in various guises: solidarity days during Charity Week on SEB Campus, Charity Days at Groupe SEB France, selection day for Institut de l'Engagement prizewinners for the Group Finance department, a day in the Emmaüs bric à brac for the Linen Care Marketing department... All Group subsidiaries are encouraged to set solidarity challenges for their teams.

On an international level

Fonds Groupe SEB has been in partnership with the **Life Project 4 Youth** association since 2014, firstly in Vietnam and then in India from 2016. It supports the development of occupational training centers (3 in Vietnam and 4 in India) to help marginalized young people create a life plan. Aged from 17 to 24, they go on an 18-month employment program. Beyond developing their basic knowledge, they experience the creation, development and management of an economic micro-initiative. They are provided with support for their personal plans, whether this involves creating their own business, joining a company or continuing their schooling. In Vietnam, one of the training centers is in Ho Chi Minh City, close to the Asia Fan site. Called **Lanterns & Lights**, it makes lanterns from recovered materials. At end-2018, the association hosted 541 young people in India and Vietnam. Since 2009, it has supported close to 2,000 young people in Asia, more than half of whom are now in employment.

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. 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 130). At the local level, a lot of the Group's sites are already working towards this goal. In France, for example, the Is-sur-Tille plant has worked for many years now with the Groupe Coopératif Demain (formerly Juratri), a company specifically specializing in recycling that has over 140 employees, around half of whom are part of an inclusive employment program. Ten companies from the protected sector (companies providing work to people with disabilities and sheltered employment centers) provide catering, cleaning, reception and gardening services to the Group's head office in Écully. The head office has also strengthened its partnership with Handishare, a company providing work to disabled workers, in subcontracted Human Resources services (responses to job applications) and general services. At Pont-Évêque, the plant subcontracts the assembly of plastic parts, labeling and product

packaging to the Ateliers de l'Isère Rhodanienne ESAT (sheltered employment center) and employs 30 people on a full-time equivalent basis. In 2018, the work subcontracted to the disability and inclusive employment sector totaled more than €3 million, equal to 301 FTE (Full-Time Equivalent) jobs, across all of the Group's French sites.

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, Imusa'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, Imusa 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 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. Imusa has supported around 2,000 *tinteros* for many years.

LOCAL ROOTS

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

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

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

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

Groupe SEB regularly takes part in discussions on social issues, such as nutrition, health and aging. These topics are also handled by its Research and Development teams (see page 160).

Sustainable innovation and respect for consumers

Joint introduction to the Cooking for Good, Better Homelife, Circular Revolution sections.

INNOVATION

Since the outset, Groupe SEB has always placed innovation at the heart of its strategy, in order to better meet and anticipate consumer expectations. Innovation also helps consumers move towards more responsible habits, an idea that increasingly strikes a chord with many consumers, especially in terms of nutrition, health and ecological footprint. The convergence between innovation and sustainable development is gradually becoming a reality.

COLLABORATION AND PARTNERSHIPS

The Group's innovation teams are currently opening up to new methods, incorporating new skills and taking on technological challenges in fields such as materials, energy consumption and ergonomics. They are making particular progress with **circular economy** solutions, designed to save the planet's resources (see pages 163 - 166).

This strong innovation policy relies on frequent and extensive discussions between the Research, Marketing, Design, Development, Quality, Consumer Support and Sustainable Development teams. It also draws on external collaborations, particularly through collaborative research programs in which public and private partners share their skills to achieve a common target (see page 21). "Open innovation" also includes start-ups, in which the Group acquires stakes through the SEB Alliance Fund (see page 22). It invests in emerging businesses that offer disruptive technologies and/or new business models. The sectors targeted match the Group's strategic areas of innovation, with applications in three main fields: well-being (protecting health and beauty, solutions for an aging population); the connected world (the home and connected objects, robotics and digital applications and services); and sustainable development (new forms of energy and new materials, reduction of carbon footprint).

SOCIAL IMPACT PROJECTS

The Group sees social issues as an opportunity for exploring new business models that deliver social utility. In this spirit, in 2017 it launched the **BiiS ("Boost innovation with a Societal impact")** program, led by the Research and Sustainable Development departments. The program gives multidisciplinary teams of six to eight volunteer employees the chance to experiment with an **intrapreneurship** assignment for three months, working on it for two to four hours a week. Their aim is to develop an idea that meets a social need and may result in a sustainable business model. Several projects dreamed up by these BiiS teams are currently being examined in-depth, including solutions enabling people to remain at home and a set of breakfast products specially adapted for people with specific needs (people with disabilities, elderly people, etc.) (see page 161). In addition to the societal focus of these research areas, the relevance of the BiiS program lies in its assimilation of agile methodologies similar to a start-up strategy, with multidisciplinary teams, following a user-centered (design thinking), pragmatic (test & learn), iterative approach with regular validations (scrum). These methods and tools are innovation accelerators and are implemented across the Group's Research teams, in addition to the tools already offered by SEB Lab.

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 proposed, 169 were chosen by staff votes, 63 were selected by a preliminary panel of Research and Marketing managers and 5 were chosen by the Innovation panel at the end of 2018. During 2019, the five winners will see their ideas turned into reality, with the help of SEB Lab, and the All Innovators Challenge will be rolled out globally.

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

RESPECT FOR CONSUMERS

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

QUALITY

Groupe SEB's **Quality Management System (QMS)** describes the steps to be taken, at every level, to ensure the quality of products and related services. The QMS covers all Groupe SEB activities, processes and sites throughout the world. Every Group operation, every site, every function and every 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.

For products, the Group controls quality **at each stage of the design and manufacturing process**, including with subcontractors. The first quality tests are carried out from the design phase, on all products (excluding purely aesthetic variants): pre-production runs are tested in testing rooms close to the design teams. For endurance tests, products are subjected to an intensive sequence of operating cycles in standard conditions of use, which may be spread over several weeks, without interruption. At the Shaoxing (China) site, for example, endurance tests on kettles were carried out in 2017 on 248 products, which each ran for 2000 to 6000 heating cycles, depending on the range. In Is-sur-Tille, 208 toasters were tested over 5,360 cycles each on average. Other tests cover shock resistance, functionalities, behavior in a wet environment, the performance of packaging, and so on. In the case of innovative products, the Group also conducts tests in the homes of volunteer consumers to take all possible methods of use into account, even the most unlikely ones.

Commencement of new product manufacturing is preceded by a Pilot Run Validation. This involves the pre-production of an additional 100 or so products, with extremely demanding quality criteria, so as to reduce the scrap rate as much as possible. In four years, the number of products not considered "good the first time round" has fallen by 36%, highlighting the progress made in the upstream development phase. During production, accelerated operating tests (short live tests lasting a few days) are carried out on randomly selected products to identify any faulty components that may have slipped through the quality control conducted by the supplier undetected.

The Group also incorporates consumer comments gathered by Call Centers within a continuous improvement loop. These are forwarded to the marketing teams, who factor them into product development. Proof of the continuous improvement in quality is that returns under warranty have continued to fall since 2009 and have dropped by a factor of more than 2 in 9 years. Finished product quality indicators are also continuing to improve, such as the percentage of potentially faulty products, which has decreased by 60% in five years (Group and subcontractors' plants, excluding WMF).

Finally, the Group takes monitoring measures and proactive steps to raise quality standards in the interests of consumers (see page 96).

PRODUCT SAFETY

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

HARMLESSNESS AND UNPOPULAR SUBSTANCES

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

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

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

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

FEEDBACK AND SERVICE

To answer consumers' questions, Groupe SEB has **multi-channel contact centers** (telephone, e-mail, brand websites, social media, etc.) in most of the larger countries. In 2014, it set up multi-country call centers to provide a better service to the greatest number of consumers. In 2017, it expanded the call center in Sofia, which now covers Australia and New Zealand, as well as nine countries in Eastern and Central Europe. This center has a team that is able to respond in every language within the region 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 India, the **after-sales service** structure was completely overhauled in 2015/2016 to bring it up to Group standards. There is now a professional, effective network there of nearly 250 repair technicians, who are selected then

trained. The Group has also developed a smart phone application for the country, allowing customers to book a repair time slot, as repairs at home are very common practice in India. In France, Groupe SEB once again won "Customer Service of the Year" in 2018 for its quick responses and the quality of its customer relations on all communication channels.

Keen to help the consumer in all circumstances, the Group continues to expand the services it offers. Since 2015, it has developed new product use and maintenance **videos** (on average, 3-4 a month), which are posted on YouTube and can be accessed via brand websites. Consumers can also access a large **mutual assistance community** via the brands' websites. In France, this community now numbers over 700,000 users of the Group's products, willing to exchange advice and tips.

3.6. Cooking for good

The “Cooking for Good” pillar of the Group’s Sustainable Development strategy is driven by its ambition to make homemade, healthy, tasty food accessible to everyone, via products and services that make everyday cooking easier and promote sociable dining. All over the world, we help people answer the question “what’s for

dinner?”, knowing that they can offer a balanced, tasty, healthy meal, with easy, stress-free preparation. Our solutions are also designed to promote a more responsible diet, encouraging practices with a lower environmental impact.

MAKING HOMEMADE FOOD EASIER FOR 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 achieving a balanced diet. 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 general well-being⁽³⁾. At the same time, however, 50% of them say they don’t have the time to prepare meals. By their very nature, the Group’s products and services make homemade cooking easier, with solutions that simplify life, save time and produce recipes that help people eat well and enjoy their food.

Over the years, thanks to its innovations, the Group has proved 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 20 minutes. 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 or grating. Now connected, all these products are continually receiving digital enhancements, to offer consumers an infinite quantity of recipes and a variety of delicious meals.

SEB, TEFAL AND MOULINEX SIGN UP TO THE MALIN PROGRAM

It was with this in mind that in September 2017 it got involved in the French Malinqui program designed to help very young children from poor families get access to a balanced diet and good quality food, as well as influence family eating habits. This program is run by a pediatric society partner organization (AFPA, SFP), the French Red

Cross, Blédina and Danone Communities (Danone), Lesieur, Accenture and Groupe SEB through its Tefal, Seb and Moulinex brands.

The Malin program is part of the French government’s Strategy to Combat Poverty, officially launched in September 2018. Many studies show that healthy eating from a young age helps to significantly reduce diet-related diseases such as diabetes and obesity. As part of this program, the Group is offering a whole series of cookware and electrical appliances at affordable prices for families who would not be able to purchase them at the usual price (30-60% discount). It also helps by providing advice on healthy eating, good deals and tips.

The objective is to offer a useful range of family products while reinforcing family home cooking habits and developing a sustainable business model. At end-2018, the Malin program had already helped over 12,000 families since its launch and ultimately hopes to roll out the Program to the 480,000 eligible families throughout France with the goal of reaching at least 160,000.

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

HEALTHY, TASTY MEALS

To promote healthy eating, in 2018 the Group began working on a “Healthy Recipe Charter”, based on recommendations from France’s National Health and Nutrition Program (PNNS – France). This Charter, which is due to be finalized in 2019, will be used as a benchmark for increasing the number of healthy meals in the hundreds of recipes offered to consumers via the product apps.

Groupe SEB is also involved in raising awareness about nutrition among the general public. It is in this spirit that, in 2018, it became a partner of the “Diet, nutrition and eating behavior” Chair at the AgroParisTech University (France). This Chair develops innovative, fun food education activities using new educational tools, often based on digital technologies.

SOLUTIONS COMBINING PRODUCTS AND SERVICES

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

Tefal

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

In electrical products, the Actify fryer (sold under the Seb brand in France and Belgium), in which healthy, tasty meals can be made using only a spoonful of oil, has been developed to make the consumer experience even easier with the **My Actify application**. As well as providing “step by step” help to make dishes successfully, it also offers several hundred recipes so that people can vary their menus and enjoy a healthy, balanced diet. It encourages consumers to eat fresh produce, particularly fruit and vegetables. In 2019, My Actify will go even further with a new customized nutritional coaching service. In many countries, Actify is at the heart of operations to raise awareness of healthier ways of living and a better diet.

Optigrill, another flagship Tefal product designed for cooking meat and fish, protects consumers’ health through its exclusive grilling technology, which significantly limits the formation of toxic compounds (polyaromatic hydrocarbons, including benzopyrene, which is carcinogenic). The effectiveness of this technology, based on the cooking temperature, has been proven through polyaromatic hydrocarbon assays by an independent laboratory.

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 early 2019, a new app, **Cookeo Healthy**, was launched for the Cookeo multicooker, 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. The aim is to help consumers know whether their diet is meeting their needs. This service is now available for 400 existing Cookeo recipes. The range of recipes will soon be expanded, placing greater emphasis on vegetables.

Moulinex also trialed a program to get children interested in taste, named **Kiddy Cookeo**, in 2016. The brand intends to roll it out on a wider scale very soon. Kiddy Cookeo gets children, along with their parents, to prepare recipes using the Cookeo multicooker. It also offers introductory workshops on textures and flavors and includes educational content for parents.

Supor

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

RESEARCH PROJECTS ON NUTRITION

The themes of nutrition and food are at the center of Groupe SEB's business and therefore also of its research policy. To demonstrate the importance it places on the issue of diet and eating well, in 2017 the Group created a Food Sciences unit within its Research department, bringing together agro-food engineers and a nutritionist, who joined the team in 2018.

On the issue of diet, the Group belongs to a "hard core" of members of the European consortium InnoLife (more than 130 companies, research organizations and top-flight universities) selected in 2014 by the European Union (EU) to conduct the EIT Health program on the subject of "Healthy living and active aging". Within this framework, the Group manages the Cook2Health project, launched in 2016 with doctors, nutritionists and digital operators. This project consists in measuring the impact on people's health of regular use of connected

kitchen appliances through an extensive program of clinical trials (monitoring of 30 health parameters). The most recent wave of trials, which ended in October 2018, covered 160 people whose daily cooking habits, at home, were monitored over one year (France and United Kingdom). The aim is to demonstrate the value of personalized assistance in changing behavior towards a healthier diet, with the goal of prevention. The results of the study will be revealed in 2019.

In France, Groupe SEB is involved in the Proveggas (Gastronomic Vegetable Proteins) research project focused on leguminous plants. These foods are attracting growing interest with a view to stabilizing, or even decreasing, the consumption of animal proteins. The aim of the program is to make pulses more appealing to consumers, through simpler preparation (faster cooking), easier digestion and improved sensory properties. Supported by French public funds, the project was launched in 2017 for a three-year period.

SUSTAINABLE COOKING

In addition to the impact on health and well-being, the preparation and choice of food has an impact on our ecological footprint. Growing awareness of this has led to new dietary trends, to which Groupe SEB has contributed. For example, **Multicook & grains** (Moulinex/Tefal) offers specific cooking programs for pulses. This food group is becoming popular again with the rise of flexitarianism⁽⁴⁾, based on the fact that the production of plant proteins has a lower environmental impact than the production of animal proteins. The Group also supports people who want to grow their own herbs or vegetables: with the **Click & Grow** (EMSA) indoor vegetable gardens, they can pick vegetables and herbs all year round, whenever they need them. The correct combination of water, oxygen and nutrients guarantees optimum growth. Other advantages include no transport, less waste, and 100% natural food. This home farming concept is one of the areas of innovation being explored by the Group.

Another trend that demonstrates awareness of responsible consumption is the **prevention of food waste**, an issue of growing concern in many countries. Groupe SEB contributes to this through its core business, promoting "homemade" meals, which by their nature

tend to limit waste, as the food is prepared when needed. The Group also offers advice on how to make maximum use of food, through the recipes it offers with its products. The recipe book included with the Moulinex juicers (Juice & Clean, Juiceo, Power Juice) for example gives lots of ideas on how to cook the pulp instead of throwing it away. Several subsidiaries also carry out awareness-raising actions on the topic of food waste. For several years now, Groupe SEB Brazil, for example, has held cooking classes showing how to use fruit and vegetables in their entirety, including peelings. The Group's product range also includes food storage boxes.

The Group also promotes more responsible everyday habits: for example, its range of thermo cups and mugs (EMSA, Supor brands) offer an alternative to plastic cups and other containers that pollute the planet.

The impact of the Group's products on the environment has long been one of the Group's priorities. A specific chapter of this document is dedicated to its policy in this area (see pages 166-167).

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

3.7. Better homelife

This pillar of the Group's Sustainable Development strategy concentrates on offering solutions to enable everyone to enjoy a better homelife, whatever their age or physical condition.

INCLUSIVE-DESIGN

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. As part of its commitment to make its products accessible to as many people as possible, in 2018 the Group launched a Good Design Guide, which will be completed in 2019. The guide sets out the rules to be followed when designing products or services, such as legibility (print size and color/contrast) based on recognized rules or standards. This guide also includes good practices aimed at improving the ergonomics of products for which no standards exist. With the aim of going even further in this area, the Design department has been working with the internal BiiS team, which uses its innovative methodology to produce innovation projects with a social impact (see page 155). One of the 2018 projects focused on inclusive design, looking at how to improve the ergonomics of breakfast products to make them accessible to people with temporary or permanent disabilities. The team worked in partnership with the Humanity & Inclusion association. The groups of people chosen by the association tested the use of existing products to identify the "friction points" that could make them complex to use. The project resulted in prototypes that will be used for future product development and

recommendations to be included in the Good Design Guide. Following on from this project, at the end of 2018 the Group and APF France Handicap were selected by the Caisse Nationale de Solidarité pour l'Autonomie (National Disability Autonomy Fund) as part of a call for proposals on "Disability and loss of autonomy: innovation through design."

In addition to this design work, in 2018 the Group also organized inclusive communication training for the Brand department teams. These training sessions raised awareness about all kinds of stereotypes related to age, gender, origins or culture.

Although the Group placed a stronger emphasis on product accessibility in 2018, this issue was already a part of its product design. Of the most recent examples, the Air Force Flex vacuum cleaner, launched in spring 2019, easily vacuums under furniture without the user having to bend down, something that is much appreciated by people with back pains. It is also very easy to maneuver, wireless and all the controls are on the upper part of the machine.

3

A HEALTHY HOME

BETTER INDOOR AIR QUALITY

A better homelife 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 has responded to this need for air purification with the Intense Pure Air range, an ultra-effective filtration system containing four filters. The Allergy+ filter, for fine particles, captures allergens, while another filter equipped with exclusive NanoCaptur™ technology, definitively destroys formaldehyde. Thanks to its intelligent purification system, the appliance automatically starts working once it detects pollution. It can also be connected to an app that lets you view the indoor air quality and manage the appliance remotely, providing more information on air pollutants.

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. In 2019, they are also due to be published in the Journal of Allergy and Clinical Immunology, a leading publication from the American Academy of Allergy, Asthma & Immunology.

CLEAN FLOORS WITHOUT DETERGENTS

With regard to home cleaning, a growing number of consumers are looking for ways to limit their use of detergents, which cause chemical pollution. Here again, Groupe SEB has come up with an innovative solution for keeping floors clean without using these products. The

Clean & Steam vacuum cleaner, launched in 2017, vacuums and steam cleans the floor in one go. Besides saving time, cleaning in this way eliminates up to 99% of bacteria, which are destroyed by the heat. This is especially good for people suffering from allergies and parents of young children.

TAKING CARE OF YOURSELF AT ANY AGE

As part of its focus on personal care, in addition to its existing product range, the Group wants to develop products and solutions that help people stay fit and in good health, for better homelife 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 smart phone application, where it generates dashboard charts that allow the user to track the various parameters over time.

In 2018, the Group worked on fall prevention as part of its BiiS program (see page 155), in partnership with the Research and Marketing teams. This project led to a prototype solution related to balance, which will soon enter the development phase.

Through the Group's open innovation approach, it has also invested in the SeniorAdom start-up through its SEB Alliance fund (see page 22). SeniorAdom offers a new-generation, non-intrusive remote assistance solution that detects falls and illness without the user having to wear any particular device. In this way, it helps elderly people or people with reduced mobility stay in their own homes.

3.8. Circular revolution

The Group is increasingly making more of its products and services part of the circular economy. The aim is to save the planet's resources by operating on several levers: extending product life and re-use, promoting recycling and the use of recycled materials, and prioritizing product use rather than product ownership.

To reinforce this approach, in 2016 the Group signed a three-year partnership between the **WWF** (World Wide Fund for Nature) and its Rowenta brand, extending the joint actions that began in 2014. Two of the three working areas relate specifically to the circular economy: reparability and use of recycled materials in products and packaging. The third covers energy efficiency. The WWF's support covers both

technical issues and measures to raise the awareness of consumers and other stakeholders.

The Group also contributes to the development of the circular economy through several initiatives involving various stakeholders. Since 2018, for example, it has been director of 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 Éco-Systèmes. The Chair focuses on implementing a circular economy model that is profitable for everyone – citizens, manufacturers, recycling organizations and local authorities.

3

REPAIRING PRODUCTS

OVER 90% REPAIRABLE PRODUCTS*

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 (economic advantage) and keeps users of the Group's products loyal by extending service lives as much as possible.

Reparability is an approach that ensures:

- That a product can be readily disassembled and reassembled;
- That the spare parts are reasonably priced, and readily available for an extended period of time;
- That a significant network of repairers are trained while ensuring optimal regional coverage;
- The overall idea is to streamline the 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**. Since 2016, this logo has been displayed on more than 90% of the new electrical appliances sold in Europe, Asia, the Middle East and Africa for the four brands Tefal, Rowenta, Moulinex and Krups, and for Seb and Calor in France and Belgium. In 2018, in Europe, the logo appeared on 98.7% of the electrical appliances released on the market, excluding Personal Care. In early 2019, the commitment was extended to all new ranges of WMF small electrical appliances. Extension to the OBH Nordica and Arno brands is currently under examination.

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 stringent method for calculating of 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 2018, 93.1% of the total volume of electrical appliances sold worldwide were repairable (75.3% fully and 17.8% mostly). In parallel, the **repaired products rate is increasing** in approved centers: in Europe for example, for products under warranty, it increased from 70.3% in 2012 to 82.10% in 2017, and for products not under warranty, it increased by 39% over the same period.

A NEW SERVICE TO ENCOURAGE REPAIRS

In 2018, Groupe SEB introduced a new initiative to encourage more consumers to repair their products after the warranty period, when they are responsible for the cost of repair. To remove the main obstacles, the fear of a high repair cost or the risk of paying for a quote "for nothing", the Group has introduced a **fixed repair offer** with a single, fixed rate for each product category. The consumer has the assurance that they can get their product repaired for less than a third of the price of an equivalent new product from the brand, whatever the malfunction, age of the appliance (the reparability guarantee lasts for up to 10 years) and the spare parts needed. They also benefit from a guarantee covering the whole appliance for six months after the repair has been done. This offer was launched in September 2018, initially in France for the Rowenta brand. Consumers can purchase the repair package directly on the Rowenta.fr website then follow the instructions to send the product or take it to an approved repair center. The service will be extended to other brands in France during 2019 and will gradually be rolled out in other European countries, starting with Spain, Portugal and Italy.

* *mostly repairable, on small electric appliances.*

REPAIR CENTER AND SPARE PARTS NETWORK

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

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

Nearly six million spare parts are stored at the Group's central warehouse in Faucogney (15,000 m²) in the east of France. In addition, in a growing number of countries, consumers can directly order accessories, consumables and spare parts on the brand websites. In 2018, direct orders were possible on 57 brand websites across the world. Since 2016, the Group has used a second spare parts and accessories warehouse in Hong Kong to deliver parts to repair centers or consumers in Asia more quickly.

The Group is also exploring new methods such as the **3D printing of spare parts**. Manufacturing parts on demand will simplify stock control and extend availability almost indefinitely. A project relating to this issue was launched in 2015 and qualification testing is underway with initial repairs for volunteer "pilot" consumers. These consumers

regularly provide the Group with information about how the parts hold up over time. At the end of 2018, 50 3D-printed parts were being tested by consumers in Western Europe. This program will continue in 2019.

RAISING AWARENESS AMONG CONSUMERS AND OTHER STAKEHOLDERS

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

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

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

POOLING PRODUCT USE

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, 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 reserves 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.

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.

GIVING PRODUCTS MORE THAN ONE LIFE

RECONDITIONING

The **All-Clad** brand extends the lifetime of products with an unprecedented product line. Since 2015, it has offered its catering customers secondhand 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. 2,098 pans were reconditioned in 2018.

RE-USE

Although Groupe SEB is working hard to encourage the repairing of products under warranty, some customers or consumers prefer to opt to exchange their products for new ones. Products that are returned to the Group's site in Alençon through distributors' after-sales services have mostly not been used much and have a single fault. Instead of sending them for disassembly and recycling, Groupe SEB France has decided to give them a second life by allowing the association ENVIE Anjou to recycle them under a partnership concluded in 2017. ENVIE

Anjou, an inclusive employment operator, collects faulty products at the Alençon site, and disassembles and repairs them at its workshop near Angers before reselling them at a modest price in its store with a one-year warranty. Through this partnership, the association has already created three permanent jobs and taken on three people on short-term contracts under its inclusive employment scheme.

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.

COMBATING TECHNOLOGICAL OBSOLESCENCE

Again with a view to extending the lifetime of products, this time in terms of combating technological obsolescence, the Group offers owners of a Cuisine Companion food processor (Moulinex) the opportunity to enhance their appliance with the new i-Companion functionalities, the connected version of this product. This is for a cost limited to the difference between the prices of the two products, with no additional transport costs.

3

REINFORCING THE RECYCLING LOOP

DESIGNING RECYCLABLE PRODUCTS

Improving product recyclability is included in the Group's eco-design guide and all products are assessed for their potential recyclability using a standardized method. When designing a product, the Group gives preference to materials that can be recycled (metallic components, certain plastics like polypropylene), seeking to reduce the number of different materials to facilitate sorting. It also makes sure that products can be disassembled quickly and easily. For example, the Tefal Turbo Pro Anticalc steam iron, launched at the end of 2016, has a heat shield (the part above the sole-plate) made from recyclable plastic PBT, rather than non-recyclable BMC, which was the case for previous ranges. Thanks to this change, this iron's recyclability percentage is 82%, compared with 76% for an equivalent iron with a BMC shield. The same change was made to the Calor Express Compact steam ironing station. In 2018, the recyclability of Linen Care products continued to improve, for example in Erbach (Germany), with 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 2018 reached around 85%.

USING RECYCLED MATERIALS

Groupe SEB uses more and more recycled materials in its products. It focuses its efforts on plastics, particularly for electrical products. Cookware (non-electrical) already contains a high level of recycled materials, mostly metals (aluminum and steel). The Resource frying pan range (Tefal), launched in 2018, is made from 100% recycled aluminum. The recycled plastics strategy began in 2009 with the Enjoy utensils, made from 95% recycled PET. For several years, the Group has intensified its efforts in this area, led by the Purchasing, Quality, Standards and Environment and Research departments, in liaison with the Industry and Marketing departments. This has involved collaboration with recyclers to improve the quality of plastics, checking their compliance with regulations, performing injection and prototype testing, launching pre-production runs, and so on.

In 2015, it set up the first circular economy loop in France for small electrical appliances, with Veolia and Éco-Systèmes. This cooperation led to the marketing of a steam generator (Silence Steam) with a casing made of **polypropylene** recycled from electrical and electronic devices. Compared to plastics from oil, the use of recycled plastics has reduced the impact on global warming by nearly 70%. In 2018,

Rowenta extended use of this material to the Silence Force Compact vacuum cleaner bases, through specific investment in production lines at the Vernon site. Preparations are also being made to integrate this same recycled material in the steam irons produced in Erbach (Germany). Since 2016, other products integrating recycled plastics have been produced, including a raclette grill and a coffee machine, and a dozen new projects are underway.

Aside from its partnership with Veolia, the Group has developed its dealings with other recyclers with the aim of increasing its expertise to meet its needs. It carries out **training and awareness-raising** operations in-house for the relevant teams (design teams, laboratories, quality, marketing, etc.).

At the end of 2018, for products manufactured in-house, it had already exceeded its target set in 2013 of incorporating 20% recycled materials in new products by 2020, with a rate of 38%. It has therefore made a new **voluntary commitment** to maintain this momentum: doubling the annual use of recycled plastics in France by 2025 compared to 2017 (subject to any changes in applicable regulations that might impact this strategy).

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

In recognition of all its efforts in recycled plastics, 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, 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 Éco-Systèmes, the country's largest eco-organization for Waste Electrical and Electronic Equipment (WEEE).

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 introduced even more initiatives to promote the **recycling of end-of-life cookware**, in Europe especially (France, Netherlands, Norway, Turkey, etc.) with the Tefal brand. 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. In 2018, the offer was extended for the first time to recycled aluminum items (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 2018, in France, this campaign was organized on two occasions in 550 Leclerc stores (a campaign partner since the beginning). The 225 tons of collected and processed cookware produced around 80 tons of recycled aluminum, all of which was used to make new Tefal products. Several Galeries Lafayette and BHV stores also participated in the campaign. Since 2012, all these campaigns have resulted in the collection and recycling of over one million cookware items. In the Netherlands, 430 stores (Blokker and Marskamer) have taken part in the campaign, collecting around 40 tons. Norway has also contributed, via a hundred or so stores. In Asia, Thailand has been running similar campaigns since 2013. In this country, the products collected are given to a local association which makes prostheses (artificial legs), mostly from aluminum.

3.9. Climate action

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 means of 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 258.

The data given below are for a worldwide scope for ISO 14001-certified entities⁽⁵⁾. They include the Vietnam Binh Duong and Seb Do Brasil Jaboaão plants, certified in 2017.

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

Data concerning new acquisitions will be included progressively, as and when they are integrated into the various Group processes, and therefore exclude EMSA and WMF.

3

ANALYSIS OF THE GROUP'S GREENHOUSE GAS EMISSIONS

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

ISO 14001

Scope 2: 149,106 tCO₂eq

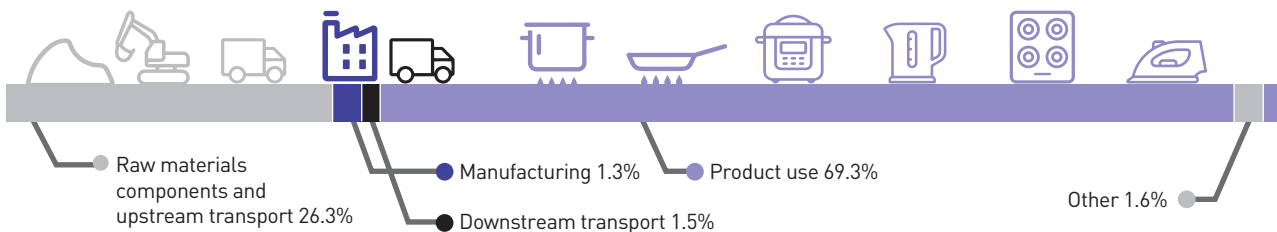
Scope 1 and 2 emissions (207,155 tCO₂eq) consist of the Group's emissions from its industrial and logistics sites (see eco-manufacturing section on page 167).

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



(5) 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 – the French Environment and Energy Management Agency). 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 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;
- the transporting of products and components;
- product manufacture.

SHORT AND LONG-TERM TARGETS

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

2020 TARGETS

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

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

Progress at the end of 2018: **-5%** compared to reference products. The Group is involved in the international Science-Based Target initiative to reduce the environmental footprint of its electrical products during use. Eco-design projects and developments in technology will enable significant reductions in product energy use. This has already been done with steam generators and hair dryers and will continue in 2018 with kettles, for example;

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

Progress at the end of 2018: **20.5%** reduction at constant scope ⁽⁶⁾;

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

Progress at the end of 2018: **38%** for products manufactured by the Group;

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

Progress at the end of 2018: **26%** reduction.

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

LOW-CARBON SCIENCE-BASED TARGETS

In 2016, as part of its commitment to strengthen its contribution to combating climate change, 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, therefore, the Group set out its own short and long-term SBT targets, validated by the SBT Initiative (SBTI). These follow on from the 2020 Targets and include:

- By 2023:
 - 40% fewer greenhouse gas emissions per manufactured product in tons of CO2 equivalent, scopes 1 and 2, reference year 2016);
 - 15% fewer greenhouse gas emissions from the energy consumption of our products (scope 3, reference year 2016) ⁽⁷⁾.
 - by 2023: reduce by 15% scope 3 greenhouse gas emissions per product;

To reinforce its environmental approach, the Group is also working with the **WWF**, which is supporting it through a partnership with the Rowenta brand (see page 163 – Circular Economy chapter) and on several specific projects such as the formalization of the eco-packaging policy in 2018 (see page 170).

ECO-DESIGN

ECO-DESIGN GUIDE

Groupe SEB's eco-design policy aims to reduce the environmental footprint of the Group's products throughout their life cycle. To move forward with this policy, it is supported by an **eco-design guide** that clearly incorporates every stage of the life cycle of products and their packaging (extraction of raw materials, manufacturing, transport, use and end of life). It is structured around the Group's eco-design priorities: energy efficiency, recyclability, repairability, use of recycled materials and bio-sourced polymers, reduction of carbon footprint during transport, replacement of unpopular substances, etc. For each eco-design priority, the guide states the Group's ambitions and defines performance levels based on measurable criteria. Eco-design is embedded within the product design process and allows project teams to select the appropriate performance level for each new product based on the specifications.

This guide is a key tool in meeting the Group's environmental targets. It has been distributed to the entire innovation community, i.e. the Marketing, R&D, Design, Purchasing, Quality and Legal teams. Its introduction was underpinned by a major training initiative in 2014/2015, and additional training is regularly organized for the development teams. In 2017, for example, around 50 people at the Brazilian subsidiary benefited from a refresher training course on the guide, at the subsidiary's request. In 2018, training of this kind was organized for the Personal Care Marketing, Quality and Development teams and the Linen Care Marketing teams, complemented by three webinars for the whole of the Quality and Development community.

LIFE CYCLE STUDIES AND ENVIRONMENTAL PROFILES

The Group regularly updates its **product life cycle studies**. These significant studies ⁽⁸⁾, which measure the various impacts of products on the environment, enable us to focus our research on reducing their ecological footprint. In 2018, 83% of the 48 product families defined as the most significant by the Environment department were covered by a life cycle study. The studies of kettles and toasters were fully reviewed. A special effort was made to make the methodology more robust and to include new data from recyclers, particularly in partnership with Éco-Systèmes, the main French eco-organization for Waste from Electrical and Electronic Equipment (WEEE).

In 2016, the Group undertook to establish the environmental profile of each product family through summary fact sheets for internal use that answer three key 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? These fact sheets, designed with the participation of the Development, Marketing and Quality teams, are both awareness-raising materials and a tool to assist with targeting eco-design efforts. Two new fact sheets, covering kettles and toasters, were disseminated in 2018 with the support of an e-learning module (in French and English) and are available on the Intranet. This raises the number of environmental profiles produced to date to 10.

(7) Carbon offsetting solutions, for example reforestation.

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

ENERGY EFFICIENCY

Over the whole product life cycle, three-quarters of the energy impact comes from their energy consumption during the use phase, which far outstrips the figure for the manufacturing phase. Aware of the importance of the energy issue, in 2015 the Group decided to ramp up its coordination of these types of initiatives. The **Smart Energy Products** project was created by a team combining the Quality, Standards and Environment department, the Sustainable Development department and the Research department, working closely with the strategic business areas. The first stage consisted in identifying the product families with the greatest impact in terms of energy consumption, given their individual consumption and the volumes sold, in order to concentrate the project's efforts on them. The Group defined a standard method for calculating consumption and energy efficiency for each of these families, and one or two standard products that will be used as a benchmark for measuring progress.

In 2018, the Group concentrated more specifically on kettles, one of the product families with the highest energy impact. Several areas of action have been identified so that new generations of this product family can gradually be introduced. Hair dryers were also studied in a specific session at SEB Lab, focusing on energy efficiency. At the same time, the Group is continuing its research work, particularly on new motor technologies.

In previous years, the Group had focused on vacuum cleaners, making significant progress: in three years (2014-2017), the Marketing and R&D teams redesigned all the cylinder vacuum cleaner ranges, reducing energy consumption by 70% with no trade-off in terms of cleaning power or noise level. The Group has thus gained a head start on the European regulations, which reduced the maximum power of vacuum cleaners to 900 watts in 2017. As of 2015, all new Rowenta models have had ratings below 900 watts. To achieve this level of performance, the Group developed low input/high output motors, designed more effective suction nozzles and improved all air flows to reduce charge losses. Other product families such as hair dryers and fans have also improved their energy profile. For example, the Air Protect Eco (Samurai) fan uses 50% less energy than the benchmark model, achieving the same performance.

In terms of energy consumption on standby, all the Group's products are below the thresholds set by the European regulations, applicable since 07/01/2013 (0.5 W on standby without display and 1 W with display). This indicator is therefore no longer an issue for the Group and is no longer included in reporting.

ECO-PACKAGING

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

With regard to materials, the target is to use at least 90% recycled fiber in all packaging by 2023 and to stop all use of expanded polystyrene by the same date, using alternative materials for padding. Suppliers are also strongly encouraged to use FSC certified cardboard sources. 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. 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.

Formalization of the eco-packaging policy backs up an approach that has already started on the Group's industrial sites. Rowenta vacuum cleaners made on the Vernon site are not padded with polystyrene but with cardboard and "honeycomb" packaging. Likewise, a study is being carried out on the packaging of Tefal frying pans made in Rumilly, to remove plastic bags for shipments to distributors or consumers.

RECYCLABILITY AND USE OF RECYCLED MATERIALS

See page 165.

REPAIRABILITY

See page 163.

UNPOPULAR SUBSTANCES

See page 156.

ECO-MANUFACTURING

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. The approach has resulted in the gradual certification of the sites in accordance with **ISO 14001**, whose guidelines the Group undertakes to adhere to, namely compliance with current regulations and laws, and the principle of continuous improvement of good environmental performance and pollution prevention. In 2017, the new version of this standard was adopted, which stresses the concept of leadership, within an increased role for management, up to Site Director level. It also reflects a more global approach to the impact of the site's operation on a product's life cycle. This change has meant that the teams tasked with environmental management in the field have had to acquire new expertise. This has been achieved through training, support for the sites and through greater contributions from the international network of Health, Safety and Environment coordinators. This network, which facilitates the sharing of good practices, met for the second time with all the international coordinators, in Germany in October 2018 (see page 119).

ECO-INNOVATIVE PROJECTS: SHARING GOOD PRACTICES

In order to share good practices, each industrial and logistics site worldwide is invited each year to present at least one **"eco-innovative" project** designed to reduce environmental impact. Five areas of action are identified: reducing energy consumption and using renewable energy; energy and environment management; reducing waste and recycling; reducing water use; biodiversity protection.

At the end of 2018, there were 42 projects from 27 sites and entities, over half of which related to energy. Four projects were judged to be particularly remarkable for their innovative and reproducible nature, the significant environmental benefit that they offer and their quick return on investment. Two are energy-related. In Selongey, optimization of the dust suction system from the sanding of pressure cooker pots has significantly reduced **energy use**, both from the electrical energy used by the three suction units and the savings on heating related to the reduction in external air flow during winter. The operation has therefore significantly reduced both CO₂ emissions and energy bills. In the same way, in 2018 the WMF/Silit de Riedlingen site (Germany) installed a new **energy-saving** ventilation system that captures the warm air going out, reducing the need for heating. The combination of the two has enabled the site to significantly reduce its energy use.

In Vietnam, the Binh Duong (Asia Fan) site has focused on reducing **waste**. It has removed all the plastic covers used to package the fan components stored in the warehouse. At the same time, it has fitted storage installations that are more ergonomic, more efficient and of higher quality, whilst lowering costs. In China, the Hangzhou site has produced a **practical guide** on Environment/Health/Safety matters to be used at daily meetings with production line operators (OPS approach, see page 27).

REDUCING THE SITES' CARBON FOOTPRINT

When it comes to energy, the Group's strategy for reducing its carbon footprint involves two areas: reducing energy consumption and using renewable energy. Energy is one of the components of the Plant of the Future project launched by the Group in 2016. A cross-functional working group, led by the Sustainable Development department, manages the action plans and explores the implementation of neutral or positive energy solutions, with a two-fold economic and ecological objective. In 2017, an Environment (energy and waste) component was incorporated in the industrial sites' dashboard charts, alongside Safety, Quality, Cost, Time and Commitment indicators.

Using less energy

In early 2019, the Group formalized an energy management standard, based on the essential requirements of ISO 50001. It will be gradually applied to all the sites, harmonizing practices in terms of organization, energy monitoring and training. 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.

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. In China, for example, the Supor site in Shaoxing has around 170 plastic injection machines. These usually use a highly energy-intensive heating collar. The local teams have opted for an alternative technique: a new heating strip that consumes 30% less energy. Its surface temperature is also a lot lower, making working conditions more comfortable for operators. At the end of 2018, all the presses were equipped with this strip and other Group sites are experimenting with the adoption of the solution.

Another remarkable initiative is in Omegna (Italy), where the site has taken advantage of two existing 80m wells (used for its industrial processes) to introduce a reversible cooling/heating system for its offices. The system is based on the fact that, at that depth, water remains at a stable temperature (around 10°C), whatever the season. Passing through a circuit which does the rounds of the site premises, the water cools the buildings in summer and can heat them in winter. Meanwhile, the new site in Itatiaia (Brazil) has incorporated environmental considerations from its construction (natural ventilation and lighting and mist cooling system, etc.).

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

Developing renewable energy

The Is-sur-Tille site (France) was the first in the Group to install a solar power-based 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.

Several green energy generation experiments are in progress in the Group: solar panels will be installed in 2019 at the SEB Campus in Écully, and other projects are under review, including in France, Egypt, Colombia and Brazil.

Since 2010, the Group has reduced the energy consumption of its industrial and logistics sites by 20.5%, at constant scope. It is therefore on its way to achieving the target of a 20% reduction that it has set itself for 2020.

ISO 14001 CERTIFICATION

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

(Worldwide)

	2018	2017	2016
Number of certifiable entities	34	35	36
Entities holding ISO 14001 certification ^(a)	100%	97%	94%

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

The Groupe SEB Brésil sites in Mooca and São Bernardo Do Campo have been transferred to the new Itatiaia site. The transfer was completed in the second half of 2017. Action plans are in place to bring entities that are not yet certified up to Groupe SEB standards.

CONSUMPTION OF RESOURCES

(ISO 14001-certified entities)

DIRECT RAW MATERIALS

(in tons)	2018	2017	2016
Total consumption of metals	165,758	161,731	145,461
Total consumption of plastics *	94,247	89,315	83,183
Total consumption of packaging	114,370	105,775	96,930

* This indicator consolidates polymers including plastics and rubber.

Several sites have introduced innovations to reduce the amount of materials used by changing their processes. In Rionegro (Colombia), for example, 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%.

INDIRECT RAW MATERIALS

	2018	2017	2016
Total consumption of natural gas (in GWh)	213,5	230.5 *	224.9
Total consumption of liquefied gas (in tons)	4,857	3948.7 *	2,966.4
Total consumption of electricity (in GWh)	372	366.6	355.6
Total consumption of water (in thousands of m ³)	3,402	3533.7 *	3,338.8
Total consumption of heating oil excluding fuel (in m ³)	17.8	14.9	18.8

* data updated due to reporting error.

Total natural gas consumption fell 7% this year. This was partly due to the efforts to optimize processes using natural gas at our plants, particularly in China. 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 commencement of the cookware business at the Itatiaia plant in Brazil contributed to the increase in liquefied gas consumption. The increase in electricity consumption resulting from an overall increase in production was limited thanks to a series of energy efficiency measures at our production facilities, particularly in China.

Total water consumption fell 4% despite an overall increase in production. This was achieved thanks to water saving measures at the heaviest using plants. The Wuhan plant in China has for example optimized its processes to reduce water consumption. The Rumilly plant in France carried out a series of water saving measures in 2018.

WATER SUPPLY ACCORDING TO LOCAL CONSTRAINTS

In 2018, Groupe SEB consumed more than 3.4 million m³ of water worldwide, mainly in cookware manufacturing processes. In addition to the volumes consumed, it is of paramount importance, however, to consider the location of consumption, in order to look at consumption in relation to regions under water stress where water is a sensitive resource. In 2015, the Group, wishing to assess the risks relating to water and its availability, carried out an analysis of its industrial plants according to the geographic location of the sites in question, using the World Resources Institute's (WRI) reference tool, the "Aqueduct Water Risk Atlas". This assessment was updated in 2016.

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

The Group is therefore attentive to the preservation of water resources. Good practices aimed at reducing water consumption and recycling effluents have been introduced on the industrial sites. These are shared through eco-innovative projects (see page 171). The All-Clad site (Canonsburg) has therefore implemented a program to eradicate excessive water consumption, while the sites in Hangzhou (China)

and Rionegro (Colombia) recycle waste water which, after treatment, is re-used in production or to supply the washrooms. The Rionegro site has also put in place a system for capturing and storing rainwater, covering over half of the site's water needs. In Itatiaia (Brazil), some of the wastewater treated by the water treatment plant is used to clean tools.

Land use

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

WASTE

Progress is being made in the reduction of industrial waste, capitalizing on practical initiatives. On many of the Group's industrial sites, the largest volume of non-hazardous waste comes from the packaging of delivered components. To reduce this, some packaging is now being sent back to suppliers to re-use for future deliveries: in Erbach (Germany) for the cardboard that protects the iron sole-plates (6.4 tons of waste saved per year), in Selongey (France) for the containers of pressure cooker modules and handles, and also in Is-sur-Tille, Vernon, Shanghai, and elsewhere. Pallets are also re-used: in Lourdes and Vernon (France), 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.

Waste reduction also concerns everyday actions. In 2017, to encourage staff to keep hydrated without disposing of large quantities of plastic cups, the Group's new site in Itatiaia (Brazil) gave everyone a reusable water bottle. Simple and effective: 2.9 tons of plastic waste prevented every year.

(ISO 14001-certified entities)

	2018	2017	2016
Non-hazardous waste (NHW)* (in tons)	26,602	25,002 *	21,203
Percentage of NHW recycled* (as a %)	58.4%	61.4%*	68.8**
Percentage of NHW used for energy* (as a %)	18.1%	16.1%*	6.7**
Production of Hazardous Waste – excluding waste oil, effluent and sludges (in tons)	1,954	1,912 *	1,421**
Sludges produced by internal wastewater treatment plants (in tons)	3,712	4,132 *	3,945.0

* Excluding Oils, Metals and Sludges.

** Data updated to correct a calculation error.

In 2018, 76.4% of the non-hazardous waste was treated through recycling or used to produce energy. The proportion of waste recycled fell for two reasons. Firstly, the reduction in the quantity of recyclable waste, in particular thanks to actions to reuse component packaging. Secondly, the influence of the international environment on the waste recycling constraints, which particularly affect plants in the EMEA zone. The Group also records its metal waste at 18,414 tons.

(ISO 14001-certified entities)

(in tons of CO ₂ equivalen)	2018	2017	2016
Greenhouse gas emissions	218,851	218,426 *	229,728*

* Data updated following a review of the greenhouse gas emission factor framework.

Greenhouse gas emissions remained stable between 2017 and 2018 (+0.2%), despite an increase in operating activities across the data scope. Greenhouse gas emissions were stable as a result of the reduction in electricity consumption at the Chinese plants as well as the overall reduction in natural gas consumption. (see indirect resource consumption table on page 173).

With regard to volatile organic compounds (VOCs), Groupe SEB regularly tests its emissions (which are relatively small in terms of volume) in order to treat and control these emissions. The Group has made significant investments, totaling several million euros, to improve the sites most concerned by VOCs (e.g. Rumilly). These investments aimed to treat emissions as well as to overhaul processes in order to very substantially reduce VOCs.

DISCHARGES INTO WATER

(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 2018, Groupe SEB emitted 208 tons of COD from its own wastewater treatment plants.

GREENHOUSE GAS EMISSIONS

Groupe SEB's sites and activities are not directly impacted by climate change given the nature of its current plants. The Group has set up a climate change-related risk assessment, however, and has all the necessary insurance to cover any financial consequences.

NOISE AND OTHER DISTURBANCES

At many sites, management of noise pollution must comply with regulations and 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.

POLLUTION PREVENTION AND BIODIVERSITY

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 the sites have preventive systems, for example water reservoirs for extinguishing fires and pipe cut-off systems. In 2018, several sites also made significant investments in modernizing their wastewater treatment plants, particularly Hangzhou and Shaoxing in China.

Some industrial sites, especially in France, have also launched local initiatives to promote **biodiversity**. The Is-sur-Tille site, for instance, has created a flower meadow and installed a nesting tower for swallows. This tower was 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. At the Pont-Évêque site, the traditional upkeep of its green spaces has been replaced by a partnership with the association Naturama. As a result, Soay sheep, a race threatened with extinction, have taken possession of 17,000 m² of greenery. This has reduced the site's ecological footprint through natural maintenance by sheep, and increased the fauna and flora thanks to the manure produced. At the Group's new head office in Écully, a 300 m² conservation garden was created in 2016, in partnership with the Vavilov Institute (Saint

Petersburg), the world's oldest plant gene bank. Groupe SEB decided to join the network of Vavilov gardens in line with its sustainable development commitment, particularly to contribute to maintaining biodiversity and developing healthy and sustainable eating. The garden has three collections: a collection from Lyon of varieties created in the Rhône-Alpes region in the 19th and 20th centuries; a Russian collection of ancient varieties brought back from a botanical expedition in Russia with the Vavilov Institute in 2015; a collection of wild species, the origin of cultivated food and ornamental plants. To introduce people to the conservation garden and allow the Campus staff to perfect their gardening techniques, workshops are held once a month, between March and November. The garden can also be visited independently, thanks to a set of information panels.

ECO-LOGISTICS

The transportation of products, as well as the raw materials and components used to make them, is a major source of greenhouse gas emissions within Groupe SEB, which clearly aims to reduce them: it has set itself a target of reducing these emissions per product sold by 20% by 2020 (base year 2013). Reducing the carbon footprint is one of the main priorities of the eco-design guide.

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

Groupe SEB's Supply Chain department oversees the Group's eco-logistics policy and strategy. Its eco-logistics unit coordinates all actions, in France and internationally, and consolidates annual data using the Tennaxia sustainable development reporting system. It relies on the logistics managers of the plants and commercial subsidiaries in carrying out this work. In 2018, the eco-logistics unit and the Purchasing teams prepared a checking procedure for environmental criteria during transport calls for tender. The aim is to favor, at the same cost, suppliers who perform best in this area. 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 ⁽¹⁰⁾ and the AUTF ⁽¹¹⁾ to help companies incorporate the impact of transport within their sustainable development strategies. This three-year commitment initially applies to the Groupe SEB France subsidiary, which is acting as a pilot. Efforts are concentrated on four areas for the improvement of product import and distribution flows.

The actions undertaken since 2017 resulted in the following progress at the end of 2018:

- Increase in the transport unit loading rate: +2 pallets/truck on average leaving the Orléans platform;
- Increase, by a factor of more than 5 in 2018 compared with 2016, in the number of direct deliveries to European customers from the Mions platform without passing through the subsidiaries' platforms.
- Increase in transport methods other than road transport: 56% increase in rail transport between the port of Le Havre and the Orléans platform compared with 2016;
- Encouraging haulage firms to improve their sustainable development approaches: at the end of 2018, one-third of haulage firms in France were signatories to the Objectif CO₂ Charter (introduced in 2016 by the French Ministry of Transport and the ADEME).

As part of its commitment, Groupe SEB has decided to adopt the Fret 21 calculator for assessing GHG emissions linked to the global transportation of its products and components. It began to apply it at the end of 2017, with support in the form of training for the people responsible for reporting. The roll-out of this new tool was completed in 2018. It will gradually make the Group's carbon analysis more reliable, in particular by reducing the extrapolation aspect.

Since 2005, Groupe SEB has also been part of the Club Déméter, alongside distributors, logistics partners, manufacturers and public bodies such as Ademe ⁽¹⁰⁾, the **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.

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

(11) French Association of Freight Transport Users.

GREENHOUSE GAS EMISSIONS

(Worldwide)

(in tons of CO ₂ equivalent)	2018	2017	2016
Average value of greenhouse gas emissions	228,744	205,596	202,764

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 2018, Groupe SEB emitted 228,744 tons of CO₂ equivalent: 23% from maritime transport, 71% from road transport, 5% from air transport and 1% from rail and river transport.

As part of a continuous improvement approach, Brazil and Supor China's carbon emissions 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** (PACKaging system for supply chain EFFiciency) approach, and the PackSoft software which optimizes palletization. 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. In 2018, 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. This was tested with several teams in 2018. It turned out that a minor change could have great impact, even without modifying the product design. Therefore, in the case of an office fan (project currently being studied), simply separating the head and base of the fan during packaging (by removing a screw that is then reinserted by the consumer) makes it easier to arrange the different product components. This results in a significant reduction in packaging volume and empty space, and a net increase in number of products per pallet. The approach will be continued in 2019.

	2018	2017	2016
Container loading rate	84.1%	84.2%	85%
Truck loading rate (intergroup shipments)*	62.1%	65%	65%

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

Containers departing from China have a loading rate of 83.7%. Containers departing from Europe have a loading rate of 87.1%. These performances are close to the optimum for maritime transport.

SELECTING AND ORGANIZING MODES OF TRANSPORT

The Group also fosters research into transportation solutions with a lower environmental impact. For long distances, primarily departing from China, the maritime route emits the lowest levels of 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.

In other cases (pre- and post-shipments to/from ports, transport between the Group's plants and platforms or those of its subsidiaries), the Group prioritizes **non-road transport, i.e. transport by rail and river**. To improve oversight of this initiative, the Group created a **tracking chart** to monitor the percentage of non-road transport

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. This dashboard chart, introduced in 2015, was extended to all the European entities in 2016. In Europe (EMEA), the non-road transport rate reached 41% in 2018. Compared to a "100% road" option, this reduces greenhouse gas emissions by 30%, at the same time as reducing logistics costs by 17%. In Germany, for instance, the review, in 2016, of the transportation of containers from the port of Hamburg to the Duisburg platform resulted in all the traffic being switched from road to rail: instead of arriving in Hamburg then being transported to Duisburg by road (330 km), containers now arrive in Rotterdam and travel by rail to the platform (120 km). Results: 98% fewer CO₂ emissions, at a lower cost (-41%). An operation of the same type was completed in

the UK, and in Spain the previous year. In France, Groupe SEB has had the “MedLink Port” label since 2015. This distinction is given to the biggest users of the river route (the Rhône) departing from the port of Fos (Groupe SEB is in the top 3).

In 2015, the Group also conducted tests on rail transport between China and Europe. The objective is to be able to use this solution rather than using air travel in the event of urgent demand for supplies. Transport by rail cuts the maritime freight time by almost half, which is often enough, and savings in terms of cost and carbon footprint are more favorable than air travel (CO₂ emissions down by 98%).

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 good 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 (730 machines). 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 amount of printing, which fell by 12.7% in 2018 in comparison to 2017 (the equivalent of 210 trees saved).

Processing of end-of-life equipment

In France, computers and telephones at the end of their useful lives have been given, since 2012, to the company Dataserv, which calls on companies working in the protected sector to dismantle the products. In seven years, more than 10,400 devices have been managed in this way. The Group also donates some equipment to associations or schools that request it. The practice is governed by a procedure that was formalized in 2018 and will be rolled out to all the entities worldwide by the end of 2019. It specifies the technical and administrative rules to follow (formatting, data erasure, licenses, etc.) and aims to ensure that the beneficiaries match the Group's values.

Computer servers that emit less greenhouse gas

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

New ways of communicating as alternatives to travel

The growing use of the instant communication software Skype had a significant effect on reducing travel: in 2018, it meant that over 10,700 meetings could be held on average each month (up 88% in two years), plus more than 450,000 one-to-one connections. The videoconferencing system, for its part, recorded an average of 146 video conferences a month (average length: 2 hours 40 minutes).

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

PROMOTING EVERYDAY ECO-FRIENDLY ACTIONS

All over the world, the Group encourages its staff to adopt more eco-friendly behavior and the sites take initiatives to promote eco-friendly actions. For example, the replacement of plastic cups with reusable water bottles, initiated in Itatiaia in 2017, is being extended across the Group. In 2018, the GS Latin America head office in São Paulo and the SEB Campus in Écully also stopped the use of plastic cups, encouraging all staff to use a washable cup, glass or mug. In the same way, at the International Product Conference (IPC) 2018, reusable EMSA bottles were distributed to all participants, instead of disposable PET bottles. These can be used for several years. 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 waste.

The many awareness raising actions carried out during sustainable development week (see page 115) also help to promote eco-friendly actions.

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

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.

For the year ended December 31st, 2018

To the Shareholders,

In our capacity as Statutory Auditor of your company, appointed as an independent third party and accredited by COFRAC under number 3-1058 (whose scope is available at www.cofrac.fr), we hereby report

to you on the non-financial statement for the year ended December 31st 2018, included in the management report pursuant to the legal and regulatory requirements of articles L. 225102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (*Code de commerce*).

THE ENTITY'S RESPONSIBILITY

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

The Statement has been prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), the main elements of which are presented in the Statement (or which are available online or 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 the ethical requirements, French professional guidance and applicable legal and regulatory requirements.

RESPONSIBILITY OF THE STATUTORY AUDITOR, APPOINTED AS AN 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 provisions of article R. 225-105 of the French Commercial Code;
- the fairness of the information provided in accordance with article R. 225105 I, 3° and II of the French Commercial Code, i.e., the outcomes, including key performance indicators, and the measures implemented considering the principal risks (hereinafter the "Information").

However, it is not our responsibility to comment on:

- the entity's compliance with other applicable legal and regulatory requirements, in particular the French duty of care law and anti-corruption and tax evasion legislation;
- the compliance of products and services with the applicable regulations.

NATURE AND SCOPE OF OUR WORK

The work described below was performed in accordance with the provisions of articles A. 225-1 *et seq.* of the French Commercial Code determining the conditions in which the independent third party performs its engagement and with the professional guidance of the French Institute of Statutory Auditors ("CNCC") applicable to such engagements, as well as with ISAE 3000 – *Assurance engagements other than audits or reviews of historical financial information*.

Our procedures allowed us to assess the compliance of the Statement with regulatory provisions and the fairness of the Information:

- we obtained an understanding of all the consolidated entities' activities, the description of the social and environmental risks associated with their activities and, where applicable, the impacts of this activity on compliance with human rights and anticorruption and tax evasion legislation, as well as the resulting policies and their outcomes;
- we assessed the suitability of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate;
- we verified that the Statement includes each category of social and environmental information set out in article L. 2251021 III as well as information regarding compliance with human rights and anticorruption and tax evasion legislation;
- we verified that the Statement includes an explanation for the non-disclosure of the information required under article L. 225-102-1 III, paragraph 2;
- we verified that the Statement presents the business model and the 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;
 - we verified, where relevant with respect to the principal risks or the policies presented, that the Statement provides the information required under article R. 225-105 II;
- we assessed the process used to identify and confirm the principal risks;
 - we asked what internal control and risk management procedures the entity has put in place;
 - we assessed the consistency of the outcomes and the key performance indicators used with respect to the principal risks and the policies presented;
 - we verified that the Statement includes a clear and reasoned explanation for the non-disclosure of policy concerning one or more of those risks;
 - we verified that the Statement covers the scope of consolidation, i.e. all the entities included in the scope of consolidation in accordance with article L. 233-16 within the limitations set out in the Statement;
 - we assessed the data collection process implemented by the entity to ensure the completeness and fairness of the Information;
 - for the key performance indicators and other quantitative outcomes¹ that we considered to be the most important, we implemented:
 - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data;
 - substantive 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 entities² and covers between 21% and 100% of the consolidated data relating to the key performance indicators and outcomes selected for these tests.
 - we referred to documentary sources and conducted interviews to corroborate the qualitative information (measures and outcomes) that we considered to be the most important;
 - we assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

We believe that the work performed, 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. **Social information:** Total workforce as of December 31st, 2018; LTIR and Severity rate directly related to work; Number of new occupational diseases recognized in the year (France perimeter); E-Learning Code of Ethics Training Deployment Rate (Corporate perimeter).

Environmental information: Percent of recycled and recovered wastes on the total waste; Electricity consumption by finished products manufactured; Natural gas consumption by finished products manufactured; Emissions due to ecologicistic by finished products manufactured; Water consumption.

Societal information: Percent of sites with an overall compliance score greater than 80% (Intertek audit on industrial entities located in emerging countries, Group perimeter); Total expenditure on corporate philanthropy (including financial donations and product donations) (China perimeter); Donations from the Groupe SEB Foundation (China perimeter).

2. Supor China Hangzhou (China); Supor China Yuhuan (China); GS Colombia Rionegro (Colombia); GS Colombia Cajica (Colombia); Rowenta Vernon (France); Seb Selongey (France); GSM Saint-Lô (France).

MEANS AND RESOURCES

Our work was carried out by a team of 5 people between December 2018 and March 2019 and took a total of 8 weeks.

We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted some thirty interviews with the people responsible for preparing the

Statement, representing in particular Human Resources Department, Training Department, Health and Safety Department, SEB Foundation, Environmental and Ecological Departments.

CONCLUSION

Based on our work, nothing has come to our attention that causes us to believe that the non-financial statement is not in accordance with the applicable regulatory requirements and that the Information,

taken as a whole, is not presented fairly and in accordance with the Guidelines.

Paris La Défense, March 25, 2019

The independent third party

MAZARS SAS

Thierry COLIN
Partner

Edwige REY
Partner CSR & Sustainable Development



9 Additional information

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9.1. Glossary

On a like-for-like basis (LFL) – Organic

The amounts and growth rates at constant exchange rates and consolidation scope in each year compared with the previous year are calculated:

- using the average exchange rates of the previous year for the period in consideration (year, half-year, quarter);
- based on the scope of consolidation of the previous year.

This calculation is made primarily for sales and Operating Result from Activity.

Operating Result from Activity (ORfA)

Operating Result from Activity (ORfA) is Groupe SEB's main performance indicator. It corresponds to sales minus operating costs, i.e. the cost of sales, innovation expenditure (R&D, strategic marketing and design), advertising, operational marketing as well as commercial and administrative costs. ORfA does not include discretionary and non-discretionary profit-sharing or other non-recurring operating income and expense.

Adjusted EBITDA

Adjusted EBITDA is equal to Operating Result from Activity minus discretionary and non-discretionary profit-sharing, to which are added operating depreciation and amortization.

Net debt – Net indebtedness

This term refers to all recurring and non-recurring financial debt minus cash and cash equivalents as well as derivative instruments linked to Group financing having a maturity of under one year and easily disposed of. Net debt may also include short-term investments with no risk of a substantial change in value but with maturities of over three months.

Operating cash flow

Operating cash flow corresponds to the "net cash from operating activities/net cash used by operating activities" item in the consolidated cash flow table, restated from non-recurring transactions with an impact on the Group's net debt (for example, cash outflows related to restructuring) and after taking account of recurring investments (CAPEX).

9.2. Declaration by the person responsible for the Registration Document containing the annual report

I hereby declare that, having taken all reasonable care to ensure that such is the case, the information contained in this Registration Document is, to the best of my knowledge, consistent with the facts and contains no omission likely to affect its import.

I hereby declare that, to my knowledge, the financial statements have been prepared in accordance with relevant accounting standards and provide a true and fair view of the assets, financial situation and performance of the company and of all companies included under the Consolidated Financial Statements. I furthermore declare that the management report referenced in the cross-reference table in section 9.4 provides a true and fair picture of changes in the business, performance and financial situation of the company and all companies included under the Consolidated Financial Statements, as well as a description of the main risks and uncertainties they face.

I obtained a statement from the Statutory auditors at the end of their engagement affirming that they have read the entire Registration Document and verified the information regarding the financial situation and the financial statements contained therein.

1 April 2019



Chairman and CEO
Thierry de La Tour d'Artaise

9.3. Statutory auditors and audit fees

STATUTORY AUDITORS

■ **PricewaterhouseCoopers Audit, represented by:**

Nicolas Brunetaud

63, rue de Villiers — 92200 Neuilly-sur-Seine, France,

appointed by the Ordinary General Meeting of 12 May 2015.

Term: Ordinary General Meeting of 2021.

■ **Mazars, represented by:**

Thierry Colin

61, rue Henri Regnault — 92075 Paris La Défense Cedex, France,

appointed by the Ordinary General Meeting of 12 May 2015.

Term: Ordinary General Meeting of 2021.

Each of these Statutory auditors is a member of the Compagnie Régionale des Commissaires aux Comptes de Versailles.

SUBSTITUTE STATUTORY AUDITORS

■ **For PricewaterhouseCoopers Audit:**

Jean-Christophe Georghiou

63, rue de Villiers — 92200 Neuilly-sur-Seine, France,

appointed by the Ordinary General Meeting of 12 May 2015.

Term: Ordinary General Meeting of 2021.

■ **For Mazars:**

Gilles Rainaut

61, rue Henri Regnault — 92075 Paris La Défense Cedex, France,

appointed by the Ordinary General Meeting of 12 May 2015.

Term: Ordinary General Meeting of 2021.

FEES PAID TO STATUTORY AUDITORS

The breakdown of fees paid to Statutory auditors and members of their networks is as follows:

	PricewaterhouseCoopers Audit				Mazars			
	Amount (excluding tax)		In %		Amount (excluding tax)		In %	
(in € thousands)	2018	2017	2018	2017	2018	2017	2018	2017
Audit								
Statutory auditor, certification, review of individual and consolidated financial statements								
SEB S.A., issuer coordination and consolidation	221	270			207	178		
Fully integrated subsidiaries	1,408	1,306			1,705	1,444		
SUB-TOTAL	1,629	1,576	74%	87%	1,912	1,622	93%	80%
Other services performed by the networks for fully integrated subsidiaries								
SEB S.A., issuer coordination and consolidation	2	77			76	361		
Fully integrated subsidiaries	558	159			71	54		
SUB-TOTAL	560	236	26%	13%	147	415	7%	20%
TOTAL	2,189	1,812	100%	100%	2,059	2,037	100%	100%

9.4. Cross-reference table for the Annual Financial Report, Management Report and Corporate Governance Report

	Page numbers	Annual Financial Report	Management report
Commentary on the financial year			
<i>Objective and exhaustive analysis of developments in the company's and Group's business, performance and financial position</i>	181-197	X	X
<i>Key non-financial performance indicators relevant to the company's specific business activity</i>	113-177		X
<i>Significant stakes acquired during the financial year in companies headquartered in France</i>	194	X	X
<i>Significant events that occurred between the financial year-end and the date on which the report was drawn up</i>	197	-	X
<i>Foreseeable developments regarding the position of the company and the Group</i>	196	X	X
<i>Dividends distributed over the three preceding financial years and amount of income distributed for these years</i>	314		X
Presentation of the Group			
<i>Description of the main risks and uncertainties faced by the company</i>	36-50	X	X
<i>The company's use of financial instruments: objectives and policy in relation to financial risk management</i>	247-257	X	X
<i>Company's exposure to price, credit, liquidity or cash flow risks</i>	256 -257	X	X
<i>Social and environmental consequences of business (including "Seveso" facilities)</i>	113-177		X
<i>Research and development activities</i>	19- 22	X	X
Information on the company and its share capital			
<i>Rules applicable to the appointment and replacement of members of the Board of Directors or Management Board, as well as to changes in the Company's bylaws</i>	55 , 75-80		X
<i>Powers of the Board of Directors or Management Board, in particular concerning the issue or buyback of shares</i>	309	X	X
<i>Purchases and sales of treasury stock during the financial year</i>	309	X	X
<i>Adjustments for share equivalents in the event of share buybacks or financial transactions</i>	-	-	-
<i>Structure of and changes to the company's share capital</i>	303-308	X	X
<i>Statutory limitations on the exercise of voting rights and transfer of shares or clauses in agreements brought to the attention of the company</i>	301-305	X	X
<i>Direct or indirect shareholdings in the company of which the company is aware</i>	272	X	X
<i>Employee shareholding in the company's share capital on the last day of the financial year and portion of the share capital represented by the shares held by employees under the company savings scheme and by the employees and former employees under employee mutual investment funds</i>	310-312		X
<i>Holders of any securities conferring special control rights and a description of those rights</i>	-		-
<i>Control mechanisms within any employee shareholding system, where control rights are not exercised by the employees</i>	-		-
<i>Agreements between shareholders of which the company is aware and which may give rise to restrictions on share transfers and voting rights</i>	303-305	X	X
<i>Agreements entered into by the company that are amended or terminated in the event of a change in control, with the exception of those agreements whose disclosure would seriously harm its interests</i>	-		-
<i>Agreements providing for indemnities payable to employees or members of the Board of Directors or Management Board if they resign or are dismissed without real or serious cause or if their employment contract is terminated as a result of a public tender offer</i>	83-111, 262, 291-292		X

	Page numbers	Annual Financial Report	Management report
<i>Injunctions or fines as a result of anti-competitive practices</i>	-		-
Financial statements			
<i>Changes in the presentation of the financial statements or in the valuation methods used</i>	205	X	
<i>Profit over the last five financial years</i>	294	X	
Consolidated financial statements	199-267	X	
Company financial statements	273-295	X	
Statutory auditors' reports on the company and Consolidated Financial Statements	268-272 295-298	X	
Fees paid to the Statutory auditors	343	X	
Corporate governance report			X
<i>Information on the composition, operation and powers of the Board of Directors:</i>			
• <i>Reference to a Corporate Governance Code</i>	54		
• <i>Composition of the Board of Directors and conditions governing the preparation and organization of meetings</i>	55-81		
• <i>Principle of gender balance</i>	55		
• <i>List of the offices and positions of each director</i>	57-68		
• <i>Agreements signed between a director or a shareholder holding more than 10% of the voting rights and a subsidiary</i>	72		
• <i>Table summarizing the outstanding delegations granted by the Annual General Meeting of shareholders to the Board of Directors to increase the share capital, showing the use made of these delegations during the financial year</i>			
• <i>Conditions governing the exercise of executive powers</i>	54		
• <i>Conditions governing shareholder participation in Annual General Meetings</i>	80		
<i>Information on the remuneration of executive officers:</i>	83-111		
• <i>Remuneration policy (ex-ante say on pay)</i>			
• <i>Total compensation and benefits of any kind paid to each executive officer during the financial year, and reference to the resolutions voted for through an ex-ante vote</i>			
• <i>Stock options granted, subscribed or purchased during the financial year by the executive officers and the ten highest-earning non-executive employees of the company, and stock options granted to all eligible employees, by category</i>			
• <i>Conditions for the exercise and retention of stock options by executive officers</i>			
• <i>Conditions for the retention of performance shares awarded to executive officers</i>			
• <i>Transactions by senior managers and associated persons involving the company's shares</i>			
• <i>Commitments of any kind made by the company for the benefit of its executive officers, such as remuneration, compensation or benefits due or likely to become due when, or after, they assume, cease or change positions</i>			
<i>Information on factors which could affect a takeover bid</i>	302		
Statutory auditors' report on the Corporate governance report	297	X	X
Report by one of the statutory auditors on the consolidated human resources, environmental and social information included in the management report	178-180	X	X
Statutory auditors' report on regulated agreements and commitments	334-337	X	
Declaration by the person responsible for the Annual Financial Report	341	X	

9.5. Cross-reference table for the Registration Document

Sections required under Annex 1 to Commission regulation (EC) no. 809/2004	Pages
1 – PERSONS RESPONSIBLE	341
2 – STATUTORY AUDITORS	342
3 – SELECTED FINANCIAL INFORMATION	
3.1 Historical information	12-13,
3.2 Information for interim periods	N/A
4 – RISK FACTORS	36-50
5 – INFORMATION ABOUT THE ISSUER	
5.1 History and development of the company	19, 25
5.1.1. Legal and commercial name	300
5.1.2. Place of registration and registration number	300
5.1.3. Date of incorporation	300
5.1.4. Domicile and legal form	300
5.1.5. Important events in the development of the business	182-195
5.2 Investments	
5.2.1. Principal investments made	193, 226-227, 230-231
5.2.2. Principal investments in progress	184
5.2.3. Principal future investments for which firm commitments have already been made	184, 258
6 – BUSINESS OVERVIEW	
6.1 Principal activities	4-5, 16-28, 188-191, 217-220
6.1.1. Main products	4-5, 16
6.1.2. Principal activities	16-28
6.2 Principal markets	16 - 18, 217-220
6.3 Exceptional factors	259
6.4 Dependence on patents or licenses, industrial, commercial or financial contracts or new processes	45
6.5 Basis for any statements made by the issuer regarding its competitive position	1-7-17
7 – ORGANISATIONAL STRUCTURE	
7.1 Brief description	29
7.2 List of significant subsidiaries	228-232
8 – PROPERTY, PLANTS AND EQUIPMENT	
8.1 Existing or planned material tangible fixed assets	230-231
8.2 Environmental issues that may affect the issuer's utilization of the tangible fixed assets	258
9 – OPERATING AND FINANCIAL REVIEW	
9.1 Financial condition	193
9.2 Operating results	192
9.2.1. Significant factors affecting income from operations	N/A
9.2.2. Discussion of material changes in sales or revenues	187-191
9.2.3. Factors that could materially affect the issuer's operations	36-50, 182-183
10 – CAPITAL RESOURCES	
10.1 The issuer's capital resources	201, 203, 235-238
10.2 Source and amounts of the cash flows	202
10.3 Borrowing requirements and funding structure	247-249
10.4 Information regarding any restrictions on the use of capital resources that have materially affected, or could materially affect, the issuer's operations	247-249, 254-257
10.5 Anticipated sources of funds	247-249

Sections required under Annex 1 to Commission regulation (EC) no. 809/2004	Pages
11 – RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES	19-20, 234
12 – TREND INFORMATION	196
13 – PROFIT FORECASTS OR ESTIMATES	N/A
14 – ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND SENIOR MANAGEMENT	
14.1 Administrative and management bodies	55-82
14.2 Conflicts of interest within administrative and management bodies	74
15 – REMUNERATION AND BENEFITS	
15.1 Amount of remuneration paid and benefits in kind	83-111
15.2 Total amounts set aside or accrued to provide pension, retirement or similar benefits	87-88
16 – PRACTICES OF ADMINISTRATIVE AND MANAGEMENT BODIES	
16.1 Date of expiry of current terms of office	69
16.2 Service contracts binding the members of the administrative bodies	72
16.3 Information about the Audit Committee and Remuneration Committee	77-79
16.4 Corporate governance	53-111
17 – EMPLOYEES	
17.1 Number of employees	134,187, 273
17.2 Shareholdings and stock options	310-312
17.3 Arrangements for involving the employees in the capital of the issuer	236, 310-312
18 – MAJOR SHAREHOLDERS	
18.1 Shareholders owning more than 5% of the capital and voting rights	303 - 308
18.2 Existence of different voting rights	300, 303
18.3 Control over the issuer	303-304
18.4 Arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in control of the issuer	304-305
19 – RELATED PARTY TRANSACTIONS	260-262
20 – FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES	
20.1 Historical financial information	274-275
20.2 Proforma financial information	214-216
20.3 Financial statements	200-202, 276-277
20.4 Auditing of historical annual financial information	
20.4.1. Report by the Statutory auditors	268-272, 295-298
20.4.2. Other information audited by the Auditors	178-180
20.4.3. Source of data not audited by the Auditors	N/A
20.5 Age of latest financial information	199-267
20.6 Interim and other financial information	N/A
20.6.1. Interim information published	N/A
20.6.2. Interim information not yet published	N/A
20.7 Dividend policy	314
20.8 Legal and arbitration proceedings	259
20.9 Significant change in the issuer's financial or trading position	N/A
21 – ADDITIONAL INFORMATION	
21.1 Share capital	301-308
21.1.1. Amount of issued capital and number of shares	301
21.1.2. Shares not representing capital	N/A
21.1.3. Treasury shares	303-308
21.1.4. Convertible securities, exchangeable securities or securities with warrants	308
21.1.5. Terms governing unissued capital	N/A
21.1.6. Capital under option	N/A
21.1.7. History of changes to share capital	301-308

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Additional information

Cross-reference table for the Registration Document

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21.2 Memorandum and bylaws	300
21.2.1. Corporate objects and purposes	300
21.2.2. Provisions regarding the administrative and management bodies	54
21.2.3. Classes of shares	300-301
21.2.4. Changes to shareholder rights	N/A
21.2.5. Manner in which Annual General Meetings are called and held	301
21.2.6. Provisions that would have the effect of delaying or preventing a change in control	301-302
21.2.7. Thresholds above which shareholder ownership must be disclosed	301
21.2.8. Provisions governing changes in the capital	309
22 – MATERIAL CONTRACTS	N/A
23 – THIRD PARTY INFORMATION, STATEMENTS BY EXPERTS AND DECLARATIONS OF ANY INTEREST	N/A
24 – DOCUMENTS ON DISPLAY	300
25 – INFORMATION ON HOLDINGS	263-265, 293

The following information is incorporated by reference in this Registration Document:

- The Registration Document for the 2017 financial year was filed with the French Financial Markets Authority on 29 March 2018, under number D.18-0220. The Consolidated Financial Statements appear on pages 163 to 232 and the corresponding audit report appears on pages 233 to 236 of this document.
- The Registration Document for the 2016 financial year was filed with the French Financial Markets Authority on 20 April 2017, under number D.17-0400. The Consolidated Financial Statements appear on pages 153 to 222 and the corresponding audit report appears on pages 223 and 224 of this document.

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

Indicators	Grenelle 2 - Article 225	GRI 3.1	Global Compact	References	
				Registration Document	Website sustainable development section
SOCIAL PERFORMANCE INDICATORS					
Employment					
Total employees	1.a-1	LA1		page 134	Key figures
Breakdown of employees by gender	1.a-1	LA1/LA13		page 139	
Breakdown of employees by age group	1.a-1	LA13		page 139	
Breakdown of employees by geographical region	1.a-1	LA1		page 134	
Breakdown of employees by type of work		LA1		page 139	
Breakdown of employees by employment contract type		LA1		page 137	
Hires	1.a-2	LA2		page 135	
Redundancies	1.a-2	LA2		page 135	
Remuneration	1.a-3	LA3/LA14		page 145	
Change in remuneration over time	1.a-3	LA3		page 145	
Organization of work					
Organization of working hours	1.b-1			page 150	
Absenteeism	1.b-2	LA7		page 149	
Labor relations					
Organization of employee-management dialog	1.c-1	LA4/LA5	3	page 140	
Collective bargaining agreements	1.c-2	LA4/LA5		page 140	
Health and safety					
Workplace health and safety conditions	1.d-1	LA6/LA8	4-5	pages 141-144	Health/Safety
Agreements signed with trade unions in relation to workplace health and safety	1.d-2	LA9		page 140	
Frequency and severity of workplace accidents	1.d-3	LA7		page 143	
Work-related illness	1.d-3	LA7		page 144	Health/Safety
Training					
Policies in place with regard to training	1.e-1	LA11		pages 146-149	Expertise
Total number of training hours	1.e-2	LA10		page 147	
Number of employees receiving regular performance and career development reviews		LA11		page 132	
Equal opportunity					
Measures taken to promote gender equality	1.f-1	LA14		pages 138-139	Fairness and diversity
Measures taken to promote employment opportunities for and integration of disabled people	1.f-2	LA13		page 140	Fairness and diversity
Anti-discrimination policy	1.f-3	LA13		pages 138-139	Fairness and diversity
Governance					
Composition of corporate governance bodies		LA13		chapter 2	Governance
Promotion of and adherence to the ILO's fundamental conventions					
Respect for freedom of association and the right to collective bargaining	1.g-1	HR5/LA4/LA5	3	page 140	Respect for ethics
Elimination of discrimination in employment and occupation	1.g-2	HR4/LA13/LA14	6	pages 138-140	Fairness and diversity

Indicators	Grenelle 2 - Article 225	GRI 3.1	Global Compact	References	
				Registration Document	Website sustainable development section
Elimination of forced or compulsory labor	1.g-3	HR6/HR7		pages 129-132	Respect for ethics
Effective abolition of child labor	1.g-4	HR6	4 - 5	pages 129-132	Respect for ethics
Other actions taken to promote Human Rights	3.e				Respect for human rights
Investment and procurement practices					Responsible purchasing
Percentage of major suppliers and contractors verified as compliant with Human Rights; measures taken		HR2		pages 130-131	
Total number of training hours for employees on policies and procedures regarding Human Rights relevant to their job; percentage of employees trained		HR3		pages 129-132	
Evaluation					Responsible purchasing, Respect for human rights
Percentage or number of activities for which the organization has conducted Human Rights reviews or impact assessments		HR10	1 and 2	pages 129-132	
Corrective action					
Number of Human Rights grievances filed, handled and resolved according to a Human Rights grievance management procedure		HR11	1 and 2	page 130	
ENVIRONMENTAL PERFORMANCE INDICATORS					
General policy toward the environment					Reducing environmental impacts
Company organization to address environmental issues. Environmental evaluation or certification procedures, where applicable	2.a-1			pages 166-167	Shrink our environmental footprint
Employee training and education initiatives taken with regard to safeguarding the environment	2.a-2			page 115	
Resources allocated to prevent environmental risks and pollution	2.a-3	EN30		pages 166-167	Eco-manufacturing
Provisions and guarantees for environmental risks (unless this information could be detrimental to the company)	2.a-4	EN28/EC2	7 à 9	page 258	
Pollution					
Measures to prevent, reduce or remedy emissions into the air, water or soil that seriously affect the environment	2.b-1	EN22/EN23/ EN24		pages 171-175	Eco-manufacturing
Measures to prevent noise pollution and any other form of pollution stemming from operations	2.b-3	EN25		page 174	Eco-manufacturing
Total discharge into water		EN21	7 to 9	page 174	
Circular Economy					The central role of the circular economy in sustainable innovation
Prevention and waste management					
Measures to prevent recycle, reuse, other ways of waste recovery and dispose of waste	2.b-2	EN27		page 166	Recycling for reuse
Total waste produced		EN22/EN24		page 173	
Measures against food waste				page 160	

Indicators	Grenelle 2 - Article 225	GRI 3.1	Global Compact	References	
				Registration Document	Website sustainable development section
Sustainable use of resources					
Water consumption and supply according to local constraints	2.c-1	EN8/EN9/EN21		page 173	
Consumption of raw materials	2.c-2	EN1		pages 172-173	
Consumption of recycled materials		EN2		pages 165-166	Eco-design
Measures taken to improve the efficient use of raw materials	2.c-2	EN10		pages 172-173	Eco-design; Eco-manufacturing
Energy consumption	2.c-4	EN1/EN3/EN4		page 171	Eco-design; Eco-manufacturing
Measures taken to improve energy efficiency and use of renewable energy	2.c-4	EN5/EN6/EN7		pages 169-170	Eco-design
Land use	2.c-3		7 to 9	page 173	
Climate change					
Significant sources of greenhouse gas emissions generated by Company activities, as well as by the use of the goods and services produced by the Company	2.d-1	EN16/EN17/ EN19/EN20		pages 175-177	Shrink our environmental footprintT
Adaptation to the consequences of climate change	2.d-2	EN18/EC2	7 to 9	pages 167-177	
Biodiversity protection					
Measures taken to preserve or promote biodiversity	2.e-1	EN11 to EN15/ EN25	7 to 9	pages 174-175	
Products and services					
Initiatives to reduce the environmental impact of products and services; scope of these initiatives		EN26	7 to 9	page 166 and 169-170	Eco-design; Products end-of-life
Transport					
Significant environmental impacts stemming from the transport of products, other goods and materials used by the organization in the course of its operations and the transport of staff members		EN29	7 to 9	pages 175-177	Eco-logistics
INFORMATION ON CORPORATE CITIZENSHIP COMMITMENTS TO PROMOTE SUSTAINABLE DEVELOPMENT					
Regional, economic and social impact of the company's operations					
With regard to employment and regional development	3.a-1	EC8/EC9		page 154	
On neighboring or local populations	3.a-2	EC1/EC6/SO1/ SO9/SO10		pages 151-153	Good corporate citizen
Relations with individuals or organizations that have a stake in the company's operations					
Conditions for dialog with these individuals or organizations	3.b-1			page 123	
Corporate partnership or philanthropy actions	3.b-2	EC1		page 154	
Contractors and suppliers					
Inclusion of social and environmental criteria in the procurement policy	3.c-1	EC6/HR2/ HR 5 to 7		pages 130-131	Ethics, Responsible purchasing
Extent of sub-contracting and consideration of CSR factors in relations with suppliers and contractors	3.c-2		1 and 2	pages 130-131	Ethics, Responsible purchasing
Fair business practices					
Actions taken to prevent corruption	3.d-1	SO2 to SO4/SO7/ SO8	10	page 132	Respect for ethics
Measures taken to promote consumer health and safety	3.d-2	PR1/PR2		page 156	Respect of consumers
Anti-competitive practices					

9

Additional information

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

Indicators	Grenelle 2 - Article 225	GRI 3.1	Global Compact	References	
				Registration Document	Website sustainable development section
Total number of legal proceedings for anti-competitive practices, violation of anti-trust laws and monopolistic practices and outcomes of these proceedings		SO7			-

Financial agenda

25 APRIL 2019, AFTER MARKET CLOSING

2019 First-quarter Sales and Financial Data

22 MAY 2019 , AT 2:30 PM

Annual General Meeting

24 JULY 2019, BEFORE TRADING

2019 First-half Results

29 OCTOBER 2019, AFTER MARKET CLOSING

Nine-month 2019 Sales and Financial Data.

Groupe SEB

Campus SEB – 112 chemin du Moulin Carron

69130 Ecully – France

Tel.: +33 (0)4 72 18 18 18

2018

www.groupeseb.com

