GROUPE SEB

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

CONTENTS

Information required for Annual financial report, pursuant to Article L. 451-1-2 of the Monetary and Financial Code are identified in the correspondence table in Chapter 9.4 page 369

Universal Registration Document

& Annual Financial Report 2020

€6,940 million
2020 SALES

-3.8%
ORGANIC SALES EVOLUTION

€301 million
2020 NET RESULT

33 000
EMPLOYEES WORLDWIDE

The world leader in Small Domestic Equipment

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

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

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

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

On top of the Consumer business, Groupe SEB has developed over the past few years into the professional segment, and in particular the professional coffee market.

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

This Universal Registration Document has been filed on April 6, 2021 with the AMF, as competent authority under Regulation (EU) 2017/1129, without prior approval pursuant to Article 9 of the said regulation.

The Universal Registration Document may be used for the purposes of an offer to the public of securities or admission of securities to trading on a regulated market if completed by a securities note and, if applicable, a summary and any amendments to the Universal Registration Document. The whole is approved by the AMF in accordance with Regulation (EU) 2017/1129.

Message from the Chairman and CEO

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

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

Our activity in China meant that we were quickly affected by the pandemic, and our focus shifted to safeguarding the health of our employees. This required protective measures such as masks, social distancing and new hygiene protocol. It also resulted in confinement, with the closure of some manufacturing plants and organized teleworking. All measures depended on local pandemic-related circumstances and developments. This constant adaptation would not have been possible without the unwavering commitment and agility of all our teams. I would like to sincerely thank them.

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

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

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

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

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

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

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

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

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

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

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

Thank you, all of you. ”

Thierry DE LA TOUR D'ARTAISE
Chairman Chief Executive Officer

An extensive and diversified offering

KITCHEN ELECTRICS

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

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

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

HOME AND PERSONAL CARE

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

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

Home comfort: fans, heaters, air treatment appliances…

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

COOKWARE

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

CONSUMER BRANDS

GLOBAL

Tefal, Rowenta, Moulinex, Krups

REGIONAL

Supor, Dash, T-fal, Arno, Imusa, SEB, Calor, emsa, Original Kaiser, Maharaja Whiteline, Asia, Mirro, WearEver, Panex, OBH Nordica, samurai, Rochedo, clock, esteras, umco

PREMIUM BRANDS

WMF, Lagostina, All-Clad, Silit

PROFESSIONAL BRANDS

WMF, schaerer swiss coffee competence, Hepp, Curtis, Krampouz

PROFESSIONAL BUSINESS

Coffee machines

Other professional equipments

Business model

OUR RESOURCES (1)

STAFF

Nearly **33,000** employees

12h hours/year of training per employee in average

38% female managers

INNOVATION AND DIGITAL

> 1,500 people in the innovation community

3.5% of sales reinvested in innovation (2)

>60% of media investment in digital

INDUSTRY AND PURCHASING

2/3 of products manufactured in-house

24% of production performed in Europe

€1,7bn direct purchasing

€183m invested(3) i.e. **2.6%** of sales

FINANCES AND SHAREHOLDING

Sales of: **€6,940m**, ORfA of: **€605m**
and profit of: **€301m**

Net debt/Adjusted EBITDA: **1,8** at 31 December 2020

Long-term, major shareholders

SOCIETY AND ENVIRONMENT

100% of sites ISO 14001 certified

~ €3 m spent on philanthropy

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

Focus on growth

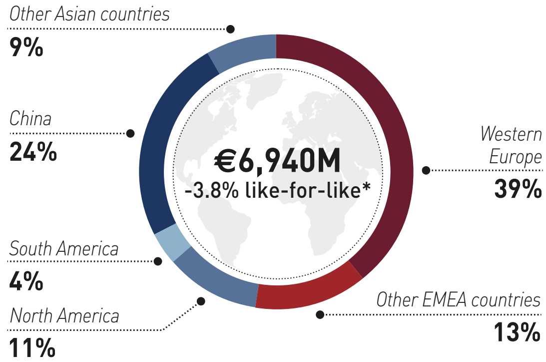
- Strength and complementarity of our brands
- Product innovation
- International expansion

2020

€6,940M Sales

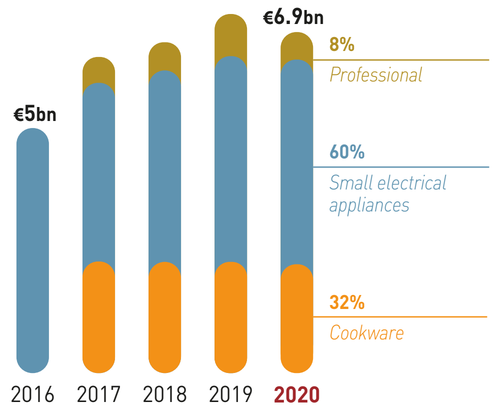
-3.8% Organic growth

A GLOBAL...



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

ACTIVITIES WITH STRONG POTENTIAL



Optimize our industrial facilities...

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

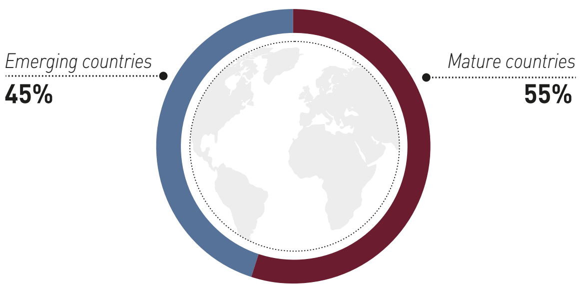
(1) Data 2020. (2) Net investments in R&D, strategic marketing and design. (3) Cash outflow for capital expenditures.

Groupe SEB is the **world leader in Small domestic equipment**.
Its consumer markets are steadily growing, estimated at over **€75bn** in 2020: **over €50bn** for small electrical appliances, **€25bn** for Cookware.

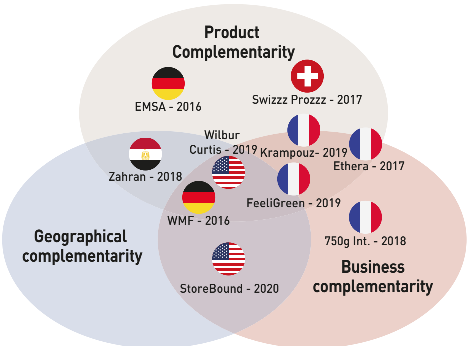
- Multi-channel distribution strategy
- Development in the professional market
- Active acquisition policy

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

...AND BALANCED PRESENCE



TARGETED ACQUISITIONS TO STRENGTHEN ITS LEADERSHIP*



* *Acquisitions of the last 5 years.*

Strengthen **our competitiveness**

... and develop our assets

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

(4) Lost-time injuries with temporary replacements.

OUR ADVANCES (1)

STAFF

1 global social protection floor

Workplace accidents(4) halved **2** in 5 years

INNOVATION AND DIGITAL

443 patents filed

Nearly **35%** of consumer sales through e-commerce

INDUSTRY AND PURCHASING

Nearly **250 millions** products made

74% of direct purchasing covered by the supplier panel

FINANCES AND SHAREHOLDING

Annual organic sales growth of **5%** in 5 years

8.7% operating margin

Annual net profit growth of **8%** in 5 years

SOCIETY AND ENVIRONMENT

> 500 projects supported by the Fonds Groupe SEB in 10 years

> 90% of domestic electrical appliances are mostly repairable

-28.5% energy consumption on production and logistics sites (base year: 2010)

Corporate Social Responsibility

A committed Group

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

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

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

Make healthy and tasty homemade food that is accessible to everyone

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

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

- Inclusive-design products
- A healthy home

Make our products and services part of the circular economy

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

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

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

Board of **Directors** at 31 December 2020

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

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

NORA BEY
Director Representing Employees

VENELLE INVESTISSEMENT
Director – member of the Founder Group

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

FÉDÉRACTIVE
Director – member of the Founder Group

SARAH CHAULEUR
Permanent representative of FÉDÉRACTIVE on the Board of Directors

GENERACTION
Director – member of the Founder Group

CAROLINE CHEVALLEY
Permanent representative of GÉNÉRACTION on the Board of Directors

YSEULYS COSTES
Independent director

JEAN-PIERRE DUPRIEU
Independent director

Peugeot Invest Assets*
Independent director

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

BRIGITTE FORESTIER
Director representing employee shareholders

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

LAURENT HENRY
Director Representing Employees

JEAN-NOËL LABROUE
Independent director

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

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

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

Fonds Stratégique de Participations (FSP)
Independent director

CATHERINE POURRE
Permanent representative of FSP on the Board of Directors

* *Formerly FFP Invest*

Member of the Audit and Compliance Committee
Member of the Governance and Remuneration Committee

- Family directors
- Independent directors
- Employee directors

17	>1/3	50%	8	97%
members	independent directors	of women	meetings in 2020 with half were held remotely due to the Covid-19 health crisis	attendance rate

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

Audit and Compliance Committee

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

5
Meetings in 2020
with 80% in physics

100%
attendance rate

CHANGES IN THE COMPOSITION OF THE BOARD OF DIRECTORS IN 2020

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

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

Governance and Remuneration Committee

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

3
Meetings in 2020
with 100% in physics

100%
attendance rate

CHANGES IN THE COMPOSITION OF THE BOARD OF DIRECTORS IN 2021

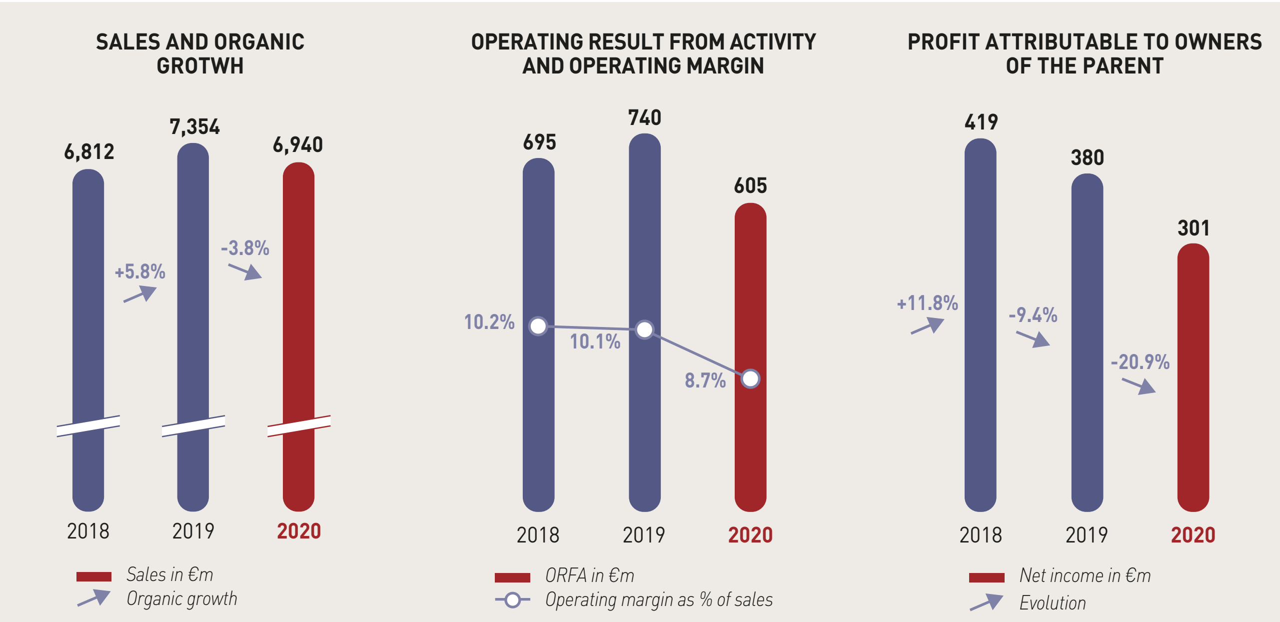
At the 2021 Annual General Meeting, resolutions 4 to 6 will decide on :

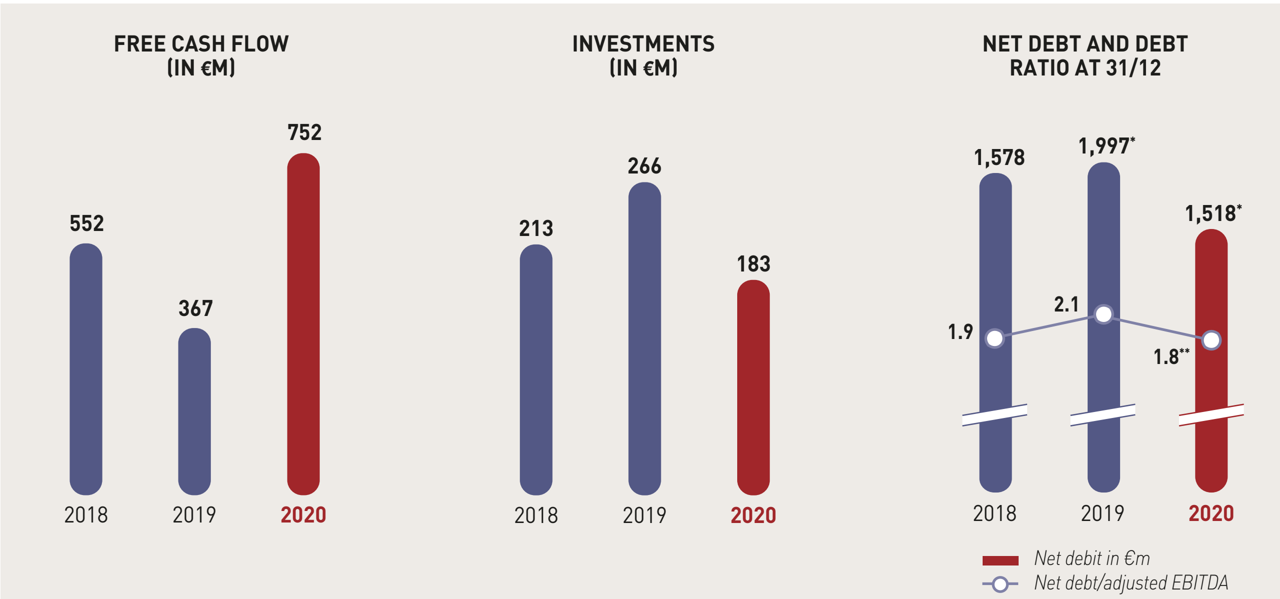
- reappointment of Yseulys Costes as a director;
- reappointment of Peugeot Invest Assets* as a director;
- reappointment of Brigitte Forestier as a director representing employee shareholders.

* *Formerly FFP Invest*

Key figures 2020

Financial **performance**





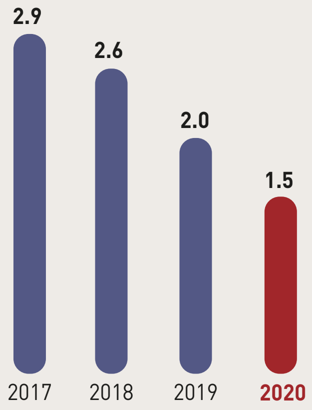
* Incl. respectively € 334M of IFRS 16 in 2019 and € 339M of IFRS 16 in 2020.

** 1.6 excl. IFRS 16.

Extra-financial **performance**

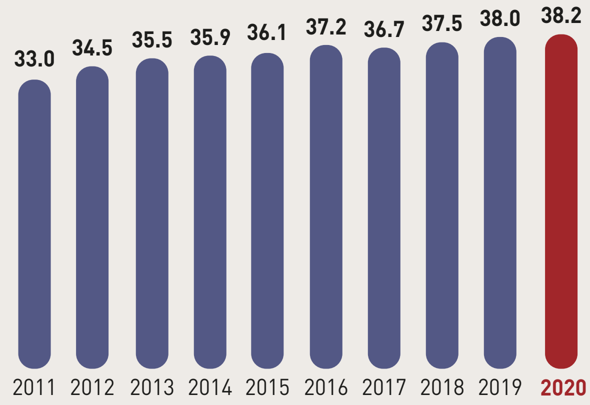
Social performance

EVOLUTION OF THE LTIRi*



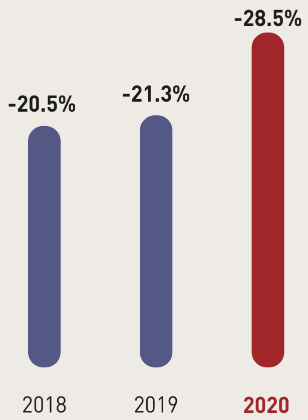
**Lost Time Injury Rate temporary employees included.*

EVOLUTION IN THE NUMBER OF WOMEN MANAGERS
(in %)

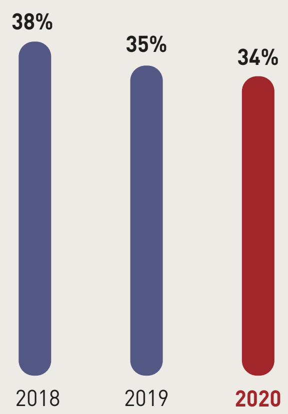


Environmental performance and commitment to corporate responsibility

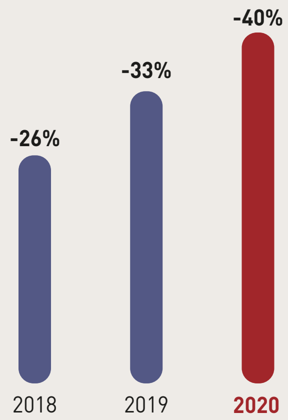
ECO-PRODUCTION
(evolution in energy consumption by production plant, base year : 2010)



EVOLUTION IN THE USE OF RECYCLED MATERIALS

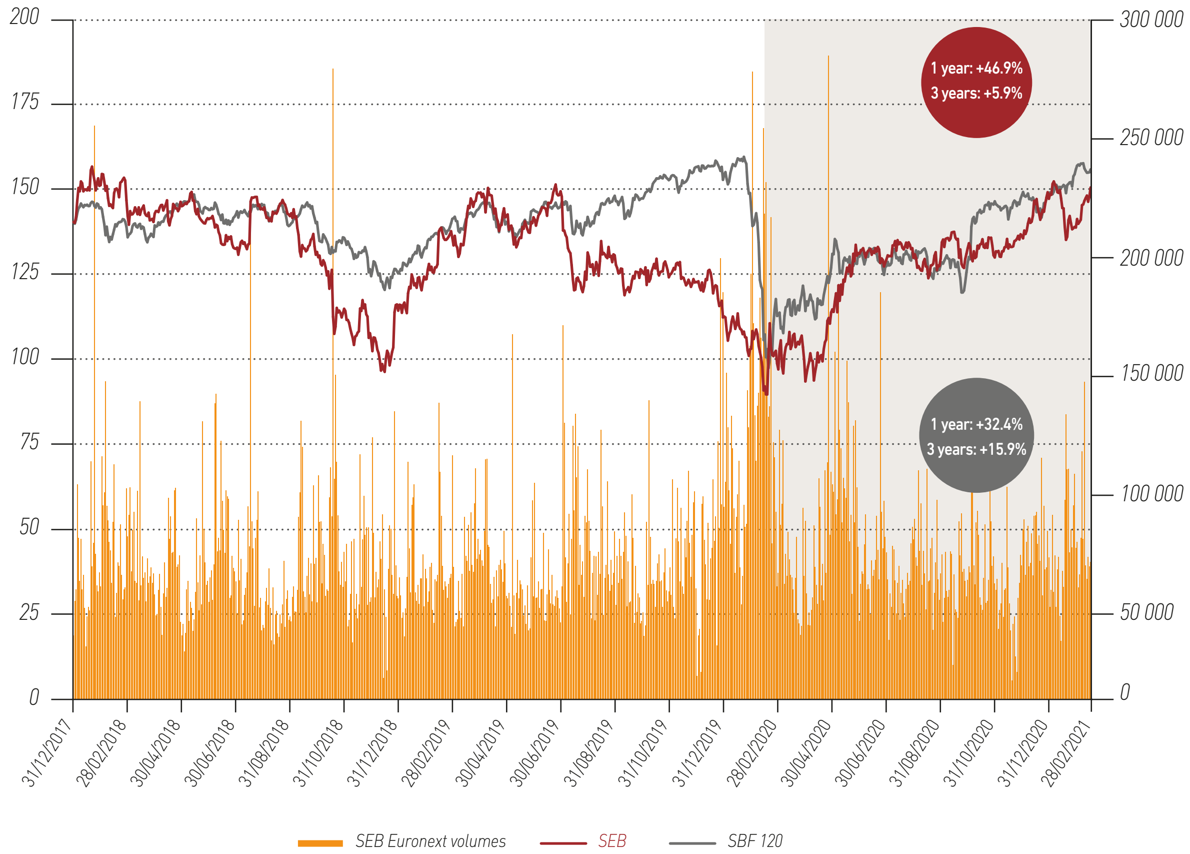


ECO-LOGISTICS
(evolution in greenhouse gas emissions, base year : 2013)



Stock market **performance**

CHANGES IN THE SHARE PRICE SINCE 31/12/2017



DATA SHEET

LISTING
Euronext Paris,
Compartment A

ISIN CODE
FR0000121709

LEI CODE
969500WP61NBK098AC47

LISTING DATE
27 May 1975

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

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

OTHER INFORMATION
Eligible in SRD

TICKERS
Reuters: SEBF.PA
Bloomberg: SK.FP

PERFORMANCE 2020

Closing price at
31/12/2020: **€149.00**

Stock Market Capitalization
at 31/12/2020........................**€7,496M**

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

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

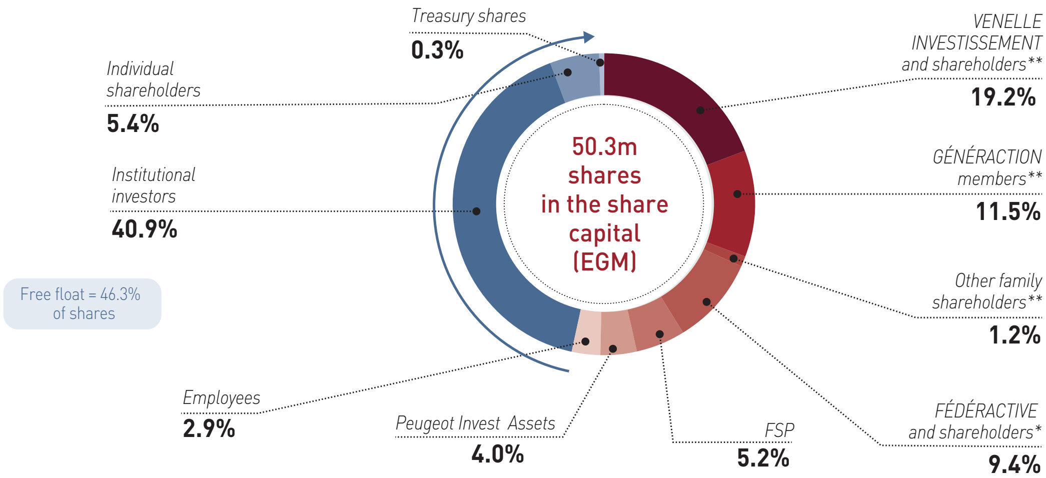
Average for the year
(closing price): **€132.79**

Average of the last
30 prices for 2020 ....**€146.52**

Average daily trading volume
(number of shares): **68,839**

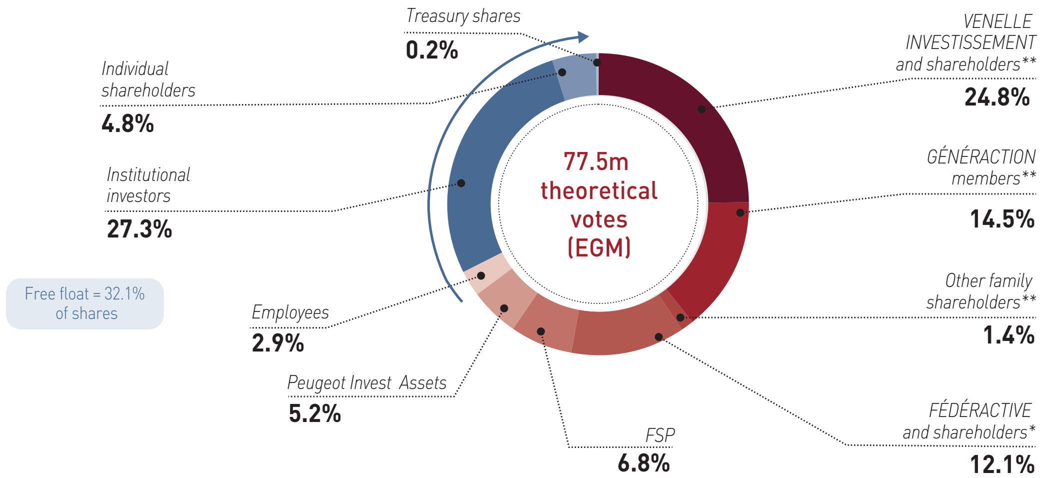
* *After free allocation of 1 new share per 10 existing.*

STRUCTURE OF SHAREHOLDING AT 31/12/2020



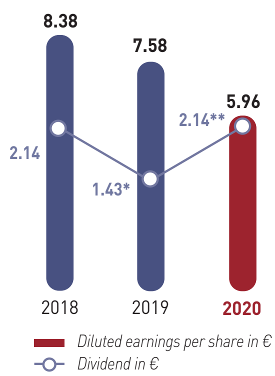
* Shareholders from Founder Group
** Shareholders from Founder Group continuing the Concerted Voting Block (Agreement of Feb. 27th 2019): 31.9%

DISTRIBUTION OF VOTING RIGHTS AT 31/12/2020



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

DILUTED EARNING PER SHARE AND DIVIDEND *(in €)*



*Initial dividend of €2.26 reduced to €1.43 in accordance with the recommendation published by AFEP on March 29, 2020 and taking into account the effects of the Covid-19 epidemic
** After free allocation of 1 new share per 10 existing

1 Introduction to the Group

1.1 Business sector

THE SMALL DOMESTIC EQUIPMENT MARKET

THE WORLDWIDE SMALL DOMESTIC EQUIPMENT MARKET

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

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

THE SMALL ELECTRICAL APPLIANCES MARKET

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

~€50 billion
GLOBAL MARKET 2020

€4.2 billion
2020 SALES

65%
OF GROUP SALES

SMALL ELECTRICAL COOKING APPLIANCES

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

1

≈45%
OF GROUP SALES

HOME CARE, LINEN CARE AND PERSONAL CARE

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

1
Linen care

≈20%
OF GROUP SALES

THE COOKWARE AND KITCHEN UTENSILS MARKET

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

€25 billion
GLOBAL MARKET 2020

1
Cookware

€2.2 billion
2020
SALES

35%
OF GROUP
SALES

MARKET TRENDS AND OUTLOOK

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

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

- global consumption trends driven by the development of "homemade" kitchen products using basic ingredients and a growing interest in health and well-being;
- moderate but steady growth in most of the mature markets, with a high ownership rate, though unevenly spread across product families, responsiveness to innovation, a robust replacement market and a trading up trend reflecting demand for more functional or higher end products. At the same time, the entry-level segment, driven by demand for basic, low-priced products typically produced in China has remained steady;
- overall solid but more volatile growth in emerging markets, according to the general environment and events. These markets are experiencing strong demand and their buoyant growth is fueled by rising consumption stemming from a booming middle class, increasing urbanization and the development of modern retail channels, including e-commerce;
- the co-existence of "global" products addressing universal needs or easy to tailor by region with a product offering adapted to specific lifestyles and consumption habits (particularly in relation to food) in local markets;
- an average sale price of around €60 for a small electrical appliance in Western Europe, for example, largely affordable by the general public and requiring no credit or a limited use of credit. Sales are further boosted by in-store or online traffic, driven by promotional campaigns within a very competitive market environment;
- strong seasonality, shared by all market players, largely linked to the high percentage of products sold during holiday periods or for special events (Christmas, Chinese New Year, Ramadan, Singles' Day in China, *Prime Day*, Mother's Day, Candlemas, etc.);
- strong contributions for many years from products and solutions developed in partnership with major consumer goods players backed by major advertising resources, like with single-serve coffee making, for example.

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

MULTIPLE FORMS OF COMPETITION

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

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

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

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

THE PROFESSIONAL COFFEE MARKET

THE PROFESSIONAL COFFEE MARKET

GLOBAL MARKET (ESTIMATED IN 2019) **9 Mds€**

€575 million* 2020 SALES

8% OF GROUPE SALES

1 Automatic espresso machines

** including sales from other professional activities (Hotel, Krampouz)*

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

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

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

Lasting for almost half of 2020, these closures:

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

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

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

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

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

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

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

1.2 A profitable growth strategy

A LONG-TIME COMMITMENT TO INNOVATION

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

1950 The design of products making everyday life easier and eliminating tedious tasks continued to develop at a faster pace in the 1960s and 1970s with new steam irons, vacuum cleaners, food preparation equipment and the launch by Seb of odorless deep fryers.

1960 The design of products making everyday life easier and eliminating tedious tasks continued to develop at a faster pace in the 1960s and 1970s with new steam irons, vacuum cleaners, food preparation equipment and the launch by Seb of odorless deep fryers.

1970 The period from 1970 to 1990 saw continuous technical progress and the introduction of color for kitchen electricals, the arrival of informal meal appliances and the launch of numerous electronically enhanced products: bathroom scales, programmable coffee makers, cookers with electric timers, etc.

1990 In the decade from 1990 to 2000, both Groupe SEB and Moulinex brought new simplicity to the world of small electrical appliances, including pressure cookers with easy closing mechanisms, removable handles for frying pans and saucepans, compact vacuum cleaners with triangular-shaped heads, etc.

First Seb pressure cooker

First odorless electric fryer

Any-slice toaster Seb

Dymbo, the first compact vacuum cleaner, Rowenta

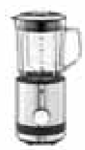
DIGITALIZATION & CONNECTIVITY

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

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

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

THE TECHNOLOGICAL SPRINGBOARD



WMF Kitchen-MINIS Blender

Access Steam Portable garment steamer

Ingenio Stackable cookware

Krups Evidence Expresso Fully automatic machine

Rowenta Air Force Flex 760

WMF Kitchen-MINIS Toaster

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

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

A NEW STRATEGIC FOCUS FOR THE GROUP

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

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

OF THE 2000s...

Companion Touch Connected and tactile cooking food processor

ActiFry Oil-free fryer

Vacuum Nutrition Plus Blender SUPOR

Cookeo Touch Connected pressure cooker

Tefal Resource Frying pan made of recycled aluminum

Supor rice cooker with a spherical pot

2010

COMMITTED TO HIGH-QUALITY FOOD

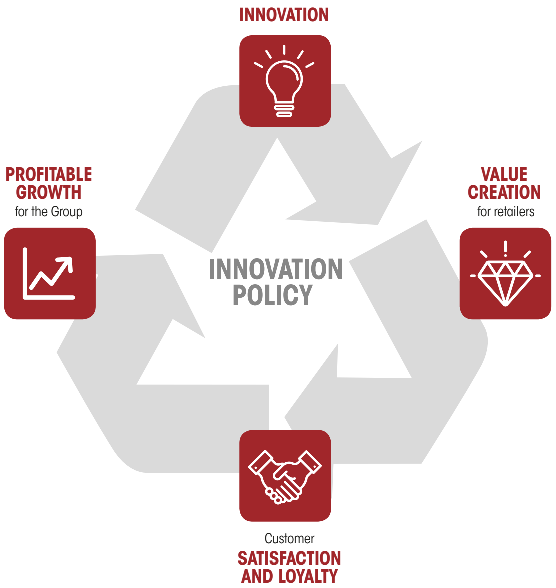
The Group's innovation strategy fully incorporates issues surrounding sustainability and major societal trends, such as efforts to combat food waste, daily practices with a reduced environmental impact, energy efficiency and repairability and recyclability.

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

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

2020

A VIRTUOUS STRATEGY

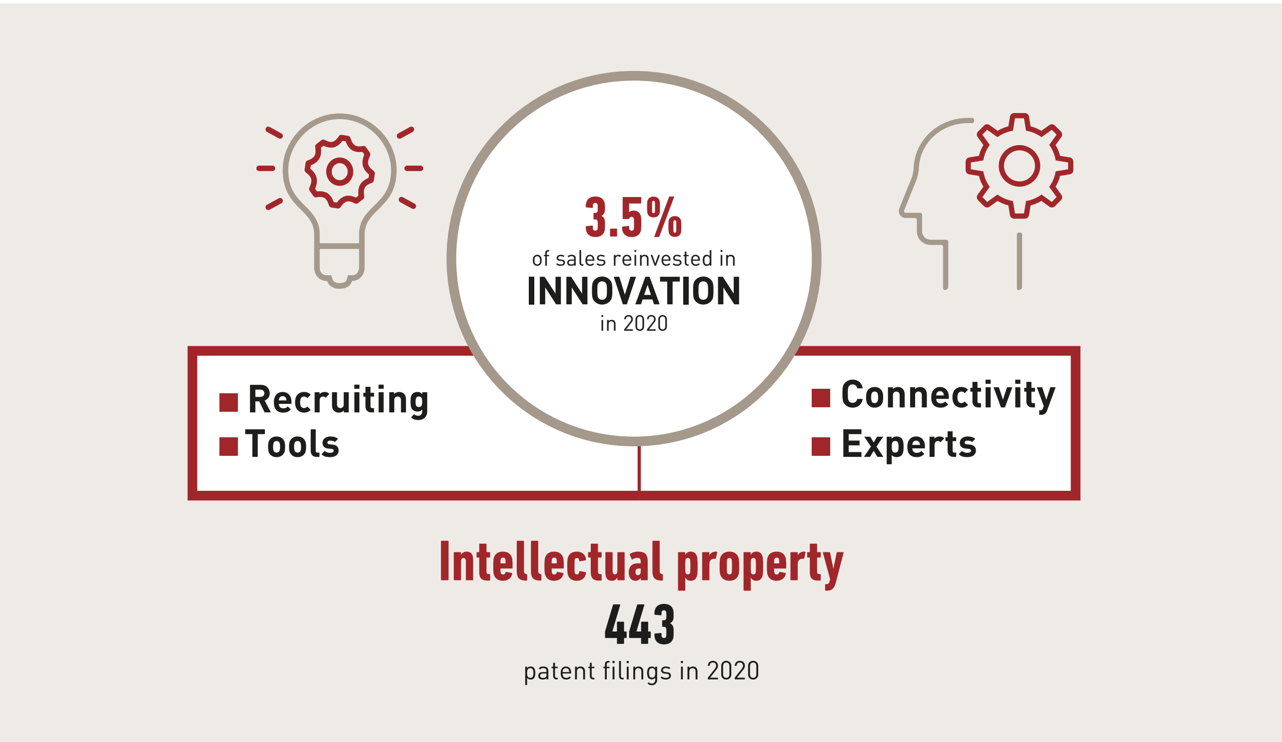


In keeping with its mission to facilitate and improve the daily life of consumers around the world, and to contribute to better living, Groupe SEB's innovation strategy is consistent with a pragmatic approach to creating the product offering. Launching new products is the result of listening closely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

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

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

.... SUPPORTED BY INVESTMENT



A STRUCTURED INTERNAL ORGANIZATION...

The Group articulates its approach around 2 major Hubs:

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

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

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

... OPEN TO OUTSIDE COLLABORATION

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

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

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

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

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

SEB ALLIANCE: FINANCING AND PARTNERING WITH INNOVATIVE START-UPS

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

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

- digital/Big Data with Alkemics, which specializes in product information exchange between brands and retailers; another brain, which specializes in bio-inspired artificial intelligence;
- beauty/health with Feeligreen, which has developed active and passive patch technologies for cosmetic and therapeutic applications and IEVA, connected beauty player, which designs and offers personalized products and services;
- the internet of Things or connected robotic products with RobArt (smart navigation solutions)and Lumi (home automation products) ;
- air purification with Ethera, which has developed solutions to measure and purify indoor air;
- water filtration with with Castalie, who designs and offers micro-filtered water fountains for businesses and restaurants;
- foodtech with Click & Grow, specialized in solutions for indoor vegetable gardens, Glovo, specializing in home delivery (meals and food products) and ChefClub leader in the production and broadcasting of culinary content.

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

Impact investing :

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

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

GROUPE SEB INVESTS IN CHEFCLUB

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

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

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

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

SEB ALLIANCE

SINCE 2011

21 minority direct investments

>200 startup dossiers received

8 partners funds*

* SEB Alliance is a strategic financial investor in these funds

3 main target sectors

Digital and connected home
Wellbeing and population ageing
Reducing the environmental footprint

Watch Shared technology

R&D collaboration
International scope
of which Europe,
the US and China

R&D and Business Collaboration

Prototypes and studies
Co-development
Commercial partnerships

A PORTFOLIO OF DIFFERENTIATED AND COMPLEMENTARY BRANDS

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

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

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

Our brands fall into three major sub-groups:

- **Consumer** brands that are very well known. Some of these are global brands (Tefal, Rowenta, Moulinex and Krups), while others, the majority of our brands, are regional (Arno in Brazil, Supor in China, Imusa in Colombia, SEB and Calor in France, etc.) and their strength lies in their suitability for local consumption habits. These brands' coverage may vary greatly depending on the product family; from specialist brands (such as Moulinex and Krups in small electrical appliances and cookware, and Rowenta in non-cookware electrics for example) to more general brands (Tefal and Supor).
- ***Premium*** brands (WMF, Lagostina, All-Clad and Silit), distributed through channels in a more selective way. These are managed in a specific way, guaranteeing strong, uniform expression of their identity and values (communication, design, pricing policy, etc.).
- **BtoB** brands (WMF, Schaerer, Wilbur Curtis, Hepp, Krampouz) sell coffee machines, hotel equipment and professional products B2B only and mainly to hotels, large restaurant chains and convenience stores.

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

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

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

In addition to the management of its brand portfolio, the Group pursues a strategy of partnerships to develop new concepts and step up its sales through the co-branding of two high-profile brands. Accounting for between 5% and 10% of revenue, these partnerships are major drivers of innovation and growth for the Group. Joint development agreements have also been signed with major names in the food industry, such as Nestlé for Nespresso and Dolce Gusto, and Heineken for BeerTender and The SUB, and in the cosmetics industry, such as L'Oréal for Steampod. Some partnerships also improve our corporate image, associating our products with other brands or organizations (WWF, etc.), under licensing agreements with brands such as the Elite modeling agency (Rowenta), or with endorsement contracts, like cookware lines developed in collaboration with renowned chefs such as Jamie Oliver or Pierre Gagnaire (Tefal). The Group intends to extend this partnership policy, particularly in the digital and community domains.

A GLOBAL AND DIVERSIFIED PRESENCE

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

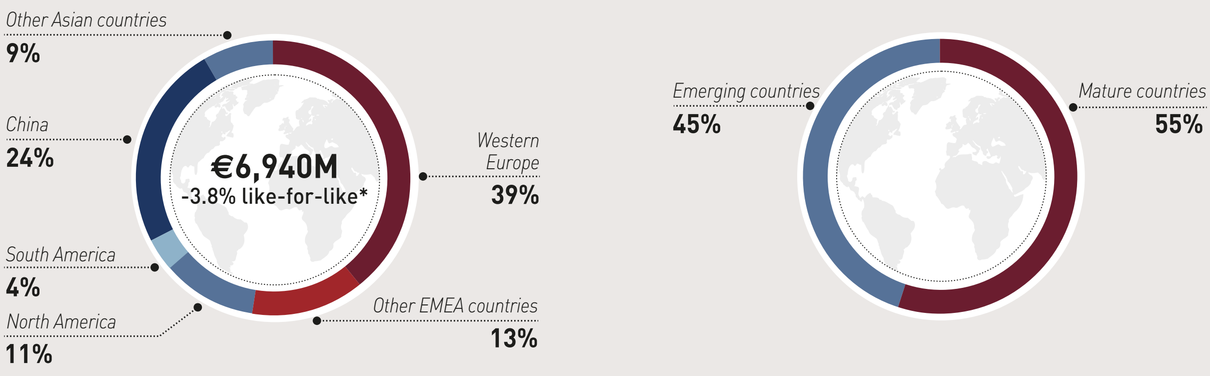
The scope of its constantly expanding product offering and its ability to adapt to the specific needs of different markets while relying on the power of its brand portfolio, has helped the Group build strong local positions. It has leadership positions in Western Europe, Central Europe, Russia, Turkey,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

This "multi-local" presence thus enables the Group to diversify its exposure to different economies and to seize opportunities for growth in the countries in which it has a presence, depending on the varying levels to which households are equipped with small electrical appliances and cookware. This provides the Group with long-term drivers for growth that range from renewal, duplication of equipment and upgrading in mature markets, to the high potential of emerging markets, particularly with the rise of the middle class, increased purchasing power and rapid urbanization that brings with it changing behaviors in daily life.

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

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

A GLOBAL BUSINESS WITH A BALANCE BETWEEN MATURE AND EMERGING MARKETS



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

A MULTI-CHANNEL DISTRIBUTION STRATEGY

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

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

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

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

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

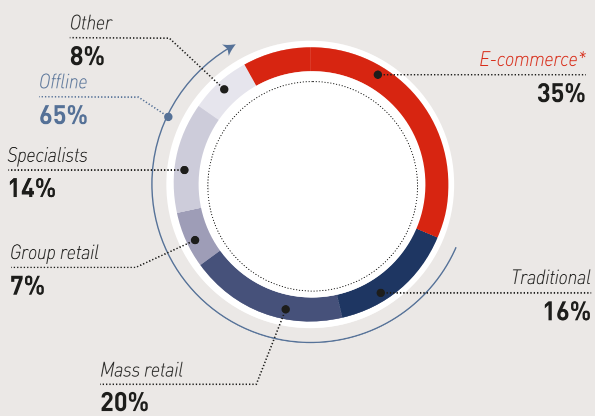
In recent years, the retail environment has undergone profound changes related to the explosion of e-commerce (pure players and click & mortar traders). This disrupts the sector's strategic segmentation, due to the immediacy of e-commerce and its offering founded on the optimum combination of choice,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

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

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

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

CONSUMER SALES BY DISTRIBUTION CHANEL



* Pure players et Click & Mortar

(Group's estimates at 31/12/2020)

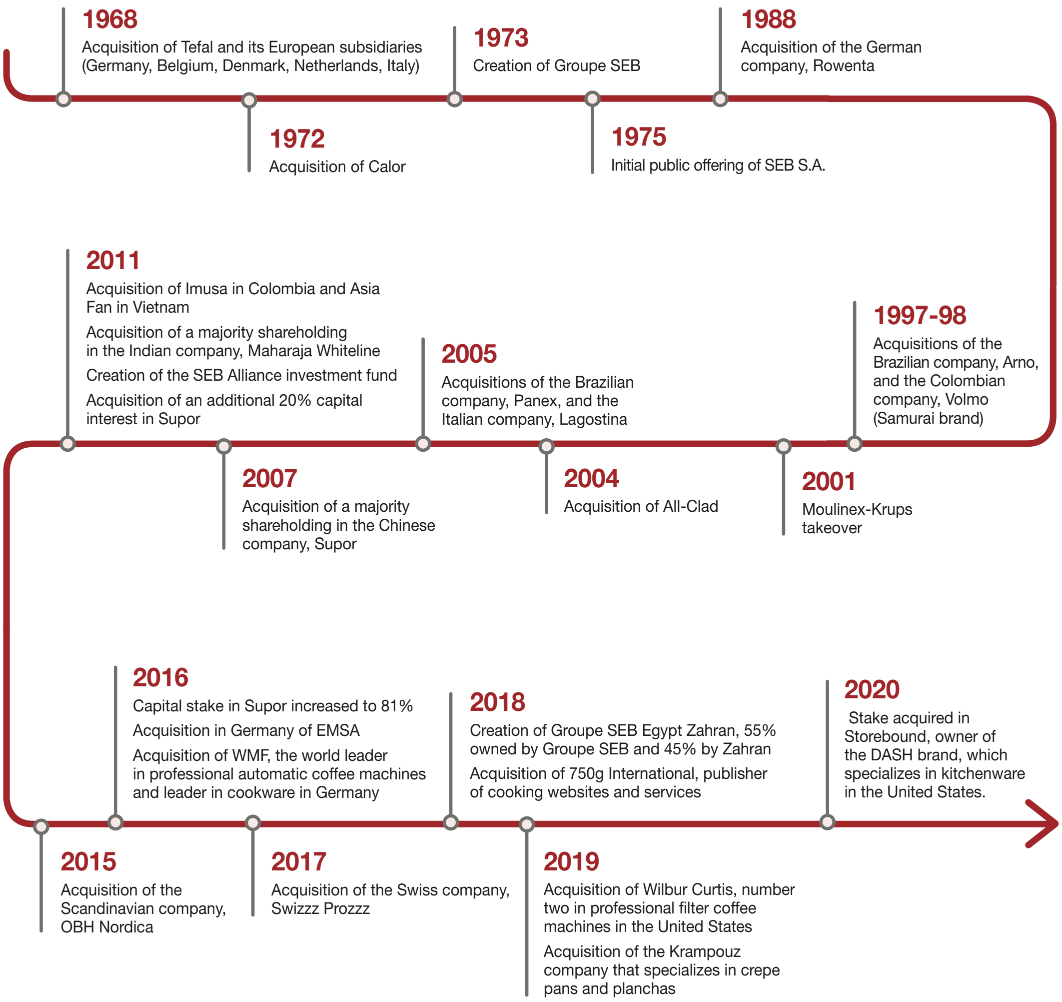
In this changing environment, Groupe SEB is committed to enhancing its access to consumers by:

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

AN ACTIVE ACQUISITION POLICY

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

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



In addition to accurately identifying the target company and having the necessary financial capacity to conduct the transaction, external growth requires an ability to integrate new acquisitions effectively and to generate synergies. Over the years, as our acquisitions have increased in number, Groupe SEB has built up considerable experience in integrating acquired companies, which is often a complex exercise, given the many issues at stake. Integration committees are set up, with members who represent the management and operational teams of both entities. These committees draw up the master plan for the merger and set the objectives, monitor the progress of projects and measure the synergies created.

TWO STRATEGIC ACQUISITIONS THAT HAVE TRANSFORMED THE GROUP

2007: Acquisition of Supor

At the end of 2007, the Group took control of Chinese company Supor.

This operation was complex due to the specific issues it involved: geographical and cultural remoteness, language barrier, more complex integration, coordination of communication between two listed companies, etc.

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

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

2016: takeover of WMF

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

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

OPENING-UP TO NEW BUSINESS MODELS

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

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

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

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

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

SALE OF NON-STRATEGIC BUSINESSES

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

- EMSA GmbH, a Groupe SEB subsidiary based in Emsdetten, Germany and specialized in the design, manufacture and distribution of kitchen utensils and accessories, concluded an agreement with Poétic S.A.S., the French market leader for garden planters, for the sale of its Garden business;
- Boehringer, which specializes in the marketing of hotel equipment and was acquired alongside WMF in 2016, was sold to the Certina group.

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

THE NEED FOR COMPETITIVENESS

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

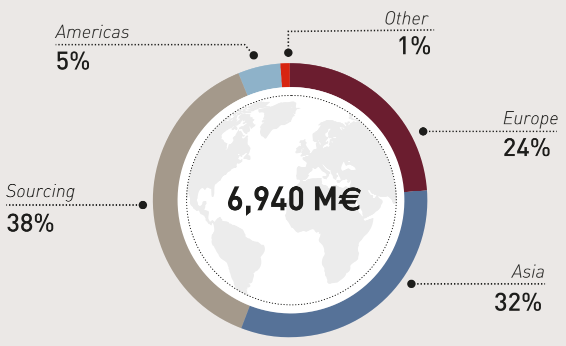
A POWERFUL AND VERSATILE MANUFACTURING BASE

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

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

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

DISTRIBUTION OF SALES PRODUCTION 2020



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

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

- the centers of product expertise bring together the specific expertise in research and development, industrialization and production for a given product category;
- the technological centers reinforce the centers of product expertise through their knowledge of key technologies in relation to materials, plastics, and electronics.

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

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

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

2020: operational management of industrial sites adapted to the crisis

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

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

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

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

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

CONTINUAL OPTIMIZATION OF INDUSTRIAL PRODUCTIVITY

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

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

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

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

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

Since its launch, the OPS program has enabled the Group to ensure a high level of quality in both its processes and its products. The commitment of the new sites acquired by the Group to incorporating these principles is a highly effective way of introducing a shared global approach of excellence and continuous performance improvement.

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

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

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

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

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

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

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

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

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

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

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

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

A RIGOROUS AND RESPONSIBLE PURCHASING POLICY

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

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

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

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

1.3 Organization and internal control

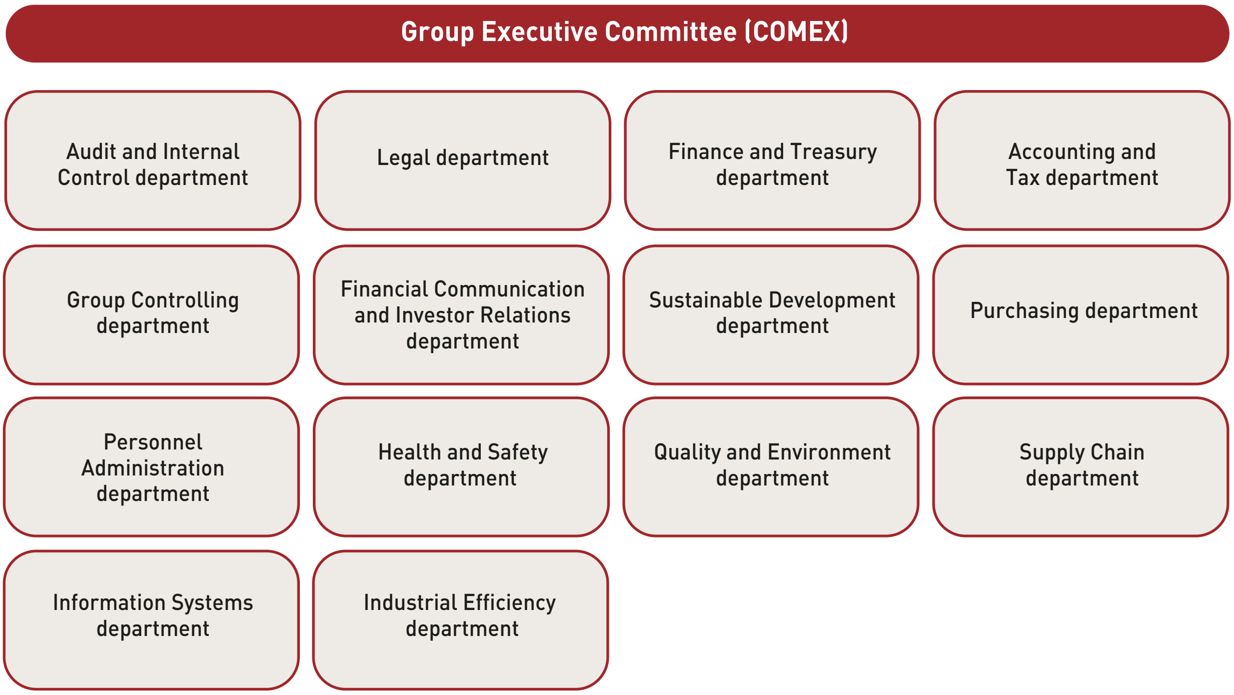
The scope of application of internal control and risk management procedures encompasses all of the Group's companies and employees, from governance bodies to individual employees. The operational and functional management structures are responsible for implementing these procedures.

Groupe SEB is an international entity, organized primarily into geographical zones by continent, each with their own ranges of products to sell. In addition, operations are managed by activity, covering a group of product lines and trademarks. Lastly, functional management supports operations transversally across all of the Group's businesses. The primary aim of this functional management is to ensure that activities are consistent and effective and to oversee the control functions (e.g. by means of financial standards, IT tools, quality rules, etc.).

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

ORGANIZATION OF INTERNAL CONTROL AND KEY PLAYERS

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



Audit and Internal Control department

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

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

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

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

Legal department

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

Its main tasks are based on the following activities:

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

Financial Communication and Investor Relations department

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

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

Finance and Treasury department

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

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

Group Controlling department

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

Its key oversight responsibilities are as follows:

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

Accounting and Tax department

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

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

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

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

Sustainable Development department

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

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

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

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

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

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

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

Personnel Administration department

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

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

Purchasing department

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

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

Information Systems department

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

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

- **operational tools (ERP, business software, office automation, communication, etc.):** the Information Systems department oversees operations for the Group's tools and participates in an Information Systems Steering Committee, described on p. 44;
- **network architecture: the Information** Systems department ensures the consistency, availability, and integrity of the Group's networks;
- **security of information systems and** personal data protection: a Group Head of IT Security or Chief Information Security Officer (CISO) was recruited in July 2020 to reinforce the existing security system.

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

Supply Chain department

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

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

- **reviewing our optimal logistical footprint between** our industrial facilities and our customers, as well as the global deployment of our OPS program, which enables us to guarantee high quality at optimum cost, in the drive for continuous improvement of our performance;
- **defining and rolling out stock management procedures** that apply to all the Group's warehouses, outsourced or not, including a receipt and dispatch management process, an inventory management process and security requirements at storage sites;
- **oversight of product flows:** defining and optimizing product flows (with a view to improving the flexibility of industrial sites) in line with international regulations and in compliance with customs regulations.

With a view to continually improving customer service, the Group is in the process of changing the structure of its supply chain, which will be organized along three key principles:

- centralized calculation of demand, based on market data and the use of statistical forecasting tools, as well as centralized management of logistics centers to optimize our distribution network;
- maintaining the structures required to serve our customers on continents and within markets. These structures will define our logistics offerings by customer type and implement them, from taking orders to delivery;
- centralizing the «Planning» *function in* our Business Units which, based on demand calculated by the central function, will schedule production and supplies to service the markets. The BUs are also responsible for product offerings, plants and marketing plans.

Industrial Efficiency department

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

This department is responsible for the following processes:

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

Quality & Environment department

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

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

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

Health and Safety department

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

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

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

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

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

GROUP SEB EXECUTIVE COMMITTEE (COMEX)

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

Compliance Committee

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

MAR (Market Abuse Regulation) Committee

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

Information Systems Steering Committee

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

Information Systems Security Committee

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

Sustainable Development Steering Committee

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

Health and Safety Committee

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

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

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

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

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

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

Lastly, to ensure efficient overall management, Groupe SEB relies on the decentralization of operational responsibilities and clearly defined rules of operation and delegation. It also benefits from a well-established corporate culture, rooted in shared fundamental human values that foster an ethical working environment: Entrepreneurial drive, Passion for innovation, Professionalism, Group spirit, and Respect for people.

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

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

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

1.4 Risk factors

MAIN RISK FACTORS

PRESENTATION OF THE MAIN RISKS

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

Strategic risks

Degree 3

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

Operational risks

Degree 2

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

Industrial and environmental risks

Degree 1

- Product quality and consumer safety

Degree 2

- Business continuity
- Employee health and safety and environment

INTRODUCTION

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

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

RISK IDENTIFICATION AND CONTROL PROCESS

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

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

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

COLLECTION OF OPERATIONAL RISKS

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

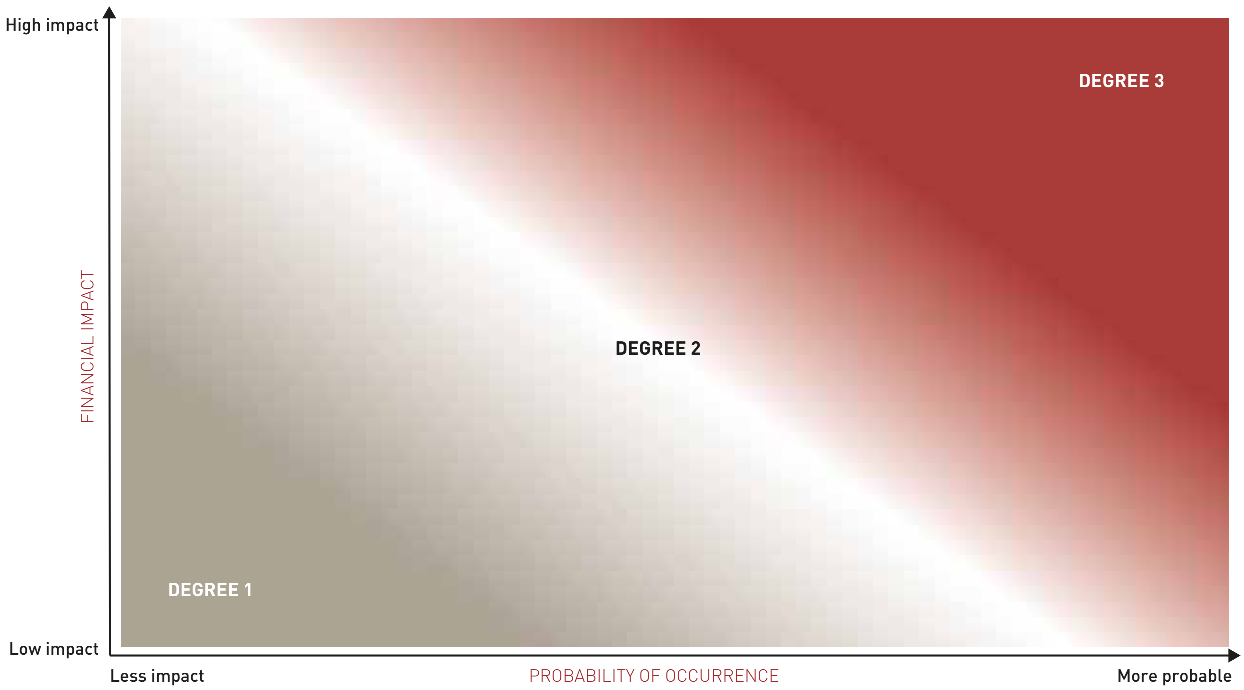
Risk forms are then created and consolidated by the Audit and Internal Control department to identify the main issues by theme.

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

CONSOLIDATION AT GROUP LEVEL

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

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



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

SPECIFIC RISK: COVID-19

Description of risk

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

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

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

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

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

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

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

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

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

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

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

Management of risk

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

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

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

1.4.1 STRATEGIC RISKS

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

Description of risk

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

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

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

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

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

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

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

Management of risk

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

RISK ASSOCIATED WITH CHANGES IN THE DISTRIBUTION INDUSTRY

Description of risk

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

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

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

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

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

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

Management of risk

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

RISK RELATED TO INNOVATION AND INTELLECTUAL PROPERTY

Description of risk

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

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

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

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

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

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

Management of risk

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

IMAGE AND REPUTATIONAL RISK

Description of risk

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

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

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

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

Management of risk

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

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

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

1.4.2 OPERATIONAL RISKS

COMPLIANCE

Description of risk

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

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

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

Management of risk

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

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

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

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

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

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

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

RISK LINKED TO THE VOLATILITY OF OUR BUSINESS AND TO COMPETITIVENESS

Description of risk

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

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

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

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

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

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

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

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

Management of risk

- Business during high resale periods are planned in conjunction with our major distribution partners to reduce unknown risks. Sales and promotional campaigns remain aggressive during the low season to spread out revenue a little more evenly throughout the year. The Group's geographic diversification also reduces the risk of volatility caused by seasonal products sold due to weather conditions.
- With regard to loyalty programs, the Group has set up a meticulous management process – no loyalty program can be started without management's approval and after analyzing operational what-ifs (offerings, visibility, brand, supply chain) and profitability. This process is accompanied by monitoring throughout the campaign with the different stakeholders, to secure volumes and procurement.

  Lastly, with regard to partnerships, the main measure of risk management is based on sustainability of the relationship (the major partnerships are more than 15 years old) and on the diversification of these partnerships that allows portfolio balancing in this activity.

  Regarding our professional coffee machines business, the Group makes every effort to have a growing list of contracts – including the smaller contracts – that it manages in an order book, to offset the impact from huge one-off deals from one year to another.
- As a manufacturing company, Groupe SEB constantly has to decide between internal or outsourced production. Against this background, around two thirds of the Group's products are manufactured internally, particularly products with a high technological value in Europe and products with strong competition in China, while more commonplace products are outsourced. Thinking in terms of Total Cost Ownership, we want to simplify product outflows while attempting to manufacture as much as possible close to our customers and limit the distance in between our suppliers' manufacturing sites.
- For in-house production, our local and central/cross-functional manufacturing teams continuously strive to improve the competitiveness of our sites, specifically through the rollout of continuous improvement programs. At the same time, the production teams have put in place an industrial flexibility program using diverse technological platforms to improve our responsiveness and adaptability to market need, as well as to potential rapid developments in market conditions (currencies, customs fees, raw materials, etc.).
- The Group's currency position is short in dollars and yuan and long in all other currencies. The Group is required to adjust its pricing policy to offset fluctuations in exchange rates, which are sometimes sudden and significant. In addition, Groupe SEB addresses exposure to currencies and raw materials with a hedging policy that is described in Note 26 of the financial statements.

RISK RELATED TO ATTRACTING AND RETAINING TALENT

Description of risk

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

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

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

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

Management of risk

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

CYBERSECURITY AND INFORMATION SYSTEMS FAILURE RISK

Description of risk

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

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

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

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

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

Management of risk

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

MACROECONOMIC, GEOPOLITICAL AND REGULATORY RISKS

Description of risk

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

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

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

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

Management of risk

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

1.4.3 INDUSTRIAL AND ENVIRONMENTAL RISKS

RISK OF BUSINESS INTERRUPTION

Description of risk

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

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

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

Management of risk

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

EMPLOYEE HEALTH AND SAFETY AND ENVIRONMENT RISK

Description of risk

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

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

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

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

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

Management of risk

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

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

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

PRODUCT QUALITY AND CONSUMER SAFETY RISK

Description of risk

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

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

Management of risk

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

1.4.4 INSURANCE

GROUP GENERAL INSURANCE COVER (EXCLUDING INSURANCE OF PERSONS)

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

INTEGRATED WORLDWIDE COVERAGE

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

DAMAGE TO ASSETS AND LOSS OF EARNINGS

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

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

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

CIVIL LIABILITY

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

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

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

ENVIRONMENT

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

Coverage applies to:

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

TRANSPORT AND INVENTORY

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

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

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

CYBER

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

CUSTOMER RISK

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

LOCAL INSURANCE POLICIES

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

2 Corporate governance

2.1 Implementation framework for corporate governance principles

Groupe SEB adheres to the January 2020 version of the AFEP-MEDEF Corporate Governance Code for listed companies (the "AFEP-MEDEF Code"), which can be consulted on the MEDEF website (www.medef.com).

Pursuant to the recommendations of the AFEP-MEDEF Code, as well as Article L. 22-10-10 4° of the French Commercial Code, this chapter reports on the application of the provisions adopted and explains why some provisions were not applied. In accordance with Article L. 225-37, paragraph 6 of the French Commercial Code, this chapter includes a portion of the Corporate Governance Report, appended to the Management Report, as shown in the cross-reference table available on page 369.

It should be noted that the information referred to in Article L. 22-10-11 of the French Commercial Code and, in particular, information concerning the capital structure of the company and factors which could affect a hypothetical takeover bid, appears in chapter 7, "Information concerning the company and its share capital".

2.2 Management structure

The company is managed by Thierry de La Tour d'Artaise, Chairman and Chief Executive Officer. He is assisted by Stanislas de Gramont, Chief Operating Officer, who took office on 3 December 2018.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

In a unitary management structure, the Board of Directors is responsible for deciding whether or not the General Management of the company can be entrusted to the Chairman of the Board or to a third party, in accordance with Article L. 225-51-1 of the French Commercial Code and the recommendations of the AFEP-MEDEF Code.

At the end of its Meeting on 21 June 2002, the Board of Directors unanimously decided that the General Management of the company would be assumed, under its responsibility, by the Chairman of the Board of Directors, Thierry de La Tour d'Artaise.

Each time Thierry de La Tour d'Artaise was reappointed, in 2004, 2008, 2012, 2016 and 2020, the Board of Directors confirmed this structure for the company's management authority, deemed to be the most appropriate given the company's organizational structure and operating methods, offering faster and more efficient decision-making.

Moreover, the Board of Directors applied no limits to the powers of the Chairman and CEO, which are described on page 87.

CHIEF OPERATING OFFICER

Following its meeting of 10 October 2018, the Board of Directors, on the proposal of the Chairman and Chief Executive Officer and after studying the recommendations of the nominations and remunerations Committee (now called governance and remuneration Committee), appointed Stanislas de Gramont as Chief Operating Officer, replacing Bertrand Neuschwander.

As Chief Operating Officer, Stanislas de Gramont's role is to assist Thierry de La Tour d'Artaise in his Group management tasks, in accordance with the law and the Company's bylaws.

He has the same powers as Chairman and CEO Thierry de La Tour d'Artaise with respect to third parties.

At the Governance and Remuneration Committee Meeting of 3 December 2020, specifically in connection with monitoring the succession plan, the scope of Stanislas de Gramont's duties and areas of operation was reviewed and extended.

2.3 Composition, organization and operation of the Board of Directors

The Board of Directors is a collective body that represents all the shareholders and acts solely in the company's interests.

According to the AFEP-MEDEF Code: "*the organization of the Board's work, and likewise its membership, must be suited to the shareholder make-up, to the size and nature of each firm's business, and to the particular circumstances facing it. Each Board is the best judge of this, and its foremost responsibility is to adopt the modes of organization and operation that enable it to carry out its mission in the best possible manner*".

The company was inspired by these recommendations to organize a Board of Directors, with a membership and organizational structure which enable it to effectively perform its corporate missions, in line with the various interests at stake.

COMPOSITION OF THE BOARD OF DIRECTORS

The company's governance is based on the existence of a family base that has evolved and adapted to the challenges, business activities and requirements of all stakeholders.

This family heritage is reflected in the composition of the Board of Directors, on which the presence of directors from the Founder Group responds to the family shareholding structure while complying with the principles of corporate governance, particularly thanks to the presence of independent directors.

To reflect the changing family shareholder base and statutory changes on employee representation and gender balance, the Board of Directors, upon the recommendation of the Governance and Remuneration Committee (formerly Nominations and Remuneration Committee) decided to refresh its membership in 2019.

GENERAL PRINCIPLES RELATING TO THE COMPOSITION OF THE BOARD OF DIRECTORS

Since the Annual General Meeting of 22 May 2019 and Groupe SEB's European Committee of 27 June 2019, the Board of Directors has 17 members whose terms of office are four years in accordance with the bylaws.

The composition of the Board of Directors is as follows:

- Chairman;
- eight directors representing the Founder Group, namely:
  - four directors from VENELLE INVESTISSEMENT,
  - two directors from GÉNÉRACTION,
  - two directors from FÉDÉRACTIVE;
- five independent directors;
- one director representing employee shareholders; and
- two directors representing employees.

More than one-third of Board members are independent (5/14, 35.7%), as recommended by the AFEP-MEDEF Code.

This calculation does not include the director representing employee shareholders and the two directors representing employees.

In accordance with the calculation method set out in the change to the bylaws following the submission of Resolution 23 to the Annual General Meeting of 19 May 2020 and pursuant to the new provisions of the PACTE law the director representing employee shareholders and the two directors representing employees are excluded from the calculation of the representation of women. Under this new calculation method, with seven women on the Board of Directors, the representation of women stands at 50% (7/14) of the members of the Board of Directors, in accordance with Article L. 22-10-3 of the French Commercial Code.

Description of the policy relating to diversity on the Board of Directors

Pursuant to the provisions of Article L. 22-10-10, 2 of the French Commercial Code, the Board of Directors strives to maintain a balance in its membership and in that of its Committees, particularly when it comes to diversity in terms of careers and experience. A broad range of complementary skills is essential to the smooth operation of the Board of Directors.

More specifically, the Governance and Remuneration Committee seeks to include directors with skills that will enhance the quality of debate and contribute to informed discussion. In addition, the international experience acquired by certain directors during their professional careers or as a result of their residency abroad ensures that the Board of Directors takes greater account of international practices and issues.

This diversity also stems from:

- the independent directors having a wide range of complementary expertise (distribution, finance, digital technology, strategy, human resources, audit, governance and CSR);
- contributions from the employee representatives, who provide input from a different, CSR-focused perspective; and
- from a long-term outlook, a commitment to family values and to maintaining family unity among the family shareholder base.

During the 2020 evaluation of the Board of Directors, the members were able, through various questions on this subject, to express their satisfaction with the diversity in the composition of the Board and with the resulting enrichment.

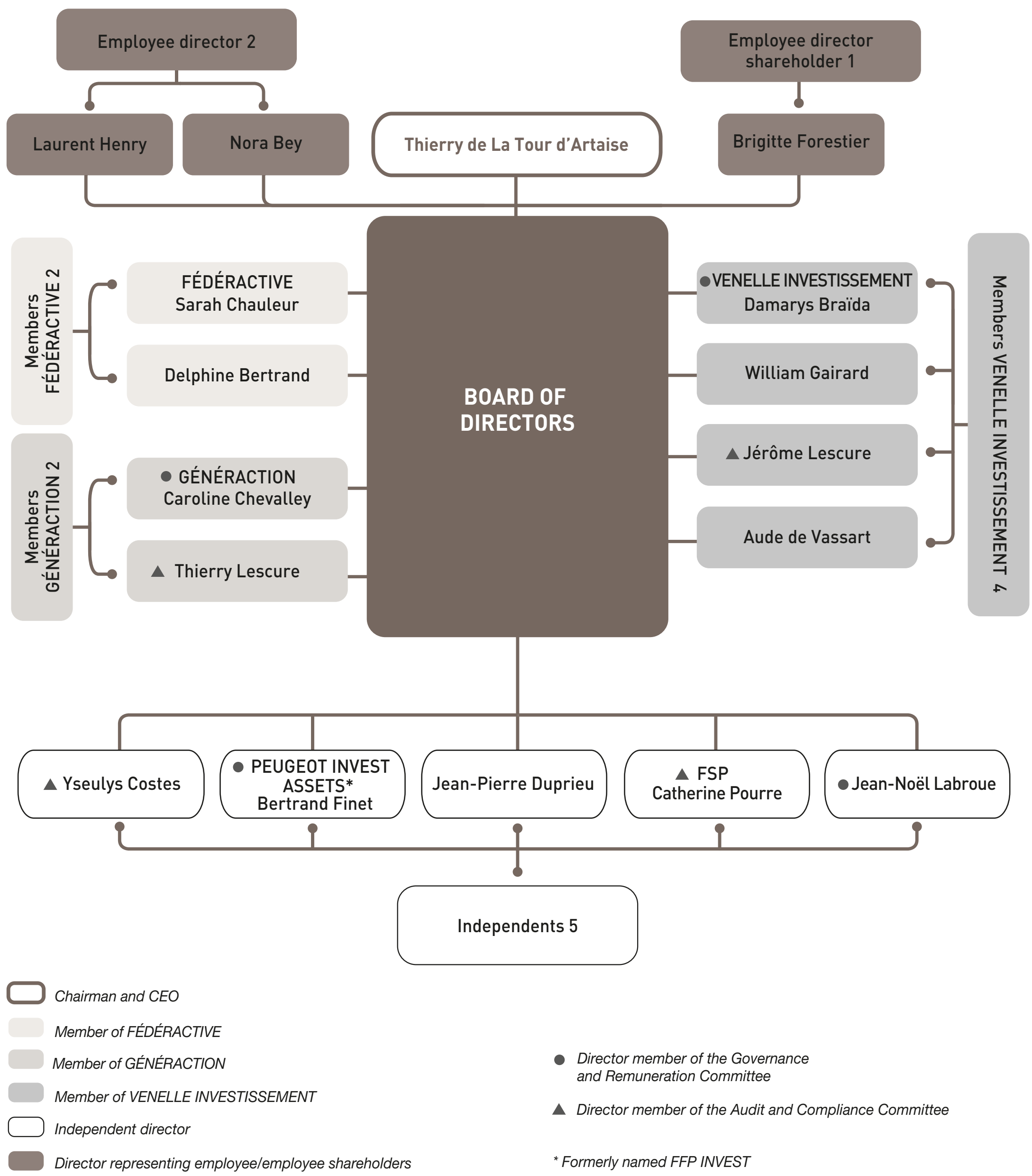
Description of the procedure for selecting independent directors

In accordance with the provisions of the AFEP-MEDEF Code, the Governance and Remuneration Committee organizes a procedure to select future independent directors and conducts its own research into potential candidates before any approach is made. In this regard, the Governance and Remuneration Committee has documented a procedure for selecting independent directors, which has been approved by the Board of Directors. This procedure is appended to the internal rules of the Board of Directors and aims to set out the process that is followed, by identifying the various stages for selecting future independent directors to serve on the Board of Directors of SEB S.A. The Governance and Remuneration Committee prepares an annual report and evaluates the implementation of this procedure, which it presents to the Board of Directors at the meeting to review the annual financial statements.

Ownership of the company's capital by the directors as of December 31, 2020

At 31 December 2020, the directors together held 18.9% of the OGM capital and 11.4% of the EGM capital of the company and 24.4% of the OGM theoretical voting rights and 14.7% of the EGM theoretical voting rights, thereby adhering to the terms of the Directors' Charter and the internal rules of the Board of Directors (the "Charter and internal rules") under which each director is required to hold a minimum number of pure registered SEB S.A. shares equivalent to about two years of attendance fees (except for directors representing employees and employee shareholders).

COMPOSITION OF THE BOARD OF DIRECTORS IN 2020



* Formerly named FFP INVEST

ABOUT THE DIRECTORS

FOUNDING CHAIRMEN

Frédéric Lescure † **Henri Lescure †** **Emmanuel Lescure †**

Thierry DE LA TOUR D'ARTAISE

Chairman and Chief Executive Officer

- **Date of first appointment:** AGM of 3 May 1999
- **Date of last reappointment:** AGM of 19 May 2020
- **End date of term of office:** 2024 AGM

Main professional address: Campus Seb
112 chemin du Moulin Carron
69130 Écully – France

Age: 66

Nationality: French

Committee member: No

Number of Seb shares held: 546,002

Biography

The Chairman and Chief Executive Officer of Groupe SEB, Thierry de La Tour d'Artaise, was born in October 1954 in Lyon. He graduated from the ESCP in 1976 and is a chartered accountant. He is also an officer of the French Legion of Honor.

He began his career at Allendale Insurance in the US in 1976 as a Financial Controller, before joining the audit firm Coopers & Lybrand in 1979 as an Auditor, and then a manager. He moved to Groupe Chargeurs in 1983, where he was appointed Chief Financial officer of Croisières Paquet, before becoming Chief Executive Officer.

In 1994, he came to Groupe SEB as Chief Executive Officer, then Chairman and Chief Executive Officer of Calor S.A. (1996). In 1999, he was appointed Vice-Chairman and CEO of Groupe SEB, and has been its Chairman and Chief Executive Officer since 2000.

Other current offices and positions as of 12/31/2020

Company	Functions and current mandates
SEB DEVELOPPEMENT S.A.S.	Chairman
SEB INTERNATIONALE (wholly owned subsidiary of SEB S.A.)	Chairman
Zhejiang Supor Co., Ltd* (China – a listed subsidiary 81.20% owned by SEB INTERNATIONALE)	Chairman of the Board of Directors
WMF Group GmbH	Chairman of the Supervisory Board
Peugeot S.A.*	Member of the Supervisory Board
CIC – Lyonnaise de Banque	Permanent representative of Sofinaction on the Board of Directors
Holding HPP	Chairman

Offices and positions held in the last five years and now expired

Company	Functions and current mandates
Club Méditerranée S.A.*	Director
Legrand*	Director and member of the Nominations and Governance Committee

* *Listed company.*

Delphine BERTRAND

Director – member of the Founder Group, member of FÉDÉRACTIVE

- **Date of first appointment:** AGM of 11 May 2017
- **Date of last reappointment:** AGM of 16 May 2018
- **End date of term of office:** 2022 AGM

Main professional address:
Campus Seb
112 chemin du Moulin Carron
69130 Écully – France

Age: 55

Nationality: French

Committee member: No

Number of Seb shares held: 120,141 (including 9,825 full-ownership and 110,316 bare-ownership shares)

Biography

Delphine Bertrand has a degree in Japanese, holds a CPEI qualification from the Institut National des Langues et Civilisations Orientales (INALCO) and is a Master Practitioner of neurolinguistic programming. She has served as communication officer of FÉDÉRACTIVE since 2013.

She is a co-founder of the Première Pierre foundation (FPP), which was set up in 2007 to support charitable organizations that help vulnerable people to rebuild their lives, in the areas of housing, employment, disability and education.

Delphine Bertrand is certified in corporate governance: "objectif administratrice" from EM Lyon.

Other current offices and positions as of 12/31/2020

Company	Functions and current mandates
FÉDÉRACTIVE	Member of the Advisory Board

Offices and positions held in the last five years and now expired

None

Nora BEY

Director representing employees

- **Date of first appointment:** Groupe SEB European Committee 27 June 2019
- **End date of term of office:** 2,023

Main professional address:
Campus Seb
112 chemin du Moulin Carron
69130 Écully – France

Age: 47

Nationality: French

Committee member: No

Number of Seb shares held: n/a

Biography

Nora Bey holds a master's degree in Sales and Marketing from the Conservatoire National des Arts et Métiers in Paris and is a CSCP certified Supply Chain Professional. She joined Groupe SEB in 1997. Nora performed various Supply Chain functions for Tefal SAS before being appointed head of sales and operations planning in the cookware business in 2017.

Other current offices and positions as of 12/31/2020

None

Other offices and positions held in the last five years and now expired

None

YSEULYS COSTES

Independent director

- **Date of first appointment:** AGM of 14 May 2013
- **Date of last reappointment:** AGM of 11 May 2017
- **End date of term of office:** 2021 AGM (Reappointment)

Main professional address:
28 Rue de Châteaudun
75009 Paris – France

Age: 48

Nationality: French

Committee member: audit and compliance Committee

Number of Seb shares held: 750

Biography

Yseulys Costes holds a master's degree in Management Sciences and a postgraduate degree in Marketing and Strategy from Université Paris-IX Dauphine. She is Chairwoman, CEO and founder of Numberly – 1000mercis Group. She discovered the internet in 1995 during her MBA studies at the Robert O. Anderson School in the US. Given her interest in Data and Marketing, she founded Numberly – 1000mercis Group to offer its clients innovative digital strategies with a high return on investment, through targeted, multi-channel solutions with a measurable impact. As an Interactive Marketing researcher, she spent time at Harvard Business School, in the US, and has taught at several institutions (HEC, ESSEC and Paris Dauphine).

Before founding Numberly, she wrote many works and articles on marketing and databases, and was the coordinator of the IAB France on its creation.

In 2014, she moved to Palo Alto in California, the heart of Ad Tech, to develop Numberly, the Group's international subsidiary. She moved back to France in 2018.

2

Other current offices and positions as of 12/31/2020

Company	Functions and current mandates
Numberly* – 1000mercis Group	Chairwoman and Chief Executive Officer
Ocito (Groupe 1000mercis)	Chairwoman of the Supervisory Board
Kering S.A.*	Director, member of the Audit Committee, member of the Appointments Committee and Chairwoman of the Compensation Committee

Offices and positions held in the last five years and now expired

Company	Functions and current mandates
Vivendi*	Member of the Supervisory Board

* *Listed company.*

JEAN-PIERRE DUPRIEU

Independent director

- **Date of first appointment:** AGM of 22 May 2019
- **End date of term of office:** 2023 AGM

Main professional address:
Campus Seb
112 chemin du Moulin Carron
69130 Écully – France

Age: 68

Nationality: French

Committee member: No

Number of Seb shares held: 400

Biography

Jean-Pierre Duprieu is an agronomic engineer with a master's Degree in Food Industry from the Institut National Agronomique (AgroParisTech). He is also a Graduate of the Institut de Contrôle de Gestion and the International Forum (Wharton). He joined the Air Liquide Group in 1976. He spent his entire career at Air Liquide holding various commercial, operational, strategic and general management positions, first as International Marketing Director, then as Sales and Marketing Director for France and then as Executive Vice-president of Air Liquide France. In 2000, Jean-Pierre Duprieu was appointed Senior Vice-president and member of the Group's Executive Committee in charge of Europe, Africa and the Middle East. For five years, he was based in Tokyo as a member of the Executive Committee, Director of the Asia Pacific region and of the World Electronics Business Line. Upon returning from Asia in 2010, he was named Deputy Chief Executive Officer of the Air Liquide Group.

Other current offices and positions as of 12/31/2020

Company	Functions and current mandates
Michelin*	Member of the Supervisory Board and Chairman of the Compensation and Appointments Committee
Korian Group*	Chairman of the Board of Directors Member of the Investment Committee
DEHON SAS	Member of the Supervisory Committee

Offices and positions held in the last five years and now expired

Company	Functions and current mandates
Air Liquide Group*	Deputy Chief Executive Officer
Air Liquide Welding SA	Director
Air Liquide Santé International	Director
Air Liquide Eastern Europe	Chairman of the Board of Directors

* *Listed company.*

FÉDÉRACTIVE

Registered office:
66, avenue des Champs-Élysées
75008 Paris – France
487 544 223 RCS Paris

Committee member: No

Number of Seb shares held: 4,074,294 (including 4,074,291 bare ownership shares and three full ownership shares).

Director – member of the Founder Group

- Simplified joint-stock company with share capital of €205,312

- **Date of first appointment:** AGM of 11 May 2006
- **Date of last reappointment:** AGM of 16 May 2018
- **End date of term of office:** 2022 AGM

Information

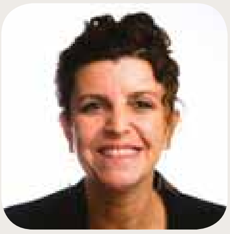
FÉDÉRACTIVE is a controlling holding company which mainly represents the equity interests of the founding family, registered on 14 April 2006.

The company has been represented on the Board of Directors of SEB S.A. by Sarah Chauleur, replacing Pascal Girardot, since the Annual General Meeting of 11 May 2017.

Other current offices and positions as of 12/31/2020
None

Offices and positions held in the last five years and now expired
None

Sarah CHAULEUR



Main professional address:
Campus Seb
112 chemin du Moulin Carron
69130 Écully – France

Age: 49

Nationality: French

Permanent representative of FÉDÉRACTIVE on the Board of Directors

Biography

Sarah Chauleur has a postgraduate degree in Information and Communication Sciences and an “objectif administratrice” corporate governance diploma from EM Lyon. She served as Communications Manager for FÉDÉRACTIVE until 2019. Now, Sarah is in charge of responsible shareholding, CSR and governance.

She is also a co-founder of the Première Pierre foundation (under the auspices of the Fondation de France).

Other current offices and positions as of 12/31/2020

Company	Functions and current mandates
FÉDÉRACTIVE	Member of the Advisory Board

Offices and positions held in the last five years and now expired
None

PEUGEOT INVEST ASSETS

Registered office:
66, avenue Charles de Gaulle
92200 Neuilly-sur-Seine – France
535 360 564 RCS Paris

Committee member: Governance and Remuneration Committee

Number of Seb shares held: 2,021,522

Independent director

- Simplified joint-stock company with share capital of €541,010,740

- **Date of first appointment:** AGM of 14 May 2013
- **Date of last reappointment:** AGM of 11 May 2017
- **End date of term of office:** 2021 AGM (Reappointment)

Information

PEUGEOT INVEST ASSETS has been a registered company since 17 November 2011. It is wholly owned by PEUGEOT INVEST, a holding company listed on the Paris Stock Exchange, which is majority owned by the Peugeot family group.

It is represented by Bertrand Finet, its Chief Executive Officer.

Other current offices and positions as of 12/31/2020

Company	Functions and current mandates
Immobilière Dassault*	Member of the Supervisory Board
IDI*	Vice-Chairman and member of the Supervisory Board
Financière Guiraud	Chairman
IDI Emerging Markets (Luxembourg)	Member of the Supervisory Board
Orpea*	Director
Lapillus II	Director
FFP Les Grésillons	Managing Director
LDAP	Member of the Executive Committee
SPIE*	Director
Lisi*	Director
Total Eren	Director on the Board of Directors

Offices and positions held in the last five years and now expired

Company	Functions and current mandates
Zodiac Aerospace*	Member of the Supervisory Board
LT Participations	Director
IPSOS*	Director
ONET	Member of the Supervisory Board
SANEF*	Director
Gran Via 2008	Director
Valmy FFP	Managing Director

* *Listed company.*

BERTRAND FINET

Permanent representative of PEUGEOT INVEST ASSETS

Main professional address:
Campus Seb
112 chemin du Moulin Carron
69130 Écully – France

Age: 55

Nationality: French

Biography

After graduating from ESSEC in 1988, Bertrand Finet started his career in 1991 at 3i Group, where he was appointed Chief Investment Officer. He held this post for two years in London before joining the Group's French subsidiary.

He was appointed Managing Director of CVC Capital Partners France in 1996, before heading the Paris office of Candover France starting in 2006.

In 2009, Bertrand Finet was made a member director of the Fonds Stratégique d'Investissement's (FSI) Executive Committee, then in 2013, Executive Director at Bpifrance in the Fonds Propres PME department, before being appointed Executive Director of Bpifrance's Mid & Large Cap department in April 2015.

He was appointed Chief Executive Officer of FFP now called PEUGEOT INVEST in May 2020, having been its Chief Operating Officer since January 2017.

Other current offices and positions as of 12/31/2020

Company	Functions and current mandates
PEUGEOT INVEST*	Chief Executive Officer
PEUGEOT INVEST ASSETS	Chief Executive Officer
Maillot I	Representative of PEUGEOT INVEST, Chairman
PEUGEOT INVEST UK (United Kingdom)	Director
FFP Invest Arb	Chairman
LDAP	Permanent representative of PEUGEOT INVEST ASSETS on the Executive Committee
SPIE*	Permanent representative of PEUGEOT INVEST ASSETS on the Board of Directors

Offices and positions held in the last five years and now expired

Company	Functions and current mandates
Bpifrance Investissement	Executive Director within Mid & Large Cap Equity department
Bpifrance Investissement	Executive Director within SME Equity department
Bpifrance Investissement	**Executive Director within SME Equity department**
Sequana*	Permanent representative of Bpifrance Participations on the Board of Directors
Constellium*	Permanent representative of Bpifrance Participations, as Non-voting director on the Board of Directors
Vallourec*	Permanent representative of Bpifrance Participations on the Board of Directors
Technicolor*	Permanent representative of Bpifrance Participations on the Board of Directors
Verallia	Permanent representative of Bpifrance Participations on the Board of Directors
CDC Entreprise Capital Investissement	Chairman and Chief Executive Officer

Brigitte FORESTIER

Director representing employee shareholders

- **Date of first appointment:** AGM of 11 May 2017
- **Date of last reappointment:** None
- **End date of term of office:** 2021 AGM (Reappointment)

Main professional address:
Campus Seb
112 chemin du Moulin Carron
69130 Écully – France

Age: 49

Nationality: French

Committee member: No

Number of Seb shares held: n/a

Biography

Brigitte Forestier has a master's in Human Resources from the Institut de Gestion Sociale in Lyon. She joined Groupe SEB in 1997. She held various human Resources positions at Calor, followed by Groupe SEB France and Groupe SEB Retailing. In November 2018, Brigitte Forestier was appointed Director of Human Resources of Campus Seb.

Other current offices and positions as of 12/31/2020
None

Offices and positions held in the last five years and now expired
None

* *Listed company.*

Registered office:
93 boulevard Haussmann
75008 Paris – France
753 519 891 RCS Paris

Committee member:
Audit and Compliance Committee

Number of Seb shares held: 2,633,876

FONDS STRATÉGIQUE DE PARTICIPATIONS (FSP)

Independent director

- SICAV with a Board of Directors and share capital of €400,000

- **Date of first appointment:** AGM of 15 May 2014
- **Date of last reappointment:** AGM of 19 May 2020
- **End date of term of office:** 2024 AGM

Information

FSP was registered on 14 September 2012. The Fund is a long-term investment vehicle whose purpose is to provide long-term support to French companies in their plans for growth and transition. It achieves this by taking significant stakes in companies' capital and participates in their governance by obtaining a seat on their Board of Directors or Supervisory Board. The Fund's shareholders are seven French insurance companies: BNP Paribas Cardif, CNP Assurances, Crédit Agricole Assurances, Groupama, Natixis Assurances, Société Générale Assurances, and Suravenir. The Fund's portfolio currently includes eight investments in the capital of French companies that are leaders in their specialist areas: Seb, Arkema, Safran, Eutelsat Communications, Tikehau Capital, Elior, Néoen, and Valeo.

It is represented on the Board of Directors by Catherine Pourre.

Other current offices and positions as of 12/31/2020

Company	Functions and current mandates
Safran	Director through F&P, held jointly with PEUGEOT INVEST
Arkema*	Director
Eutelsat Communications*	Director
Tikehau Capital Advisors	Director
Tikehau Capital SCA*	Member of the Supervisory Board
Elior Group*	Director
Neonen	Director
Valéo*	Director

Offices and positions held in the last five years and now expired

Company	Functions and current mandates
Zodiac Aerospace*	Director

* *Listed company.*

Main professional address:
Campus Seb
112 chemin du Moulin Carron
69130 Écully – France

Age: 63

Nationality: French

Committee member: Audit and Compliance Committee Chairwoman

Catherine POURRE

Permanent representative of FSP on the Board of Directors

Biography

A Graduate of the ESSEC business school and with a degree in Accounting and Law from the Catholic University of Paris, Catherine Pourre began her career at PricewaterhouseCoopers, where she was Partner from 1989 to 1999. She then worked for Cap Gemini as President in charge of the High Growth Middle Market, and was a member of the French Group Executive Committee.

She subsequently joined the Unibail-Rodamco Group in 2002, where she served as Senior Executive Vice-president, Finance, Information Technology, Human Resources, Organization and Property Engineering. She then became General Manager of Core Businesses and a member of the Management Board from 2007 to 2013, and Director of U&R Management BV, a subsidiary of the Unibail-Rodamco Group, until 2015.

Other current offices and positions as of 12/31/2020

Company	Functions and current mandates
Bénéteau S.A.*	Director
Crédit Agricole S.A.* and its subsidiary Crédit Agricole CIB	Director
CPO Services SARL (Luxembourg)	Manager

Offices and positions held in the last five years and now expired

Company	Functions and current mandates
Neopost S.A.* (now called Quadient)	Director
U&R Management B.V. (Netherlands)	Director

Main professional address:
Campus Seb
112 chemin du Moulin Carron
69130 Écully – France

Age: 40

Nationality: French

Committee member: No

Number of Seb shares held:
286,000 shares
(164,394 of which bare-ownership shares)

William GAIRARD

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

- **Date of first appointment:** AGM of 12 May 2015
- **Date of last reappointment:** AGM of 22 May 2019
- **End date of term of office:** 2023 AGM

Biography

A Graduate of EM Lyon and holder of an IUP master's in Management Sciences from the Université Jean Moulin Lyon III, William Gairard spent seven years as Management and Auditing Controller at Pernod Ricard S.A.

In 2012, he moved to Mexico where he became an entrepreneur. Today, he is a partner and Chief Financial Officer of Minimalist Technology, a digital software development agency in Mexico.

Other current offices and positions as of 12/31/2020

Company	Functions and current mandates
Ecopro Solutions S.A. de C.V. (Mexico)	Sole Director
Minimalist Technology (Mexico)	Chief Financial Officer

Offices and positions held in the last five years and now expired

None

* *Listed company.*

GÉNÉRACTION

Main professional address:
5 A Chemin du Pâquier
1231 Conches – Switzerland

Committee member: Governance and Remuneration Committee

Number of Seb shares held: 430

Director – member of the Founder Group

- **Date of first appointment:** AGM of 22 May 2019
- **End date of term of office:** 2023 AGM

Information

GÉNÉRACTION is an association of Swiss shareholders of SEB S.A., registered on 16 April 2017 in the Trade and Companies Register. It is represented on the Board of Directors of SEB S.A. by Caroline Chevalley.

Other current offices and positions as of 12/31/2020

Company	Functions and current mandates
None	

Offices and positions held in the last five years and now expired

Company	Functions and current mandates
None	

Caroline CHEVALLEY

Main professional address:
Campus Seb
112 chemin du Moulin Carron
69130 Écully – France

Age: 57

Nationality: French & Swiss

Permanent representative of GÉNÉRACTION on the Board of Directors

Biography

Caroline Chevalley holds a law degree from the University of Lausanne and is Vice-Chairwoman of FCL Investissements S.A., a financial holding company. She is co-founder and Chairman of GÉNÉRACTION, an association of shareholders of SEB S.A., created in May 2017.

Other current offices and positions as of 12/31/2020

Company	Functions and current mandates
FCL Investissements	Director and member of the Diversification Committee
Company Civile Immobilière Evermont	Manager
GÉNÉRACTION	Chairman of the Executive Committee

Offices and positions held in the last five years and now expired

Company	Functions and current mandates
FÉDÉRACTIVE	Chairwoman of the Advisory Board

Laurent HENRY

Employee director

- **Date of first appointment:** 13 October 2017 (elected by the France Works Council – CGF)
- **Date of last reappointment:** None
- **End date of term of office:** 13 October 2021

Main professional address:
Campus Seb
112 chemin du Moulin Carron
69130 Écully – France

Age: 53

Nationality: French

Committee member: No

Number of Seb shares held: n/a

Biography

Laurent Henry has a master's in Logistics from the École Supérieure in Brest and a master's in Economic Sciences from the University of Caen. He began his career at Moulinex and joined the Group in 2001. He has held various logistics positions and was appointed Head of Logistics at the Mayenne plant in 2012.

Other current offices and positions as of 12/31/2020
None

Offices and positions held in the last five years and now expired
None

JEAN-NOËL LABROUE

Independent director

- **Date of first appointment:** AGM of 12 May 2010
- **Date of last reappointment:** AGM of 16 May 2018
- **End date of term of office:** 2022 AGM

Main professional address:
Campus Seb
112 chemin du Moulin Carron
69130 Écully – France

Age: 73

Nationality: French

Committee member: governance and remuneration Committee Chairman

Number of Seb shares held: 1,250

Biography

A Graduate of an engineering school, he holds a Master of Science degree from Northwestern University Chicago, Jean-Noël Labroue has spent almost all of his career at the Darty Group. He served as Chairman of the Board of Directors of the Darty Group, CEO of Kingfisher Electricals UK and Managing Director of Kesa Plc until 2009.

Other current offices and positions as of 12/31/2020

Company	Functions and current mandates
Generix S.A.*	Non-voting director
Kiabi France	Non-executive Chairman
Electrodépôt	Non-voting director

Offices and positions held in the last five years and now expired

Company	Functions and current mandates
None	

* *Listed company.*

Thierry LESCURE

Director – member of the Founder Group, member of GÉNÉRACTION

- **Date of first appointment:** AGM of 22 May 2019
- **End date of term of office:** 2023 AGM

Main professional address:
Campus Seb
112 chemin du Moulin Carron
69130 Écully – France

Age: 46

Nationality: French (Swiss resident)

Committee member: No

Number of Seb shares held: 3,500

Biography

Thierry Lescure holds a master's degree in Business Law and Taxation from the University of Paris, Panthéon Assas Faculty, and a master's in Business Administration from IAE Paris. He also completed an Investment Strategies and Portfolio Management program at Wharton School and an Advanced Asset Management program at INSEAD. After working as a consultant at Tefal UK in London, Thierry Lescure joined Yahoo! France in 2001 as a Finance Producer in charge of the Yahoo! Finance channel, before serving as Head of E-Commerce.

He then joined Yahoo! Europe in 2004 where he was in charge of Yahoo! Automotive channels. He left this company in 2006 to become Chief Digital Officer at Reed Business Information to create new growth drivers in France and Europe. He then went on to invest in an coach innovative start-ups as owner of Aucelha. In 2016, he joined the family office of Geneva-based Premium Assets as Senior Asset Manager.

Other current offices and positions as of 12/31/2020

Company	Functions and current mandates
FCL Investissements	Member of the Diversification Committee
50 Partners	Member of the Committee Capital II
GÉNÉRACTION	Member of the Executive Committee

Offices and positions held in the last five years and now expired

Company	Functions and current mandates
Aucelha SARL	Managing Director

Jérôme LESCURE

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

- **Date of first appointment:** AGM of 19 May 2016 (director of SEB S.A. from 1994 to 2005)
- **Date of last reappointment:** AGM of 19 May 2020
- **End date of term of office:** 2024 AGM

Main professional address:
Campus Seb
112 chemin du Moulin Carron
69130 Écully – France

Age: 60

Nationality: French

Committee member: Audit and Compliance Committee

Number of Seb shares held: 42,096

Biography

An architecture Graduate of the Paris École Spéciale d'Architecture, with a master's degree in industrialized construction from the École Nationale des Ponts et Chaussées and an MBA from HEC. Jérôme Lescure held various management and oversight roles in English-speaking corporations prior to becoming a partner at A.T. Kearney, a strategy consultancy company. He then joined Accenture as director of Consulting for France.

Since 2013, Jérôme Lescure has been an entrepreneur and investor. He is now Chairman and CEO of Neofor, an industrial wood-processing group.

2

Other current offices and positions as of 12/31/2020

Company	Functions and current mandates
Lavilla S.A.R.L.	Co-Managing Director
NEOFOR S.A.S.	Representative of Chairman Lavilla
Additio S.A.S.	Chairman
MANUTAN INTERNATIONAL S.A.*	Director

Offices and positions held in the last five years and now expired

Company	Functions and current mandates
APICAP (former OTC Asset Management S.A.S.)	Chairman
CAMSEL S.A.S.	Chairman
Brassac Holding S.A.S.	Chairman
Les Bois du Midi S.A.S.	Chairman
Ymagis S.A.*; Active 3D; Inspirational Stores S.A.; D3T; Groupe Archimen S.A.S.	Director, permanent representative of APICAP

Aude DE VASSART

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

- **Date of first appointment:** AGM of 22 May 2019
- **End date of term of office:** 2023 AGM

Main professional address:
Campus Seb
112 chemin du Moulin Carron
69130 Écully – France

Age: 42

Nationality: French

Committee member: No

Number of Seb shares held: 58,842 shares, including 31,968 full ownership and 26,874 bare ownership shares

Biography

Aude de Vassart holds a degree from ISEP and an MBA from HEC. She began her career in 2001 as an electrical engineer in England at STMicroelectronics, then at SuperH. When she returned to France, she joined Texas Instruments in 2003 and held several positions in R&D, then in Marketing before becoming head of marketing at Oberthur Technologies, a leader in debit, credit and prepaid bank cards. From 2018 to 2020, Aude was Managing Director of the urban mobility business at IDEMIA, which manufactures and sells public transportation cards for transit systems around the world. Since February 2021, Aude has been Vice-president of Sales & Customer Excellence at Linxens.

Other current offices and positions as of 12/31/2020

Company	Functions and current mandates
Alliance OSPT (Germany)	Director
VENELLE INVESTISSEMENT	Member of the Supervisory Board
MECAFIN	Managing Director

Offices and positions held in the last five years and now expired

Company	Functions and current mandates
None	

* *Listed company.*

VENELLE INVESTISSEMENT

Registered office:
72, rue du Faubourg Saint-Honoré
75008 Paris – France
414 738 070 RCS Paris

Committee member: Governance and Remuneration Committee

Number of Seb shares held: 17,898

Director – member of the Founder Group

- Simplified joint-stock company with share capital of €1,875,368.34

Date of first appointment:

- April 27, 1998

Date of last reappointment:

- AGM of 19 May 2020
- **End date of term of office:** 2024 AGM

Information

VENELLE INVESTISSEMENT is a controlling family holding company which was registered on 9 December 1997.

It is represented on the Board of Directors of SEB S.A. by Damarys Braida.

Other current offices and positions as of 12/31/2020
None

Offices and positions held in the last five years and now expired
None

Damarys BRAIDA

Main professional address:
Campus Seb
112 chemin du Moulin Carron
69130 Écully – France

Age: 53

Nationality: French

Permanent representative of VENELLE INVESTISSEMENT on the Board of Directors

Biography

A Graduate of the École des Mines engineering school in Paris, Damarys Braida joined L'Oréal in 1991 to set up the capillary asset laboratory. After having held several Research positions, she has been managing the Cosmetics Business Lines' global strategy since 2019.

Other current offices and positions as of 12/31/2020

Company	Functions and current mandates
VENELLE INVESTISSEMENT	Chairwoman

Offices and positions held in the last five years and now expired

Venelle Plus	Chief Executive Officer

SUMMARY TABLE OF DIRECTORS

Surname – First name	Nationality	Age	Gender	Number of Seb shares held at 31/12/2020	Number of offices in listed companies as of 31/12/2020	End date	Start date	Capacity	Committee Member	Individual attendance rate 2020 – Committee	Individual attendance rate 2020 – Board
THIERRY DE LA TOUR D'ARTAISE	French	66	M	546,002	1 [f]	AGM 2024	03-05-1999 AGM Ratification of co-optation	Chairman	No		100%
DELPHINE BERTRAND	French	55	F	120,141	0	AGM 2022	11-05-2017 AGM Ratification of co-optation	-	No		88% [d]
NORA BEY	French	47	F	N/A	0	27/06 2023	Appointment by the Group European Committee of 27-06-2019	Employee	No		100%
YSEULYS COSTES	French	48	F	750	2	AGM 2021	14-05-2013 AGM	Independent	Audit and Compliance	100%	100%
JEAN-PIERRE DUPRIEU	French	68	M	400	2	AGM 2023	22-05-2019 AGM	Independent	No		75% [c]
FÉDÉRACTIVE (Sarah Chauleur)	French	49	F	4,074,294 [e]	0	AGM 2022	14-05-2013 AGM	-	No		100%
PEUGEOT INVEST ASSETS (Bertrand Finet)	French	55	M	2,021,522 [e]	2 [g]	AGM 2021	11-05-2017 AGM [a]	Independent	Governance and Remuneration	100%	88% [d]
Brigitte Forestier	French	49	F	N/A	0	AGM 2021	11-05-2017 AGM	Employee shareholder	No		100%
FSP (Catherine Pourre)	French Luxembourg resident	63	F	2,633,876 [e]	2 [g]	AGM 2024	15-05-2014 AGM Ratification of co-optation [b]	Independent	Audit and Compliance (Chairwoman)	100%	100%
WILLIAM GAIRARD	French Resident of Mexico	40	M	286,000	0	AGM 2023	12-05-2015 AGM	-	No		100%
GÉNÉRACTION (Caroline Chevalley)	French & Swiss, Swiss resident	57	F	430 [e]	0 [g]	AGM 2023	22-05-2019 AGM	-	Governance and Remuneration	100% [d]	100%
LAURENT HENRY	French	53	M	N/A	0	13/10 2021	Appointment by the France Works Council on 13-10-2017; joined the BoD on 14-12-2017	Employee	No		100%
JEAN-NOËL LABROUE	French	73	M	1,250	1	AGM 2022	12-05-2010 AGM	Independent	Governance and Remuneration (Chairman)	100%	100%
JÉRÔME LESCURE	French	60	M	42,096	1	AGM 2024	19-05-2016 AGM	-	Audit and Compliance	100%	100%
THIERRY LESCURE	French, Swiss resident	46	M	3,500	0	AGM 2023	22-05-2019 AGM	-	No		100%
AUDE DE VASSART	French	42	F	58 842	0	AGM 2023	22-05-2019 AGM	-	No		100%
VENELLE INVESTISSEMENT (Damarys Braida)	French	53	F	17,898 [e]	0 [g]	AGM 2024	27-04-1998 AGM Ratification of co-optation	-	Governance and Remuneration	100%	100%
Total attendance rate in 2020%										**100**	**97%**

(a) FFP Invest (now called PEUGEOT INVEST ASSETS) was co-opted by decision of the BoD on 23 July 2013 to replace FFP (now called PEUGEOT INVEST).
(b) FSP was co-opted by decision of the BoD on 25 February 2014 to replace Philippe Lenain.
(c) Two absences, one of which was from an ad hoc meeting that did not appear in the usual annual schedule.
(d) Absence from a single ad hoc meeting that did not appear in the usual annual schedule.
(e) Number of shares held by the legal entity.
(f) Number of offices held by the executive director in listed companies outside Groupe SEB.
(g) Number of offices held in listed companies by the permanent representative of the legal entity.

RESIGNATIONS, REAPPOINTMENT AND APPOINTMENT OF DIRECTORS IN 2020

Reappointments and appointments

In accordance with Article 17 of the Company's bylaws and with the recommendations of the AFEP-MEDEF Code, the duration of directors' terms of office is staggered, enabling shareholders to vote regularly and frequently on the composition of the Board of Directors and avoid any mass reappointments.

This system ensures the continuity of operation of the Board of Directors and encourages the smooth and regular reappointment of its members.

During the last year, the Annual General Meeting of 19 May 2020 reappointed:

- Thierry de La Tour d'Artaise as director;
- FSP as independent director, represented by Catherine Pourre;
- VENELLE INVESTISSEMENT as director, represented by Damarys Braida;
- Jérôme Lescure as director;

for a four-year term.

Resignations

No directors resigned in 2020.

SUMMARY OF HOW DIRECTORS' TERMS OF OFFICE ARE STAGGERED

Director	2021 AGM	2022 AGM	2023 AGM	2024 AGM
Thierry de La Tour d'artaise				•
Delphine Bertrand		•		
Nora Bey			*	
Yseulys Costes	•			
Jean-Pierre Duprieu			•	
FÉDÉRACTIVE (Sarah Chauleur)		•		
Brigitte Forestier	•			
PEUGEOT INVEST ASSETS (Bertrand Finet)	•			
FSP (Catherine Pourre)				•
William Gairard			•	
GÉNÉRACTION (Caroline Chevalley)			•	
Laurent Henry	*			
Jean-Noël Labroue		•		
Thierry Lescure			•	
Jérôme Lescure				•
Aude de Vassart			•	
VENELLE INVESTISSEMENT (Damarys Braida)				•

* *The France Works Council of the Group European Committee is responsible for appointing and reappointing employee directors, in accordance with Article 16 of the bylaws.*

CHANGES TO THE COMPOSITION OF THE BOARD OF DIRECTORS IN 2021

The Board of Directors' Meeting on 23 February 2021 examined and then approved the proposal to renew the terms of office below ending during the 2021 Annual General Meeting for a four-year period, after having heard the Governance and Remuneration Committee's recommendations:

- independent directorship of Yseulys Costes;
- independent directorship of PEUGEOT INVEST ASSETS represented by Bertrand Finet;

These reappointments will be submitted for approval at the 2021 Annual General Meeting (Resolutions 4 to 5).

Furthermore, in accordance with Article 16 of the company's bylaws and the recommendations of the Governance and Remuneration Committee:

- with regard to the position of director representing employee shareholders: at its meeting of 27 January 2021, the Supervisory Board of SEB1 FCPE (company investment fund) named Brigitte Forestier as candidate for the position of director representing employee shareholders and submitted her candidacy to the Board of Directors. The Board of Directors then approved the proposal to reappoint Brigitte Forestier as director representing employee shareholders for a four-year term at its meeting of 23 February 2021. This reappointment will be submitted for approval by the 2021 Annual General Meeting (Resolution no. 6);
- Laurent Henry term of office as director representing employees, which expires in 2021, will be considered at a meeting of the France Works Council to be held no later than 13 October 2021.

In 2021, the Board of Directors will thus be composed of 17 members, as in 2020.

DECLARATIONS OF THE DIRECTORS

Founder family connection

All directors belonging to the Founder Group are descendants, directly or by marriage, of the Founder-Chairmen Frédéric Lescure and Henri Lescure.

There is no family connection between Board members and members of the Executive Committee, with the exception of Thierry de La Tour d'Artaise.

Absence of criminal convictions or sanctions

To the best of the company's knowledge, in the last five years, none of the directors or executive officers (Chief Executive Officer and Chief Operating Officer):

- has been convicted of fraud, nor has been the subject of any official charge and/or sanction by the regulatory authorities;
- has been subject to any court order or restriction on serving as a member of a Management Board, Board of Directors or Supervisory Board, or from being involved in the management or affairs of an issuer of securities;
- has been subject, in their capacity as executive officer, or senior manager to bankruptcy, receivership or liquidation.

Absence of conflicts of interest

As far as the company is aware, and in line with its conflict of interest management policy outlined below, there is no potential conflict of interest between the duties, *vis-à-vis* SEB S.A., of the members of the administration bodies and the General Management and their private interests.

Service contracts

No member of the Board of Directors or the General Management has any contractual service relationship with SEB S.A. or its subsidiaries that provides for benefits to be granted when the contract ends.

Regulated agreements

The existing related party agreements have been authorized in advance in accordance with the law and are described in chapter 2.5, "Remuneration policy", as well as in the statutory auditors' report on regulated agreements. Pursuant to Article L. 225-40-1 of the French Commercial Code, agreements signed and authorized in prior years which continued in 2020 were reviewed at the Board of Directors' Meeting on 23 February 2021. The directors had no comments to make, particularly with regard to their purpose or their financial conditions.

Description of the procedure for evaluating agreements relating to current operations concluded under normal conditions

In accordance with the provisions of Article L. 22-10-12 of the French Commercial Code, the Board of Directors' Meeting of 22 July 2020 acted on the proposal of the Governance and Remuneration Committee, approving and implementing a procedure for evaluating whether agreements relating to current operations that were concluded under normal conditions meet these criteria. This procedure aims firstly to summarize the regulatory framework applicable to regulated agreements, and secondly, to identify and classify the agreements that are subject to the regulated agreements procedure in order to distinguish them from free agreements. Known as "current agreements concluded under normal conditions", these must be regularly evaluated against legal requirements. The purpose of this procedure is to avoid any potential conflict of interest with regard to Groupe SEB.

As such, the decision was made to apply the procedure to all agreements concluded, not only by the parent company SEB S.A. but also by its controlled subsidiaries, with the executive officers or shareholders of SEB S.A.

As part of the procedure for evaluating agreements concluded under normal conditions, the Governance and Remuneration Committee reviews the financial flows between the company and interested persons within the meaning of the regulations, and reports to the Board of Directors on an annual basis. In case of doubt about the qualification of an agreement, the verification of compliance with current status and normal conditions is carried out by the Governance and Remuneration Committee so that, if necessary, the Board of Directors implements the regulated agreement procedure. In this case, people directly or indirectly interested in this agreement do not participate in its evaluation.

MARKET ETHICS CHARTER

Under the Directors' Charter and internal rules, the Board of Directors are subject to trading regulations and, in particular, rules relating to the use and disclosure of sensitive or inside information.

Groupe SEB has also adopted a Market Ethics Charter that details the obligations of directors and persons with whom they have close personal ties, the company's senior managers, and certain employees that may hold sensitive information, in accordance with the applicable laws and regulations. This was updated to incorporate the changes introduced by the entry into force of regulation no. 596/2014 of 16 April 2014 on market abuse, which came into effect on 3 July 2016. It was also translated into English in order to expand its distribution. A how-to guide in the event of an AMF control has been appended to the Market Ethics Charter.

At the end of the Board of Directors' Meeting on 19 December 2013, the secretary of the Board of Directors, Philippe Sumeire, was appointed as Ethics officer, to advise any directors or employees who may have doubts as to the application of the provisions applicable to them.

INDEPENDENCE OF THE DIRECTORS

With five independent directors, i.e. more than one-third of the directors (the employee directors and employee shareholder directors are not included in this calculation), the composition of the Board of Directors meets the recommendations of the AFEP-MEDEF Code, according to which, *"in controlled companies, independent directors should account for at least a third"*.

The independent status of each individual director is examined by the Governance and Remuneration Committee prior to their appointment or reappointment and annually during Board evaluations. To this end, a "Selection guide" is used, which aims to ensure that the candidate meets all the independence criteria defined by the AFEP-MEDEF Code before any proposal for appointment or reappointment is made, as described below:

- is not an employee or executive officer of the company, nor an employee, nor an executive officer or director of a company consolidated by the company, its parent company or a company consolidated by such parent company, and has not been in such a position for the last five years (**criterion 1**);
- is not an executive officer of a company in which the company holds a directorship, directly or indirectly, or in which an employee appointed as such or an executive officer of the company (who is currently in office or has held such office within the last five years) is a director (**criterion 2**);
- is not a customer, supplier, investment banker, commercial banker or adviser that is material to the company or its group, or for which the company or its group represents a material portion of the business (**criterion 3**);
- does not have close family ties with an executive officer (**criterion 4**);
- has not been a statutory auditor of the company in the last five years (**criterion 5**).
- has not been a director of the company for more than twelve years (**criterion 6**);
- A non-executive director cannot be considered independent if they receive variable remuneration in cash or securities or any remuneration related to the performance of the company or the Group (**criterion 7**); and
- Directors representing major shareholders of the company or its parent company may be considered independent provided that these shareholders are not involved in controlling the company. However, the Board, based on a report from the Governance and Remuneration Committee, will automatically question whether or not a holding of more than 10% of the capital or voting rights can be considered independent, taking into account the company's capital composition and the existence of a potential conflict of interest (**criterion 8**).

The conclusions of the review conducted by the Governance and Remuneration Committee are then sent to the Board of Directors so it can review the status of each of its members.

The procedure for managing conflicts of interest (set out below) enables the Committee to rule, on a yearly basis, on any conflicts of interest and to ensure that independent directors have no connection with the company, its Group or its Management team that is likely to compromise them in exercising freedom of judgment.

Therefore, after examining the findings of the Governance and Remuneration Committee and the individual status of the members of the Board of Directors in light of the criteria set out by the AFEP-MEDEF Code, the Board of Directors found that Yseulys Costes, Jean-Pierre Duprieu, Bertrand Finet (permanent representative of PEUGEOT INVEST ASSETS), Jean-Noël Labroue and Catherine Pourre (permanent representative of FSP) qualified as independent directors.

DIRECTORS' STATUS IN TERMS OF INDEPENDENCE CRITERIA

Criteria	Yseulys Costes	Jean-Pierre Duprieu	Bertrand Finet (PEUGEOT INVEST ASSETS)	Jean-Noël Labroue	Catherine Pourre (FSP)
Criterion 1: Employee/Executive officer within the last five years	√	√	√	√	√
Criterion 2: Cross-directorships	√	√	√	√	√
Criterion 3: Material business relationships	√	√	√	√	√
Criterion 4: Family ties	√	√	√	√	√
Criterion 5: Statutory auditor	√	√	√	√	√
Criterion 6: Director for more than 12 years	√	√	√	√	√
Criterion 7: Status of non-executive director	√	√	√	√	√
Criterion 8: Status of major shareholder	√	√	√	√	√
Classification adopted by the Board of Directors	Independent	Independent	Independent	Independent	Independent

(In this table, √ denotes an independence criterion that has been met and × denotes an independence criterion that has not been met).

In addition to the criteria laid down by the AFEP-MEDEF Code, the company takes an active interest in ensuring that the operation and organization of the Board of Directors' work allows all its members to make full use of their freedom of judgment.

Pursuant to the Charter and the internal rules, the directors undertake *"to maintain their independence of analysis, judgment, decision and action and to reject any pressure, direct or indirect, which may come to bear on them"*.

Following the evaluation of the Board of Directors in 2020, the directors said they were mostly satisfied with the number and role of the independent directors and stressed how important their contribution is.

MANAGING CONFLICTS OF INTEREST

Various procedures have been formalized to prevent and identify any risk of conflicts of interest, at the time of appointment, during the term of office or on the reappointment of directors.

When a director is appointed or reappointed, the Governance and Remuneration Committee checks compliance with the criteria defined by the AFEP-MEDEF Code as outlined above, identifies conflicts of interest, and ensures that any risks identified are unlikely to create a conflict of interest.

The individual status of directors is also reviewed on a yearly basis using an individual questionnaire analyzed by the Governance and Remuneration Committee. The latter reports its findings to the Board of Directors, which is consequently informed about the status of each director.

The annual declarations submitted for review at the Governance and Remuneration Committee Meeting of 3 December 2020 and the Board of Directors' Meeting of 17 December 2020 did not reveal any conflicts of interest.

During their term of office, directors are also obliged to perform their duties in strict compliance with the corporate interest. Directors are therefore obliged to inform the Board of Directors should a conflict of interest occur when a meeting agenda is published, or during the course of a meeting. The Board must then decide, if necessary, without the director concerned being present, whether they should take part in the debate and/or vote on the agenda items in question, pursuant to the provisions of the Directors' Charter and the internal rules.

As in previous years, the Governance and Remuneration Committee reviewed the business transactions between some Groupe SEB entities and Numberly – 1000mercis Group, of which Yseulys Costes is Chairwoman and Chief Executive Officer. This business flow corresponds to advertising and interactive marketing services requested by Groupe SEB France to support its activation plans. In 2016, the governance and remunerations Committee examined the history of this business relationship and the way in which it was managed by the operational teams. The selection process was also checked and the reasons behind the decision to collaborate with Numberly – 1000mercis Group, as well as the prior existence of calls for tender. This review was conducted again in 2020 and the Governance and Remuneration Committee found that:

- the relationship between Seb and Numberly – 1000mercis Group preceded the term of office of Yseulys Costes;
- the relationship is only managed by the operational teams;
- Seb is not a significant client of Numberly – 1000mercis Group;

Numberly – 1000mercis Group is a leader on the interactive marketing market. The volume of sales Numberly made with the Group SEB in 2020 amounted to €7.6 million excluding tax. This represents about 12% of Numberly's total sales excluding tax and 0.1% of Groupe SEB's consolidated sales excluding tax. However, this data does not accurately reflect the financial reality of this business relationship for 2020 in the context of the Covid-19 crisis. Normally, the majority of these sales corresponds to the purchase of the space that Numberly acquires on behalf of its clients, plus the fees Numberly charges for its data marketing service. Firstly, both parties have of course suffered an adverse impact on their respective business activities. This crisis has also resulted in an erosion of the financial capacity of some of Numberly's clients, causing Numberly to ask the platforms that manage the purchase of space to invoice its clients directly for this service, with Numberly only billing the client for its fees. If we compare the fees-related portion of the abovementioned volume of sales with Seb with Numberly's sales excluding purchase of space, the abovementioned ratio is 4% for Numberly and 0.02% for Groupe SEB. Given the above, the Board of Directors, at its meeting of 23 February 2021, found that this business relationship was unlikely to compromise Yseulys Costes' independence of judgment and ruled out the possibility of a conflict of interest, thus confirming her status as an independent director.

ORGANIZATION AND OPERATION OF THE BOARD OF DIRECTORS

ROLE AND MEETINGS OF THE BOARD OF DIRECTORS

Role of the Board of Directors

Pursuant to Article 225-35 of the French Commercial Code and the Company's bylaws, the Board of Directors determines the company's business strategies and ensures that they are implemented in line with the company's interests while considering the social and environmental challenges that arise from the business. The Board also deals with all matters regarding the proper functioning of the company and acts on all matters in its purview, to the extent of the corporate purpose and subject to the powers explicitly assigned by the law to General Meetings of shareholders. The Board of Directors also carries out the checks and verifications that it deems to be appropriate.

The prior approval of the Board is required to decide on the Group's strategy, budgets, management structures and acquisitions, on the proposal of the Chairman and in accordance with the internal rules of the Board of Directors.

With regard to decisions relating to the possible use of Annual General Meeting authorizations to increase the capital, the Board of Directors nevertheless decided, as an internal rule and in view of the importance of such authorizations, that decisions should be made by a qualified majority vote of 14/17ths of the members present or represented.

A Board of Directors focused on strategy

As regards strategic matters, the Charter and internal rules state that "*the Board of Directors determines the Group's strategy*". It is therefore consulted and invited to give an opinion before any strategic decisions are made. This role positions the Board of Directors as the focus of strategy and ensures an appropriate balance of power.

The Board of Directors is given detailed information about the Group's activity and results at every meeting to give it a better understanding of strategic issues. It also receives information about its financial performance, its stock market and financial universe, its products and its competitive universe throughout the year.

The systematic presence of the Group's principal senior managers at meetings allows directors to benefit from any additional information required, and from accurate and useful answers to any questions that may arise during discussions.

The role of the Board of Directors is not restricted to acquisitions. It remains at the heart of any plans outside the framework of the announced strategy if the investment is significant.

In line with suggestions for improvements following the evaluation of the Board of Directors performed annually, the Board is gradually improving how it deals with strategy by having an additional presentation on the Group's long-term business strategies and reserving a special time slot for an annual seminar to discuss Group-wide topics put forward by directors.

Meetings of the Board of Directors

The Board of Directors met eight times in 2020 with 50% remotely due to the crisis of Covid-19. The attendance rate was 97%. The individual attendance rate of each director is shown in the summary table of directors included on page 81 of this chapter.

The meetings are generally arranged as follows:

- february: review of the annual financial statements for the last financial year, approval of the budget for the current year, report on the implementation of the procedure for evaluating current agreements concluded under normal conditions and evaluation of regulated agreements, monitoring of diversity objectives;
- april: review of the quarterly results, analysis of shareholder base and Board of Directors' Seminar, since its introduction in 2020;
- may: meeting following the Annual General Meeting to approve the annual free performance share award program;
- july: Examination of the half-yearly financial statements and strategy;

- october: Review of quarterly results, report on the Audit and Compliance Committee's compliance and internal control work while visiting a plant or a commercial or industrial subsidiary abroad, if possible given any restrictions imposed by circumstances at the time;
- december: Review of the financial statements at the end of November, report from the Governance and Remuneration Committee on the evaluation and composition of the Board of Directors, Annual Review of Human Resources, diversity policy, sustainable development and review of the CSR report.

The Board of Directors may meet as often as the interests of the company require, in accordance with the law and the bylaws. Several ad hoc meetings took place in 2020 (22 January 2020 and 8 April 2020), primarily to discuss issues related to the Covid-19 health crisis.

A meeting is traditionally held each year at one of Groupe SEB's sites in France or abroad so directors can meet Group employees at industrial sites and at commercial subsidiaries. This initiative helps the Group understand local challenges and problems and think about the history, people and culture of their different locations so directors can have more in-depth discussions. In light of the Covid-19 pandemic, it was not possible to follow this custom in 2020.

Furthermore, following the 2019 evaluation of the Board of Directors, it was decided to set up an annual Board of Directors' Seminar for presentations on particular topics, selected in prior consultation with the directors. The first Board of Directors' Seminar took place in October 2020 and focused on analyzing the competitive environment in the business sector and developments in the retail industry.

To facilitate certain deliberations, meetings of the Board of Directors and its Committees may take place without the presence of the CEO, as necessary. This is the case for the annual assessment of the Chairman and CEO's performance by the Governance and Remuneration Committee, whose findings are submitted to the Board of Directors. The latter are free to deliberate in the absence of the interested party.

To encourage directors to attend meetings, the company has introduced the following:

- drafting and publication of the schedule of Board of Directors and Committee Meetings at least one year in advance;
- option to take part in meetings over the telephone or by videoconference if directors are unable to attend in person.

As an outcome of the Board of Directors' evaluation (which took place at the end of 2020), the directors said they were very satisfied with how meetings are organized, and especially the meeting schedule, interaction with management teams and the materials made available to them.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Chairman and CEO represents the company in its relations with third parties. He has the broadest powers to act under all circumstances on the company's behalf in accordance with Article L. 225-56 of the French Commercial Code.

The Board of Directors has not set any limits on the powers of the CEO.

Pursuant to the Directors' Charter and internal rules, the Board of Directors is responsible for deciding on any proposals relating to Groupe SEB strategy, on the recommendation of the Chairman and CEO.

As Chairman of the Board of Directors, the Chairman and CEO's role is to represent the Board of Directors. To this end, he is notably responsible for:

- organizing and directing the work of the Board of Directors;
- reporting on the work of the Board of Directors to the Annual General Meeting;
- ensuring that the company's corporate bodies all run smoothly in accordance with the law and with principles of good governance;
- ensuring that the directors are able to perform their tasks.

In addition, to ensure that members of the Board of Directors are fully informed, the Chairman of the Board of Directors may be asked by the members to obtain additional information when relevant and necessary to perform their duties, in accordance with the Directors' Charter and the internal rules.

SECRETARY OF THE BOARD OF DIRECTORS

To ensure the smooth operation of the Board of Directors, it appoints a secretary, who does not have to be a director. Philippe Sumeire, the Group's General Counsel, is therefore secretary of the Board of Directors, having been appointed on 16 December 2011. He is tasked with helping the Chairman and CEO organize the work of the Board of Directors and its Committees. His role is to plan meetings, define agendas, disseminate information and draft minutes.

BOARD OF DIRECTORS' COMMITTEES

Since 1995, the Board of Directors has had two specialized Committees to help it in areas for which specific skills and meetings are required. In the past, these two Committees were called the Audit Committee and the Nominations and Remuneration Committee.

At its meeting on 23 July 2019, the Board of Directors voted to change the Committee names to reflect how the Committees have evolved over time. The new names are: Audit and Compliance Committee, Governance and Remuneration Committee.

Furthermore, the membership of these Committees has changed to take into account changes in the shareholder base while still complying with AFEP MEDEF Code recommendations on majority presence of independence directors.

The operation of the Committees is specifically assessed as part of the procedure for the annual evaluation of the Board of Directors. After the evaluation was conducted in 2020, the directors again said they were satisfied with the quality of their contribution and with the way they operate.

The Audit and Compliance Committee (formerly the Audit Committee until 23 July 2019)

COMPOSITION AND INDICATORS

COMPOSITION
Fonds Stratégique de Participations, an independent director, represented by Catherine Pourre Yseulys Costes, independent director Jérôme Lescure, member of VENELLE INVESTISSEMENT
CHAIRPERSON
Catherine Pourre, an independent director and permanent representative of FSP, chairs the Audit and Compliance Committee.
NUMBER OF MEETINGS
5 with 4 in physics
ATTENDANCE RATE
100%
PERCENTAGE OF INDEPENDENT DIRECTORS
67% The Chairman, who is an independent director, has the deciding vote

WORK AND POWERS

To better perform their specific roles, and in accordance with the recommendations of the AFEP-MEDEF Code, each member has financial or accounting skills.

The work of the Audit and Compliance Committee is based on the following responsibilities:

- reviewing and informing the Board of Directors about identifying, evaluating and handling the main financial risks to which the Group may be exposed;
- assessing the Group's internal control systems and reviewing the internal audit responses and action plans;
- ensuring the relevance and continuity of the accounting methods used to prepare the annual and half-yearly financial statements;
- notifying the Board of Directors of any useful observations or recommendations;
- preparing the statutory auditor selection process, overseeing the process for appointing statutory auditors, and ensuring they are independent.

The Audit and Compliance Committee may request opinions or consultations from external experts on specific points.

Audit and Compliance Committee Meetings are usually held in the presence of the statutory auditors, the Senior Executive Vice-president, Finance, the Audit and Internal Control Director and the Accounting and Taxation Director.

For logistical and organizational reasons, Audit and Compliance Committee Meetings are generally held one day prior to examining the half-yearly and annual financial statements by the Board of Directors. However, any documents that are useful for Audit and Compliance Committee Meetings are sent in advance so Committee members can familiarize themselves with the documents prior to the meeting and prepare for the Board of Directors' deliberations on the financial statements.

The review of the financial statements is accompanied by a presentation from the statutory auditors stressing the key points identified during their audits, their procedures, the accounting options selected and a report describing the exposure to risks and significant off-balance sheet commitments.

At the end of its meetings, the Audit and Compliance Committee prepares a report which is sent to all the directors, informing them fully of the content of its discussions as well as its conclusions and recommendations.

Since 2018, given the increase in powers granted to the Audit and Compliance Committee, it has been decided that an additional meeting will be arranged each year to devote more time to issues relating to risk mapping and Group-wide compliance issues, particularly regarding anti-corruption. In addition, from 2021 onwards, an additional meeting has been added to the annual meeting schedule for this Committee, to discuss the results of internal control.

MAIN WORK

As is its prerogative, in 2020, the Audit and Compliance Committee audited the following, as it does every year:

- the draft annual financial statements as of 31 December 2019 and the draft half-yearly financial statements as of 30 June 2020, prior to their submission to the Board of Directors;
- the main French and foreign legislation and regulations, reports and commentary on corporate governance, risk management, internal control and audit;
- the type and results of the statutory auditors' work; their comments and recommendations regarding internal control; a review of tasks they have accomplished on top of their legal duty to review the financial statements;
- the review of the main findings of the internal audits carried out in 2020;
- the review of the internal control action plan;
- the proposed schedule of internal audits for 2021;
- the mapping and analysis of major risks;
- the mapping of anti-corruption risks and the draft anti-corruption Code of Conduct;
- the review of Group-wide compliance issues;
- the call for tenders for the statutory auditors whose term of office expires at the 2021 Annual General Meeting.

The above shows that the Audit and Compliance Committee:

- was informed by the statutory auditors of the content and conclusions of their audit and was given the opportunity to hold discussions with them without the presence of management;
- was able, with the help of the presentations made by the Senior Executive Vice-president, Finance and her team, to understand and assess the company's significant risks and off-balance sheet commitments.

The Governance and Remuneration Committee (formerly the Nominations and Remuneration Committee until 23 July 2019)

COMPOSITION AND INDICATORS

COMPOSITION

Jean-Noël Labroue, independent director
PEUGEOT INVEST ASSETS, independent director represented by Bertrand Finet
VENELLE INVESTISSEMENT, represented by Damarys Braida
GÉNÉRACTION, represented by Caroline Chevalley

CHAIRPERSON

The gouvernance and remunerations is chaired by Jean-Noël Labroue, independent director.

NUMBER OF MEETINGS

3, all in physics

ATTENDANCE RATE

100%

PERCENTAGE OF INDEPENDENT DIRECTORS

50% – The Chairman, who is an independent director, has the deciding vote

WORK AND POWERS

The work of the Governance and Remuneration Committee is based around the following:

- issuing recommendations on the composition of the Board of Directors, the appointment or reappointment of Board members, and the Group's organization and structures;
- organizing the procedure for selecting future independent directors and conducting its own research into potential candidates before any approach is made;
- preparing an annual report and evaluating the implementation of this procedure, and presenting these to the Board of Directors;
- issuing recommendations on the non-discrimination and diversity policy, particularly in terms of gender balance on governance bodies and diversity objectives; drawing up and monitoring succession plans, particularly for senior executives and company officers;
- establishing and monitoring succession plans, particularly for senior managers and executive officers;
- proposing the compensation policy for executive officers and examining the compensation policy for the main senior managers;
- proposing the introduction of and procedures for stock option plans and performance shares;
- issuing recommendations on governance and/or ethics matters;
- reviewing, implementing and evaluating the procedure for reviewing current agreements concluded under normal conditions and monitoring regulated agreements;
- to help prevent conflicts of interest, examining the criteria for classification as an independent director and avoiding the risk of conflicts of interest arising between the director and management, company or Group;

- reviewing the Group's sustainable development policy, analyzing the Group's CSR issues, and conducting an annual review of completed CSR actions and the main non-financial performance indicators.

In addition, if necessary, the Governance and Remuneration Committee may request opinions or consultations from external experts on specific points. This was the case particularly in 2020 for the issue of the remuneration and pensions of the Group's senior managers due to the changes in the regulations.

Meetings of the Governance and Remuneration Committee are usually attended by the Chairman and CEO. He withdraws, however, if certain issues are examined, and especially when his annual performance evaluation is carried out.

In its work on the composition of the Board of Directors, the Governance and Remuneration Committee examines each candidacy based on the following criteria:

- the composition of the shareholder base;
- the skills, experience and representative nature of the candidate;
- expanding the range of experience within the Board of Directors;
- compliance with the diversity policy;
- gender balance.

In addition, independent directors of SEB S.A. are selected in accordance with the procedure documented by the Governance and Remuneration Committee, approved by the Board of Directors and appended to the internal rules of the Board of Directors.

As an outcome of the Board of Directors' evaluation in 2020, Board members expressed their satisfaction with the quality of its work.

At the end of its meetings, the Governance and Remuneration Committee produces a detailed report to which members of the Board of Directors can have access at any time, so they are fully aware of the content of its discussions and its conclusions and recommendations.

MAIN WORK

In 2020, the Governance and Remuneration Committee:

- monitored the succession plan for executive officers and made recommendations in this regard;
- reviewed the candidacies of directors whose appointment or reappointment was proposed at the Annual General Meeting of 20 May 2021;
- made recommendations on the 2019 variable and 2020 fixed and variable remuneration for the Chairman and CEO, the Chief Operating Officer and other members of the Group Executive Committee;
- assessed the performance of the Chairman and CEO in his absence, as well as the performance of the Chief Operating Officer and the other members of the Group Executive Committee;
- reviewed the terms of office expiring at the next Annual General Meeting on 20 May 2021;
- compiled the responses to the evaluation of the Board of Directors as well as directors' self-assessments and made recommendations in this regard;
- reviewed the answers given by directors to the annual questionnaire designed to prevent and identify conflicts of interest, and made recommendations on the business relationship between the Group and Numberly – 1000mercis Group, of which Yseulys Costes is Chairwoman and CEO;
- reviewed several reports on governance and assessed how relevant they were to Seb's governance;
- conducted the annual review of Human Resources;
- reviewed the sustainable development policy and validated the summary of actions taken and the company's plans in this regard;
- reviewed the applications for vacant management positions;
- made recommendations regarding the composition of the Management Board, the Executive Committee and regarding the setting of diversity objectives;
- at its meeting on 4 February 2020 and in accordance with the AFEP-MEDEF Code, deliberated the performance of the Chairman and Chief Executive Officer during the year. The Chairman and CEO did not attend this meeting. The Committee reported its work to the Board of Directors during the next meeting.

Furthermore, at its meeting of 12 February 2021, the Governance and Remuneration Committee developed a procedure for selecting future independent directors which is appended to the internal rules of the Board of Directors. The procedure was approved by the Board of Directors, on the recommendation of the Governance and Remuneration Committee, at its meeting of 23 February 2021. From financial year 2021 onwards, this report on the company's corporate governance will provide an update on the practical application of the director selection procedure.

INFORMATION PROVIDED TO DIRECTORS

Pursuant to the Charter and internal rules, *"directors must receive all the relevant information needed to perform their role"*. The Chairman ensures that the directors have the information and documents required to fully perform their role at all times during their term of office.

To optimize the transmission of information, ensure its confidentiality and make the Board more efficient, in 2017 the company introduced a new application enabling simple and secure access to documents using digital tablets. Directors thus have permanent access to preparatory documents for meetings and recurring information left at their disposal and can follow meetings on their digital tablets. This system is in keeping with plans for the Group's sustainable development and digitization.

The Chairman thus ensures that information on General Meetings, financial publications, sales and results, consensuses and summaries of financial analysts' recommendations, as well as press releases by the Group, are brought to their attention through this application. A press review is also published once a month, in which the directors can find comprehensive information about the Group and its economic and competitive universe. In addition, the press review contains a section on sustainable development to raise the directors' awareness of Group economic and social responsibility issues.

Software is regularly updated and improved using new functional features so the Group can best meet directors' expectations to streamline the meeting organization and preparation process.

A section on corporate governance also allows the Board to refer to the AFEP-MEDEF Code, the Charter and internal rules, the Group's Code of Ethics, the Stock Market Ethics Charter and the Company's bylaws at any time.

Before each meeting, the directors can also read the documents relating to items on the agenda.

Following the 2020 evaluation of the Board of Directors, the members of the Board again said they were satisfied with the quality of the information submitted to perform their duties and expressed their complete satisfaction with the tool made available to them.

TRAINING FOR DIRECTORS

On appointment, each director is given access to a range of documents, including a Practical Guide for Directors, via an app specifically for meetings of the Board of Directors and its Committees, so that they can fully prepare themselves for their duties. Furthermore, training in the online tool used to arrange meetings is provided to ensure the director has as complete an understanding of the tool as possible, so that they can keep up to date and be well prepared for Board Meetings.

It was also decided to offer an induction program that includes training in the characteristics of the Group and its business lines, delivered through site visits or meetings with senior managers. However, given the circumstances surrounding the Covid-19 health crisis, it has not been possible to implement this initiative during 2020.

Following the results of the 2020 evaluation of the Board of Directors and the directors' self-assessment for 2020, in-house training on the methodology and financial indicators used to measure the company's financial performance will soon be offered to those directors who would like it.

In addition, the directors representing employees and the director representing employee shareholders have received external training from the French Institute of Directors (IFA) and, in accordance with the regulations in force, are able to obtain any training that is relevant to their rights and obligations as a director.

In addition, an annual Board of Directors' Seminar has been introduced since the 2019 evaluation of the Board of Directors. The aim of the Seminar is to meet with members of the Group Executive Committee to discuss topics selected from proposals put forward by the directors. This Seminar provides an opportunity to explore certain topics more thoroughly and to provide directors with more training on the Group's core concerns.

EVALUATION OF THE BOARD OF DIRECTORS AND DIRECTORS

Evaluation of the Board of Directors

Since 2003, the Board of Directors has conducted a formal annual evaluation of its operation, in accordance with the AFEP-MEDEF Code, the Charter and the internal rules. This ensures especially that the Board of Directors is operating as well as it can and that the duties with which the Board is entrusted are in line with the expectations of directors and are in the company's interests.

As in 2019, the 2020 evaluation was carried out by means of a questionnaire. This questionnaire focuses on the organization of meetings, reporting, composition and operation of the Board of Directors, as well as its Committees. It also makes it possible for questions on governance and CSR to be raised as well as issues relating to interactions with the Management.

The answers given by directors were analyzed by the Governance and Remuneration Committee, whose findings were presented to the Board of Directors on 17 December 2020. As in previous years, the comments and discussions showed that directors were, on the whole, very satisfied with the way in which the Board of Directors and its Committees operate and, particularly:

- the diverse membership;
- the schedule, organization and frequency of meetings;
- the contact with the various stakeholders;
- the extended length of the meetings introduced since the last Board of Directors' evaluation;
- the enhanced collaborative working between directors, particularly as a result of the Board of Directors' Seminar;
- the quality of information and documents posted on the directors' website, and the input from senior managers during meetings;
- with interactions with the management.

Some optimization options were also discussed and adopted and are designed particularly:

- to continue with the advance scheduling of discussions on major topics tackled throughout the year, by asking every director to suggest topics and by continuing to set aside a specific time each year at a Board of Directors' Meeting to present on the selected topic(s);
- to have new directors enhance their knowledge about the Group and their induction via an *induction program* that nevertheless remains open to the other members;
- to improve understanding of the financial data upon which the company's performance is based, by organizing in-house training for directors who feel they need it.

Director self-assessment

The evaluation of the Board of Directors has been supplemented by a directors' self-assessment questionnaire, adopted by the Board of Directors at its meeting on 18 December 2014. This was intended to improve the understanding of the involvement and actual contribution of each director in the work of the Board of Directors.

The answers given by directors were analyzed by the Governance and Remuneration Committee, whose findings were presented to the Board of Directors on 17 December 2020. In particular, the comments and discussions showed that the directors have a very good understanding of their role and their duties on the Board of Directors and have complementary skills and experience that lend to substantive discussions.

DIRECTORS' CHARTER AND INTERNAL RULES OF THE BOARD OF DIRECTORS

The first version of the Directors' Charter and internal rules of the Board of Directors was prepared in 2003. This is a single document in two parts, one on the rules of conduct applicable to members of the Board of Directors, the other on the operational rules of the Board of Directors and its Committees.

This document is regularly updated, and was updated in 2020 due to:

- Changes to the terminology used in relation to directors' remuneration allocations;
- Increase in the variable component of directors' remuneration allocations;
- Adoption of the procedure for evaluating current agreements concluded under normal conditions and monitoring regulated agreements;

The main provisions of the Charter and internal rules are covered or set out in this chapter of the Universal Registration Document (chapter 2).

In addition, the Directors' Charter and the Internal Rules of the Board of Directors can be consulted on the Group's website in the website in the "Governance" section.

Directors' Charter

The Directors' Charter specifies the role and duties of each member of the Board of Directors that they accept from the beginning of their term of office.

The main points of this Charter are: respect for and protection of the company's interests, attendance, dealing with any conflicts of interest, access to information, confidentiality, analytical independence and a reminder of the legal regime governing insider information, the details of which, as well as the applicable rules, are set out in the Market Ethics Charter, the content of which is summarized on page 84.

Internal rules

As the internal rules are designed to ensure the smooth operation of the Board of Directors, each member of the Board of Directors is informed of them at the start of their term of office and they can also be accessed via the secure online platform that is used to arrange Board Meetings.

The internal rules cover the composition, operation, role and mission of the Board and its Committees and the director remuneration policy.

PROCEDURES RELATING TO SHAREHOLDER PARTICIPATION IN GENERAL MEETINGS

Note that Articles 32 and 33 of the bylaws define the procedures for shareholder participation in Annual General Meetings in accordance with the current regulations.

All shareholders are entitled to participate in Annual General Meetings, or to be represented at such meetings, under the terms and conditions of the bylaws, a summary of which is given in chapter 7, "Information concerning the company and its share capital".

As the General Meeting of May 20, 2021 will be held behind closed doors, without the physical presence of its shareholders, no admission card will be issued, shareholders are therefore invited to express their vote only under the conditions described below and prior to the General Meeting:

- express their vote remotely (by post or electronically) by voting for each of the resolutions, or
- give a proxy to the Chairman of the Shareholders' Meeting or to a third party (another shareholder or any other natural or legal person).

In view of the uncertainties resulting from the current context related to COVID-19, the Company may be required to modify, subject to legal provisions, the procedures for the conduct, participation and voting at the 2021 Combined Shareholders' Meeting of SEB S.A. In any event, the Company invites its shareholders to consult regularly the Company's website http://www. groupeseb.com to keep abreast of the latest news and final arrangements for the 2021 Combined Shareholders' Meeting of SEB S.A. Details of how to participate in the Shareholders' Meeting of May 20, 2021 will be set out in the notice of meeting published in the Bulletin des Annonces Légales Obligatoires on Wednesday, March 24, 2021, and will be included in the notice of meeting brochure.

IMPLEMENTATION OF THE RECOMMENDATIONS OF THE AFEP-MEDEF CODE

With regard to the "Apply or Explain" rule provided for in Article L. 22-10-10, 4 of the French Commercial Code and Article 27.1 of the AFEP-MEDEF Code, the company believes that its practices comply with the recommendations of the AFEP-MEDEF Code. However, some recommendations were not applied for the reasons explained below:

AFEP-MEDEF recommendations not applied	Reason
Article 11.3: Board and Committee Meetings It is recommended that a meeting not attended by the executive officers be held each year.	Issues relating to the Chairman and CEO's performance are discussed by the Governance and Remuneration Committee in his absence. For this reason, and given the collective nature of the Board of Directors, there are no plans to hold formal meetings of the Non-Executive Directors not attended by the Chairman and CEO. The Board remains free to hold discussions at any time in the absence of the Chairman and CEO, however.
Articles 15.1 and 17.1: Proportion of independent directors on the Nominations Committee and the Remuneration Committee The Nominations and Remuneration Committee must include a majority of independent directors.	The Committees historically comprise at most four members, two of whom are independent directors, and, considering the company's shareholding structure, two directors representing reference shares. As a result, the Governance and Remuneration Committee comprises an equal number of independent directors and representatives of the family voting block. Moreover, the Chairman of the Governance and Remuneration Committee is independent.
Article 18.1: Composition of the Compensation Committee It is recommended that the Committee chair be independent and that an employee director be a member of the Committee.	Both Committees are chaired by an independent director who leads and steers the Committee's work. They have the deciding vote in the event of a tie. In view of the current composition of the Governance and Remuneration Committee and in order not to increase its size, there is no employee director on this Committee. Moreover, the Chairman of the Governance and Remuneration Committee is independent.
Article 22: Chief Executive Officer's employment contract When an employee is appointed as Chief Executive Officer of the company, it is recommended that its employment contract with the company or with a company affiliated to the Group be terminated, whether through contractual termination or resignation.	Thierry de La Tour d'Artaise began his career with the Group in 1994 and was appointed Vice-Chairman of SEB S.A. in 1999, before becoming Chairman and CEO in 2000. In accordance with changing governance practice, his employment contract has been suspended since 2005. The Board of Directors' Meeting of 17 February 2012, having re-examined the circumstances of the Chief Executive Officer, considered that Thierry de La Tour d'Artaise's employment contract, which had been suspended since 2005, should remain suspended, in light of his age, personal situation, and seniority within the Group. The same decision was made following the Board of Directors' Meetings on 23 February 2016 and 25 February 2020, with a view to reappointing Thierry de La Tour d'Artaise.

2.4 Group management bodies

MANAGEMENT BOARD (AT 31 DECEMBER 2020)

Thierry de La Tour d'Artaise	Chairman and Chief Executive Officer
Stanislas de Gramont	Chief Operating Officer
Nathalie Lomon	Chief Financial Officer, Group Executive Vice-president
Harry Touret (until December 2020)*	President, Human Resources, Group Senior Executive Vice-president

In charge of executing the strategy decided by the Board of Directors, the General Management Committee (GMC) defines the Group's major the Group's major orientations. It comprises the Chairman and Chief Executive Officer, the Chief Operating Officer, the Executive Vice President in charge of Products and Innovation, and the Executive Vice Presidents. It comprises the Chairman and Chief Executive Officer, the Chief Operating Officer, the Executive Vice President, Products and Innovation, and the Executive Vice Presidents, Finance and Human Resources.

EXECUTIVE COMMITTEE (AT 31 DECEMBER 2020)

Thierry de La Tour d'Artaise	Chairman and Chief Executive Officer
Stanislas de Gramont	Chief Operating Officer
Nathalie Lomon	Chief Financial Officer, Group Executive Vice-president
Harry Touret (until December 2020)*	President, Human Resources, Group Senior Executive Vice-president
Alain Leroy	President, Industry
Vincent Tai	President, Asia
Cyril Buxtorf	President, EMEA
Martin Zouhar	President, North and Central America
Patrick Llobregat	President, cookware
Olivier Naccache	President, small electrical appliances
Oliver Kastalio	President, WMF

The Executive Committee (COMEX) is responsible for implementing the policies defined by the GMC, both globally and within their respective areas. It is composed of the members of the General Management Committee, the General Managers of the business units and WMF, the General Manager of Research, the General Manager of Legal Affairs, the General Manager of Industry, the General Managers of the Group and the General Managers of the subsidiaries. the General Manager of Research, the General Manager of Legal Affairs, the General Manager of Industry, the Continental General Managers, and the General Manager of Public Affairs and Communication of Public Affairs and Communication.

* *Since 2021, Delphine Segura Vaylet has been a member of the Management Board and of the Executive Committee as President, Human Ressources, Group Senior Executive Vice-President.*

POLICY ON DIVERSITY IN GOVERNANCE BODIES AND GENDER BALANCE

At the proposal of General Management and following review by the Governance and Remuneration Committee, at its meeting of 23 February 2021, the Board of Directors adopted the policy on diversity within its governance bodies, the detail of which is as follows:

- scope: the scope of the governance bodies used includes the Management Board and the Executive Committee, whose membership and tasks are described above;
- current situation at 31 December 2020: the percentage of women serving on the Management Board is 25% (one woman and three men), and 9% (one woman and ten men) on the Executive Committee;
- objectives and timescale: to perpetuate the overall gender balance of the management bodies by maintaining a minimum representation of women of 40% within the General Management Committee and of 25 to 30% within the Executive Committee with a time horizon set at 2022;
- implementation methods: for several years, the Group has encouraged women into management positions, which should facilitate the achievement of the objectives set out above. Gender equality in the workplace is, in fact, an integral part of the Group's non-discrimination and diversity promotion policy. In 2019, it strengthened its approach with the Gender Diversity global commitment plan. Increasing the representation of women in governance bodies and developing female talent are some of the drivers that will help to strengthen the diversity policy the Group has supported for several years;

The Board of Directors noted the proposed diversity objectives and the implementation methods (action plan and timescale). Achievement of these objectives will be monitored by the Board of Directors and corporate governance reports published from 2022 onwards will include an update on progress and achievement of the results obtained in future financial years.

Furthermore, information on the overall implementation of the company's diversity policy, including results on diversity in terms of access to senior management positions, is provided in chapter 3, page 151 of this Universal Registration Document, in accordance with the provisions of Article L. 22-10-10, 2 of the French Commercial Code.

2.5 Remuneration policy

Pursuant to the provisions of Article L. 22-10 8 of the French Commercial Code, this section describes the policy on corporate officer remuneration. This policy is in the corporate interest of the company. It contributes to its continuity and is in line with its commercial strategy.

This section is an integral part of the report on Corporate Governance cited in the last paragraph of Article L. 225-37 of the French Commercial Code.

Under Article L. 22-10 8 of the French Commercial Code, and based on the principle of ex-ante voting, the Annual General Meeting of 20 May 2021, must approve, on the basis of the report on Corporate Governance, the policy on the remuneration of the corporate executive officers (8th resolution) and the policy on the remuneration of directors (9th resolution).

Moreover, in accordance with the ex-post voting principle, the Ordinary Shareholders' Meeting on 20 May 2021 will be asked to approve:

- pursuant to Article L. 22-10 34 II. of the French Commercial Code, the information described in Part I of Article L. 22-10 9 of the French Commercial Code, as presented in this report on the Corporate Governance of the company (10th resolution);
- pursuant to Article L. 22-10 34 II. of the French Commercial Code, for each executive officer, the fixed, variable and exceptional items composing the total remuneration and the benefits of any kind paid during the previous year or allocated for the same year (11th and 12th resolutions).

CROSS-REFERENCE TABLE WITH THE STANDARD PRESENTATION OF THE COMPENSATION AS PUBLISHED IN POSITION-RECOMMENDATION N ° 2009-16 OF THE FINANCIAL MARKETS AUTHORITY (AMF) AND IN THE AFEP-MEDEF CODE OF CORPORATE GOVERNANCE FOR PUBLICLY TRADED COMPANIES REVISED IN JANUARY 2020

Table 1 - Table summarising the compensation, options and shares awarded to each executive officer	Summary table of the remuneration and options and shares due or awarded to M. Thierry de la Tour d'Artaise	p. 104
	Summary table of the remuneration and options and shares due or awarded to M. Stanislas de Gramont	p. 109
Table 2 - Table summarising the compensation of each executive officer	Summary table of the remuneration paid or awarded to M. Thierry de la Tour d'Artaise	p. 104
	Summary table of the remuneration paid or awarded to M. Stanislas de Gramont	p. 109
Table 3 - Table on the directors' fees and other compensation received by non-executive directors	Remuneration received by the Directors amounts paid or in 2020 for the 2018/2019 period	p. 97
Table 4 - Subscription or purchase options awarded during the financial year to each executive officer by the issuer and by any group company	Stock options awarded in 2020 to M. Thierry de la Tour d'Artaise	p. 106
	Stock options awarded in 2020 to M. Stanislas de Gramont	p. 111
Table 5 - Subscription or purchase options exercised during the financial year by each executive officer	Stock options exercised in 2020 to M. Thierry de la Tour d'Artaise	p. 106
	Stock options exercised in 20120 to M. Stanislas de Gramont	p. 111
Table 6 - Performance shares awarded during the financial year to each executive officer by the issuer and by any group company	Performance shares awarded in 2020 for M. Thierry de la Tour d'Artaise	p. 106
	Performance shares awarded in 2019 for M. Stanislas de Gramont	p. 111
Table 7 - Performance shares that have become available during the financial year for each executive officer	Performance shares fully vested in 2020 for M. Thierry de la Tour d'Artaise	p. 106
	Performance shares fully vested in 2020 for M. Stanislas de Gramont	p. 111
Table 8 - Past awards of subscription or purchase options	History of stock option awards to executive officers	p. 113
Table 8bis - share subscription or purchase options granted or exercised by the top ten employees	Share subscription or purchase options granted or exercised by the top ten employees	p. 336
Table 9 - Past awards of performance shares	History of performance share awards to executive officers	p. 114
Table 10 – Table summarizing the multi-annual variable remuneration paid to each executive officer	Multi-year variable remuneration paid to M. Thierry de la Tour d'Artaise	p. 106
	Multi-year variable remuneration paid to M. Stanislas de Gramont	p. 111
Table 11 - Information on executive officers	General information about executive officers	p. 114

REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS

The terms of directors' remuneration are set by the Board of Directors on a proposal from the Governance and Remuneration Committee. In 2020, the remuneration received by directors obeyed the same allocation principle as for the previous year, namely a fixed portion and a variable portion, calculated according to directors' attendance at Board and Committee Meetings.

No remuneration is given to members of the Board of Directors. The travel expenses incurred as a result of their participation in meetings are paid for.

Following the approval of the 9th resolution of the Shareholders' Meeting of 22 May 2019, the total package authorized for the remunerations allocated to the members of the Board of Directors was €600,000 to take into account the increase in the size of the Board, which rose from 14 to 17 members. The overall amount of remuneration allocated to the members of the Board of Directors remains unchanged.

In addition, since the Annual General Meeting of 19 May 2020 and in accordance with the decision made by the Board of Directors on 17 December 2019, on the recommendation of the Governance and Remuneration Committee, the preponderance of the variable proportion has been increased up to 60% compared with 50% previously, but will continue to be calculated on the attendance rate of Directors at Board and Committee Meetings. The allocation rules are as follows:

Function	Fixed portion	Variable portion
Director	€12,000	€18,000
Committee Chairman (in addition to the fixed and variable remuneration for an administrator)	€6,000	€9,000
Committee member (in addition to the fixed and variable remuneration for an administrator)	€4,000	€6,000

AMOUNTS PAID FOR IN 2020 FOR THE 2019/2020 PERIOD

The overall gross amount of remuneration paid to directors increased in 2020 despite the lack of any increase in individual remuneration because of the increase in the number of members on the Board of Directors, which is currently 17 compared with 14 in 2019. In addition, the individual amount of gross remuneration fell as a result of the decision of the Board of Directors on 8 April 2020 to waive part of the remuneration allocated to directors in view of the Covid-19 health crisis. Finally, at this same meeting, the Board of Directors decided to waive the increase in the overall amount of remuneration allocated to directors.

In 2020, the overall remuneration paid to Board members totaled €552,778 (gross amount before deductions and/or withholdings), compared with €503,750 in 2019, as shown in the table below:

Gross remuneration of directors *(in €)*

Board members	Gross remuneration paid in 2018 for the 2017/2018 period	Gross remuneration paid in 2019 for the 2018/2019 period	Gross remuneration paid in 2020 for the 2019/2020 period
Thierry de La Tour d'Artaise	30,000	30,000	28,750
Delphine Bertrand	30,000	30,000	27,153
Nora Bey [(b)]	N/A	N/A	22,361
Yseulys Costes	37,500	38,750	38,333
Jean-Pierre Duprieu	N/A	N/A	25,556
FÉDÉRACTIVE (Pascal Girardot) [(a)]	10,000*	10,000*	3,333
FÉDÉRACTIVE (Sarah Chauleur)	30,000	30,000	28,750
PEUGEOT INVEST ASSETS (Bertrand Finet)	37,500	40,000	36,736
FSP (Catherine Pourre)	45,000	45,000	43,125
Brigitte Forestier	30,000	30,000	28,750
William Gairard	30,000	28,333	28,750
GÉNÉRACTION (Caroline Chevalley)	N/A	N/A	35,139
Laurent Henry	15,000	28,333	28,750
Jean-Noël Labroue	45,000	45,000	43,125
Jérôme Lescure	40,000	40,000	38,333
Thierry Lescure	N/A	N/A	28,750
Aude de Vassart	N/A	N/A	28,750
VENELLE INVESTISSEMENT (Damarys Braida)	40,000	40,000	38,333
TOTAL	**490,000**	**503,750**	**552,778**

(a) *With respect to its participation on the Governance and Remuneration Committee up to 23 July 2019.*
(b) *Calculation realised pro rata with respect to its participation to Board of Directors' meetings, that have been held after his appointment by the Group European Committee on 27 June 2019.*

REMUNERATION OF EXECUTIVE OFFICERS

The information presented below covers the fixed variable and exceptional items composing the total remuneration and benefits of any kind (performance shares, severance payments, benefits in kind and supplementary pension benefits) for Thierry de La Tour d'Artaise and Stanislas de Gramont, the sole corporate officers receiving this type of remuneration. Board members receive only the remuneration referred to in the previous section.

PRINCIPLES AND OBJECTIVES

The remuneration policy for Groupe SEB executive officers is set by the Board of Directors on a proposal from the Governance and Remuneration Committee. It is reviewed on a regular basis and is designed to provide balanced and consistent remuneration in line with the recommendations of the AFEP-MEDEF Code revised in January 2020, to which the Group refers while staying motivating and aligned with market practices assessed by the Committee and with external studies.

According to these principles, the Governance and Remuneration Committee proposes to the Board of Directors the components of the remuneration of each executive, while remaining attentive that it remains balanced, in line with the corporate interest, and that it contributes to its continuity, that it is in line with its commercial strategy, and that quantifiable and qualitative performance criteria are taken into account.

Completeness and simplicity

The remuneration of executive officers is intended to ensure simplicity, transparency and consistency over time. It comprises a fixed portion, an annual variable portion, and performance shares, subject to the fulfilment of performance criteria set in advance by the Board of Directors. The total remuneration granted to executive officers is determined by taking all the remuneration and benefits into account, including the supplementary pension plan.

Balance and consistency

The remuneration of executive officers is consistent with the overall remuneration policy for Group senior managers and employees and the interests of both the company and its shareholders. It also takes account of market practices as well as the performance of executive officers.

Motivation and performance

To motivate executive officers and encourage them to meet short- and long-term targets, the Board of Directors ensures that a variable portion is evenly allocated between annual and longer-term targets. Performance criteria are set with the aim of contributing, year on year, to the implementation of a long-term growth strategy.

PRINCIPLES AND CRITERIA FOR THE DETERMINATION, ALLOCATION AND AWARDING OF THE FIXED, VARIABLE AND EXTRAORDINARY COMPONENTS OF TOTAL REMUNERATION AND BENEFITS OF ANY KIND

According to the AFEP-MEDEF Code, the various components of the remuneration of corporate executive officers are reported on the company's website after the Board Meeting that adopted the relevant decisions.

Fixed remuneration

The fixed portion of remuneration should reflect the executive officer's responsibilities, level of experience and skills and be in line with market practices.

The fixed remuneration is analyzed and discussed by the Governance and Remuneration Committee, which takes into account the personal qualities of the executive officer in question, all the components of the remuneration, as well as the positioning of the executive officer's remuneration compared with the practices identified in comparable companies.

The conclusions of the Governance and Remuneration Committee are discussed by the Board of Directors. The latter ensures that the fixed remuneration of executive officers remains stable over several years and takes account of any supplementary remuneration.

The fixed remuneration serves as a reference basis for determining the annual variable remuneration.

Annual variable remuneration

The variable portion of the executive officers' remuneration obeys the general principles applicable to all Group senior managers. These criteria, which have been constant for many years, are analyzed and discussed each year by the Governance and Remuneration Committee, which regularly relies on studies of practices identified in comparable companies conducted by external consultants. The Board of Directors sets the criteria at the start of each year and makes sure that they constitute an incentive mechanism intrinsically linked to the Group's performance and strategy.

At its meeting scheduled at the beginning of the year, the Governance and Remuneration Committee assesses the quantifiable and qualitative performance criteria and checks that they are in line with Groupe SEB's strategic priorities as well as with the principles described above. The findings are then submitted to the Board of Directors, which discusses and approves these elements at the meeting called to review the annual financial statements and the budget.

THE QUANTIFIABLE CRITERIA

The quantifiable criteria are linked to the Group's economic performance. They represent 60% of variable remuneration and are assessed against a matrix composed of the following targets:

- revenue growth; and
- growth in the Operating Result from Activity.

The targets set are not made public in order to maintain the confidentiality inherent in the Group's strategy. Historically, the percentage fulfilment of these combined criteria has varied between 72% and 161% over the last nine years.

THE QUALITATIVE CRITERIA

The qualitative criteria are linked to collective and individual performance. They represent 40% of the variable compensation and are assessed with regard to specific strategic objectives. These objectives include the Group's organizational structure and management, the implementation of the corporate plan and criteria related to Social Responsibility and Environmental (CSR).

The qualitative criteria related to CSR include in particular:

- Energy efficiency;
- Health and Safety;
- Ethics and Compliance.

TARGET AND CAP

Annual variable remuneration is expressed as a percentage of annual fixed remuneration:

- for the Chairman and Chief Executive Officer: annual variable remuneration may vary from 0% to 100%, if all of the quantifiable and qualitative targets are met (target level), and rise to 150% (maximum level) if financial performances are judged like exceeding the targets set;
- for the Chairman and Chief Executive Officer: annual variable remuneration may vary from 0% to 80%, if all of the quantifiable and qualitative targets are met (target level), and rise to 120% (maximum level) if financial performances are judged like exceeding the targets set;

Performance shares

To the exclusion of all other plans, Groupe SEB has been awarding performance shares to Group employees and executive officers since 2013, in accordance with Articles L. 22-10 59 et seq. of the French Commercial Code. This system replaced stock option grants, the last of these plans having been submitted to the Annual General Meeting on 10 May 2012.

Performance share awards aim to promote the meeting of Groupe SEB's long-term targets and the value creation expected by stakeholders.

Based on this logic, the Board of Directors decided, on a proposal of the Governance and Remuneration Committee, that performance shares should be awarded entirely on the basis of performance criteria. This favors simple principles and rules that remain stable over time and long-term and demanding performance criteria.

These cover revenue and Operating Result from Activity targets and are assessed on an annual basis over a three-year period. The achievement rates are set each year by the Board of Directors on a proposal of the Governance and Remuneration Committee, but made not be published for confidentiality reasons.

They meet the dual necessity of being sufficiently stringent while remaining a source of motivation.

With regard to the 2020 plan, the performance calculation depends on the rate of achievement of the revenue and Operating Result from Activity target assessed over the three-year vesting period (i.e. 2020, 2021 and 2022):

Average achievement rate over three years	Performance shares awarded
100% or more	100%
Between 50% and 100% inclusive	Pro rata of the achievement rate
Less than 50%	None

Awards have been made as follows:

- the total number of performance shares awarded to executive officers in one financial year amounts to 13.5% of the total number of performance shares awarded in this same year;
- the total volume of performance shares awarded to corporate executive officers and to employees must be capped at 0.3976% of the share capital on the date of the decision to award, as provided for in the 20th resolution of the Annual Meeting on 19 May 2020.

Executive officers are also bound by the following obligations:

- shares resulting from the exercise of stock options and performance shares must be held in registered form for a certain period, as explained below, during their term of office;
- adherence to the principles of the Stock Market Ethics Charter, which defines, among other things, blackout periods based on the company's accounting calendar and earnings reporting periods, in accordance with the recommendations of the French Financial Markets Authority (AMF);

- obligation to declare any securities transactions to the AMF in accordance with the regulations in force;
- formal undertaking not to engage in any hedging transactions for their own risks, either on options or on shares resulting from the exercise of options or on performance shares. This undertaking also appears in the stock award plan rules which are delivered to each beneficiary.

Awards of performance shares have no dilutive effect on earnings insofar as all shares awarded are existing shares bought back by the company. As recommended by the AFEP-MEDEF Code, the Board of Directors makes the annual awards in the same calendar period each year.

Following the Annual General Meeting on 19 May 2020, the Board of Directors decided to use the authorization granted by the shareholders to implement the performance share plan approved at the Board of Directors' Meeting on 25 February 2020.

In addition, the Board of Directors' Meeting of 23 February 2021, after examining the findings of the Governance and Remuneration Committee, reviewed and approved the proposed performance share award plan for 2021, in line with the process established by the Board of Directors on 16 December 2011.

Authorization for the award will be submitted to the shareholders at the next Annual Shareholders' Meeting of 20 May 2021 (20th resolution).

Remuneration allocated to the members of the Board of Directors

The Board of Directors may decide to pay remuneration to the corporate executive officers, according to the same rules as those applicable to all the directors set out above. The attribution of the remuneration allocated to members of the Board of Directors, which is part of the remuneration policy for directors, will be submitted to a vote by shareholders at the next Annual General Meeting (9th resolution).

Benefits in kind

The executive officers have company cars. The Chairman and Chief Executive Officer also benefits from compensation for the use of an apartment in Paris.

Deferred commitments

Groupe SEB's remuneration policy aims to attract and retain talented senior and other managers. The Group's policy has always been to encourage internal promotion and sustainable management. The Board of Directors does not wish to see executive officers, after several years of service with Groupe SEB, deprived of benefits they would have continued to receive had they remained employees.

CONTINUATION OF EMPLOYMENT CONTRACT

Thierry de La Tour d'Artaise began his career at Groupe SEB in 1994 and was appointed Vice-Chairman in 1999. He was appointed Chairman and CEO in 2000. In accordance with the recommendations of the AFEP-MEDEF Code, his employment contract was suspended on 1 March 2005, following the Board of Directors' decision on 17 December 2004.

The Board of Directors' Meetings of 23 February 2016 and of 25 February 2020, in the context of the reappointment of Thierry de La Tour d'Artaise, reviewed the situation and agreed that his employment contract should remain suspended due to his age, his personal situation and his seniority within Groupe SEB.

A corporate officer agreement with Stanislas de Gramont was signed on 12 December 2018. He has no employment contract.

PENSION COMMITMENTS

In addition to the statutory basic and supplementary pension plans of which they are members, Thierry de La Tour d'Artaise and Stanislas de Gramont were authorized by the Board of Directors to join the collective supplementary pension plan set up within Groupe SEB.

For senior managers in office on 3 July 2019, the provisions of Order no. 2019-697 of 3 July 2019 on supplementary work pension plans forced the Group to freeze and close this plan as of 31 December 2019.

A new plan will be set up, within the framework of the PACTE Act and Ordinance 2019-697, for this same group once the conditions for implementing the measures are known (Ministry Circular from the Department of Social Security SD3C currently in preparation).

The previous plan was frozen and closed at 31 December 2019 and was established as follows:

- a deferred defined-benefit pension plan set up in accordance with Article L. 137-11 of the French Social Security Code.

  Potential benefits under this plan may be paid out if beneficiaries have served on the Executive Committee for at least eight years and leave the company to exercise their right to claim retirement benefits.

  Beneficiaries are, however, still entitled to benefits should a beneficiary aged 55 leave the Group under an early retirement plan or at the Group's behest, provided that the interested party does not perform any professional activity between the date of departure and the receipt of benefits and, in the event the beneficiary is classified as category 2 or 3 disabled.

In addition, should the potential beneficiary die before receiving the benefit entitlement, the benefits derived from said entitlement pass to any surviving spouse or children.

Potential entitlements under this plan may amount, including pensions due under the statutory basic and supplementary pension plans (AGIRC/ARRCO), to a maximum of 25% of the reference salary [1].

They are funded by contributions paid to an insurance company which are deductible from the taxable base for corporation tax and liable for the contribution provided for by Article L. 137-11, I, 2, a) of the French Social Security Code;

- a supplementary defined-benefit pension plan set up in accordance with Article L. 137-11 of the French Social Security Code.

  Potential entitlements under this plan may be paid out if beneficiaries have served on the Executive Committee for at least eight years, stay with the company until the end of their career, and take their entitlements under the statutory basic and supplementary pension plans.

  Beneficiaries are, however, still entitled to benefits should the beneficiary be classified as category 2 or 3 disabled or in the event of departure at the Group's request after the age of 55, provided that the interested party does not perform any other professional activity between the date of departure and receipt of benefits.

  In addition, should the potential beneficiary die before receiving the benefit entitlement, the benefits derived from said entitlement pass to any surviving spouse or children.

  Potential entitlements enable beneficiaries to receive a pension that equates to 0.80% of the reference salary [1], multiplied by the number of years of service on the actual retirement date, capped at 20 years and at the date the plan freezes.

They are funded by contributions paid by Groupe SEB to an insurance company which are deductible from the taxable base for corporation tax and liable for the contribution provided for by Article L. 137-11, I, 2, a) of the French Social Security Code.

Pension entitlements under this plan may be paid no earlier than the date on which the general social security pension is drawn.

The Chief Operating Officer, Stanislas de Gramont, who took up this post on 3 December 2018, benefits from the former retirement scheme in line with the conditions defined in the Ordinance of 3 July 2019 and the application conditions defined in the Circular of 23 December 2020.

OTHER LIFETIME BENEFITS: INCAPACITY, DISABILITY AND DEATH AND HEALTH INSURANCE AND INDIVIDUAL LIFE INSURANCE

Executive officers continue to benefit from supplementary social protection, notably as regards the incapacity, disability and death and health insurance that covers the company's employees.

They also benefit from individual life insurance. This policy is intended to cover part of the remuneration not covered by the collective plans as described for each of the executive officers below.

Thierry de La Tour d'Artaise and Stanislas de Gramont were authorized by the Board of Directors to benefit:

- from the "incapacity/disability/death" insurance plan applicable to senior managers and similar persons, which is funded by contributions based on tranches that are deductible from the taxable base for the corporate tax:
  - A 1.562%, paid in full by the employer,
  - B 2.029%, paid 60% by the employer and 40% by employees,
  - C 2.029%, shared equally between the employer and employees.

  These contributions are not included in the social security contribution base, capped at 6% of the annual social security ceiling (€2,468 in 2020) and 1.5% of the remuneration figure used, capped at 12% of the annual social security ceiling (€4,936 in 2020).

  This insurance plan includes, in particular, the payment of supplementary daily allowances in the event of incapacity, a disability pension and a death benefit whose amounts are stated for each of the executive officers below;
- from specific life insurance cover under "tranche D incapacity, disability and death insurance", which is funded by a contribution paid by Groupe SEB of 3.2% of the portion of the remuneration that is between 8 and 12 times the annual social security ceiling and deductible from the taxable base for corporation tax.

  These contributions are partially excluded from the social security contribution base, including contributions paid under the aforementioned "incapacity/disability/death" insurance plan, capped at 6% of the annual social security ceiling (€2,468 in 2020) and 1.5% of the remuneration figure used, capped at 12% of the annual social security ceiling (€4,934 in 2020).

  This insurance plan includes, in particular, the payment of a death benefit, the amounts of which are stated below.

SEVERANCE ALLOWANCE AND NON-COMPETE PAYMENTS

Severance payments are subject to performance conditions and may not exceed 24 months' remuneration, in accordance with the recommendations of the AFEP-MEDEF Code (including, in the case of Stanislas de Gramont, compensation for a non-compete agreement or any other compensation paid).

Details related to these payments are described in the section below and all benefits subject to the procedures set out for regulated agreements are described in the Statutory auditors' special report.

Payment of the indemnity will be subject to performance conditions, measured in the following manner:

- if he is dismissed after four years from his appointment as an executive officer, the severance allowance will be adjusted based on actual performance in relation to targets, in said capacity, over the last four full years of service:
  - if the average percentage achieved is below 50%: no termination benefit is paid,

(1) *Reference salary: average of the annual gross, fixed and variable remuneration received over the last three years of activity, capped at 36 annual social security ceilings.*

- if the average actual performance represents 50% to 100% of the targets: the termination benefit is comprised between 75% and 100%, based on a straight-line calculation,
- if the average percentage achieved is above 100%: 100% of the benefit is paid.

REMUNERATION OF THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Components of remuneration paid or allocated for financial year 2020

FIXED REMUNERATION

In 2020, the gross fixed remuneration of Thierry de La Tour d'Artaise amounted to €1,000,000. For the sake of solidarity and responsibility towards stakeholders, and to preserve the Group's resources in view of the Covid-19 health crisis, on 8 April 2020 the Board of Directors decided to reduce the fixed remuneration of Thierry de La Tour d'Artaise paid in 2020 by €41,667 gross for two months of short-time working, in accordance with the recommendation published by the AFEP on 29 March 2020 (reduction of 25% pro rata to the duration of applied short-time working measures in 2020).

ANNUAL VARIABLE REMUNERATION

Based on the quantifiable and qualitative criteria used by the Board of Directors and set at the start of the year, the amount of variable remuneration was measured as follows:

- based on quantifiable criteria (Groupe SEB revenue and Operating Result from Activity targets), the variable portion is 104.2% of the fixed annual remuneration of Thierry de La Tour d'Artaise with a target of 100%;
- based on qualitative criteria, the variable portion amounted to 142.3% of the fixed annual remuneration of Thierry de La Tour d'Artaise with a target of 100%. The Board of Directors judged Thierry de La Tour d'Artaise's performance based on collective and individual targets such as the structural improvement of the Group's profitability, the active pursuing of the acquisition strategy, the management of the corporate plan and the consideration of non-financial performance criteria (CSR), as described on page 99 of this document.

Consequently, the variable remuneration paid in 2021 for financial year 2020 was €1,194,200, or 119.4% of his fixed remuneration. Thierry de La Tour d'Artaise's variable remuneration paid in 2020 for financial year 2019 was 115.2% of his fixed remuneration, or €1,152,400. In view of the Covid-19 health crisis, on 8 April 2020 the Board of Directors decided to reduce the annual variable remuneration of Thierry de La Tour d'Artaise paid in 2020 by €48,017 gross for two months of short-time working, in accordance with the recommendation published by the AFEP on 29 March 2020 (reduction of 25% pro rata to the duration of applied short-time working measures in 2020).

He does not benefit from any deferred or multi-year variable remuneration or any other remuneration from the company or other Groupe SEB companies.

The variable remuneration (11th resolution) items awarded to Thierry de La Tour d'Artaise for the previous year will be able to be awarded only after the Shareholders' Meeting approves the items.

REMUNERATION ALLOCATED IN HIS CAPACITY AS A MEMBER OF THE BOARD OF DIRECTORS

Thierry de La Tour d'Artaise receives remuneration for his position as a member of the Board of Directors according to the rules applicable to all Board members. In 2020, Thierry de La Tour d'Artaise received €28,750 gross as a director of the company. In view of the Covid-19 health crisis, on 8 April 2020 the Board of Directors decided to reduce the remuneration of Thierry de La Tour d'Artaise paid in 2020 in his capacity as a member of the Board of Directors by €1,250 gross for two months of short-time working, in accordance with the recommendation published by the AFEP on 29 March 2020 (reduction of 25% pro rata to the duration of applied short-time working measures in 2020).

PERFORMANCE SHARES

In accordance with the authorization granted by the Shareholders' Meeting of 19 May 2020 (20th resolution), the Board of Directors, at its meeting held on the same day, decided to award 18,000 performance shares to Thierry de La Tour d'Artaise for 2020.

The shares granted to Thierry de La Tour d'Artaise under the 2020 performance share plan represented to 0.0358% of the share capital.

Shares resulting from the exercise of stock options and performance shares awarded to Thierry de La Tour d'Artaise must be held in registered form for a certain period, under the following terms and conditions:

- shares resulting from the exercise of stock options: the quantity of shares to be held must correspond to 50% of the net capital gain after the sale of the quantity of shares necessary to fund the option exercise, net of tax and social contributions and transaction fees;
- performance shares: the quantity of shares to be held must correspond to 50% of the net capital gain, net of tax and social contributions and transaction fees.

At its meeting on 23 February 2021, the Board of Directors, on a proposal of the Governance and Remuneration Committee, reviewed the terms of the holding requirement with regard to the situation of Thierry de La Tour d'Artaise and decided that they were still appropriate.

Once the number of shares held by Thierry de La Tour d'Artaise reaches the equivalent of two years' remuneration (fixed and target bonus), the quantity of shares to be held is reduced to 20%. This condition has, to date, been met in full.

BENEFITS IN KIND

Thierry de La Tour d'Artaise has a company car, representing a benefit of €8,702 for the year, and receives €15,200 per year for the use of an apartment in Paris.

LONG-TERM COMMITMENTS

Pension commitment

Thierry de La Tour d'Artaise is a member of the collective supplementary pension plan set up for Groupe SEB's French senior managers (members of the Executive Committee) in accordance with the recommendations of the AFEP-MEDEF Code, as described above.

The various conditions of the pension plan imply that, at the legal retirement age, Thierry de La Tour d'Artaise will be able to receive a gross replacement ratio (including statutory plans) of 30.36% of his reference remuneration, which would correspond to a replacement rate of 21.98% of his reference remuneration (not counting statutory plans).

Entitlements estimation at 31 December 2020:

Regime	Amount
Deferred defined-benefit pension plan	€214,463 gross per year
Supplementary defined-benefit pension plan	€225,204 gross per year
Defined-contribution pension plan *(the entitlements resulting from this plan have been frozen since January 2012)*	€11,740 gross per year

Other lifetime benefits: incapacity, disability and death and health insurance and individual life insurance

Thierry de La Tour d'Artaise continues to benefit from supplementary social protection, notably as regards the incapacity, disability and death and health insurance that covers the company's employees.

This plan notably includes the payment of supplementary benefits for Thierry de La Tour d'Artaise, set at a maximum annual amount as follows:

In the event of incapacity	€246,816
In the event of first degree disability	€148,090
In the event of second and third degree disability	€246,816

Less social security benefits for the 3 items.

- a death benefit set at a maximum of €1,361,606.

In addition to the collective incapacity, disability and death insurance plan, Thierry de La Tour d'Artaise also benefits from an individual life insurance policy with a capital amounting to €3,652,134. The expense recorded for the year ended 31 December 2020 totals €45,469. The purpose of this specific life insurance policy is to cover the portion of remuneration that is not covered by the collective plans.

In accordance with the procedure for regulated related-party agreements and commitments, the renewal of this commitment was authorized by the Board of Directors at its meeting of 25 February 2020 and was approved by the Annual General Meeting of 19 May 2020, when the appointment of Thierry de La Tour d'Artaise was renewed (8th resolution).

Severance payments

Thierry de La Tour d'Artaise is only entitled to the severance pay owing under his employment contract, to the exclusion of any other benefit, in the event of termination of his corporate office.

Under the provisions of his employment contract, which was suspended on 1 March 2005, Thierry de La Tour d'Artaise will receive, by way of settlement, a total termination benefit to be paid only under the following circumstances:

- termination of the employment contract at the employer's initiative, except on the grounds of serious misconduct or gross negligence;
- forced departure as a result of a change in the control of Groupe SEB.

An amendment to Thierry de La Tour d'Artaise's employment contract was signed making the termination benefit subject to performance conditions. The termination benefit is set at two years' remuneration (calculated based on the average remuneration earned during the last two financial years), and is adjusted for the rate of achievement of his targets for the last four years of service:

Average rate of achievement over the previous four financial years	Amount of benefit paid
100% or more	100%
Between 50% and 100% inclusive	Between 75% and 100%, according to a straight-line calculation
Less than 50%	None

If the previous year-end presents a net loss, the Board of Directors reserves the right to reduce such termination benefits by a maximum of one half, without such benefits falling below the fixed salary plus bonuses of the previous financial year, should application of the performance criteria based on the achievement of targets confer entitlement to the payment of such benefits.

Thierry de La Tour d'Artaise's employment contract does not contain a non-compete clause.

Entitlement to stock options in the event of termination

In the event that Thierry de La Tour d'Artaise's employment contract is terminated, except for serious misconduct or gross negligence, he will be entitled to all the share purchase or subscription options granted to him under the same terms and conditions of exercise that would have applied had he remained in office. This provision shall also apply in the event that Thierry de La Tour d'Artaise's employment contract is terminated following his resignation from the Group, were such a decision to arise from a change in the control of the Group. However, he will forfeit the options that would have been granted to him over the 18 months prior to the termination of his term of office as executive officer should he resign on his own initiative. These provisions have lapsed, the last share purchase plan has expired on June 18, 2020.

Retirement lump-sum payment

The retirement payment of Thierry de La Tour d'Artaise amounts to €560,795 due to his seniority.

Remuneration for 2021

FIXED REMUNERATION

For financial year 2021, the remuneration of Thierry de La Tour d'Artaise remains fixed at €1,000,000 as approved by the Board of Directors at its meeting of 25 February 2020.

REMUNERATION ALLOCATED IN HIS CAPACITY AS A MEMBER OF THE BOARD OF DIRECTORS

The maximum amount of the remuneration that may be allocated to Thierry de La Tour d'Artaise, in his capacity as a member of the Board, will be €12,000 gross for the fixed portion and €18,000 gross for the variable portion.

ANNUAL VARIABLE REMUNERATION

Thierry de La Tour d'Artaise's annual variable remuneration will be set according to the same principles, i.e., it may represent a maximum of 150% of his fixed remuneration, or €1,500,000, according to the rate of achievement of his quantifiable and qualitative targets. These targets are divided, as previously stated, as follows: 60% relates to quantifiable criteria and 40% to qualitative criteria.

The performance evaluation criteria were renewed for 2021 using the quantifiable targets set by the Board of Directors' Meeting of 23 February 2021, which are based on Groupe SEB's targets for Revenue and Operating Result from Activity. The qualitative objectives relate to the new members joining the Executive Committee, the improvement of Groupe SEB's profitability, the management of the corporate plan, the integration of the latest acquisitions and the consideration of CSR criteria as described on page 99 of this document.

PERFORMANCE SHARES

The Board of Directors reserves the right to decide to implement a new performance share award plan, under the authorization that will be submitted to the Annual General Meeting on 20 May 2021.

Should the Board of Directors be granted the necessary powers to award performance shares, it would decide to award performance shares to Thierry de La Tour d'Artaise in the same proportions as previously granted, in line with the plan described in the proposed 20th resolution.

SUMMARY TABLE OF THE REMUNERATION AND OPTIONS AND SHARES DUE OR AWARDED TO THIERRY DE LA TOUR D'ARTAISE

Thierry de La Tour d'Artaise – Chairman and Chief Executive Officer	2019	2020
Remuneration due during the financial year	€2,206,302	€2,248,102
Value of the options awarded for the financial year*	N/A	N/A
Value of the performance shares awarded for the period*	€2,673,693	€1,932,488
Value of the other long-term remuneration plans	N/A	N/A
TOTAL	**€4,879,995**	**€4,180,590**

* *On each award date, the fair value carrying amount of the options and shares is determined in accordance with IFRS. This is the historical value on the award date, calculated for accounting purposes using the method described in the Consolidated Financial Statements section. This value represents neither the current market value, nor the discounted value of these options and shares, nor the actual amount that may be generated upon exercise of these options, if they are exercised or on the vesting of these performance shares, if they are vested.*

SUMMARY TABLE OF THE REMUNERATION PAID OR AWARDED TO THIERRY DE LA TOUR D'ARTAISE

Thierry de La Tour d'Artaise Chairman and Chief Executive Officer	Amounts relating to 2019		Amounts relating to 2020	
	Due	Paid	Due	Paid
Fixed remuneration	€1,000,000	€1,000,000	€1,000,000	€958,333[(a)]
Annual variable remuneration	€1,152,400	€1,099,238	€1,194,200	1,104,383[(b)]
Extraordinary remuneration	none	none	néant	néant
Remuneration as a member of the Board of Directors	€30,000	€30,000	30,000	28,750[(c)]
Benefits in kind:				
• car	€8,702	€8,702	€8,702	€8,702
• housing	€15,200	€15,200	€15,200	€15,200
TOTAL	**€2,206,302**	**€2,153,140**	**€2,248,102**	**€2,115,368**

(a) After deduction of €41,667 for "Covid donations".
(b) After deduction of €48,017 for "Covid donations".
(c) After deduction of €1,250 for "Covid donations".

EQUITY RATIO BETWEEN THE LEVEL OF REMUNERATION OF THE CHAIRMAN AND CEO AND THE AVERAGE AND MEDIAN REMUNERATION OF THE COMPANY

This presentation was carried out in accordance with the terms of law no. 2019-486 of 22 May 2019, known as the "PACTE" law, in order to ensure compliance with the transparency requirements regarding the remuneration of executive officers. The comparison with regard to the listed company SEB S.A. is not relevant since only the two corporate executive officers are attached to the parent company SEB S.A., which is why comparisons are made with regard to an expanded scope that includes the data of SEB Développement S.A.S. and Groupe SEB France S.A.S. At 31 December 2019, only SEB Développement S.A.S. was retained in the expanded scope. On 23 February 2021, the Board of Directors decided to extend the reference population as at 31 December 2020 to SEB Développement S.A.S. and Groupe SEB France S.A.S.

Year ended December 31	2016	2017	2018	2019	2020
Chairman-CEO compensation	3,620,240	4,780,440	4,888,800	4,772,958	4,084,898
Change / N-1	16.72%	32.05%	2.27%	-2.37%	-14.42%
Additional information on the extended scope 2019 / SEB DEVELOPPEMENT S.A.S					
Average employee compensation	101,402	102,971	102,978	103,461	99,150
Change / N-1	-1.25%	1.55%	0.01%	0.47%	-4.17%
Median employee compensation	86,490	90,013	91,430	90,375	85,183
Change / N-1	0.10%	4.07%	1.57%	-1.15%	-5.75%
Ratio / Average employee compensation	35.7	46.4	47.5	46.1	41.2
Change / N-1	+5.5 points	+10.7 points	+1.1 point	-1.4 point	-4.9 points
Ratio / Median employee compensatio	41.9	53.1	53.5	52.8	48.0
Change / N-1	+6.0 points	+11.2 points	+0.4 point	-0.7 point	-4.8 points
Additional information on the new extended scope 2019 / SEB DEVELOPPEMENT S.A.S + GROUPE SEB France S.A.S					
Average employee compensation	84,696	86,804	87,719	87,852	85,201
Change / N-1		2.49%	1.05%	0.15%	-3.02%
Median employee compensation	68,479	74,305	75,710	75,836	73,076
Change / N-1		8.51%	1.89%	0.17%	-3.64%
Ratio / Average employee compensation	42.7	55.1	55.7	54.3	47.9
Change / N-1		+12.4 points	+0.6 point	-1.4 point	-6.4 points
Ratio / Median employee compensatio	52.9	64.3	64.6	62.9	55.9
Change / N-1		+11.4 points	+0.3 point	-1.7 point	-7.0 points
Company performance					
Net sales (M€)	5,000	6,485	6,812	7,354	6,940
Change in net sales / N-1	6.1%	9.2%	7.8%	5.8%	-3.8%
Operating Result from Activities (ORfA) (M€)	505	678	695	740	605
Change in ORfA / N-1	18.0%	34.3%	2.5%	6.5%	-18.2%

Methodology

The "Equity Ratio" is the ratio between the Fixed remuneration paid + Variable remuneration paid + Award of performance shares for the financial year and the total annual full-time salary for all employees from SEB Développement S.A.S. and Groupe SEB France S.A.S. for all fixed-term contracts (excluding professional contracts/apprenticeship) and permanent contracts (excluding expatriates) in accordance with the rule set out in the PACTE law and excluding executive officers. The total annual salary of employees includes base salary, bonuses (if any), variable remuneration, holiday bonuses, profit-sharing and incentive bonuses, as well as performance share grants for employees of SEB Développement S.A.S. and Groupe SEB France S.A.S.

In accordance with the PACTE law, these ratios are calculated on the basis of the median data of the employees and then on the basis of the average data of the same employees, excluding executive officers.

The comparison with regard to the listed company SEB S.A. is irrelevant as only the two executive officers are attached to the parent company SEB S.A., which is why the comparisons are made with regard to an expanded scope that includes the data of SEB Développement S.A.S., the most appropriate company for this comparison (it includes most of the support functions and the majority of the Group's management positions in France) and of Groupe SEB France S.A.S., the company that groups together the Group's commercial activities in France.

STOCK OPTIONS AWARDED IN 2020 TO THIERRY DE LA TOUR D'ARTAISE

	Date of the plan	Type of option	Valuation of the options based on the method used in the Consolidated Financial Statements	Number of options awarded	Exercise price	Exercise period
Thierry de La Tour d'Artaise				No options were awarded in 2020		

STOCK OPTIONS EXERCISED IN 2020 BY THIERRY DE LA TOUR D'ARTAISE

	Date of the plan	Number of options exercised during the financial year	Exercise price	Year awarded
Thierry de La Tour d'Artaise		No options were exercised in 2020		

PERFORMANCE SHARES AWARDED FOR 2020 TO THIERRY DE LA TOUR D'ARTAISE

	Date of the plan	Number of shares awarded	Value of shares	Vesting date	Availability date	Performance conditions
Thierry de La Tour d'Artaise	05/19/2020	18000	1,932,488	05/19/2023	05/19/2023	Achievement of Revenue and Operating Result from Activity targets

PERFORMANCE SHARES FULLY VESTED IN 2020 FOR THIERRY DE LA TOUR D'ARTAISE

	Date of the plan	Number of vested shares	Vesting date	Availability date	Acquisition conditions
Thierry de La Tour d'Artaise	11/05/2017	18000	11/05/2020	11/05/2020	Performance targets for revenue and ORfA

MULTI-YEAR VARIABLE REMUNERATION PAID TO THIERRY DE LA TOUR D'ARTAISE

Thierry de La Tour d'Artaise Chairman and Chief Executive Officer	Financial year
	No multi-year variable remuneration paid

REMUNERATION OF THE CHIEF OPERATING OFFICER

Component of remuneration paid in financial year 2020 or allocated for 2020 to Stanislas de Gramont

The Board of Directors determined the payments and benefits to which Stanislas de Gramont would be entitled in his capacity as Chief Operating Officer, while respecting the specific procedure for regulated related-party agreements. The agreement stipulated the terms of Stanislas de Gramont's remuneration, authorized by the Board of Directors at its meeting on 19 December 2018, and approved by the Annual Shareholders' Meeting on 22 May 2019.

It should be noted that Stanislas de Gramont received no compensation or payment of any kind at the time he assumed his duties, in accordance with the policy on remuneration for senior managers laid down by the Board of Directors.

FIXED REMUNERATION

In 2020, the fixed remuneration paid to Stanislas de Gramont was €750,000 gross. For the sake of solidarity and responsibility towards stakeholders, and to preserve the Group's resources in view of the Covid-19 health crisis, on 8 April 2020 the Board of Directors decided to reduce the fixed remuneration of Stanislas de Gramont paid in 2020 by €31,250 gross for two months of short-time working, in accordance with the recommendation published by the AFEP on 29 March 2020 (reduction of 25% pro rata to the duration of applied short-time working measures in 2020).

ANNUAL VARIABLE REMUNERATION

Based on the quantifiable and qualitative criteria used by the Board of Directors and set at the start of the year, the amount of variable remuneration was measured as follows:

- based on quantifiable criteria, the variable portion is 83.4% of Stanislas de Gramont's fixed annual remunerationwith a target of 80%. The Board of Directors measured Stanislas de Gramont's performance with respect to Groupe SEB's growth targets for Revenue and Operating Result from Activity;
- based on qualitative criteria, the variable portion is 113.6% of Stanislas de Gramont's fixed annual remuneration with a target of 80%. The Board of Directors measured Stanislas de Gramont's performance based on collective and individual targets such as changes to the Group's organizational structure, the structural improvement of its profitability and the completion of specific operational projects.

Consequently, the variable remuneration paid in 2021 for financial year 2020 was €715,920 or 95.5% of his fixed remuneration. The variable remuneration paid in 2020 for financial year 2019 is €689,040 or 91.9%of his fixed remuneration. In view of the Covid-19 health crisis, on 8 April 2020 the Board of Directors decided to reduce the annual variable remuneration of Stanislas de Gramont paid in 2020 by €28,710 gross for two months of short-time working, in accordance with the recommendation published by the AFEP on 29 March 2020 (reduction of 25% pro rata to the duration of applied short-time working measures in 2020).

He does not benefit from any deferred or multi-year variable compensation or any other compensation from the company or other Groupe SEB companies.

The variable remuneration items (12th resolution) awarded to Stanislas de Gramont for the previous year will be able to be awarded only after the Shareholders' Meeting approves the items.

BENEFITS IN KIND

Stanislas de Gramont has a company car, representing a benefit of €5,039 for the year.

As he does not have an employment contract with the Group, Stanislas de Gramont benefits from unemployment insurance for company directors and senior managers, representing an annual benefit of €15,241.

PERFORMANCE SHARES

In accordance with the authorization granted by the Annual Meeting on 19 May 2020 (20th resolution), the Board of Directors, at its meeting on the same day, decided to award 11,000 performance shares to Stanislas de Gramont for financial year 2020.

The portion granted to Stanislas de Gramont under the 2020 performance share plan represented 0.0219% of the share capital.

Shares resulting from the exercise of stock options and performance shares awarded to Stanislas de Gramont must be held in registered form for a certain period, under the following terms and conditions:

- the number of shares to be held must correspond to 20% of the net capital gain, net of tax and social contributions and transaction fees.
- once the number of shares held by Stanislas de Gramont reaches the equivalent of one year's remuneration (fixed and target bonus), the holding requirement no longer applies.

LONG-TERM COMMITMENTS

Pension commitment

Stanislas de Gramont is part of the former retirement plan in line with the conditions defined in the Ordinance of 3 July 2019 and the application conditions defined in the Circular of 23 December 2020.

Other lifetime benefits: incapacity, disability and death and health insurance and individual life insurance

Stanislas de Gramont continues to benefit from supplementary social protection, notably as regards the incapacity, disability and death and health insurance that covers the company's employees.

He also benefits from individual life insurance. The purpose of this specific life insurance policy is to cover the portion of remuneration that is not covered by the collective plans.

This plan for Stanislas de Gramont notably includes the payment of:

- supplementary benefits, set at a maximum annual amount as follows:

In the event of incapacity	€246,816
In the event of first degree disability	€148,090
In the event of second and third degree disability	€246,816

Less social security benefits for the 3 items.

- a death benefit set at a maximum of €2,665,613.

In addition to the collective incapacity, disability and death insurance plan, Stanislas de Gramont is the beneficiary of an individual life insurance policy with a capital amounting to €2,239,424. The purpose of this specific life insurance policy is to cover the portion of remuneration that is not covered by the collective plans. The annual charge for this guarantee amounts to €12,137.

This agreement, authorized by the Board of Directors on 19 December 2018, was approved by the shareholders at the Annual Meeting of Shareholders on 22 May 2019, in accordance with the procedure for regulated related-party agreements (15th resolution).

Severance payments

In the event of dismissal, he will be entitled to severance pay capped at two years' fixed and variable remuneration, including, where appropriate, the amounts paid under the non-compete clause.

The reference remuneration used to calculate the severance allowance consists of the last two years of fixed and variable remuneration that Stanislas de Gramont received in his capacity as Chief Operating Officer.

Payment of the indemnity will be subject to performance conditions, measured in the following manner:

- if he is dismissed within four years of his appointment as executive officer, the severance allowance will be adjusted for the rate of achievement of his targets over the last four full years of service, as follows:
  - as an executive officer, for the period following his appointment; and
- if he is dismissed after four years from his appointment as executive officer, the severance allowance will be adjusted for the rate of achievement of his targets, in said capacity, over the last four full years of service.

In both situations, performance is assessed as follows:

Average rate of achievement over the previous four financial years	Amount of benefit paid
100% or more	100%
Between 50% and 100% inclusive	Between 75% and 100%, according to a straight-line calculation
Less than 50%	None

Non-compete clause

Pursuant to the non-compete agreement, in case of termination of his appointment of office as Chief Operating Officer, by means of dismissal or resignation, he shall be prohibited for a one-year period, renewable once, from working in any manner with a competitor of Groupe SEB.

In consideration for this non-compete clause and for its entire duration, Stanislas de Gramont will receive a monthly non-compete payment amounting to 50% of his monthly average fixed and variable remuneration paid over his last 12 months of service within the Group.

The Board of Directors may waive Stanislas de Gramont from this obligation by releasing him from the non-compete clause.

This non-compete agreement, and the terms of severance detailed above, were authorized by the Board of Directors on 19 December 2018 and were also disclosed as part of the permanent information on remuneration and benefits. This agreement was approved by the shareholders at the Annual General Meeting on 22 May 2019, in accordance with the procedure provided for regulated agreements (15th resolution).

RETIREMENT LUMP-SUM PAYMENT

The total retirement lump-sum payment entitlement will amount to €121,823 due to his seniority, assuming he retires at the age of 62 in 2027.

Remuneration for 2021

FIXED REMUNERATION

Stanislas de Gramont's annual fixed remuneration, approved by the Board of Directors on 19 December 2018 when he was appointed, i.e. €750,000 gross, was approved by the shareholders at the Annual General Meeting of 19 May 2020 (10th and 12th resolutions), and will remain the same in 2021.

ANNUAL VARIABLE REMUNERATION

Stanislas de Gramont's annual variable remuneration will be set according to the same principles, i.e. that it can represent a maximum of 120% of his fixed remuneration, or €900,000 according to the rate of achievement of his quantifiable and qualitative targets. These targets are divided, as previously stated, as follows: 60% relates to quantifiable criteria and 40% to qualitative criteria.

The performance evaluation criteria were renewed for 2021 based on the quantifiable targets set by the Board of Directors' Meeting of 23 February 2021. The qualitative objectives relate to the improvement of Groupe SEB's profitability, the steering and implementation the corporate plan and consideration of CSR criteria as described on page 99 of this document. They will also include elements linked, in particular, to Stanislas de Gramont's performance in implementing specific Group projects.

PERFORMANCE SHARES

The Board of Directors reserves the right to decide to implement a new performance share award plan, under the authorization that will be submitted to the Annual General Meeting on 20 May 2021.

Should the Board of Directors be granted the necessary powers to award performance shares, it would decide to award performance shares to Stanislas de Gramont, in line with the plan described in the proposed 20th resolution.

SUMMARY TABLE OF THE REMUNERATION AND OPTIONS AND SHARES DUE OR AWARDED TO STANISLAS DE GRAMONT

Stanislas de Gramont Chief Operating Officer	2019	2020
Remuneration due during the financial year	€1,447,086	€1,486,200
Value of the options awarded for the financial year*	N/A	N/A
Value of the performance shares awarded for the period*	€1,633,924	€1,180,965
Value of the other long-term remuneration plans	N/A	N/A
TOTAL	**€3,081,010**	**€2,667,165**

* *On each award date, the fair value carrying amount of the options and shares is determined in accordance with IFRS. This is the historical value on the award date, calculated for accounting purposes using the method described in the Consolidated Financial Statements section. This value represents neither the current market value, nor the discounted value of these options and shares, nor the actual amount that may be generated upon exercise of these options, if they are exercised or on the vesting of these performance shares, if they are vested.*

2

SUMMARY TABLE OF THE REMUNERATION PAID OR AWARDED TO STANISLAS DE GRAMONT

Stanislas de Gramont Chief Operating Officer	Amounts relating to 2019		Amounts relating to 2020	
	Due	Paid	Due	Paid
Fixed remuneration	€750,000	€750,000	€750,000	€718,750[(a)]
Annual variable remuneration	€689,040	€58,400	€715,920	€660,330[(b)]
Extraordinary remuneration	N/A	N/A	N/A	N/A
Remuneration for members of the Board of Directors	N/A	N/A	N/A	N/A
Benefits in kind[(c)]:				
• car	€3,779	€3,779	€5,039	€3,779
• GSC benefits in kind	€4,267	€4,267	€15,241	€4,267
TOTAL	**€1,447,086**	**€816,446**	**€1,486,200**	**€1,387,126**

(a) After deduction of € 31,250 for "Covid donations".
(b) After deduction of € 28,710 for "Covid donations".
(c) Mr. Stanislas de Gramont joined the Group in December 2018, the year 2019 includes partial amounts of benefits in kind and variable compensation paid, 2020 being the first year in which these benefits in kind and variable compensation were paid for a full year ("Amounts due" column).

EQUITY RATIO BETWEEN THE LEVEL OF REMUNERATION OF THE CHIEF OPERATING OFFICER AND THE AVERAGE AND MEDIAN REMUNERATION OF THE COMPANY

This presentation was carried out in accordance with the terms of the PACTE law, in order to ensure compliance with the transparency requirements regarding the remuneration of executive officers. The comparison with regard to the listed company SEB S.A. is not relevant since only the two corporate executive officers are attached to the parent company SEB S.A., which is why comparisons are made with regard to an expanded scope that includes the data of SEB Développement S.A.S. and Groupe SEB France S.A.S. At 31 December 2019, only SEB Développement S.A.S. was retained in the expanded scope. On 23 February 2021, the Board of Directors decided to extend the reference population as at 31 December 2020 to SEB Développement S.A.S. and Groupe SEB France S.A.S.,

Year ended December 31	2016	2017	2018	2019	2020
Chief Operating Officer compensation	1,819,840	2,368,670	2,312,610	2,442,340	2,620,011
Change / N-1	25.45%	30.16%	-2.37%	5.61%	7.27%
Additional information on the extended scope 2019 / SEB DEVELOPPEMENT S.A.S					
Average employee compensation	101,402	102,971	102,978	103,461	99,150
Change / N-1	-1.25%	1.55%	0.01%	0.47%	-4.17%
Median employee compensation	86,490	90,013	91,430	90,375	85,183
Change / N-1	0.10%	4.07%	1.57%	-1.15%	-5.75%
Ratio / Average employee compensation	17.9	23.0	22.5	23.6	26.4
Change / N-1	+3.8 points	+5.1 points	-0.5 point	+1.1 point	+2.8 points
Ratio / Median employee compensatio	21.0	26.3	25.3	27.0	30.8
Change / N-1	+4.2 points	+5.3 points	-1.0 point	+1.7 point	+3.8 points
Additional information on the new extended scope 2019 / SEB DEVELOPPEMENT S.A.S + GROUPE SEB France S.A.S					
Average employee compensation	84,696	86,804	87,719	87,852	85,201
Change / N-1		2.49%	1.05%	0.15%	-3.02%
Median employee compensation	68,479	74,305	75,710	75,836	73,076
Change / N-1		8.51%	1.89%	0.17%	-3.64%
Ratio / Average employee compensation	21.5	27.3	26.4	27.8	30.8
Change / N-1		+5.8 points	-0.9 point	+1.4 point	+3.0 points
Ratio / Median employee compensatio	26.6	31.9	30.5	32.2	35.9
Change / N-1		+5.3 points	-1.4 point	+1.7 point	+3.6 points
Company performance					
Net sales (M€)	5,000	6,485	6,812	7,354	6,940
Change in net sales / N-1	6.1%	9.2%	7.8%	5.8%	-3.8%
Operating Result from Activities (ORfA) (M€)	505	678	695	740	605
Change in ORfA / N-1	18.0%	34.3%	2.5%	6.5%	-18.2%

Explanatory elements for the ratio of the Chief Operating Officer.
The salary elements paid to M. Neuschwander are taken into account for the financial years 2016, 2017 and 2018. He was revoked in October 2018 and, as such, the fixed salary paid in 2018 was only 9 months' fixed salary.
The salary elements paid to Stanislas de Gramont are taken into account for the fi nancial year 2019 and 2020. He joined the Group in December 2018, and as such, the bonus paid in 2019 for 2018 includes a pro-rata element of 1/12.

Methodology

The “Equity Ratio” is the ratio between the Fixed remuneration paid + Variable remuneration paid + Award of performance shares for the financial year and the total annual full-time salary for all employees from SEB Développement S.A.S. and Groupe SEB France S.A.S. for all fixed-term contracts (excluding professional contracts/apprenticeship) and permanent contracts (excluding expatriates) in accordance with the rule set out in the PACTE law and excluding executive officers. The total annual salary of employees includes base salary, bonuses (if any), variable remuneration, holiday bonuses, profit-sharing and incentive bonuses, as well as performance share grants for employees of SEB Développement S.A.S. and Groupe SEB France S.A.S.:

- in accordance with the PACTE law, these ratios are calculated on the basis of the median data of the employees and then on the basis of the average data of the same employees, excluding executive officers;
- the comparison with regard to SEB S.A. is irrelevant as only the two corporate executive officers are attached to the parent company SEB S.A., which is why the comparisons are made with regard to an expanded scope that includes the data of SEB Développement S.A.S., the most appropriate company for this comparison (it includes most of the support functions and the majority of the Group’s management positions in France) and of Groupe SEB France S.A.S., the company that groups together the Group’s commercial activity in France.

STOCK OPTIONS AWARDED FOR 2020 TO STANISLAS DE GRAMONT

	Date of the plan	Type of option	Valuation of the options based on the method used in the Consolidated Financial Statements	Number of options awarded	Exercise price	Exercise period
Stanislas de Gramont	No options were awarded in 2020					

STOCK OPTIONS EXERCISED IN 2020 BY STANISLAS DE GRAMONT

	Date of the plan	Number of options exercised during the financial year	Exercise price	Year awarded
Stanislas de Gramont	No options were exercised in 2020			

PERFORMANCE SHARES AWARDED FOR 2020 TO STANISLAS DE GRAMONT

	Date of the plan	Number of shares awarded	Value of shares	Vesting date	Availability date	Performance conditions
Stanislas de Gramont	05/19/2020	11000	1,180,965	05/19/2023	05/19/2023	Performance targets for revenue and ORfA

PERFORMANCE SHARES FULLY VESTED IN 2020 FOR STANISLAS DE GRAMONT

	Date of the plan	Number of vested shares	Vesting date	Availability date	Acquisition conditions
Stanislas de Gramont	No performance shares were awarded in 2020				

MULTI-YEAR VARIABLE REMUNERATION PAID TO STANISLAS DE GRAMONT

Stanislas de Gramont Chief Operating Officer	Financial year
	No multi-year variable remuneration paid

REMUNERATION OF MEMBERS OF THE GROUP EXECUTIVE COMMITTEE

In 2020, the total remuneration of Groupe SEB's current Executive Committee amounted to €11,075,967, including €6,009,000 in fixed remuneration and €5,066,967 in variable remuneration. This change in the Executive Committee's overall remuneration results in particular from the appointment on 2 January 2020 of Olivier Kastalio, WMF Chief Executive Officer and the full-year presence of Olivier Naccache and Patrick Llobregat, General Managers of the Business Unit, appointed on 15 April 2019, and Nathalie Lomon, Chief Financial Officer, appointed on 2 September 2019.

In view of the Covid-19 health crisis, the management of the Group has decided to reduce the total remuneration of the COMEX by 74,567 euros, which leads to the following total of 11,001,400 euros after deduction of Covid donations.

ANNUAL VARIABLE REMUNERATION

As with all executive officers, the senior managers' variable remuneration is determined so as to align remuneration with Groupe SEB's annual performance and to support the execution of a long-term growth strategy, year after year. It is set at the start of the financial year, by the Board of Directors.

It is expressed as a percentage of the fixed remuneration for the reference year and corresponds, for the achievement of all the targets, to a target of 60% for all the members of the Executive Committee, with one exception where remuneration is paid internationally.

It is capped and may represent up to 100% of the base remuneration if the quantifiable and qualitative targets are met, with one exception where remuneration is paid internationally. The criteria are reviewed on a regular basis to ensure that they adhere to the principles referred to above and are only amended should this prove necessary.

In 2020, the quantifiable and qualitative performance criteria were assessed and discussed by the Governance and Remuneration Committee and approved by the Board of Directors at its meeting on 25 February 2020 and reviewed by the Board of Directors at its meeting on 22 July 2020.

Quantifiable criteria linked to Groupe SEB's economic performance account for 60% of variable remuneration and are assessed according to the following objectives:

- revenue growth; and
- growth in the Operating Result from Activity.

The qualitative criteria, linked to individual performance, account for 40% of variable remuneration and are assessed according to specific strategic objectives. In particular, they allow performance to be measured in relation to the objectives set surrounding the organizational development and management of the Group, the implementation of the corporate plan, the integration of the latest acquisitions and CSR criteria as described on page 99 of this document.

PERFORMANCE SHARE AWARDS

The members of the Group Executive Committee are awarded performance shares, according to the same principles and conditions as those presented for executive officers above.

With regard to the 2020 plan, the performance calculation depends on the rate of achievement of the revenue and Operating Result from Activity target assessed over the three-year vesting period (i.e. 2020, 2021 and 2022):

Average achievement rate over three years	Performance shares awarded
100% or more	100%
Between 50% and 100% inclusive	Pro rata
Less than 50%	None

In accordance with the authorization granted by the Annual Meeting on 19 May 2020 (20nd resolution), the Board of Directors, at its meeting on the same day, decided to award 48,500 performance shares to nine members of the Executive Committee for financial year 2020 (excluding corporate officers).

Shares resulting from the exercise of stock options and performance shares awarded to members of the Executive Committee must be held in registered form for a certain period, under the following terms and conditions:

- shares resulting from the exercise of stock options: the quantity of shares to be held must correspond to 20% of the net capital gain after the sale of the quantity of shares necessary to fund the option exercise, net of tax and social contributions and transaction fees;
- performance shares: the quantity of shares to be held must correspond to 20% of the net capital gain, net of tax and social contributions and transaction fees.

Once the number of shares held by members of the Executive Committee reaches the equivalent of one year's remuneration (fixed and target bonus), the holding requirement no longer applies.

BENEFITS IN KIND

Senior managers have company cars.

HISTORY OF STOCK OPTION AWARDS TO EXECUTIVE OFFICERS

At 31 December 2020	Subscription plan	Purchase plan	Purchase plan	Purchase plan	Purchase plan	Purchase plan
Date of Meeting	05/04/2000	05/03/1999	05/14/2002	05/14/2002	05/06/2004	05/06/2004
Date of Board of Directors' Meeting	06/14/2001	04/19/2002	10/17/2002	06/18/2003	06/18/2004	08/04/2005
Total number of shares granted	493,500	417,450	598,125	612,150	539,100	554,700
Those awarded to executive officer Thierry de La Tour d'Artaise*	66,000	49,500	6,600	115,516	104,989	105,000
Stock option exercise start date	06/14/2005	04/19/2006	10/17/2006	06/18/2007	06/18/2008	08/04/2009
Expiration date	06/14/2009	04/19/2010	10/17/2010	06/18/2011	06/18/2012	08/04/2013
Subscription or purchase price *(in €)**	18.18	27.88	25.15	24.24	31.67	28
Average of last 20 prices prior to Board Meeting *(in €)**	17.95	27.78	26.65	24.03	31.52	28.2
Number of options exercised* by Thierry de La Tour d'Artaise	66,000	49,500	6,600	115,516	104,989	105,000
Number of options cancelled*	**0**	**0**	**0**	**0**	**0**	**0**
BALANCE OF STOCK OPTIONS NOT YET EXERCISED AT 31 DECEMBER 2019*	**0**	**0**	**0**	**0**	**0**	**0**

At 31/12/2019	Purchase plan	Purchase plan	Purchase plan	Purchase plan	Purchase plan	Purchase plan
Date of Meeting	05/11/2006	05/11/2006	13/05/2008	13/05/2009	12/05/2010	10/05/2012
Date of Board of Directors' Meeting	16/06/2006	20/04/2007	13/05/2008	12/06/2009	18/06/2010	15/06/2012
Total number of shares granted	589,798	579,150	1,005,900	371,300	412,592	408,925
Those awarded to executive officer Thierry de La Tour d'Artaise*	105,012	105,000	105,000	7,1250	59,942	54,000
Stock option exercise start date	16/06/2010	20/04/2011	13/05/2012	12/06/2013	18/06/2014	15/06/2016
Expiration date	16/06/2014	20/04/2015	13/05/2016	12/06/2017	18/06/2018	15/06/2020
Subscription or purchase price (in €)*	29.33	44	38.35	28.05	53.86	54.12
Average of last 20 prices prior to Board Meeting *(in €)**	29.01	43.73	38.35	28.05	53.85	54.12
Number of options exercised* by Thierry de La Tour d'Artaise	105,012	105,000	105,000	66,922	55,978	51,449
Number of options cancelled*	**0**	**0**	**0**	**4,328**	**3,964**	**2,551**
BALANCE OF STOCK OPTIONS NOT YET EXERCISED AT 31 DECEMBER 2019	**0**	**0**	**0**	**0**	**0**	**0**

* *Takes into account the award of bonus shares in March 2004 (1 for 10) and the 3-for-1 stock split on June 16, 2008.*

HISTORY OF PERFORMANCE SHARE AWARDS TO EXECUTIVE OFFICERS

At 31 December 2020

Date of Meeting	13/05/2009	12/05/2010	12/05/2010	14/05/2013	15/05/2014	12/05/2015	19/05/2016	11/05/2017	16/05/2018	22/02/2019	19/05/2020
Date of Board of Directors' Meeting	12/06/2009	18/06/2010	15/06/2012	23/07/2013	22/07/2014	12/05/2015	19/05/2016	11/05/2017	16/05/2018	22/02/2019	19/05/2020
Number of shares granted:	50,472	58,363	63,938	233,475	169,175	169,450	171,075	193,450	185,330	226,500	193,880
Of which to executive officers	5,938	4,995	4,500	18,000	27,000	27,000	27,000	27,000	27,000	29,000	29,000
• Chairman and Chief Executive Officer	5,938	4,995	4,500	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000
• Chief Operating Officer	N/A	N/A	N/A	6,750*	9,000	9,000	9,000	9,000	9,000	11,000	11,000
Performance condition	Revenue and ORfA	Revenue and ORfA	Revenue and ORfA	Revenue and ORfA	Revenue and ORfA	Revenue and ORfA	Revenue and ORfA	Revenue and ORfA	Revenue and ORfA	Revenue and ORfA	Revenue and ORfA
Award date	12/06/2009	18/06/2010	15/06/2012	23/07/2013	22/07/2014	12/05/2015	19/05/2016	11/05/2017	16/05/2018	22/02/2019	19/05/2020
Vesting date	12/06/2011	06/18/2012	15/06/2014	23/07/2016	22/07/2017	12/05/2018	19/05/2019	11/05/2020	16/05/2021	22/05/2022	19/05/2020
Number of shares earned by executive officers											
• Chairwoman and CEO	5,938	4,395	3,850	18,000	18,000	18,000	18,000	18,000	-	-	-
• Chief Operating Officer	N/A	N/A	N/A	6,750*	9,000	9,000	9,000	9,000	-	-	-
Expiry of lock-up period	12/06/2013	18/06/2014	15/06/2016	23/07/2017	22/07/2019	12/05/2020	19/05/2021	11/05/2020	16/05/2021	22/05/2022	19/05/2023
Number of shares cancelled or lapsed	0	600	650	0	0	-	-	-	-	-	-
BALANCE OF SHARES YET TO BE VESTED	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**27,000**	**29,000**	**29,000**

* *Concerns Bertrand Neuschwander. In 2013, award as a member of the Executive Committee (became a corporate officer in April 2014 and was dismissed in October 2018).*

GENERAL INFORMATION ABOUT EXECUTIVE OFFICERS

	Employment contract		Supplementary pension plan(b)		Compensation or benefits due, or likely to be due as a result of termination or a change of roles		Compensation relating to a non-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Thierry de La Tour d'Artaise	Suspended(a)		frozen		X			X
Stanislas de Gramont		X	frozen		X		X	

(a) *The Board of Directors' Meeting of 25 February 2020, in accordance with the AFEP-MEDEF Code, reviewed the situation and considered that Thierry de La Tour d'Artaise's employment contract should remain suspended, in light of his age, personal situation, and seniority within the Group.*

(b) *For the executive officers present at 3 July 2019, the provisions of Ordinance 2019-697 of 3 July 2019 governing professional supplemental pension plans forced the Group to freeze and close this plan at 31 December 2019. This plan will continue to evolve on the basis of the changes to the annual social security cap and subject to careers coming to an end within the Group.*

SAY ON PAY: REMUNERATION PAID DURING OR ALLOCATED FOR THE YEAR ENDED 31 DECEMBER 2020 TO CORPORATE EXECUTIVE OFFICERS

COMPONENTS OF THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER'S REMUNERATION SUBMITTED FOR THE APPROVAL OF THE SHAREHOLDERS

Components of remuneration submitted for a vote	Amounts paid during the previous year	Amounts allocated for the previous year and book valuation	Presentation
Fixed remuneration	€1,000,000		At its meeting on 26 February 2019, the Board of Directors, on the recommendation of the Governance and Remuneration Committee, re-evaluated Thierry de La Tour d'Artaise's fixed remuneration of €1,000,000 in order to take into account the higher cost of living, as this remuneration was last revised in 2016. This remuneration was approved by the shareholders at the Annual General Meeting of Shareholders on 19 May 2020. For the sake of solidarity and responsibility towards stakeholders, and to preserve the Group's resources in view of the Covid-19 health crisis, on 8 April 2020 the Board of Directors decided to reduce the fixed remuneration of Thierry de La Tour d'Artaise paid in 2020 by €41,667 gross for two months of short-time working, in accordance with the recommendation published by the AFEP on 29 March 2020 (reduction of 25% pro rata to the duration of applied short-time working measures in 2020).
Annual variable remuneration	€1,152,400 (amount approved by the Ordinary General Meeting of 19 May 2020 in accordance with the ex-post voting principle - 11th resolution) (No deferred portion of this remuneration)	€1,194,200 (amount to be paid after approval by the Ordinary General Meeting on 20 May 2021 in accordance with the ex-post voting principle - 11th resolution) (No deferred portion of this remuneration)	At its meeting on 23 February 2021, the Board of Directors, on the recommendation of the Governance and Remuneration Committee, assessed Thierry de La Tour d'Artaise's variable remuneration. Given the quantitative and qualitative criteria set by the Board of Directors on 25 February 2020 and the rate of achievement noted at 31 December 2020, the variable remuneration was measured as follows: • **based on quantitative criteria:** the variable portion is 104.2% of his fixed annual remuneration with a target of 100%. The Board of Directors judged Thierry de La Tour d'Artaise's performance based on Group revenue and Operating Result from Activity growth targets; • **based on qualitative criteria:** the variable portion is 142.3% of his fixed annual remuneration with a target of 100%. The Board of Directors judged Thierry de La Tour d'Artaise's performance based on collective and individual targets such as the structural improvement of the Group's profitability, the management of the corporate plan, changes to its organizational structure and the active pursuing of the acquisition strategy and the consideration of CSR performance criteria, as described on page 99 of this document. The variable component can amount to no more than 150% of his annual fixed remuneration. Consequently, Thierry de La Tour d'Artaise's variable remuneration paid in 2020 for 2019 was €1,152,400, or 115.2% of his fixed remuneration. The variable remuneration paid in 2021 for financial year 2020 was €1,194,200, or 119.4% of his fixed remuneration. In view of the Covid-19 health crisis, on 8 April 2020 the Board of Directors decided to reduce the annual variable remuneration of Thierry de La Tour d'Artaise paid in 2020 by €48,017 gross for two months of short-time working, in accordance with the recommendation published by the AFEP on 29 March 2020 (reduction of 25% pro rata to the duration of applied short-time working measures in 2020).
Multi-year variable remuneration in cash	N/A		Thierry de La Tour d'Artaise receives no multi-year variable remuneration.

Components of remuneration submitted for a vote	Amounts paid during the previous year	Amounts allocated for the previous year and book valuation	Presentation
Performance share awards		Performance shares: €1,932,488 (carrying amount)	In accordance with the authorization granted by the Shareholders' Meeting of 19 May 2020 (20th resolution), the Board of Directors, at its meeting held on the same day, decided to award 18,000 performance shares to Thierry de La Tour d'Artaise for 2020. The shares granted to Thierry de La Tour d'Artaise under the 2019 performance share plan represented to 0.03578% of the share capital. The performance criteria for the 2020 plan were assessed with regard to the rate of achievement of a matrix composed of the following: • revenue growth target; and • Operating Result from Activity growth target, over the three-year vesting period (namely 2020, 2021 and 2022): **Average achievement rate over three years** / **Performance shares awarded** 100% or more / 100% Between 50% and 100% inclusive / Pro rata Less than 50% / None
	Shares: N/A Other securities: N/A		Note that Thierry de La Tour d'Artaise must hold shares resulting from options exercised and bonus shares awarded in registered form (see page 99). Thierry de La Tour d'Artaise receives no other awards of shares or other securities.
Extraordinary remuneration	N/A		Thierry de La Tour d'Artaise receives no exceptional variable remuneration.
Remuneration for the office of director	€28,750 gross		Thierry de La Tour d'Artaise receives remuneration as a member of the Board of Directors under the rules applicable to all its Board members and detailed on page 96. In 2020, Thierry de La Tour d'Artaise received €28,750 gross as a director of the company. In view of the Covid-19 health crisis, on 8 April 2020 the Board of Directors decided to reduce the remuneration of Thierry de La Tour d'Artaise paid in 2020 in his capacity as a member of the Board of Directors by €1,250 gross for two months of short-time working, in accordance with the recommendation published by the AFEP on 29 March 2020 (reduction of 25% pro rata to the duration of applied short-time working measures in 2020).
Value of benefits in kind		€23,902 (carrying amount)	Thierry de La Tour d'Artaise has a company car, representing an in-kind benefit of €8,702 for the year, and receives €15,200 per year for the use of an apartment in Paris.

Components of remuneration submitted for a vote	Amounts paid during the previous year	Amounts allocated for the previous year and book valuation	Presentation
Severance payments	None received		Thierry de La Tour d'Artaise is only entitled to the severance pay owing under his employment contract, to the exclusion of any other benefit, in the event of termination of his corporate office. Under the provisions of his employment contract, which was suspended on 1 March 2005, Thierry de La Tour d'Artaise will receive, by way of settlement, a total termination benefit to be paid only under the following circumstances: • termination of the employment contract at the employer's initiative, except on the grounds of serious misconduct or gross negligence; • forced departure as a result of a change in the control of Groupe SEB. An amendment to Thierry de La Tour d'Artaise's employment contract was signed making the termination benefit subject to performance conditions. The termination benefit is set at two years' remuneration (calculated based on the average remuneration earned during the last two financial years), and is adjusted for the rate of achievement of his targets for the last four years of service: **Average rate of achievement over the previous four financial years** – **Amount of benefit paid** 100% or more – 100% Between 50% and 100% inclusive – Between 75% and 100%, according to a straight-line calculation Less than 50% – None If the previous year-end presents a net loss, the Board of Directors reserves the right to reduce such termination benefits by a maximum of one half, without such benefits falling below the fixed salary plus bonuses of the previous financial year, should application of the performance criteria based on the achievement of targets confer entitlement to the payment of such benefits. Entitlement to stock options in the event of termination: • In the event that Thierry de La Tour d'Artaise's employment contract is terminated, except for serious misconduct or gross negligence, he will be entitled to all the share purchase or subscription options granted to him under the same terms and conditions of exercise that would have applied had he remained in office. This provision will also apply in the event that Thierry de La Tour d'Artaise's employment contract is terminated pursuant to resignation from the Group, were such resignation to arise from a change in the control of the Group. However, he will forfeit the options that would have been granted to him over the 18 months prior to the termination of his term of office as executive officer should he resign on his own initiative. At the reappointment of Thierry de La Tour d'Artaise, the continuation of this commitment was authorized by the Board of Directors on 25 February 2020 and approved by the Annual General Meeting on 19 May 2020 (8th resolution).
Non-compete payments	N/A		Thierry de La Tour d'Artaise has no non-compete clause.
Retirement lump-sum payment	None received		Due to his seniority and in accordance with the Metallurgical industry collective agreement, the amount due for the retirement lump-sum payment would amount to €560,795.

Components of remuneration submitted for a vote	Amounts paid during the previous year	Amounts allocated for the previous year and book valuation	Presentation
Supplementary pension plan	None received		Thierry de La Tour d'Artaise is a member of the collective supplementary pension plan set up for Groupe SEB's French senior managers (members of the Executive Committee). The plan complements the statutory schemes and is composed as follows: • a defined-benefit deferred compensation plan, under which beneficiaries are subject to seniority and presence conditions. The amount of benefits payable under this plan in addition to the applicable statutory schemes represents up to 25% of a reference remuneration calculated on the average of the target remuneration for the past three years; • a supplementary defined-benefit plan, subject to seniority and service conditions, with the potential benefits accruing per year of service being 0.8% of the reference compensation calculated on the average of the annual target compensation over the preceding three years and capped at 20 years' service, i.e. a maximum of 16% of the reference compensation; • a collective defined-benefit plan available to senior managers, with a contribution equal to 8% of their salaries. Benefits payable under this plan are deducted from the supplementary pension originating from the supplementary defined benefit plan. Entitlements estimation at 31 December 2020: **Regime** — **Amount** Deferred defined-benefit pension plan — €214,463 gross per year Supplementary defined-benefit pension plan — €225,204 gross per year Defined-contribution pension plan (the entitlements resulting from this plan have been frozen since January 2012) — €11,740 gross per year This plan was closed and frozen at 31 December 2019, as the provisions of Ordinance 2019-697 of 3 July 2019 governing supplemental pension plans forced the Group to freeze and close this plan. Executive officers are potentially eligible for defined-benefit plans after 8 years of service and attendance at Executive Committee Meetings. The plan is capped at 41% of the reference remuneration, i.e. both fixed and variable remuneration (including the income from compulsory plans), in accordance with the AFEP-MEDEF Code. This reference remuneration is itself capped at 36 times the annual social security ceiling in force at the time of retirement. At the reappointment of Thierry de La Tour d'Artaise, the continuation of this commitment was authorized by the Board of Directors on 25 February 2020 and approved by the Annual General Meeting on 19 May 2020 (8th resolution).
Other lifetime benefits: incapacity, disability and death and health insurance and individual life insurance	None received		Thierry de La Tour d'Artaise continues to benefit from supplementary social protection, notably as regards the incapacity, disability and death and health insurance that covers the company's employees. This plan notably includes for Thierry de La Tour d'Artaise: • supplementary benefits, set at a maximum annual amount as follows: In the event of incapacity — €246,816 In the event of first degree disability — €148,090 In the event of second and third degree disability — €246,816 *Less social security benefits for the 3 items.* • a death benefit set at a maximum of €1,361,606. In addition to the collective incapacity, disability and death insurance plan, Thierry de La Tour d'Artaise also benefits from an individual life insurance policy with a capital amounting to €3,652,134. The expense recorded for the year ended 31 December 2020 totals €45,469. The purpose of this specific life insurance policy is to cover the portion of remuneration that is not covered by the collective plans. At the reappointment of Thierry de La Tour d'Artaise, the continuation of this commitment was authorized by the Board of Directors on 25 February 2020 and approved by the Annual General Meeting on 19 May 2020 (8th resolution).

COMPONENTS OF REMUNERATION FOR THE CHIEF OPERATING OFFICER SUBMITTED FOR APPROVAL BY THE SHAREHOLDERS

Components of remuneration submitted for a vote	Amounts paid during the previous year	Amounts allocated for the previous year and book valuation	Presentation
Fixed remuneration	€750,000		When Stanislas de Gramont was appointed, the Board of Directors' Meeting of 19 December 2018 set the amount of his yearly fixed remuneration at €750,000. This remuneration was approved by the shareholders at the Annual General Meeting of Shareholders on 19 May 2020. For the sake of solidarity and responsibility towards stakeholders, and to preserve the Group's resources in view of the Covid-19 health crisis, on 8 April 2020 the Board of Directors decided to reduce the fixed remuneration of Stanislas de Gramont paid in 2020 by €31,250 gross for two months of short-time working, in accordance with the recommendation published by the AFEP on 29 March 2020 (reduction of 25% pro rata to the duration of applied short-time working measures in 2020).
Annual variable remuneration	€689,040 (amount approved by the Ordinary General Meeting of 19 May 2020 in accordance with the ex-post voting principle - 12th resolution) (No deferred portion of this remuneration)	€715,920 (amount to be paid after approval by the Ordinary General Meeting on 20 May 2021 in accordance with the ex-post voting principle - 12th resolution) (No deferred portion of this remuneration)	At its meeting on 23 February 2021, the Board of Directors, on the recommendation of the Governance and Remuneration Committee, measured Stanislas de Gramont's variable remuneration. Given the quantifiable and qualitative criteria set by the Board of Directors on 25 February 2020, and the rate of achievement noted at 31 December 2020, the variable remuneration was measured as follows: **based on quantitative criteria:** the variable portion is 83.4% of his fixed annual remuneration with a target of 80%. The Board of Directors measured Stanislas de Gramont's performance with respect to Groupe SEB's growth targets for Revenue and Operating Result from Activity; **based on qualitative criteria:** the variable portion is 113.6% of his fixed annual remuneration with a target of 80%. The Board of Directors measured Stanislas de Gramont's performance based on collective and individual targets such as changes to the Group's organizational structure, the structural improvement of its profitability and the completion of specific operational projects. The variable component can amount to no more than 120% of his annual fixed remuneration. Consequently, the variable remuneration paid in 2020 for financial year 2019 was €689,040 or 91.9% of his fixed remuneration. The variable remuneration paid in 2021 for financial year 2020 was €715,920, or 95.5% of his fixed remuneration. In view of the Covid-19 health crisis, on 8 April 2020 the Board of Directors decided to reduce the annual variable remuneration of Stanislas de Gramont paid in 2020 by €28,710 gross for two months of short-time working, in accordance with the recommendation published by the AFEP on 29 March 2020 (reduction of 25% pro rata to the duration of applied short-time working measures in 2020).
Multi-year variable remuneration in cash	N/A		Stanislas de Gramont receives no multi-year variable remuneration.
Performance share awards		€1,180,965 (carrying amount)	In accordance with the authorization granted by the Annual Meeting on 19 May 2020 (20th resolution), the Board of Directors, at its meeting on the same day, decided to award 11,000 performance shares to Stanislas de Gramont for financial year 2020. The portion granted to Stanislas de Gramont under the 2020 performance share plan represented 0.02187% of the share capital. The performance criteria for the 2020 plan were assessed with regard to the rate of achievement of a matrix composed of the following: • Revenue growth target; and • Operating Result from Activity growth target, • over the three-year vesting period (namely 2020, 2021 and 2022): Stanislas de Gramont must hold shares resulting from options exercised and bonus shares awarded in registered form (see page 99).
Extraordinary remuneration	N/A	N/A	none
Remuneration for the office of director	N/A	N/A	Stanislas de Gramont is not a member of the Board of Directors.
Value of benefits in kind		€20,280 (carrying amount)	Stanislas de Gramont benefits from a company car representing an annual in-kind benefit of €5,039 and unemployment insurance for company directors and executives, in the absence of an employment contract with the Group, representing an annual benefit of €15,241.

<table>
<thead>
<tr><th>Components of remuneration submitted for a vote</th><th>Amounts paid during the previous year</th><th>Amounts allocated for the previous year and book valuation</th><th>Presentation</th></tr>
</thead>
<tbody>
<tr><td>Severance payments</td><td>None received</td><td></td><td>In the event of dismissal, he will be entitled to severance pay capped at two years' fixed and variable remuneration, including, where appropriate, the amounts paid under the non-compete clause.
The reference remuneration used to calculate the severance allowance consists of the last two years of fixed and variable remuneration that Stanislas de Gramont received in his capacity as Chief Operating Officer.
Payment of the indemnity will be subject to performance conditions, measured in the following manner:
• if he is dismissed within four years of his appointment as executive officer, the severance allowance will be adjusted for the rate of achievement of his targets over the last four full years of service, as follows:
• as an executive officer, for the period following his appointment, and
• if he is dismissed after four years from his appointment as executive officer, the severance allowance will be adjusted for the rate of achievement of his targets, in said capacity, over the last four full years of service.
In both situations, performance is assessed as follows:
<table>
<tr><th>Average rate of achievement over the previous four financial years</th><th>Amount of benefit paid</th></tr>
<tr><td>100% or more</td><td>100%</td></tr>
<tr><td>Between 50% and 100% inclusive</td><td>Between 75% and 100%, according to a straight-line calculation</td></tr>
<tr><td>Less than 50%</td><td>None</td></tr>
</table>
This commitment, approved by the Board of Directors on 19 December 2018, was approved by the shareholders at the Annual Meeting of Shareholders on 22 May 2019 (10th resolution).</td></tr>
<tr><td>Non-compete payments</td><td>None received</td><td></td><td>Pursuant to the non-compete agreement, in case of termination of his appointment of office as Chief Operating Officer, by means of dismissal or resignation, he shall be prohibited for a one-year period, renewable once, from working in any manner with a competitor of Groupe SEB.
In consideration for this non-compete clause and for its entire duration, Stanislas de Gramont will receive a monthly non-compete payment amounting to 50% of his monthly average fixed and variable remuneration paid over his last 12 months of service within the Group.
The Board of Directors may release Stanislas de Gramont from this obligation by waiving the non-compete clause.
This non-compete agreement, and the terms of severance detailed above, were authorized by the Board of Directors on 19 December 2018 and were also disclosed as part of the permanent information on remuneration and benefits. This agreement was approved by the shareholders at the Annual Meeting of Shareholders on 22 May 2019 (10th resolution).</td></tr>
<tr><td>Retirement lump-sum payment</td><td>None received</td><td></td><td>Due to his seniority and in accordance with the Metallurgical industry collective agreement, his total retirement lump-sum payment entitlement amounts to €121,823, assuming he retires at the age of 62 in 2027.</td></tr>
</tbody>
</table>

Components of remuneration submitted for a vote	Amounts paid during the previous year	Amounts allocated for the previous year and book valuation	Presentation
Supplementary pension plan	None received		Stanislas de Gramont is a member of the collective supplementary pension plan set up for Groupe SEB's French senior managers (members of the Executive Committee). The plan complements the statutory schemes and is composed as follows: • a defined-benefit deferred compensation plan, under which beneficiaries are subject to seniority and presence conditions. The amount of benefits payable under this plan in addition to the applicable statutory schemes represents up to 25% of a reference remuneration calculated on the average of the target remuneration for the past three years; • a supplementary defined-benefit plan, subject to seniority and continued employment conditions, with the potential benefits accruing per year of service being 0.8% of the reference remuneration calculated on the average of the annual target remuneration over the preceding three years and capped at 1 years' service as a result of the freezing of the plan at 31 December 2019, i.e. a maximum of 0.8% of the reference remuneration); Entitlements estimation at 31 December 2020: **Regime** – **Amount** Deferred defined-benefit pension plan – €41,070 gross per year Supplementary defined-benefit pension plan – €10,800 gross per year This plan was closed and frozen at 31 December 2019, as the provisions of Ordinance 2019-697 of 3 July 2019 governing supplemental pension plans forced the Group to freeze and close this plan. Executive officers are potentially eligible for defined-benefit plans after 8 years of service and attendance at Executive Committee Meetings. The plan is capped at 25.8% of the reference remuneration, i.e. both fixed and variable remuneration (including the income from compulsory plans), in accordance with the AFEP-MEDEF Code. This reference remuneration is itself capped at 36 times the annual social security ceiling in force at the time of retirement.
Other lifetime benefits: incapacity, disability and death and health insurance and individual life insurance	None received		Stanislas de Gramont continues to benefit from supplementary social protection, notably as regards the incapacity, disability and death and health insurance that covers the company's employees. He also benefits from individual life insurance. The purpose of this specific life insurance policy is to cover the portion of remuneration that is not covered by the collective plans. This plan for Stanislas de Gramont notably includes the payment of: • supplementary benefits, set at a maximum annual amount as follows: In the event of incapacity – €246,816 In the event of first degree disability – €148,090 In the event of second and third degree disability – €246,816 Less social security benefits for the 3 items. • a death benefit set at a maximum of €2,665,613. In addition to the collective incapacity, disability and death insurance plan, Stanislas de Gramont is the beneficiary of an individual life insurance policy with a capital amounting to €2,229,434. The purpose of this specific life insurance policy is to cover the portion of remuneration that is not covered by the collective plans. This commitment, approved by the Board of Directors on 19 December 2018, was approved by the shareholders at the Annual Meeting of Shareholders on 22 May 2019 (10th resolution).

TRANSACTIONS IN SEB SHARES CONDUCTED BY BOARD MEMBERS AND SENIOR MANAGERS (ARTICLE L. 621-18-2 OF THE FRENCH MONETARY AND FINANCIAL CODE) DURING 2020

Identity	Function	Number of shares purchased or subscribed	Average purchase price	Number of shares sold	Average sale price
PEUGEOT INVEST ASSETS (formerly FFP Invest)	Director			500,000	€138.50
William Gairard	Director			11,500	€142.09
Jérôme Lescure	Director			6,000	€107.62
Caroline Chevalley	Director	336	€100.00		
Thierry Lescure	Director	1,550	€119.52		
Olivier Naccache	Member of the Executive Committee			1,000	€147.60
Patrick Llobregat	Member of the Executive Committee			350	€149.50

3 Corporate Social Responsibility

DPEF *The elements related to the Extra-Financial Performance Declaration are identified in the summary using the pictogram.*

DV *DV The elements related to the Duty of Vigilance are identified in the summary with the help of the pictogram.*

3.1 Commitment and management

COMMITMENT AT THE HIGHEST LEVEL

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

In line with this commitment, the Group supports initiatives designed to get a growing number of companies to begin their CSR (Corporate Social Responsibility) journey. It is with this in mind that its Chairman, Thierry de La Tour d'Artaise, and four other business leaders in the Lyon region established the Mix-R network in 2018. Mix-R aims to be an "activist for responsible companies". It offers its members various activities to stimulate collective intelligence and joint development: experience sharing, conferences, inter-company thematic programs, promotion of proven CSR initiatives, etc. The network had almost 70 member companies in 2020. In addition to conferences and workshops, the network organized a series of webinars over the course of this year where committed business leaders shared their visions for and thoughts on CSR. Some of the themes addressed included sustainable innovation inspired by how people live, responsible trading, the role of a CSR manager, the workspaces of tomorrow, new tools for engagement, responsible investment, etc. These were all discussed in a spirit of openness and with a desire to help develop practical actions.

OUR EVOLVING SUSTAINABLE DEVELOPMENT STRATEGY

A JOINTLY DEVELOPED STRATEGY

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

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

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

STEERING AND ROADMAPS

The sustainable development strategy is implemented under the oversight of the **Sustainable Development department**, which reports to the Senior Executive Vice-president, Human Resources, who is a member of the Executive Committee. Made up of a team of seven people, two of whom are seconded to the Fonds Groupe SEB, it coordinates and drives Group-wide participatory efforts. The Sustainable Development department also relies on the network of continental Human Resources Managers who act as contacts with the countries.

Thematic roadmaps

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

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

The 11 thematic roadmaps:

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

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

Country roadmaps

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

DIALOG WITH STAKEHOLDERS

Paying close attention to the Group's "ecosystem", the Sustainable Development department has been holding a series of discussions with a panel of the Group's stakeholders since 2013, to gather their opinions and suggestions about its sustainable development policy. This panel was mainly comprised of external experts: expert in positive branding, expert in responsible consumption and sustainable eating, eco-design and circular economy, cooking blogger, etc., and an employee representative, member of the European Works Council. The next meeting that which will be held mid-2021 will focus on eco-design and the Cooking for Good road map. At the previous meeting in 2020, the panel members had discussed the Group's evolving sustainable development strategy and the company's exploration of its sense of purpose.

RAISING EMPLOYEE AWARENESS

The Group uses a number of communication methods to increase employee awareness of sustainable development issues, including a dedicated section on the Group's intranet, which is regularly updated with news, articles in site newspapers, the "Télex" and events. In 2020, a new group was launched on the Yammer internal social network: *Act for sustainable livings*. Objective: to share the teams' initiatives as well as the Group's commitments and successes. Many sustainable development-related themes are also dealt with in the Group's Code of Ethics, which regularly inspires training and awareness-raising initiatives (see page 142).

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

CSR CRITERIA IN THE BONUSES OF TOP MANAGERS

The remuneration of all managers who have a certain level of responsibility comprises a variable portion related to the results of the Group and those of the entity in which they work. Since 2018, the Group has been looking at environmental, social and ethical performance criteria when calculating the bonuses awarded to its 810 top managers. The goal is to embed the Group's non-financial performance in all businesses and levels of the company, as part of an overall value creation approach. A portion of the bonus is thus subject to the achievement of the energy efficiency goals of Group plants, to the number of workplace accidents and social compliance rating awarded to Group sites in the course of social audits done in at-risk areas.

INTERNAL AUDIT AND SUSTAINABLE DEVELOPMENT

In 2013, the Audit and Internal Control department included the Code of Ethics and the Responsible Purchasing Charter in the internal control manual used when auditing subsidiaries. Since 2016, the Sustainable Development department has also sent it the action plans implemented by the subsidiaries as part of the ethical, social and environmental audit procedure (see page 143). This strengthens the ethical, social and environmental monitoring within all the Group's processes.

For sites that are not audited during the year, the Audit and Internal Control department runs a self-assessment campaign using risk management software (GRC). This self-assessment covers the same checkpoints audited during on-site audits and includes the internal control manual and also the rules contained in the Code of Ethics and the Responsible Purchasing Charter. Both sets of guidelines are therefore fully harmonized and ensure that the audit process is fully consistent.

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

Furthermore, when studies take place prior to company acquisitions, the Strategy department conducts a review of social and environmental issues using a questionnaire that covers the key points in the Code of Ethics.

EXTERNAL VERIFICATION OF DATA

Groupe SEB has been a pioneer in having a selection verified social and environmental information from the 2010 financial year on a voluntary basis, and before the regulatory obligation to verify appeared in 2013. An independent third-party organization (Mazars) was mandated to issue a moderate assurance opinion on compliance and the sincerity of the Declaration of Extra-Financial Performance (see a detailed description of the reporting process on page 140 and Mazars' report for 2020 on page 201). Since 2010, 88 audits have been carried out on 28 different sites in seven countries (Germany, France, Italy, Brazil, Colombia, China and the United States).

AN ESTABLISHED CSR POLICY

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

NON-FINANCIAL RATING

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

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

The Group's commitments and initiatives are also assessed every two years by **Vigeo-Eiris**, the leading agency in Europe. Its 2020 rating, increasing by 1 point compared to 2018, allows Groupe SEB to maintain its first place in its sector in Europe, on a panel of 40 companies. It is also ranked 68th worldwide (out of 4,904 companies). Vigeo-Eiris also published a study at year-end 2018 that put Groupe SEB in the top 1% of the best performing companies worldwide in terms of Human Rights (see page 143).

The Seb share is included in several SRI (Socially Responsible Investment) indices. The Group has kept its place in Vigeo-Eiris's **Europe 120 and Eurozone 120** indices, composed of the companies with the highest scores based on more than 330 indicators. It also reaffirmed its position in the **FTSE4Good** international index, a global benchmark in the field, with a score of 4.4/5 (*Personal & household goods* category), an improvement on 2019. The Seb share also features in **Forum Ethibel**'s Excellence Europe index. Finally, it is on the research panels of Gaïa Rating, Sustainalytics and ISS-ESG, which has awarded it Prime status.

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

AWARDS

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

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

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

3.2 Non-financial performance statement DPEF DV

In accordance with Ordinance 2017-1180 of 19 July 2017 on the disclosure of non-financial information by certain large companies and major corporate groups, the Non-Financial Performance Statement (Déclaration de Performance Extra Financière, or "DPEF") is intended to present the measures implemented within the Group to identify and attenuate CSR risks. It supplements the Duty of Vigilance (DV) established by the French law of March 28, 2017 on the prevention of "serious infringements of Human Rights and fundamental freedoms, the health and safety of individuals and the environment".

BUSINESS MODEL DPEF

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

RISKS DPEF DV

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

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

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

Groupe SEB operates in nearly 150 countries in a variety of complex economic and socio-cultural environments. The CSR risks identified are intrinsically linked to its operations but also the risks inherent to the countries in which its subsidiaries and suppliers operate. On the basis of this frame of reference, the Group identified that its main CSR risks are concentrated in the emerging countries. That is why the ethical, social and environmental audits are primarily done in these high-priority areas.

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

Main CSR risks identified:

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

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

- **health and safety of staff**
  - **Description of risk**: see Chapter 1, page 61,
  - **Risk management**: see Chapter 3.7, Health and safety, page 157;
- **talent attraction and retention**
  - **Description of risk**: see Chapter 1, page 56,
  - **Risk management**: see Chapter 3.7, Attractiveness of the Group and career development, page 148.

(1) Mouvement des Entreprises de France.
(2) Independent third party.

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

- **corruption:**
  - **description of risk:**

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

    in addition to applying the Group's risk identification and control method (see page 47), the risk of corruption is handled in a specific manner in accordance with the French Sapin II law of November 8, 2016. Each year, the Group updates its corruption risk mapping, which states the size of the risk by location (low, moderate or relatively high risk). The risk level is assessed based on a combination of three criteria: responses to a detailed questionnaire on the subject sent to 217 entity and function managers; the Transparency International map on a country's level of exposure to corruption; and the scale of the Group's business activities in the country in question,
  - **risk management**: see Chapter 3.7, Anti-corruption measures, page 143;
- **tax evasion:**
  - **description of risk:**

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

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

    the Group has approximately 33,000 employees and deals with more than 4,000 suppliers. Being at the center of such a large, complex human environment means that the Group is faced with risks relating to the respect of Human Rights, which are also intrinsically linked to the Group's founding values. In terms of the Group's operations, this risk may arise at the Group's own sites as well as those of its suppliers and subcontractors through non-compliance with the principles of the UN Global Compact (to which the Group is a signatory), the fundamental conventions of the International Labour Organization (ILO) and the working conditions recommended by the World Trade Organization (WTO). Any breaches in this area could incur financial consequences from the competent authorities, and above all have an impact on the Group's reputation.
  - **risk management**: see Chapter 3.7, Human Rights and Responsible Purchasing, page 144.
- **climate change:**
  - **description of risk:**

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

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

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

RISK VALIDATION PROCESS

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

POLICY AND KEY INDICATORS DPEF

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

This correspondence table provides the necessary references.

Area	Risks	Policies	Key performance indicators	
Social and societal	Health and safety of staff	Protect and ensure the health and safety of the employees thanks to the Health and safety policy of the Group	Frequency of workplace accidents Rate of OHSAS 18001 certified entities	Chap 3.7/Health and safety/p. 157
	Talent attraction and retention	Promote recruitment, development and retention of talents, thanks to career and attractiveness of the Group	Average employee turnover rate	Chap3.7/ A responsible employment policy/p. 146
Ethics and corruption	Corruption	Ensuring ethics and transparency of our business as well as respect for the laws through the implementation of a: • Code of Ethics – Code of Ethics *training* (e-learning and classroom) • an anti-corruption *e-learning* module	Rate of roll-out *of* Code of Ethics e-learning training	Chap 3.7/Ethics compliance/p. 142
	Tax evasion	Ensure compliance with tax regulations and obligations in all countries where the Group is implanted	Effective tax rate	Chap 1.4/Risk Factors/p. 46
	Human Rights	Ensure respect Human Rights, in our activities, everywhere where the Group is established, thanks to the implementation of: • a Code of Ethics • a responsible purchasing policy	Percentage of sites with an overall compliance score greater than 80% Intertek Audit of suppliers (Group level)	Chap 3.7/Ethics compliance/Code of Ethics/p. 142
Environmental	Climate change	Reduce the Group impact on climate change thanks to: • a circular economy policy • the 4x20 objectives • science-based targets	Rate of recycled materials in new products Rate of recyclability of electrical products Rate of repairable products Rate of energy improvement of production sites Rate of improvement of energy consumption by electrical products Quantity of waste generated Rate of ISO 14001 certified entities Greenhouse gas emissions per manufactured finished product (scopes 1 and 2) Greenhouse gas emissions from the transportation of products and components per product sold	Chap 3.9/ Using recycled materials/p. 184 Chap 3.9/ Reparability/p. 182 Chap 3.10/ Eco-manufacturing/ p. 192 Chap 3.10/ Eco-logistics/p. 197 Chap 3.10/ Eco-design/p. 190

Exclusions

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

3.3 Vigilance Plan

INTRODUCTION

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

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

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

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

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

The plan is the subject of dedicated monitoring. In 2020, monitoring and updating of the plan were coordinated by the Department of Sustainable Development. This coordination was performed through the Roadmaps involving Purchasing, Health & Safety and Sustainable Development departments. Each department contributed to the completion and update of the plan.

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

PREVENT AND MANAGE THE RISKS RELATED TO HUMAN RIGHTS *(detailed on page 146, Chapter 3.7)*

Ethics

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

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

To ensure that every employee understands the key concepts of the Code of Ethics and knows how to act when faced with an ethical dilemma, a vast training program was deployed in 2018. At year-end 2020, 88% of 11,109 connected employees had taken the online training program. In order to make it as real-world as possible, this training was developed jointly by various Group departments: Sustainable Development, Training, Human Resources, Quality Standards & Environment, Audit and Internal Control, Purchasing, Legal, Health and Safety. This is included in the mandatory training for new employees.

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

Human Rights

Integrated in the Code of Ethics, respect for Human Rights is one of its strong commitments, which has been validated by the signing of the Global Compact since 2003. The Group decided in 2007 to evaluate its teams' practices in relation to Human Rights in subsidiaries employing more than 10 people. Up until 2014 it used the HRCA (Human Rights Compliance Assessment) Quick Check self-assessment tool, developed by the Danish Institute for Human Rights and, for sites operated by its Chinese subsidiary Supor, the CBSSC (China Business and Social Sustainability Check). These self-assessments covered almost 99% of the workforce and drove improvements.

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

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

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

Trade payables

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

This policy includes:

- Responsible Purchasing Charter;
- preliminary evaluation of suppliers;
- mapping of CSR challenges by purchasing family;
- ethical, social and environmental audits performed by an independent firm.

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

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

Health and safety of consumers

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

- **Product safety**: this is ensured by a set of rigorous processes at every stage of product development and production. During development, each project review (RP1 to RP4) includes formal checking of product compliance via a series of validations listed in the EMQS (Environment, Marketing, Quality and Standards) reference document.
- **Harmlessness**: the Group is particularly vigilant when it comes to selecting component materials, going beyond regulatory requirements. As part of its commitment to quality, the Group has introduced a "Tefal commitment" notice which has been on Tefal/T-fal non-stick cookware for several years. This commitment gives a guarantee that there is no [(2)] lead or cadmium and that the coatings are generally safe for the consumer.
- **Unpopular substances:** the Group classifies in this category substances that, although not banned by the regulations, are considered by some stakeholders, such as NGOs, to be potentially hazardous. On this basis, the Group is working on plans to replace a number of these substances and materials, even though they are not currently covered by the regulations, in order to stay a step ahead of future directives. Phthalates, for example, which were added to the RoHS European Directive [(3)] in 2015, were already viewed as unpopular substances by Groupe SEB in 2012.

Health and safety of employees

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

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

The health and safety policy draws on a global network of 35 Environment, Health and Safety (EHS) Coordinators, who cover all of the plants and logistics sites (more than 40) in 13 countries. They meet quarterly in person for France and via Skype for the other global sites. Once a year, they meet up at a Group site (except in 2020 because of Covid-19). These annual seminars make it possible to strengthen the international dynamic of the network, something that is also supported by the Yammer community (Groupe SEB social network). By the end of 2019, the Group's health and safety management system had become OHSAS 18001 certified (all of the Group's industrial and logistics entities are certified). In 2020, the Group "switched" to ISO 45001. All sites have implemented a specific action plan. Those that needed to be audited in 2020 (by the firm DNV) all passed their audit in the last six months of the year and all received positive results. This means that the Group is now ISO 45001 certified.

(1) Risky areas as defined by amfori/Business Social Compliance Initiative – Country Risk Classification, 2018
(2) PFOA: Perfluorooctanoic acid is a substance used as an aid to polymerization in many polymer manufacturing processes.
(3) Restriction of the use of certain Hazardous Substances.

- **Safety**: Groupe SEB's safety approach is reflected in the worldwide Safety in Seb program. More specifically, it places special emphasis on the involvement of employees as participants in their own safety. At the plants, for example, safety is one of the points that is reviewed daily by the production teams as part of the OPS (Operation Performance Seb) initiative, via Frequent Events. All accidents occurring within the Group are summarized monthly in a newsletter sent to all managers (including the Executive Committee) and the Health and Safety community. This policy has been successful: between 2017 and 2020, the number of workplace accidents with days lost fell by around 40%. Safety-specific checkpoints have been incorporated into day-to-day field visits by local managers since 2018. This feeds into the safety pyramid, a tool designed to detect hazardous situations ahead of time to quickly remedy them so as to anticipate accident risks. Since 2016, the Group has strengthened the safety culture in its tertiary (offices) and commercial entities (stores). The Group's six "golden safety rules" are systematically communicated to these entities, and some sites have introduced their own "unbreakable rules".
- **Health**
  - Health plan: The Group's international health plan, Health in Seb was launched in 2016. It started with an analysis of all the plants to identify the main health risks (dust, noise, repetitive work, etc.). This inventory was used as a basis for the creation of Group standards and to define health targets, accompanied by monitoring indicators. This is particularly true of ergonomics where the indicator measures improvements that are deemed significant using specific analysis methods, scoring grids, a decision-making tool developed by ergonomists and the person's experience. Every industrial and logistics site around the world has the objective to improve the ergonomics of 25% of its workstations every year.
  - Efforts to combat musculoskeletal disorders: As an industrial group, Groupe SEB focuses a large part of its efforts on combating musculoskeletal disorders (MSDs) in the upper limbs, and lower back pain. The aim is to prevent them from appearing and slow their deterioration. This is a major issue for the industrial sites, particularly in Europe, exacerbated by the aging of the workforce and extensions to the pension age. The Group's response involves awareness-raising and training measures, taking MSD prevention into account from the design phase of products and processes as well as the carrying out of specific measures on the sites.

    Every French plant and logistics site has a Steering Committee for Musculoskeletal Disorders and one or more MSD Specialists who ensure that risks are taken into account upstream, at the product design stage, and downstream, by amending hard-pressed workstations.
  - Social protection: In terms of social protection, in 2017 the Group launched an initiative designed to offer its employees, throughout the world, a high level of coverage compared to the local context, beyond regulatory obligations. Since 2018, the Group has progressively rolled out a global floor for social protection and working conditions, WeCare@Seb, based on two pillars in the first phase:
    - life insurance: 12 months of salary paid to the employee's family in the event of death in the context of work,
    - medical care: coverage of hospitalizations because of accidents (capped at 70% of actual costs).

    A third pillar is being defined for roll-out over 2020-2023. Every permanent employee, regardless of his/her country and level, will benefit at least from the coverage of this global base. The implementation of the three pillars will extend until the end of 2023.
- **Measures to combat harassment:** Groupe SEB pays very close attention to the issue of sexual harassment, an issue on which many countries have passed specific laws. In India, for example, Groupe SEB has introduced a very aggressive policy in the country to prevent such behavior, ensure careful investigation of complaints or reports, and finally protect the victims and punish those responsible. The subsidiary regularly holds awareness and training sessions on this issue for all staff. It has established a dedicated committee to deal with sexual harassment. More than half of its members are women, and it works with an NGO specializing in this area. In France, the updating of the internal rules of all sites makes it possible to raise awareness and to reflect the new legislative provisions designed to combat all forms of harassment. Thus, in 2019, each French legal entity with over 250 employees added a point of contact tasked with combating sexual harassment and sexist behavior.

PREVENT AND MANAGE ENVIRONMENTAL RISKS
(Detailed on page 187, Chapter 3.10, Climate action, and page 182, Chapter 3.9, Circular revolution)

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

As a result, ambitious goals were defined:

- **By 2023:**
  - 40% fewer greenhouse gas emissions per manufactured product in tons of CO_2 equivalent (base year 2016),
  - 15% fewer greenhouse gas emissions related to the energy consumption of the products (base year 2016);
- **By 2050:** contribution to reaching global carbon neutrality (reduction and offset 100% of remaining carbon emissions).

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

- **Eco-design:** Eco-design of products is decisive in significantly reducing the environmental impact. Integrating recycled raw materials, improving energy efficiency, reducing energy consumption without compromising performance, and making a product repairable and recyclable are eco-design drivers. The Group has defined an eco-design policy to act on 70% of the carbon impacts. This facilitates consideration of these criteria in the development of new products:
  - increasing the duration of use of the products: durability and reparability,
  - using alternative/recycled materials: aluminum, plastics, stainless steel, etc.
  - improving the energy performance of the products,
  - increasing recyclability.
- **Eco-packaging**: Groupe SEB is careful to design packaging that guarantees its principal functions, while minimizing its environmental impact. This is why it set three targets for 2023:
  - ZERO expanded polystyrene,
  - 90% recycled fibers in the boxes,
  - ZERO internal plastic packaging.
- **Eco-manufacturing**: Saving resources is one of the goals of the manufacturing sites through the policy of eco-manufacturing:
  - reducing energy and water consumption,
  - reducing and recycling waste,
  - using renewable energy.

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

- **Eco-logistics**: To reduce emissions related to the transport of products and the materials and components used to manufacture them, the Group encourages local production, optimizes logistics circuits and is developing transport alternatives to road transport (rivers, rail) that are less polluting. Lower empty transport means emitting less CO_2 while reducing costs. The Group also optimizes the load rates of the transport units (trucks or shipping containers), particularly by reducing the size of the packages and the empty space inside.
- **Resource depletion**: The Group fights the depletion of natural resources in several ways. First, it limits the consumption of water, energy and raw materials necessary to produce the products. Second, it places its products and services at the center of the circular economy (extending product life and re-use, promoting recycling and the use of recycled materials, experimenting with shared product use).
- **Air, soil and water pollution**: Prevention of air, soil and water pollution is the first pillar of the Group’s environmental policy, designed to protect the ecological balance around our sites. The Group strengthened its tools in this area, putting in place an environmental risk assessment methodology common to all Group sites and defining a common standard for emergency response situations.

WHISTLEBLOWING AND REPORTING MECHANISM

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

This system has been supplemented by a recently updated whistleblowing procedure. It clearly sets out the various steps for whistleblowers to follow to exercise their right, the people to be contacted, the information to be provided, the way in which reports are handled, the confidentiality rules and protection for whistleblowers, assuming they come forward disinterestedly and in good faith.

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

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

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

- the supervisor;
- the Human Resources Manager of the site, country or continent;
- the Audit and Internal Control Director via the dedicated email address *ethics@groupeseb.com*.

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

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

En 2020, all reports were analyzed and were subject of a detailed action plan.

MANAGEMENT, GOVERNANCE AND MONITORING OF THE PLAN DEPLOYMENT

PLAN VALIDATION PROCESS

The main CSR risks and the vigilance plan were presented and validated by the stakeholder panel in January 2018 and presented to the Audit Committee in October 2020.

COMPLIANCE COMMITTEE

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

Composition of the Compliance Committee:

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

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

BUSINESS LINE ROADMAPS

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

3.4 Stakeholders

Generally speaking, Groupe SEB conducts a transparent dialog with all of its stakeholders through various communication media, annually via the publication of the Business and Sustainable Development report and the Universal Registration Document, and on an ongoing basis thanks to a dedicated section of the Group's website and the publication of news items. Stakeholders are identified using the methodology described in paragraph 5.3.2 of the ISO 26000 standard.

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

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

LOBBYING ACTIVITIES

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

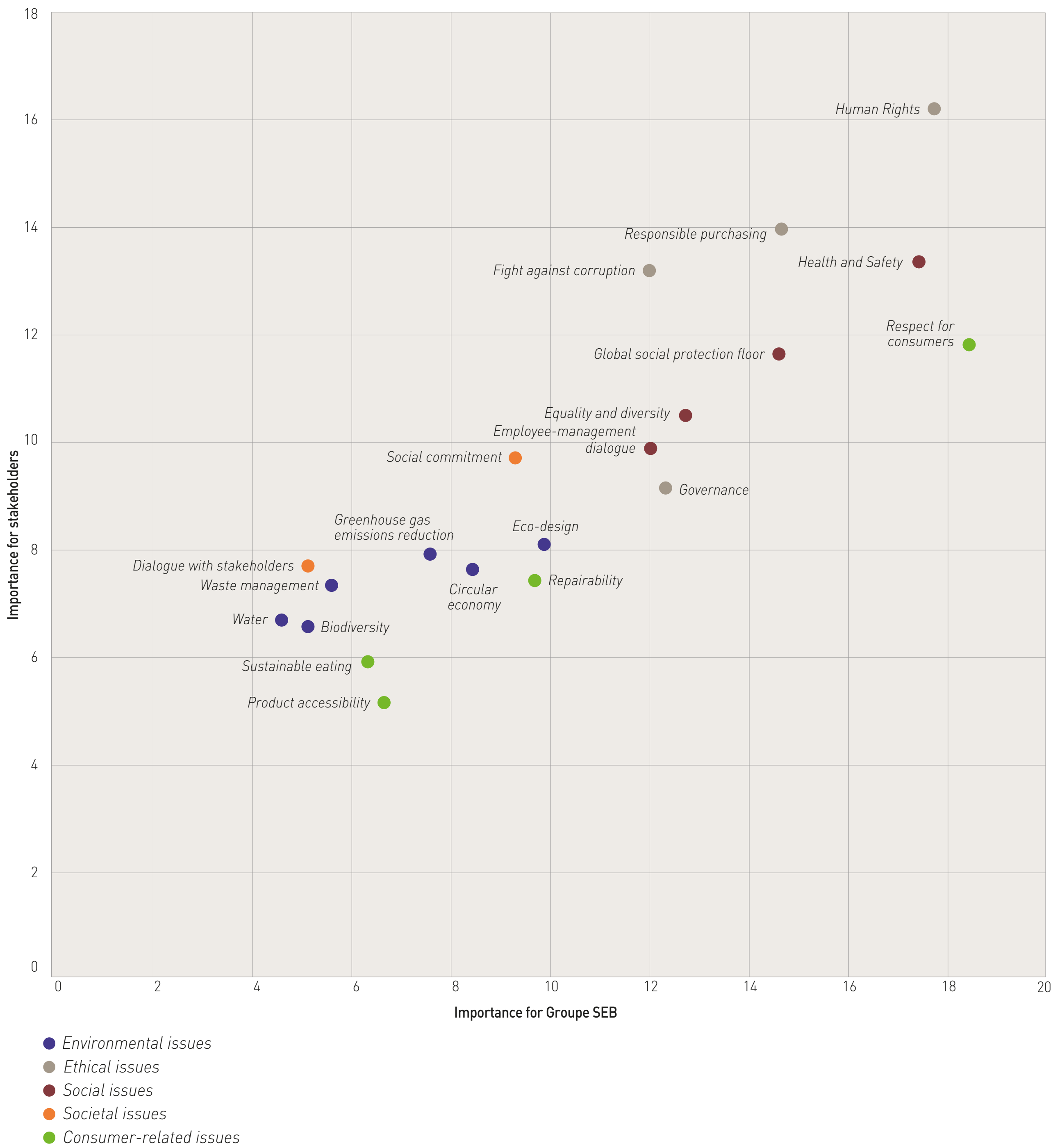
In 2020, Groupe SEB continued to act to promote the circular economy by emphasizing the importance of product reparability and by continuing to demand the creation of a tax incentive to encourage sector operators to repair and use recycled materials. It also acted in the context of the European work to promote the return of an energy label on vacuums to guarantee that the consumer has relevant information about energy consumption and performance. Groupe SEB has also worked on different issues, such as:

- the regulations on materials in contact with food;
- the regulations on connected products;
- the development of standards on the efficient use of materials.

To contribute to discussions about its industry, Groupe SEB plays an active role in various French and European professional associations such as:

- AFEP – French Association of Private Sector Companies;
- FIEEC – French Federation of Electrical, Electronic and Communication Industries;
- GIFAM – French Association of Household Appliance Manufacturers;
- UNITAM – Union of Homeware Manufacturers;
- APPLiA – Professional Association of European Household Appliance Industry;
- FEC – Federation of the European Cutlery, Flatware, Holloware and Cookware Industries.

MATERIALITY MATRIX



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

Challenges	Definitions	Page no.	SDG*
PEOPLE MATTER/ETHICS			
Human Rights	Fight against any form of forced or compulsory labor, concealed work, child labor, inhuman working conditions and excessive overtime.	143	
Responsible purchasing	Require our suppliers to respect Human Rights and essential ethical, social and environmental principles.	144-145	
Anti-corruption measures	Prohibit strongly any kind of corruption in our relationships, not only with our commercial and institutional partners, but also with the government.	143	
Governance	Work in favor of a more responsible governance: diversity and independence of the Board of Directors, increased female participation in key positions, transparency about the pay of executive officers, etc.	Chapter 2	
PEOPLE MATTER/A RESPONSIBLE EMPLOYMENT POLICY			
Equality and Diversity	Ensure equal treatment between employees. Only take into account their professional skills when it comes to their recruitment, pay and development within the Group.	151-154	
Employee-management dialog	Respect for freedom of association and union representation while encouraging employee-management dialog on both an individual and collective basis.	155	
Health and Safety	Provide each employee with a safe and healthy working environment.	157-161	
Global social protection floor	Ensure fair pay, minimum social cover and decent working conditions for all employees.	162	
PEOPLE MATTER/A CORPORATE CITIZEN			
Dialog with stakeholders	Take into account the expectations of all the stakeholders in the conduct of our activities: consumers, associations/NGOs, municipalities/public authorities, suppliers, customers, shareholders, employees, etc.	125	
Social commitment	Fulfill our economic and social responsibilities in the territories in which we operate: creating jobs, taking part in the development of local companies and supporting local associations acting against exclusion.	166-170	
SUSTAINABLE INNOVATION AND RESPECT FOR CONSUMERS			
Respect for consumers	Propose high-standard products with all the guarantees in terms of safety and harmlessness. Be very demanding about the quality of the information given to consumers through our call centers, and via our brands' websites and our after-sales service.	172-174	
CIRCULAR REVOLUTION/A MORE CIRCULAR ECONOMY			
Circular economy	Make the circular economy central to our sustainable innovations. The circular economy requires a chain structuring approach (e.g. recycling chain and re-use chain). This economic system is based on exchanges and production. At every stage of the life cycle of the products, goods and services, it aims to increase the efficiency of the resources and reduce the impact on the environment while enabling the well-being of individuals.	182-186	
Reparability	Facilitate the repair of the products: design, availability and price of spare parts, training of approved service centers, etc.	182-186	
BETTER HOME LIFE/PRODUCTS ACCESSIBLE FOR AS MANY PEOPLE AS POSSIBLE & A HEALTHY HOME			
Product accessibility	Promote the accessibility of the product offer to as many as possible by working on price, ergonomics and distribution networks.	179-180	
GOOD AND HEALTHY COOKING/HEALTHY AND SUSTAINABLE HOMEMADE FOOD			
Sustainable eating	Promote consumption modes favoring healthy and sustainable eating by innovating and supporting consumers.	175-178	
CLIMATE ACTION/REDUCTION OF ENVIRONMENTAL IMPACT			
Eco-design	Reduce the environmental footprint of products through eco-design.	190-191	
Water	Limit the water consumption of our sites together with their emissions to water.	196	
Waste management	Limit and recover waste from production by favoring solutions with a smaller impact on the environment.	195	
Greenhouse gas emissions reduction	Reduce greenhouse gas emissions linked to the production process (optimization of energy consumption, use of renewable energies, etc.) and the transport of products, raw materials and components.	187-200	
Biodiversity	Promote ordinary biodiversity and limit the impacts of the processes and products on biodiversity.	196	

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

3.5 Objectives for 2023

Employment Conditions, Health & Safety	> 100% of employees worldwide are covered by the global employment conditions program > Cut the number of workplace accidents with time lost* by at least two, i.e. LTIRi < 1.0 *(base year 2017)* > 100% of plants certified in accordance with health and safety standards – OHSAS 18001/ISO 45001
Equity & diversity	> 30% of women hold management positions > Bring the% of female managers into line with the% of women in the Group
Quality of life at work	> Achieve 75% on the GPTW question: “All in all, I can say it is a great place to work”
Solidarity	> 100% of the countries in which we operate run a corporate philanthropy program

Better homelife	> Develop an inclusive design range of products per main product family > Create one awareness program around healthy homes
Cooking for good	> One program to make homemade food accessible to everyone > One Charter to promote healthy and sustainable eating for recipes associated with our products

Recycled materials	> 2x the plastic 100% recycled in our products in France > 50% of recycled materials in our products/packaging
Reparability	> Over 90% of small domestic appliances 10-year repairable products for Moulinex/Rowenta/Tefal/Seb/Calor/Krups
Second life	> Experiment with different business models to give our products a second life

Factories	> -40% carbon intensity of our plants *(base year 2016)* > 100% of plants certified in accordance with the ISO 14001 Environmental Management standard
Logistics	> -10% carbon intensity of the transportation of our products and components *(base year 2016)*
Products & packaging	> -15% carbon intensity of the energy consumption of our products > Eco-packaging: • 0 expanded polystyrene • 90% of recycled fibers • 0 plastic packaging

3

3.6 Reporting process

MEASURING OF SOCIETAL, EMPLOYMENT-RELATED AND ENVIRONMENTAL PERFORMANCE

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

SELECTION OF INDICATORS AND GUIDELINES

The indicators used by Groupe SEB to measure its performance in 2020 cover all of the items listed in Article 225 of French law no. 2010-788 of 12 July 2010, known as the Grenelle 2 law, amended by the European Directive transposed into national law, in 2017, by articles L. 225-102-1 and R. 225-104 to R. 225-105-2 of Commercial Code. The Group goes beyond this legal requirement by reporting other indicators that fall particularly under Global Reporting Initiative (GRI) recommendations. Based on these guidelines, which are an international standard for the reporting of non-financial information, Groupe SEB has incorporated the materiality approach within its reporting process in order to identify the main sustainable development priorities and the related indicators.

In keeping with the development of national and international requirements and the Group's philosophy of continuous improvement, it has therefore added new indicators. It has also specified the components of certain indicators to improve the reliability of published data, and in many areas has extended the reporting scope, including new acquisitions where possible.

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

METHODOLOGY AND TOOLS

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

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

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

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

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

ACCURACY AND COMPARABILITY

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

METHODOLOGICAL LIMITATION AND SCOPE

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

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

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

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

REPORTING PERIOD

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

AUDIT

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

3.7 People matter

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

ETHICAL COMPLIANCE

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

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

CODE OF ETHICS

18 areas, 11 languages

Over the last 10 years, Groupe SEB has more than doubled in size, acquiring several companies (including EMSA and WMF in 2016 and Wilbur Curtis in 2018), and has become an increasingly international group. It now has close to 33,000 employees around the world, with around two-thirds of its workforce located outside of Europe. Since a common culture and a shared set of values are essential to a successful ethical approach, Groupe SEB has structured and formalized its policy in the form of a Code of Ethics, which was drafted in 2012. Translated into the Group's 11 main languages, it has been distributed to all employees worldwide and is now available online on the Group's intranet. This document addresses 18 key areas, including child labor, anti-corruption measures, non-discrimination, environmental protection and the prevention of conflicts of interest.

A global training program

The implementation of the Code of Ethics in 2012 was backed up with close to 10,000 hours of training. In 2018, the Group launched a new wave of training to ensure that every employee understood the key concepts and knows how to act when faced with an ethical dilemma. At year-end 2020, 88% of 11,109 connected employees had taken the online training program, available in ten languages on the *iGrow@ Seb HR online platform*. It consists of six modules designed in an interactive and fun manner. They comprise a theoretical component followed by a quiz and a case study where the employee is faced with an ethical issue. In order to make it as real-world as possible, this training was developed jointly by various Group departments: Sustainable Development, Training, Human Resources, Quality Standards & Environment, Audit and Internal Control, Purchasing, Legal, Health and Safety. This is included in the mandatory training for new employees. In 2020, the Group developed a yearly refresher module sent to all connected employees as part of the Compliance Refresher program (see section Training, page 163).

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

Whistleblowing system

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

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

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

In 2020, all reports were analyzed and were subject of a detailed action plan.

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

More information about risk factors can be found from page 46 onwards.

HUMAN RIGHTS

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

External audits in risky areas

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

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

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

ANTI-CORRUPTION MEASURES

This issue has been incorporated in the global Code of Ethics that applies to all employees since 2013. It provides, in particular, that Groupe SEB strictly prohibits any form of corruption in its dealings with commercial and institutional partners as well as with the government. No financial rewards or other types of benefits may be offered in an effort to seek an advantage or be received in exchange for preferential treatment. In addition, in 2003, the Group signed up to the UN's Global Compact, whose tenth principle requires businesses to work against corruption.

The Audit and Internal Control department includes the risk of fraud and corruption in its assessments. Given the economic environment in which Groupe SEB subsidiaries operate, the principal risks are related to the purchasing process (passive corruption of the purchaser) and sales (active corruption of customers' employees). These risks are mitigated for each of these two processes by specific rules; compliance with these rules is checked when the subsidiaries are audited. The great majority of subsidiaries have retailers as their customers (often several hundreds), with whom they deal directly without an intermediary. Close coordination was established between the outside audit team, the internal audit unit and accounting teams, particularly on internal control points.

Code of Conduct

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

Corruption risks questionnaire

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

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

RESPONSIBLE PURCHASING

Groupe SEB bears great responsibility in terms of the manufacturing of its products under ethical conditions. It follows a responsible purchasing policy that includes reporting and control systems to ensure that its suppliers comply with its ethical, social and environmental requirements worldwide. Each year, an audit campaign is conducted to identify gaps and correct them through dedicated action plans (see below).

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

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

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

RESPONSIBLE PURCHASING CHARTER

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

PRELIMINARY EVALUATION OF SUPPLIERS

Any new supplier of raw materials, components or finished products is subject to a rigorous preliminary evaluation. **Social and environmental criteria play a significant role in the assessment and have a direct impact on the decision to approve the supplier (minimum levels required).** For the environmental aspect, these criteria primarily include the following factors: ISO 14001 certification, visible pollution (water, ground and air), and use of hazardous products. For the social aspects, the main criteria are: existence of a formal ethical/social policy or the signature of Groupe SEB's Responsible Purchasing Charter, working conditions, observance of employment law (age, working hours, etc.) and of safety rules. Furthermore, the Group made the process of becoming a listed supplier even more rigorous in 2020, requiring any supplier located in a risky area to first pass an ethical, social and environmental audit (see below).

MAPPING OF CSR ISSUES BY PURCHASING FAMILY

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

Subcontractors in the disability and inclusive employment sector

This impetus is a game changer, especially in the strengthening of links with players in the non-profit and social sectors, particularly in France. For example, FM Logistic France, which manages the Group's product logistics at its Saint-Cyr-en-Val platform, near Orléans, created FMEA, a company providing work to people with disabilities, on this site in 2015. This organization employs people with disabilities to perform repackaging operations (such as adding starter kits or samples to packaging). By the same token, the Pont-Évêque plant welcomes a team from a sheltered employment center to its premises and assigns the team increasingly complex product assembly tasks, just like at the Lourdes site, which works with an organization that employs people with learning disabilities. The Faucogney site calls on welfare-to-work associations for the packaging of spare parts and accessories, while at the Is-sur-Tille site, the Groupe Coopératif Demain (an organization that works to get people into work who have previously been excluded from the job market) provides a recycling service. At the Seb Campus in Écully, ten companies from the protected sector are involved in jobs such as catering, cleaning, hospitality and maintenance of green spaces. Handishare, a company providing work to workers with disabilities, also provides administrative services for Human Resources and general services.

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

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

(1) Groupe SEB's listed suppliers comprise a selection of around 480 direct suppliers (of materials and components) and 800 indirect suppliers (non-production). Listed suppliers account for over 70% of the Group's purchases in the raw materials/components categories. These preferred suppliers are considered to be particularly effective, based on criteria of quality, cost and corporate social responsibility.

ETHICAL, SOCIAL AND ENVIRONMENTAL AUDITS

Ethical, social and environmental audit Charter

For the sake of transparency, the Group has put together an Ethical, Social and Environmental Audit Charter for its suppliers. It is sent to them, along with the points on which they will be rated during audits. To help suppliers make progress in social and environmental matters, the Group offers them training sessions on this topic. It thus makes sure that they have properly understood the Group's responsible purchasing policy and the checkpoints audited as part of the WCA (see below), especially in the areas of health, safety and working conditions. In 2020, these sessions were held as webinars because of Covid-19, and 138 Chinese suppliers were invited to attend. They were also attended by Group buyers responsible for monitoring them.

Internal global network of social audit leaders

17 Purchasing Directors from Asia (7), South America (4) and Europe (6) make up the network of Social Audit Leaders, which gained five new members in 2017 (OBH, WMF, EMSA, Groupe SEB India and Supor Vietnam). They are responsible for the completion of audits in their areas and for progress plans undertaken by suppliers. This network is coordinated by the Social Compliance Manager (based in Hong Kong) and through regular meetings (web conferences) attended by the Group's Purchasing Director, covering audit reviews, the analysis of results, exchanges of best practices, and so on.

A highly formalized procedure

Ethical, social and environmental audits are done by Intertek. A global audit management tool ensures immediate and specific monitoring of Groupe SEB's listed suppliers and also makes it possible to compare the results obtained by the Group's suppliers with those of companies listed in the Intertek database (more than 32,000 audits).

The procedure is very formal. During an initial in-depth audit (involving one to three days on site, depending on the size of the company), the auditor reviews nearly **300 checkpoints** taken from the **WCA** (Workplace Condition Assessment) audit criteria. Each checkpoint is assessed according to a four-level scale of compliance ranging from "zero tolerance" (forced labor, blocked emergency exits, excessively long hours, etc.) to minor non-compliances, with moderate and major non-compliances (no pay slip, emergency exit signs, etc.) in between. The final score, calculated out of 100, is ranked according to four performance levels: high performance (85 to 100), average (71 to 84), poor (51 to 70) and very poor (0 to 50). The audit report is sent to the Group's Purchasing department.

- A single "zero tolerance" non-compliance (*e.g.* failure to comply with the legal working age) triggers the following actions: a formal letter from the Purchasing Director or *Sourcing* Director requiring the implementation of a **corrective action plan** within two weeks, immediate suspension of any new consultations and a **follow-up audit** (by Intertek) one month [1] later to check that the issue has been resolved. If not, the Group decides to end the collaboration.
- With an aggregate score of less than 50/100, the Regional Head of Purchasing or Sourcing sends a formal letter warning the company to correct the breach and checks that the situation has been rectified through a follow-up audit in the following months.

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

Initial and follow-up audits

Every year the Group audits about a quarter of its listed suppliers of raw materials, components and finished products in terms of their compliance with its ethical, social and environmental requirements. Initial audits are paid for by the Group. Suppliers with a score of more than 70/100 are audited every four years and those with a score of between 51/100 and 70/100 every three years. The rest are monitored more closely as they are then required to implement corrective measures (see above).

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

Intertek also hands out an Achievement Award (AA) label to suppliers who have an overall score of at least 85/100 and do not present any major or zero tolerance-type non-compliances. In 2020, 33 Group suppliers received the AA label.

MONITORING OF CHEMICAL SUBSTANCES

To help suppliers guarantee compliance with regulations relating to the non-use of hazardous substances, Groupe SEB works with EcoMundo, a consulting firm specializing in regulatory compliance in relation to chemical substances. Almost 1,000 Groupe SEB suppliers can access a dedicated internet portal, which makes it easier for them to write their eco-declarations. The Group is also making continuing efforts to monitor certain substances, in anticipation of future regulatory changes (particularly in Europe, i.e. RoHS [2] and REACH [3]).

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

(1) *With respect to non-compliance regarding weekly working time, the follow-up audit may take place within three to six months as the case may be.*
(2) *Restriction of the use of certain Hazardous Substances.*
(3) *Registration, Evaluation and Authorization of Chemicals.*

A RESPONSIBLE EMPLOYMENT POLICY

2020 – a year shaped by Covid-19

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

Health first

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

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

Social assistance

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

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

Solidarity

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

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

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

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

In the 2020 Best Employers in France awards run by the Capital magazine and Statista Institute, Groupe SEB was ranked in the top three in the electrical equipment sector for the third year running, with special mention of CSR (Corporate Social Responsibility) and Quality of Life at Work (QLW).

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

GLOBAL HUMAN RESOURCES MANAGEMENT

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

The **Managerial Competency Model**, based on the Group's values and written in a language that is understandable by all, explains the managerial conduct that should be adopted to achieve the desired performance. Rolled out across all countries since 2016 [(1)], it has been incorporated into the framework of the Annual Appraisal Interview (AAI). It has also been included into the Group's leadership training programs and is used to evaluate the managerial competency of external and internal candidates when hiring or moving internally. To help managers implement it day-to-day, the Group regularly organizes workshops for various entities' Management Committees: in 2019, this was done in Colombia, Brazil, Mexico, Eurasia, the Research department, the Cookware business as well as for the Asia-Pacific Human Resources department. Workshops were also held for middle-management (Turkey, Germany, India, etc.). Moreover, a special e-learning module is available to all employees to enable everyone, from the moment they join the Group, to share these core managerial practices.

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

Of the five personal targets defined in an AAI, one or two are linked to the personal development of the manager, directly linked to the managerial competency model. Ahead of this interview, the managers are given the opportunity to self-assess with a view to improving the discussion at interview-time. In 2019-2020, 95.7% of the 3,400 or so managers eligible for an AAI received such an interview worldwide.

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

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

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

ATTRACTIVENESS OF THE GROUP AND CAREER DEVELOPMENT

Professional development

Internal promotion is a priority for the Group: in 2020, most managerial positions were filled by Group employees, both in France and worldwide, and 80% of key positions, succession plans being driven internally. Internal job offers are published on the iMove@ Seb website accessible on the intranet, which employees can use to apply for jobs. Geographic **transfer** is a component of internal promotion, and it is applying to an increasingly diverse population: in 2020, for example, more than half of the international transfers took place outside France and Europe. The Group generally encourages and supports all forms of internal transfer, whether functional or geographical, national or international, through various management and mobility tools, guidance and financial assistance.

The Group has offered a ***mentoring*** program since 2017 to develop and retain talented individuals while promoting women's access to positions of responsibility. The principle is for an experienced manager to support and advise a "high potential" employee for a year to help them to succeed in their career within the Group. The gender parity of the pairings is ensured with regard to both mentors and mentees. This development tool, which benefits both parties, has been highly successful. Two to three cohorts of around ten pairs are established each year. Over three years, the program has involved 156 people from 23 countries, working in various functions and at different levels. Of those involved, 45 received a promotion or were transferred geographically.

The digital sphere helping recruitment

When it comes to external recruitment, the Group relies heavily on digital tools, which has enabled it to remain very active in recruitment in 2020 despite the pandemic. It is increasing its presence and activity on targeted **social media/networks**, led by LinkedIn, but also Twitter, Instagram, JobTeaser, YouTube, Glassdoor and Wikipedia. The Group's follower base is constantly growing. At year-end 2020, it totaled 134,000 on LinkedIn (+22% compared with 2019) and around 3,350 on Twitter (+8%). On the Instagram channel, publications showing life inside the Group (#InsideGroupeSEB) and stories resulted in a 46% increase in followers. Awareness of the Group on social networks is growing thanks to a diversified editorial line, continually fed by contributors from all backgrounds within the company.

The Group also invested in a new **international careers website**, featuring more content and providing a generally better experience for applicants. A gallery of portraits and first-hand accounts of employees worldwide give visitors a better sense of the Group's businesses and their challenges. Moreover, a new interface allows applicants to see all available opportunities within the Group and to target those that are a fit thanks to a more user-friendly presentation and more extensive search filters. Since its launch in May 2019, the number of visits to the careers website has increased by 35%.

All external applications, wherever they come from, are gathered on a single **e-recruitment platform** appropriate to the Group's global structure (Taleo). This platform has been introduced in 46 countries, where it collected more than 35,000 applications in 2020 (15,000 applications in 2015). In order to get its job offers out into the marketplace, the Group partners with major jobs sites, both globally (LinkedIn, for example) and locally (in France: APEC, Cadremploi, Hellowork, etc.). The Taleo platform offers candidates a simplified and seamless experience that allows them to apply from any device (smartphone, tablet, etc.) in just a few minutes. Taleo also manages internal transfer requests *(iMove@Seb).*

Attracting young talent

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

To make itself more attractive to students of engineering schools and scientific universities, the Group established the Tech Challenge in 2018. In the 2019 international challenge, focused on sustainable innovation, students were asked to come up with the Small Domestic Equipment of the future. They submitted 258 innovative projects, ten of which were shortlisted and voted on by the jury and employees in 2020. The five final teams presented their project online to the jury. In September, the Group invited them to discover the Seb Campus and its businesses.

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

In November 2020, the Group launched the third wave of its Graduate Program. It aims to train young graduates from business and engineering schools and universities. The Group offers them the chance to do a two-year stint in one of its key business divisions with an initial 12-month posting in France followed by two six-month postings abroad. There are various programs: Finance, Industry, Marketing, Supply Chain, Information Systems, etc.

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

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

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

The Group's attractiveness is not limited to young people: in 2017, the *Reputation Institute* included Groupe SEB in its "Reptrak France" ranking for the first time. This index assesses the reputation of companies operating on the French market. In the 2018 awards of the top 100 companies, Groupe SEB was in 4th position behind Décathlon, Lego and Google.

BREAKDOWN OF TOTAL WORKFORCE BY GEOGRAPHIC REGION

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

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

The total workforce includes those working under permanent contracts, fixed-term contracts or other similar contracts, as well as work-study trainees. Temporary employees are not included in this figure. At 31 December 2020, Groupe SEB had 32,384 employees based on the scope defined in the table above. Including EMSA Taicang, WMF Heshan, and Seb Professional Shanghai, the Group has nearly 33,000 employees.

BREAKDOWN OF CHANGES IN THE WORKFORCE

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

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

(a) Excluding internal transfers and the return of expatriates.
(b) Number of resignations of permanent contract employees/Average number of permanent employees.
** Turnover rate scope: also excludes Vietnam Fan, Supor China and Supor Vietnam.*

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

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

BREAKDOWN OF WORKFORCE BY TYPE OF CONTRACT

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

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

* *Working under apprenticeship/professional training contracts.*

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

DIVERSITIES

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

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

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

In France, Groupe SEB has been a signatory of the Diversity Charter since 2005. Numerous actions have been implemented to support this policy at local sites and raise employee awareness. Since 2018, training has been developed on the theme “Recruiting and managing without discriminating, harassing or slandering” for Human Resources managers, people responsible for recruitment, employee representatives and Management Committees at French sites. 232 people have been trained over these last three years, and the training will continue in 2021. Diversity is monitored by specific committees covering signed collective agreements on this issue. More specifically regarding gender equality, a Group committee tasked with monitoring the collective agreement (France) analyzes the actions taken in this regard. Moreover, the sites must roll out local action plans on various issues: professional development, access to training, equality in terms of remuneration, work-life balance and recruitment.

To improve the diversity of work-study trainee applicant profiles, and particularly increase the share of young people from poor districts, in 2017, in France, the Group began a partnership with a recruitment firm specialized in the promotion of diversity (Mozaïk RH). In 2019, some nine young work-study trainees were hired using a *job dating* format during which managers met candidates without having first reviewed their CVs. This type of partnership is set to develop in 2021, with new collaborations currently being explored.

Across the world, subsidiaries are taking many initiatives to support diversity in all its forms, with the support of the Group. In Brazil, for example, as part of its learning policy, the Group encourages the hiring of young people from low-income families, and offers them different types of training.

Gender equality

GROUPE SEB 2023 TARGETS

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

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

The Group’s initiatives to promote gender equality during 2019/2020 included:

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

Since 2018, the Group has also been on the board of Alliance pour la Mixité en Entreprise (AME). This association brings together the networks of some 20 large companies and aims to encourage experience sharing, benchmarking and mutual assistance on gender equality. In 2020, Groupe SEB was actively involved in the organization of the AME annual conference in November (in digital format), which focused on the theme of women’s participation in executive committees and featured a talk with Thierry de La Tour d’Artaise.

FRANCE: A KEY AGREEMENT

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

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

WORK-LIFE BALANCE

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

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

ACCESS TO MANAGERIAL POSITIONS

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

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

RECOGNITION FOR WOMEN IN SENIOR ROLES

Some entities are performing particularly well in terms of gender equality, such as Turkey where women represent half the members of the Management Committee of Groupe SEB Istanbul as against only 36% of the country's working population. Similarly, in Egypt, they represent close to 30% of the Management Committee (CODIR) versus only 24% of the working population. It is worth highlighting that in 2020, the Managing Director of Groupe SEB subsidiaries in Egypt and the Middle East was honored as the Top CEO in Egypt's Top 20/Blue Star Awards, as well as in the Middle East's Woman Leaders Awards. These examples demonstrate the effectiveness of the efforts that the Group has been making since 2018 in this region, where promoting diversity was a real challenge. Similarly, in Korea, the Managing Director of the subsidiary was given an award by the Korean government for her work to promote gender equality in the workplace. Within the company, she has developed a women-friendly working environment, while outside the company she participates in numerous activities around career and leadership development for women.

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

DIVERSITY OF THE BUSINESSES

To make it easier for women to move into technical jobs traditionally held by men, since 2016 all French sites have offered them specific training (awarding academic credits), accompanied by offers of higher grade jobs. Production operators can thus become line supervisors, machinists or welders. A number of Group subsidiaries have similar initiatives. For example, in 2019, Groupe SEB Egypt welcomed the first ever female intern in the subsidiary's maintenance department. After obtaining her degree in 2020, she was hired as an electrician. She is the first woman to hold this position in the company.

MEASURES TO COMBAT HARASSMENT

Groupe SEB pays very close attention to the issue of sexual harassment, an issue on which many countries have passed specific laws. Beyond compliance with statutory requirements, Groupe SEB regularly organizes awareness-raising initiatives and training sessions on harassment for all employees at its subsidiaries. It also uses pro-active procedures to prevent such behavior, ensure careful investigation of complaints or reports, and finally protect the victims and discipline those responsible. In India, for example, the subsidiary has established a dedicated committee to deal with sexual harassment. More than half of its members are women, and it works with an NGO specializing in this area. In France, the updating of the internal rules of all sites makes it possible to raise awareness and to reflect the new legislative provisions designed to combat all forms of harassment. Since 2019, each French legal entity with over 250 employees has had an adviser tasked with combating sexual harassment and sexist behavior.

GENDER BREAKDOWN BY CLASSIFICATION

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

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

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

PEOPLE WITH DISABILITIES

Disability represents a two-fold challenge for Groupe SEB, which works to prevent it through its health and safety policy, while providing employment opportunities to people with disabilities.

GROUP AGREEMENT APPROVED BY THE STATE

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

PRACTICAL MEASURES

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

To further the recruitment of people with disabilities, Groupe SEB informs its partner schools of its disability policy and works with specialized organizations. Since 2019, the Group has also been working with French project Hello Handicap, a 100% virtual recruitment fair specifically for employing people with disabilities. The idea: the company publishes its offers on the Hello Handicap website and then does interviews by telephone or chat with the pre-screened applicants. At the session held in October 2020, the Group picked 23 applicants, with interviews to follow in early 2021. Another initiative in Egypt: the subsidiary entered into a partnership with IECD (Institut Européen de Coopération et Développement) to help it with hiring people with disabilities.

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

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

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

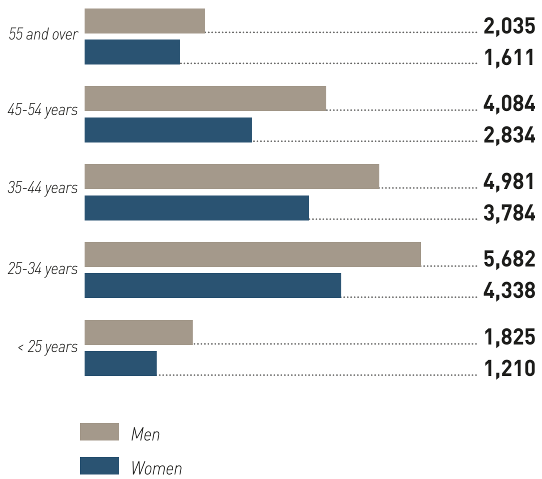
* *Ratio between the number of employees with disabilities and the total number of employees as of 31 December excluding temporary employees and ESAT (sheltered employment center) employees.*

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

GENERATIONAL BALANCE

Breakdown of employees by age

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



The three-year inter-generational contract, signed in France in 2016 with employee representatives, aimed to bring young people, and particularly those without qualifications, into the workforce, to hire and keep older employees and to ensure that knowledge is transferred. It concluded at the end of 2019 and proved a success: in three years (2017-2019), the Group recruited 908 employees, 48% of whom were under the age of 30 (the target was 25%). The Group also hit its recruitment objective for 5% of the employees it hires to be over the age of 50.

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

FORWARD PLANNING OF EMPLOYMENT AND SKILLS

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

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

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

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

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

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

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

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

EMPLOYEE-MANAGEMENT DIALOG

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

In France, in 2007 Groupe SEB signed a specific agreement with social partners. This Group agreement on the exercise of trade union rights and the status of employee representatives was renewed in January 2019 and signed by all social partners. It in particular increases the resources provided to elected employees (material resources, time allowed for the position, Group financial contribution, etc.) and the measures to safeguard and assess their career (skills assessment, career developments interview, review of salary positioning, etc.). In this respect, a new industrial relations training was rolled out in 2019 to all local managers with elected representatives in their team.

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

Collective agreements

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

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

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

The Group renewed two major agreements in France in 2020:

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

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

QUALITY OF LIFE AT WORK

GROUPE SEB 2023 TARGETS

- Achieve a 75% positive response rate to this question in the Great Place To Work survey: “Overall, I can say that Groupe SEB is a good place to work”

GREAT PLACE TO WORK SURVEY

The Group also pays close attention to its employees’ Quality of Life at Work. In order to make progress, since 2012 it has used a survey (64 questions) conducted by the Great Place To Work Institute to assess employees’ perceptions in this area. This employee survey was first introduced in France and has now been extended to all the continents, such that it covered around 40 countries in 2019. It is done every two years. The 2020 edition was postponed until spring 2021 because of Covid-19. The 2021 survey will cover around 50 countries. In 2019, some 30 countries contributed with an 84% participation rate, on a constant upward trend (80% in 2018, 76% in 2017). 71% of employees felt Groupe SEB was a good place to work (i.e. 7 points above the industry average) and 73% of them said they were proud of working for the Group. On over 90% of the criteria looked at, the results of the 2019 survey were better than the aggregate results across the Group over the past four years, showing the effectiveness of the measures put in place.

In fact, based on the detailed results of the survey, each entity puts in place an action plan to improve its weak areas, by actively involving the teams. The best improvers in 2019 were three Central European countries (Bulgaria, Hungary, Slovakia), which were up over 20 points, with over 80% of employees broadly satisfied. In 2018, **Austria** had improved 13 percentage points (overall satisfaction level of 92%). In France, the 2016 survey revealed that employees felt that there was a lack of recognition from some teams for the work that they have done. The Group had thus responded by introducing a profit-sharing system for people not receiving a bonus. As regards the areas that still require improvement, employees surveyed in 2019 referenced skills training and development, individual recognition and managerial coordination.

ACTION PLANS WORLDWIDE

Managers get involved so that actions ultimately improve employees’ perceptions. In **France**, for example, managers are encouraged to take their team’s pulse regularly and put in place an appropriate progress plan. Since 2020, the Group has given managers a simple, fun tool to conduct anonymous mini surveys with their employees: *Bloom@ work*. It takes the form of a quiz on ten topics (atmosphere, team spirit, relationship with manager, recognition, training, working conditions, etc.) and is offered once or twice a month. The results are shared with the team so that practical steps can be taken. The actions carried out by subsidiaries to improve the Quality of Life at Work differ according to local priorities but there are some common themes. Thus, to enable a better **work-life balance**, more and more entities are adopting flexible working hours and facilitating tele-commuting.

Many of them are also are placing an emphasis on **health** (although the proposed activities were frequently put on hold in 2020 because of Covid-19). In the **US**, the Living Healthy program is led by the Well-being committees and has more than 100 initiatives, such as weight-loss competitions, online stress management seminars, sports activities, healthy cooking workshops, help to give up smoking, etc. In **Mexico**, the subsidiary is helping employees to become more physically active (deals with sports clubs at discounted rates). It has set aside a relaxation area and offers massages, something that is also offered in **Korea**. **Poland** also pushes the adoption of a healthy lifestyle with its Get healthy, stay healthy program, which includes among other things a sports challenge per team. **Colombia** has developed a well-being at work improvement plan named “*Groupe SEB te consiente*” (Groupe SEB takes care of you) along three main lines: “care for myself, other people and the world around me”.

The Great Place To Work Institute recognizes certain entities with good scores through its Best Workplaces award. As such, in 2019, the entities in the UK, Portugal and Spain made the national rankings. In 2020, the entire Groupe SEB was ranked among the 25 best workplaces in Europe in the multinational company category.

COLLECTIVE AGREEMENT IN FRANCE

A **collective agreement** on Quality of Life at Work was signed in France. First signed in 2016, it was renewed in 2019 and goes hand-in-hand with action plans in each Group entity. From the outset, this agreement has led to the introduction of various measures such as tele-commuting, which has been a real success with employees and repeatedly became the default mode of working in 2020 as part of measures to halt the spread of Covid-19. The actions taken also include a social assistance hotline rolled out to all the sites, and, at some sites, physiotherapy, osteopathy and occupational psychology services, as well as easier access to intercompany nursery facilities and the offering of concierge/personal services. Another tool viewed very positively by its users is the telephone support service for employees and their spouses who are caring for an elderly or disabled loved one (MyPrevention).

The latest version of the agreement contains a number of areas for improvement: increase in the Group matching contribution for the sharing of days off (solidarity between employees), more accurate guidelines on the right to log off and meeting times, additional breaks in the event of extremely warm weather in places where plants are located, etc. With respect to break rooms, washrooms and locker rooms, improvement works continued in 2020 particularly for production employees. Several sites have also improved green spaces near buildings, as Saint-Lô has done recently, for instance.

HEALTH/SAFETY

GROUPE SEB 2023 TARGETS

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

Taking action to combat Covid-19

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

Rigorous health protocol

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

The measures implemented focused primarily on:

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

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

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

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

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

The health and safety policy draws on a **global network of 35 Environment, Health and Safety (EHS)** Coordinators, who cover all of the plants and logistics sites (more than 40) in 13 countries. In 2020, they met remotely (via Skype or Teams) on a monthly basis for teams in France and quarterly for other sites around the world. These annual meetings make it possible to strengthen the international dynamic of the network, something that is also supported by the Yammer community. By the end of 2019, the Group's health and safety management system had become OHSAS 18001 certified (all of the Group's industrial and logistics entities are certified). In 2020, the Group "switched" to ISO 45001 as part of a major transition project aimed at addressing the differences between the two systems. All sites have implemented a specific action plan. Those that needed to be audited in 2020 (by the firm DNV) all passed their audit in the last six months of the year and all received positive results. The Group is now ISO 45001 certified.

ISO 45001 Certification

(Worldwide)

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

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

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

Safety

Groupe SEB's approach to Safety is reflected in its worldwide Safety in Seb program. It places special emphasis on the involvement of employees as participants in their own safety. At the plants, for example, safety is one of the points that is reviewed daily by the production teams as part of the OPS (Operation Performance Seb) initiative, via Frequent Events. All accidents occurring within the Group are summarized monthly in a newsletter sent to all managers (including the Executive Committee) and the Health and Safety community.

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

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

SAFETY STANDARDS

In 2019, the Group continued the worldwide roll-out of its **safety standards and the accompanying recommendations**. The safety standards formalize the Group's minimum requirements, above and beyond compliance with national and international regulations. These standards are incorporated into safety management procedures and are written in English, French and Chinese. They apply to all teams worldwide. Some standards concern safety organization and management, while others target the prevention of specific risks. Internal audits are conducted to ensure their application. At year-end 2020, 24 standards were operational, the most recent ones covering the assessment of chemical hazards and the management of outside companies. Two of these standards, one covering noise and the other covering the assessment of occupational hazards, have been updated. Battery storage was also the subject of a new recommendation.

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

FEEDBACK

Safety-specific checkpoints have been incorporated into day-to-day field visits by local managers worldwide since 2018. This feeds into the Safety pyramid, a tool designed to detect hazardous situations ahead of time to quickly remedy them so as to anticipate accident risks. In 2020, these visits placed great emphasis on the prevention of risks associated with Covid-19.

No initiative is off the table when it comes to raising the alarm: in Colombia, for example, the plants created a mobile app to encourage the teams to report safety risks and environmental hazards.

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

Any accident where feedback can be helpful to the action plan is communicated to all managers and to the Groupe SEB safety community – the safety vigilance Flash system. In 2020, emphasis was placed on the "action plan" component of this system with a view to increasing efficiency and facilitating its implementation at the various sites.

Having noted that 40% of accidents are linked to non-compliance with rules, in 2018 the Group reviewed the definition of the "mandatory rules" required at each plant and logistics site and on the Seb Campus (Group HQ), to make them more precise and better suited to the reality on the ground. Developed together with the operating teams, the new mandatory rules are now defined per business. Their review was completed at year-end 2019, and they have applied everywhere since the beginning of 2020. These supplement the six universal golden rules that are designed to ensure that everyone within the Group contributes to the safety of all. The golden rules, illustrated through a cartoon, are available in 10 languages.

ALL AFFECTED ENTITIES

The Group's safety culture is in action at tertiary (office) and commercial entities (stores). The golden rules are systematically communicated and some sites have introduced their own unbreakable rules. These entities are also part of the safety vigilance Flash system. In 2019, the Health and Safety Department worked with the Retail Department to improve the safety of store personnel (nearly 500 points [Number to be specified by Retail Department] of sale affected). The corporate actions taken include the installation of a safety update quarterly between the two teams, and the inclusion of a special chapter on safety in the new store design guide.

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

Health

(**Covid-19**: see pages 146 and 157)

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

HEALTH IN SEB

The Group's international health plan, Health in Seb was launched in 2016. It started with an analysis of all the plants to identify the main health risks (dust, noise, repetitive work, etc.). This inventory was used as a basis for the creation of Group standards and to define health targets, accompanied by monitoring indicators. This is particularly true of **ergonomics** where the indicator measures improvements that are deemed significant using specific analysis methods, scoring grids, a decision-making tool developed by ergonomists and the person's experience. Every industrial and logistics site around the world has the objective to improve the ergonomics of 25% of its workstations every year.

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

EFFORTS TO COMBAT MUSCULOSKELETAL DISORDERS (MSDS)

Every French plant and logistics site has a Steering Committee for Musculoskeletal Disorders and one or more **MSD Specialists** who ensure that risks are taken into account upstream, at the product design stage, and downstream, by amending hard-pressed workstations. At year-end 2020, the Group had 55 MSD specialists in France with 13 trained new recruits among the operators and employee representatives.

In 2019, a France Health network was launched with a seminar at Seb Campus that brought together MSD specialists, occupational physicians, nurses and ergonomists from various sites along with the Health and Safety department. Over two days, they shared and discussed best practice and areas for improvement. Ergonomic improvements of workstations, training and staff rotations, warm-up and cool-down exercises, as well as a quick response whenever an employee indicates discomfort while working are all actions that help prevent the emergence of MSDs. The France Health network met again (remotely) at the end of 2020 for another session to share and discuss approaches and developments.

PSYCHOSOCIAL RISKS

As part of the prevention of **psychosocial risks**, in 2019 Groupe SEB developed a training program on the theme of "Stress and well-being at work: know, detect, act" for several hundred managers in France (Management Committees of sites and managers of Campus Seb). The goal is to help detect signs of stress as early as possible and to in turn adopt the correct behavior, not only for themselves but also for their teams. Four pilot sessions were run in 2019, and the program started being rolled out in 2020. Despite the public health situation, 66 managers were able to take this training, which will continue to be run in 2021.

Once again with respect to psychosocial risks, in 2012 Groupe SEB set up a counseling office in France, outsourced to the specialist firm Turka. The aim is to offer assistance and support to any employee who becomes the victim of or witness to such situations as harassment, discrimination and workplace violence or the stress resulting from them. The employee may remain anonymous if he or she wishes. In any event, the Turka counselor assists the employee and/or puts them in contact with the person in the best position to help. In 2020, 69 employees contacted the counseling office, which is less than the national average according to Turka.

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

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

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

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

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

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

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

France LTIRi = 5.9

WMF LTIRi = 2.41

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

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

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

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

Finally, Groupe SEB recorded a total of 94 work-related accidents with days lost, and 103 accidents without lost days in 2020, including temporary workers.

The Group's results once again reflect improved performance. Thanks to the multiplication of global prevention efforts, standards and tools, Groupe SEB recorded 47 fewer accidents with time lost than in 2019, a reduction of 33%, and 88 fewer than in 2018, including temporary employees. The Health and Safety department has been closely monitoring entities with the largest number of accidents since 2018. These entities are required to implement an enhanced action plan with a regular review with local management and the Executive Vice-president, Industry.

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

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

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

Groupe SEB is aware of the importance of the issue of occupational illnesses, especially Musculoskeletal Disorders (MSDs), and has taken health measures in France, such as ergonomic improvements to workstations on production sites, with the introduction of an indicator monitored monthly, training in manual handling, for example, staff rotations where this is permitted by the organization of the workstation, warm-up and stretching exercises and a quicker response when an employee reports that they are experiencing pain. Several sites in France also pay for visits to a physiotherapist and offer a hotline to an osteopath.

GLOBAL SOCIAL PROTECTION FLOOR

GROUPE SEB 2023 TARGETS

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

Social protection

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

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

A third pillar is being defined for roll-out over 2020-2023.

Every permanent employee, regardless of his/her country and level, will benefit at least from the coverage of this global base. The implementation of the three pillars will extend until the end of 2023. This life insurance has already been in effect since 1 January 2019, with the exception of the entities that were not in the 2016 feasibility study, but will be covered by 2024.

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

Payroll and charges

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

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

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

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

Statutory and discretionary employee profit-sharing

In the area of profit sharing, Groupe SEB has been a pioneer: for over 50 years it has tied employee pay to the company's financial performance and does so in most countries in which it operates. In France, 50% of the total bonuses paid by the Group is distributed evenly across all employees in France. In addition, since it was listed on the Paris Stock Exchange in 1975, the Group has had employee shareholders. Since then, it has implemented 15 employee shareholding programs, gradually extending beyond France starting in 1992. The last program, in July 2019, covered 34 countries and the plan was taken by close to 4,200 employees (23% of the eligible employees).

(France)

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

In 2020, the amount paid in profit-sharing and bonuses amount to €24.1 million. Please note that figures include the employer's social tax contribution.

TRAINING AND SKILLS DEVELOPMENT

Training is key to skills development for all employees. The **Learning and Development department** develops and delivers Group training programs that correspond to the challenges faced by the businesses, the company's strategy and employee development objectives. This range of training opportunities is supplemented by training programs organized at local level, particularly at industrial sites.

Jointly developed training for businesses

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

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

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

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

Highlights of 2020

Open-access digital learning: This offering has expanded considerably, particularly at the end of the year thanks to a new partnership with a specialist provider (Edflex). Edflex offers training modules selected from the best on the internet, covering a wide range of topics and delivered in all formats (a new feature), such as videos, podcasts, in-depth articles and MOOC [1]. These different forms of content allow trainees to learn flexibly and potentially in very short periods (quick learning). At year-end 2020, the Group's 11,000 or so connected employees had accessed these quick learning modules via the HR *iGrow@Seb* portal, the majority of which are available in several languages.

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

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

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

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

2020 also saw the international roll-out of the digital onboarding scheme, "**Around Groupe SEB in 80 days**". It is targeted at all connected employees worldwide (excluding Supor and WMF). Available in five languages and fully automated, it helps employees during their first months at the company: information about the Group, tips to help fit in, self-awareness tools, mandatory training, etc. It supplements local onboarding schemes.

(1) Massive Open Online Courses.

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

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

Training (workforce and training hours)

(Worldwide)

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

(a) Excluding GS Belgium.

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

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

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

Training budgets

(Worldwide)

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

(a) Excluding GS Belgium.

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

LEARNING AND DEVELOPMENT (L&D)

(Worldwide, excluding WMF and EMSA)

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

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

ABSENTEEISM RATE

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

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

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

Overtime

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

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

For the Chinese subsidiary Supor, these figures reflect the local context, where work is highly seasonal, and there are pressures on the recruitment of labor in eastern China. France accounted for 54,812 hours of overtime (equal to 30 full-time equivalent jobs).

Given the diversity of the Group's sites and local regulations governing working time, Groupe SEB's aim is not to exceed 48 hours in a standard working week and 60 hours including overtime. Every employee must also have at least one day off each week, except in exceptional circumstances, as explained in the Group's Code of Ethics. Groupe SEB is actively working to achieve these objectives, particularly in its Chinese plants.

EXTERNAL LABOR [(a)]

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

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

(a) Temporary full-time equivalent employees.

A CORPORATE CITIZEN

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

CORPORATE PHILANTHROPY AND SOLIDARITY: LOCAL COMMITMENT, GLOBAL DYNAMIC

GROUPE SEB 2023 TARGETS

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

Combating exclusion

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

The Group formalized and clarified its corporate philanthropy policy in a document disseminated in 2017 to all the Corporate Philanthropy Correspondents (one correspondent per subsidiary). This document sets out the corporate philanthropy mission and strategic focuses, the participants involved (subsidiaries and Fonds Groupe SEB), their roles, and the various possible forms of contribution. These include financial donations, donations of products, philanthropy based on providing expertise, and cross-partnership or cause-related marketing campaigns. To encourage employee involvement, the subsidiary may give every permanent employee one day a year of working time to work on a public interest project linked to the fight against exclusion.

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

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

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

Total corporate philanthropy expenses

(Worldwide)

(in €)	**2020**	2019	2018
Financial donations	2,068,227	2,432,811	2,345,656
including Fonds Groupe SEB	*448,889*	*500,000*	*345,000*
Product donations	1,288,761	614,697	561,944
including Fonds Groupe SEB	*188,539*	*199,970*	*356,142*
TOTAL CORPORATE PHILANTHROPY EXPENSES	**3,356,988**	**3,047,508**	**2,907,599**

Overall, the Group allocated €3.36 million to corporate philanthropy activities in 2020, an increase of more than €309,000 (+10.2%) over 2019. This rise is due to a significant increase in product donations, which were gifted to help healthcare organizations responding to the pandemic in many countries where the Group operates, resulting in an increase of more than €674,000 (+110%). Priority was given to product donations over financial donations, which were down €364,000 (-15%). The financial donations include donations to public-interest organizations and cross-partnerships that are more like sponsorship, having a strong impact for the brand or company in terms of communications or public relations. Cause-related marketing products, where a product is sold and part of the proceeds go to charity, are an example of cross-partnerships. Donations of less than €10,000 for a single public-interest organization are reportable.

Local initiatives

SOLIDARITY DURING THE COVID-19 PANDEMIC

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

HELP FOR HOSPITALS AND HEALTHCARE PROVIDERS

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

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

ENLISTING HELP FROM THE GROUP'S INDUSTRIAL BASE

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

SUPPORTING VULNERABLE PEOPLE

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

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

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

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

CHARITY WEEK

Every year, Charity Week, which is coordinated by Fonds Groupe SEB, is an eventful time for teams worldwide as they get involved in local community actions. The 2020 edition, on the theme of "**Working together to combat exclusion**", was adapted to take account of health restrictions. It took place over a longer period (end of 2020/early 2021) with different setups (fewer in-person activities), but our solidarity was as strong as ever, even more so, in fact. Employees from 65 sites and 41 countries (increased numbers) took part in a wide variety of actions. Each entity was able to share its initiatives with the whole Group thanks to the Charity Week community on the internal social network Yammer.

The bulk of sites organized **collections** of food, toys and clothing to hand out to those who need them most. They also competed to come up with the best ideas to raise funds for local associations: sales of home-baked cakes and cards designed by the employees' children, competitions, raffles, auctions, etc. In some countries, the funds raised by employees were topped up with contributions from the company. Several subsidiaries reserved a portion of the income from selling Group products to staff and used it to support community initiatives, often for organizations chosen by employees.

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

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

3

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

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

THE SUBSIDIARIES COMMIT

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

In **China**, since 2006, Supor has pressed ahead with a vast construction program, **building schools** for disadvantaged children in rural areas. Since the start of the project, 24 schools have opened (including one in 2020 in Guizhou) giving over 20,000 children the opportunity to go to school. Three new schools are being built. In addition to funding schools and organizing training sessions for teachers, this program supported the organization of e-learning courses in 2020. This program asks employees to volunteer through leadership, learning support and book donation initiatives, including in particular during Charity Week. In 2020, eight employees spent several days with the children at the new school in Guizhou.

In **Nordic countries** (Sweden, Denmark, Norway and Finland), Groupe SEB continues the partnership begun more than 10 years ago by OBH with the Star of Hope organization, which works on education, healthcare and food for orphans. The four subsidiaries are currently sponsoring 30 children in the Philippines, who receive support until they reach adulthood. They receive individual financial support and school books, food products, leisure activities, etc.

In **Brazil**, in 2019 Groupe SEB partnered with the Gastromotiva association to train marginalized young people in the São Paulo region in the cooking and restaurant trades. The goal is to help them develop their own business while providing a community service. Efforts to combat food waste are central to this training, which runs over several months and to which volunteer employees contribute as speakers. In addition to financial assistance and employee involvement, the Group also donated small electrical appliances to Gastromotiva. In 2020, 58 people aged 18 to 35, more than half of whom were women, were trained with the Group's support: 29 on professional cooking skills and 29 on how to manage a restaurant business.

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

CAUSE-RELATED MARKETING PRODUCTS

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

Fonds Groupe SEB

Aside from its duties leading and coordinating the annual Charity Week and its role advising on and steering the subsidiaries' corporate philanthropy initiatives, Fonds Groupe SEB provides financial support for various projects combating exclusiveness, mainly in France. In 2020, Fonds Groupe SEB supported 23 projects from a support budget that amounted to €583,000 in cash and €100,000 in product donations.

Governance and operation

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

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

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

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

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

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

PROJECTS SUPPORTED

Since 2007, the Fonds has supported 458 projects in France aimed at “better living for all”, conducted by charitable organizations with which it has close links, such as Emmaüs Défi, Agence du Don en Nature (ADN), Énergie Jeunes, Institut Télémaque and others.

Education, training

Énergie Jeunes, for example, works to encourage children to continue with their studies at priority assisted schools in disadvantaged areas through input from volunteers primarily from the corporate world. These volunteers instill in young people the desire to learn, using highly interactive teaching methods. Since 2013, around 20 employees have taken part in initiatives in the Lyon, Isère and Burgundy regions and since 2019 in Haute-Savoie (Rumilly). The arrangement has proven to be highly effective: a study (2016) has shown that high school students who take part get much higher grades than other students.

Also in the area of education, the Fonds has supported **Institut Télémaque** since 2011 and acts as the President of the Rhône-Alpes branch. The organization works with deserving and motivated young people from modest backgrounds until the age of 18, through a school corporate mentorship program. In 2020, 15 Group employees acted as tutors to one young person each to help them prepare for the future. In order to facilitate employee engagement with these two associations, the Group gives them four half days a year out of their working time to help young people.

SOCIO-PROFESSIONAL INTEGRATION

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

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

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

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

HOUSEHOLD EQUIPMENT

In the area of household equipment and providing access to a healthy diet, the Fonds renewed its support, in 2020, for the **Agence du Don en Nature** (ADN – the Agency for Donations in Kind), of which it has been a founding member since 2008. The ADN collects new, unsold non-food products from manufacturers for redistribution to organizations assisting people in difficulty. Since its inception, support for the Fonds has translated into the donation of 296,000 products, financial assistance totaling €255,000, and the provision of skills.

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

INVOLVING EMPLOYEES

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

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

A RESPONSIBLE PARTICIPANT IN THE ECONOMY

Social and solidarity economy

Groupe SEB fulfills its economic and social responsibilities in the regions where it is located. In addition to the jobs it generates, it supports the development of local businesses, especially players in the non-profit and social sectors: company providing work to people with disabilities, sheltered employment center, welfare-to-work company, welfare-to-work temp agency, etc. Whenever possible, it favors the use of companies that support disadvantaged people looking for employment. Social clauses have been added to calls for tender to extend this responsible purchasing policy (see page 144). At the local level, a lot of the Group's sites are already working towards this goal.

In **France**, for example, 10 companies from the protected sector (companies providing work to people with disabilities and sheltered employment centers) work at **Seb Campus** in Écully in catering, cleaning, hospitality, maintenance of green spaces, etc. The head office strengthened its partnership with Handishare, a company providing work to workers with disabilities, for subcontracted Human Resources services (processing job applications, recording training data, digitizing files, concierge service hotline, etc.) and general services. In 2020, the Group tasked Handishare with helping HR go paperless at 11 French sites. The **Lourdes** production facility is also taking action to promote social inclusion. It has a long working relationship with Adapei (Association départementale de parents et d'amis des personnes handicapées mentales) on sub-contracting. This partnership was strengthened in 2016 with the addition of a sheltered employment workshop on the site providing greater proximity between employees and workers with disabilities (between 8 and 16 workers as the case may be). In 2019, the site took a further step when it awarded Adapei the catering contract for site employees. The association also helps maintain the green spaces and prints the in-house newspaper. At **Pont-Évêque**, the plant subcontracts the assembly of plastic parts, labeling and product packaging to the Ateliers de l'Isère Rhodanienne sheltered employment center, representing around 30 people on a full-time equivalent basis. The **Faucogney** site also made extensive use of welfare-to-work associations for the packaging of spare parts and accessories, generating around 36 full-time equivalent jobs. The **Is-sur-Tille** plant has worked for many years with Groupe Coopératif Demain, a company specifically specializing in recycling that has over 140 employees, around half of whom are part of an inclusive employment program.

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

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

In **Colombia**, the Group works through its Imusa brand to support *tinteros* who live and work in impoverished conditions. These street vendors of coffee and snacks are Group customers because they mostly use Imusa vacuum flasks. To help them, Groupe SEB Colombia's teams have designed a model for them that is better suited to their need to keep the coffee hot for as long as possible, as well as a special trolley to transport them and a folding chair. Through its *Tinteros de corazón* program, the Colombian subsidiary also takes various steps to improve their circumstances. It particularly offers them training on the management of their activity and health and safety. Following each course, the tinteros are invited to visit the Rionegro plant where the vacuum flasks are manufactured. Every year, *Tintero's Day* is an opportunity for Imusa teams to show solidarity with the *tinteros*, for example by providing school supplies. In 2020, they were given hundreds of food packages to help make their food supply more stable, which had been severely hit by the health crisis. Imusa has been supporting some 2,000 tinteros and their families for many years.

Local roots

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

More generally, the Group is an active member of the community in every region in which it operates. It maintains a number of links with local operators, and particularly with educational establishments, providing classroom talks and inviting students to take part in site visits or work experience programs. In the US, for several years the Canonsburg (All-Clad) plant has been working with three high schools on manufacturing and engineering-related topics. Students analyze the site's complex issues, look for alternative solutions and make recommendations. This initiative, which benefits dozens of high school students every year, won recognition for the Canonsburg site at the 2015 Champions of Learning Awards, held in Pennsylvania by the Consortium for Public Education. In Germany, WMF has a partnership with the University of Geislingen in areas relating to eco-design and sustainable development.

Groupe SEB regularly takes part in discussions on social issues, such as food, health, inclusion and the circular economy. These are topics that are handled by its Sustainable Development and Research and Development teams (see page 171).

3.8 Sustainable innovation

OFFER PRODUCTS AND SERVICES THAT ALLOW CONSUMERS TO MAKE SUSTAINABLE CHOICES

SUSTAINABLE INNOVATION AND RESPECT FOR CONSUMERS

INNOVATION AND SUSTAINABLE DEVELOPMENT

Since the outset, Groupe SEB has always placed innovation at the heart of its strategy, in order to better meet and anticipate consumer expectations (see page 27). Innovation also helps consumers move towards more responsible habits, an idea that increasingly strikes a chord with many consumers, especially in terms of food, health and ecological footprint. This convergence between innovation and sustainable development has become a reality within Groupe SEB. Sustainable innovation was also the theme of the Research department's seminar at the end of 2019.

A STRATEGIC APPROACH

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

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

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

The *Home For the Planet* project began in autumn 2019. In 2020, the creative marathon for personal care produced some 20 concepts, eight of which were selected for their energy efficiency, modularity and low-tech specifications (frugal innovation without compromising on the service provided). The concepts will be refined and tested with consumers in 2021. In terms of linen care, the creativity sessions confirmed the relevance of the new concepts already included in the Research road map and helped to enhance some of them.

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

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

FLEXIBLE METHODS

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

SEBLab plays a central role in speeding up innovation: it establishes and coordinates a series of tools and methods tailored to the various types of projects and their stage of progress. In 2019, it strengthened these resources by adding the BiiS (Boost innovation with a Social impact), representing an experimental approach that originally focused on social innovation. This approach, renamed Boost, now applies to any Group innovation project that requires a preliminary exploratory phase. It uses a start-up type approach: multi-disciplinary team following a user-centered (design thinking), pragmatic (test & learn), iterative approach with regular validations (scrum), etc. Other methods such as Sprint focus more on agility and acceleration.

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

COLLABORATION AND PARTNERSHIPS

Group innovation also draws on external collaborations, particularly through collaborative research programs in which public and private partners share their skills to achieve a common target. This is particularly the case with the challenge of eating healthy and sustainable food (see chapter Cooking for good, page 175). This open innovation also includes start-ups, in which the Group acquires stakes through the Seb Alliance Fund (see page 28). It invests in emerging businesses that offer disruptive technologies and/or new business models. The sectors targeted match the Group's strategic areas of innovation.

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 SEBLab, launched the All Innovators Challenge in 2017, inviting all staff to put forward product and/or service innovation ideas related to the Group's business. Following an initial test edition on the Écully Campus in 2017, the challenge was extended to all the French sites in 2018. Of the 476 ideas put forward in 2018, five winning projects were chosen by an innovation panel following a vote by employees plus selection by a preliminary assessment panel consisting of Research and Marketing managers. The winners refined their ideas in 2019 with the support of SEBLab. Of the 11 winning projects over the first two years, over half are linked to sustainable development (energy saving, waste reduction, healthy sustainable eating, etc.). In 2020, three were in development and one was already on offer to consumers: nine low-sugar gourmet recipes were added to the Cake Factory app. After a year's break in 2020 due to Covid-19, the All Innovators Challenge will resume in 2021 and will be organized at European level.

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

RESPECT FOR CONSUMERS

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

QUALITY

Groupe SEB's **Quality Management System** (QMS) describes the steps to be taken, at every level, to ensure the quality of products and related services. The QMS covers all Groupe SEB activities, processes and sites throughout the world. Every operation, site, function and employee is responsible for the quality of the work performed and for compliance with the rules contained in the quality assurance documentation. Regular examination of the various components of the System during management reviews makes it possible to check the efficiency of Group processes and to manage the actions needed for the ongoing improvement of product and process quality. The quality management system is described in more detail on page 61.

Testing at all levels

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

For **endurance tests**, products are subjected to an intensive sequence of operating cycles in standard conditions of use, which may be spread over several weeks, without interruption. For example, at the Shaoxing (China) site, endurance tests on blenders in 2020 involved over 250 products, with each being tested over an average of 910 cycles. Meanwhile at Pont-Évêque, over 300 steam generators are tested over 1,000 cycles each on average over a full year.

Other tests cover shock resistance, functionality, behavior in a wet environment, but also the performance of packaging that must protect product integrity from the factory door to the consumer. The surge in e-commerce is increasing single shipments and creating more constraints in terms of packaging. In 2019, the Group invested in new packaging test equipment at its laboratory in Saint-Priest (France). The equipment played a role in approving new packaging that was developed specially to meet the requirements of e-commerce (see page 191 – Eco-packaging).

Commencement of **new product** manufacturing is preceded by a Pilot Run Validation. This involves the pre-production of an additional 100 or so products, with extremely demanding quality criteria, so as to secure the launch of the product and reduce the scrap rate as much as possible. In 2020, 84% of these pre-production runs were deemed "good the first time round" compared to 61% in 2014, highlighting the progress that has been made in the upstream development phase. During production, accelerated operating tests (short live tests lasting a few days) are carried out on randomly selected products to identify any faulty components that may have slipped through the quality control conducted by the supplier.

Rate of returns falling

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

For innovative products, the Group conducts tests in the homes of volunteer consumers to take all possible methods of use into account, even the most unlikely ones. Finally, it takes monitoring measures and proactive steps to raise quality standards in the interests of consumers (see page 61).

PRODUCT SAFETY

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

HARMLESSNESS AND UNPOPULAR SUBSTANCES

With regard to product harmlessness, the Group is particularly vigilant when it comes to selecting component materials, going beyond regulatory requirements.

As part of its commitment to quality, the Group has introduced a "Tefal commitment" notice which has been on **Tefal/T-fal non-stick cookware** for several years. The Group guarantees the safety of its cookware for consumers:

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

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

FEEDBACK AND SERVICE

Call centers and after-sales service

To answer consumers' questions, Groupe SEB has **multi-channel contact centers** (telephone, email, brand websites, social media, etc.) in most of the larger countries. To improve service across all markets, since 2014 it has had multi-country call centers. In 2019, it continues to expand the Sofia call center, which now covers Slovenia and nine other countries in Eastern and Central Europe, Australia and New Zealand. This center has a team that is able to respond in every language within the countries in question and to cater for the various time zones. A second multi-country call center has been up and running in Lisbon since 2016 for Spain and Portugal. In France, Groupe SEB has consistently won "Customer Service of the Year" for its quick responses and the quality of its customer relations on all communication channels.

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

The after-sales service of Groupe SEB aims to ensure the proper application of its reparability policy. To this end, it relies on a global network of approved repair centers, which are trained and supported by local Group teams (see page 183).

(1) PFOA: perfluorooctanoic acid.
(2) Restriction of the use of certain Hazardous Substances.

Inform the consumer

Keen to help the consumer in all circumstances, the Group continues to expand the services it offers. It continually does new product use and maintenance **videos** (on average, 3-4 a month), which are posted on YouTube and can be accessed via the brand websites.

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

COOKING FOR GOOD

MAKE HEALTHY AND TASTY HOMEMADE FOOD ACCESSIBLE TO EVERYONE

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

MAKING HOMEMADE FOOD EASIER FOR EVERYONE

GROUPE SEB 2023 TARGETS

- One program to make homemade food accessible to everyone

Nutritionists all agree: reducing our intake of ultra-processed food and eating homemade dishes, where possible using fresh ingredients, plays a significant part in improving health. Nine out of ten French people think that "cooking healthy, balanced meals" and "sharing meals with family or friends" are the activities that contribute the most to their well-being [1]. At the same time, however, 50% of them say they don't have the time to prepare meals. By their very nature, the Group's products and services make home cooking easier thanks to solutions that simplify life, save time and help produce recipes that allow people to eat well and enjoy their food. The Cook2Health European program confirmed that using the Group's connected products had a positive impact on health (see page 177).

Innovation supporting healthy eating

Over the years, thanks to its innovations, the Group has proven that home cooking does not need to be complicated or time-consuming. For example, the famous Super Cocotte Seb pressure cooker (1953) was the first in a long line of pressure cookers, including Nutricook and its four cooking programs that preserve vitamins and other nutrients. More recently, in 2012, Cookeo enabled time-strapped cooks to put together dishes quickly, with hundreds of step-by-step recipes that could be made in less than 15 to 20 minutes. To date, 2.8 million have been sold in France. Cuisine Companion then raised the bar even higher: as well as cooking, it makes the preparation of ingredients, pastry or sauces easier, using a range of accessories for chopping, mixing, beating, kneading, grating, etc. Now connected, all these products are continually receiving digital enhancements, to offer consumers an infinite quantity of recipes and a variety of delicious meals.

Homemade food at the heart of many activities

In many countries, Group subsidiaries are organizing events to promote home cooking. In France, *Le Grand Live* 2020 by Moulinex gave more than 330,000 people the chance to watch chefs live, including the very popular Cyril Lignac, as they created dishes with Cookeo and Companion. The event, which took place across social media and on the moulinex.fr website from November 2 to 8, was shared by retailers and generated nearly 20,000 live comments. Also available on catchup online, it reached nearly four million people in just a few weeks. Another example: in 2019, Groupe SEB Korea ran such an event at the cooking studio of the public television station KBS. Two star TV chefs shared their experience and cooked recipes with Tefal products in front of 120 people including influencers, journalists, aspiring chefs, etc. The homemade message was spread through 90 articles and photo features in the large national dailies and through various sponsored messages on Instagram and YouTube.

Seb, Tefal and Moulinex sign up to the Malin Program

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

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

Products at affordable prices

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

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

HEALTHY, TASTY MEALS

GROUPE SEB 2023 TARGETS

- A "healthy and sustainable eating" Charter for recipes accompanying products

A healthy and sustainable recipe Charter

To tackle the double challenge of providing healthy food that has a lower environmental impact and the need to feed 10 billion humans by 2050, a dietary transition is required particularly in Western countries. Amongst these necessary changes, experts are recommending that fruit, vegetable and pulse consumption will need to double in tandem with a reduction of over 50% in animal protein consumption [1]. Aside from the positive health effects, the adoption of a **flexitarian diet** [2] reduces the carbon footprint by over 40%.

To support this movement, in 2019 Groupe SEB finalized a "Healthy and sustainable recipe Charter". More vegetables, cereals and pulses, less meat, limited amounts of fat and salt and no overly processed ingredients are the broad guidelines of this Charter. What this means in practice is managing the number of portions per person, limiting quantity and prohibiting certain ingredients. It was developed by the Food Science and Sustainable Development teams on the back in particular of the **recommendations of the National Health and Nutrition Program** (PNNS – France) and on the expertise of a dietitian and a chef active in this area.

TOWARDS INTERNATIONAL EXPANSION

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

AN AMBITIOUS OBJECTIVE IN FRANCE

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

Solutions combining products and services

Eating quality food is the key focus of the Group's brands, which develop new solutions to promote healthy eating and enjoy food at the same time. Here are some examples.

TEFAL

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

In electrical products, the Actifry 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 Actifry** application. As well as providing "step by step" help to make dishes successfully, it also offers several hundred recipes so that people can vary their menus and enjoy a healthy, balanced diet. It encourages consumers to eat fresh produce, particularly fruit and vegetables. In 2019, tips for healthier food and lifestyles were added to My Actifry that evolves over the seasons.

(1) The EAT-Lancet Commission Summary Report "Food Planet Health" published in January 2019.
(2) A flexible vegetarian diet (or semi-vegetarianism).

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

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

MOULINEX

The iconic "homemade" brand, Moulinex has strengthened its support to help consumers move towards better diets by offering services related to its connected products. In 2019, the new **Healthy** functionality was added to the ***Cookeo*** multi-cooker app, providing detailed nutritional information on recipes made using the appliance. It classifies recipes into food groups – vegetables, animal proteins or starches for example – indicating the number of daily portions they offer. In 2021, Cookeo Healthy will offer a nutritional coaching service: depending on goals set by the user (eat less meat, more vegetables, more balanced, etc.) and their tastes, the app will recommend a tailored selection of recipes to help them reach their goal.

Moulinex also reinvented steam cooking with **Steam'Up**, launched in 2019. With Steam'Up, reverse steam cooking technology makes it possible to blend and retain flavors, taking steam cooking upmarket and allowing users to make dishes that are both healthy and tasty. The appliance's dedicated app always features ways to enhance the recipes.

SUPOR

Supor has also developed innovations for cooking rice in a healthier way: **Healthy & Tasty** cooks rice in two stages with a system that results in 20% less carbohydrates than traditional cooking. This new procedure has particular appeal in terms of preventing diabetes and obesity, especially in Asia-Pacific where 90% of rice production and consumption is concentrated. Healthy & Tasty was launched in 2019 under the Supor brand in China and under the Tefal brand in Malaysia, Hong Kong and Singapore.

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

Collaboration and partnerships

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

COOK2HEALTH EUROPEAN PROJECT

The Group is participating in the *EIT Health* European program on the subject of "Healthy living and active aging". In this regard, it coordinates the Cook2Health project (2016-2019), run alongside academic partners (Université Grenoble Alpes, Aberystwyth University and the University of Barcelona), physicians, dietitians and digital players. This unique clinical study was conducted with a large panel of people in France and the United Kingdom. Its results showed that regularly using connected kitchen appliances had a positive impact on health (monitoring of 30 health parameters). The volunteers were equipped with the Seb fryer Actifry and the Moulinex multi-cooker Cookeo, combined with an app featuring 500 recipes and a personalized nutritional coaching service. The results showed that 43% of people using Groupe SEB products ate more healthily and changed their eating habits for good.

REGIONAL FOOD TRANSITION

In France, Groupe SEB is a key partner in the "2030 Sustainable Food System" project, led by Metropolitan Dijon and selected by the State in September 2019 under the Innovation Regions scheme. This is about creating, at the regional level (23 municipalities, 250,000 inhabitants), a demonstrator showing transition to a sustainable food system: how to enable all members of a household to eat better by promoting local produce and reducing the environmental impact of the food chain? In this pilot scheme, Groupe SEB's contribution will focus specifically on making home cooking easy so that people can eat healthily and sustainably using connected products and associated services and functions (recipes, shopping lists, cooking tips, etc.), along the lines of the Cook2Health project.

FOCUS ON PULSES

Between 2017 and 2020, the Group also contributed to the Proveggas (plant protein for food products) French research program focused on pulses. These foods are attracting growing interest with a view to stabilizing, or even decreasing, the consumption of animal proteins. The program facilitated the development of processes to make pulses more appealing to consumers, through simpler preparation (faster cooking), easier digestion and improved sensory properties.

Awareness-raising actions

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

It is in this spirit that, in 2018, the Group became a partner of the "Diet, nutrition and eating behavior" Chair at the AgroParisTech University in France. This Chair develops innovative, fun food education activities using educational tools, often based on digital technologies and aimed at the wider public: millennials, families, people in precarious situations, etc. This partnership allows the Group to better understand eating habits and help households eat more healthily at home.

In 2019, the Group turned to the "Diet, nutrition and eating behavior" Chair when preparing an e-learning module for its employees on "The secrets to healthy, balanced and sustainable eating". Based on quizzes and videos, it challenges conventional wisdom, provides basic explanations on proteins, carbohydrates, fats and gives tips on eating well without harming the planet. This module was launched at the end of 2019 for all connected employees in France where it has enjoyed great success. An English version was developed in 2020 and made available to employees internationally.

SUSTAINABLE COOKING

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

Combating food waste

A growing concern in many countries, efforts to combat food waste are another area in which the Group is committed. Some products can be turned into effective anti-waste tools such as *blenders*, which allow great smoothies to be made with slightly too mature fruit and to use some fruit and vegetables whole, including the skins. The Group has created a lot of social media content on blender recipes, particularly around the new range of Perfect Mix+ blenders (recipe for chilled cucumber soup using cucumber peelings, for example).

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

RAISING CONSUMER AWARENESS

The Group's brands are involved in raising consumer awareness on how to eat more sustainably. In France, for example, Tefal works in partnership with chef François Pasteau, who promotes eco-responsible food consumption. In 2020, he appeared on the brand's social media channels in France, sharing various recipes, particularly during Sustainable Development Week. The year before, three young top chefs taking an environmentally friendly approach had been invited to cook "zero waste" recipes live on Facebook using a Seb pressure cooker (10,000 viewers). For several years now in Brazil, the Group has held cooking classes showing how to use fruit and vegetables in their entirety, including peelings.

Solutions for more sustainable everyday habits

REUSABLE STORAGE BOXES

The Group's product range also includes food storage boxes. They are increasingly popular with consumers who use them to store their foodstuffs, keep leftovers in the fridge or bring food from home.

They are also used within the Group: in Mexico, for example, the subsidiary signed an agreement with companies delivering meals to employees to eliminate all single-use plastic packaging and replace it with reusable Tefal boxes. Food retailers are also very interested in reducing disposable packaging, as seen from various initiatives launched in 2019. In Germany, the retailers HIT and Edeka provide customers with Clip&Close boxes (EMSA) for their purchases at the delicatessen counter. In France, the Vrac'N Roll start-up, a pioneer in the online sale of loose organic produce, has started using Optima boxes (EMSA) for order shipments. Stackable, strong and easy to clean, they can also be kept for re-use.

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

Another Group product range in sync with more responsible daily practices: vacuum flasks and thermo mugs (EMSA, Tefal, Supor brands, etc.) are a sustainable alternative to disposable cups and other plastic containers that pollute the planet. This goal of combating single-use plastic bottles led Groupe SEB to acquiring a stake in Castalie in 2020 through its Seb Alliance investment fund. Castalie designs and markets micro-filtered water fountains for companies and restaurants. Water is bottled on the consumer's premises in reusable containers (flasks, bottles, glasses, etc.). As a result, there are zero kilometers between where the water is sourced and consumed and zero plastic waste.

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

The environmental impact of Group products has long been part of its priorities. Two chapters in this document are dedicated to its policy in this area (see Circular revolution, page 182 and Climate action, page 187).

BETTER HOME LIFE

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

INCLUSIVE-DESIGN PRODUCTS

GROUPE SEB TARGET

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

As well as permanent disabilities, anyone, at any time of their life, might experience limited sensory, physical or cognitive ability, due to injury, illness or old age. Certain situations may also create constraints, such as a young child in arms. Whether temporary or permanent, disability can affect the sense of touch, sight, hearing, taste or speech.

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

An open source Good Design Guide

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

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

- observation: 90 hours of interviews and home testing to identify sticking points when using products;
- idea generation: three workshops, 60 participants (people with disabilities, helpers, designers, occupational therapists, anthropologists, engineers, etc.) and creativity tools to co-create solutions that help everyone;
- prototyping: bringing solution ideas to life (models and prototypes);
- evaluation of prototypes by people with or without disabilities to assess the universal added value of the inclusive product for all consumers.

The Good Design Playbook is also based on recognized standards. It is available in open-source digital format on Groupe SEB's website and on the *APF France Handicap* website. Applied to the area of small household appliances, it will not simply be a collection of best practices: it will also set out the methods and tools used to bring them out, in order to promote the expansion of good design to other sectors and other products and services.

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

Initiatives to keep up the momentum

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

- With this in mind, the immersion workshops held in 2019 to raise the awareness of the Design team regarding different forms of disability and how they affect everyday use of products should soon be extended to other teams, starting with marketing and R&D. This training was led by a coordinator from the hizy.org platform, established by Handicap international and supported by Fonds Groupe SEB, along with three occupational therapists from CRIAS (Centre régional d'information pour l'agir solidaire).
- The diversity of consumer profiles is being considered even more within the Group. In 2020, for example, it began to bring people with disabilities into the design process for its products and services, particularly in user testing. These tests are configured progressively in accordance to international standards (*e.g.* SUS score – system usability scale). Similarly, consumer panels that assess products during pre-launch previews will be expanded to include more specific profiles.

INCLUDEO, AN INCLUSIVE BREAKFAST SET

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

INSTRUCTIONAL LEAFLETS THAT ARE EASY TO READ AND UNDERSTAND

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

Although all this progress illustrates that the Group has been placing particular emphasis on accessibility since 2018, this focus is not new. The Clipso pressure cooker, which came on the market in 1994, can be opened with a single hand. Similarly, Supor designed a rice cooker more particularly tailored to older people (very visible operating lights, easy opening button, ergonomic handle, etc.). The Air Force Flex vacuum cleaner (2019) easily vacuums under furniture without the user having to bend down, something that is much appreciated by people with back pain.

A HEALTHY HOME

GROUPE SEB TARGET

- Create an awareness program around healthy homes

BETTER INDOOR AIR QUALITY

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

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

Clinically proven effectiveness on respiratory allergies

In 2018, the Alyatec Research Center, located in the new Strasbourg hospital, conducted a world first with Groupe SEB: a clinical trial aimed at demonstrating the effectiveness of the Intense Pure Air purifiers on respiratory allergies. Twenty-four patients suffering from allergy-related asthma spent two sessions, a maximum of two hours each time, in a sterile exposure chamber. Air containing extremely fine particles of cat allergens was introduced into the chamber, firstly in the presence of placebo purifiers (no filtration), then with active Intense Pure Air purifiers. During the first test, all the participants had allergic reactions, causing them to leave the room before the end of the session. By contrast, the results of the second test showed that the use of Intense Pure Air purifiers could reduce the risk of allergic reaction by a factor of 10. The results of this trial were presented in May 2018 at the European Academy of Allergy and Clinical Immunology (EAACI) Conference in Munich. They were also published in 2019 in Clinical & Experimental Allergy, the official journal of The British Society for Allergy & Clinical Immunology (BSACI).

PARTICLES AS SMALL AS VIRUSES

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

CLEANING LINEN AND FLOORS WITHOUT CHEMICALS

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

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

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

TAKING CARE OF YOURSELF AT ANY AGE

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

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

3.9 Circular revolution

MAKE OUR PRODUCTS AND SERVICES PART OF THE CIRCULAR ECONOMY

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

The Group's brands are committed to taking this circular economy approach, and particularly Rowenta, which has been heavily involved in improving the environmental performance of its products for many years. Optimizing resource consumption is one of the pillars of its new brand platform, finalized in 2020, with three main areas: product sustainability (particularly through repairing), using recycled materials and reducing energy consumption without compromising on efficiency.

The Group also contributes to the development of this virtuous circle through several initiatives involving various stakeholders. Since 2018, for example, it has supported the **Urban Mines Chair,** founded in partnership with three French "Grandes Écoles" universities (Arts et Métiers, Chimie ParisTech and Mines ParisTech) and the environmental organization Ecosystem. The Chair focuses on implementing a circular economy model that is profitable for everyone – citizens, manufacturers, recycling organizations and local authorities.

LONG-LASTING PRODUCTS

REPARABILITY

GROUPE SEB TARGET

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

92% of products repairable for 10 years [1]

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

For Groupe SEB, reparability is an approach that ensures:

- that a product can be readily disassembled and reassembled;
- that the spare parts are reasonably priced and readily available for at least 10 years after the most recent purchases and for at least 15 years in France;
- that there is a significant network of trained repairers while ensuring optimal regional coverage.

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

The Group is a pioneer in this field. Its reparability policy, initiated in 2008, reached maturity in 2015 with its **"10-year repairable product" commitment**. This logo is now displayed on 92% of the new electrical appliances sold in Europe, Asia, the Middle East and Africa for the four brands Tefal, Rowenta, Moulinex and Krups, and for Seb and Calor in France and Belgium. Since 2019, all new ranges of WMF small electrical appliances have benefited from the 10-year commitment to repair (communication will begin in 2021). Its extension to the Brazilian brand Arno is under development (the first Arno product with this logo will be launched in 2021).

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

(1) Mostly repairable, on small electric appliances.

DEMANDING CRITERIA

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

In 2020, of the 92% of repairable electrical appliances, 78% were wholly repairable and 15% were mostly so. In parallel, the **percentage of repaired products is increasing** in approved centers: in Europe, for example, the percentage of products under warranty repaired within five days rose from 70.3% in 2012 to 85% in 2020.

AN ATTRACTIVE REPAIR PACKAGE

In 2020, to encourage consumers to repair their products more beyond the warranty period, Groupe SEB launched a **flat-rate repair service**, with a single, fixed rate for each product category. The consumer has the assurance that they can get their product repaired for less than a third of the price of an equivalent new product from the brand, whatever the malfunction, the spare parts needed and age of the appliance (the reparability warranty lasts for up to 10 years). They also benefit from a warranty covering the whole product for six months after the repair has been done.

This repair package has been offered for all the Group's brands in France since mid-2020. Consumers can purchase the repair package directly on the brands' websites, then follow the instructions to send the product or take it to an approved repair center. The service will become available in Spain, Portugal and Italy (for Tefal, Moulinex, Rowenta and Krups) in 2021, before extending to the rest of Europe and North America.

REPAIR CENTER AND SPARE PARTS NETWORK

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

The Group guarantees the repair centers that some 50,000 listed spare parts will be available for as long as 10 to 15 years after products cease to be manufactured, including sourced products, at the cheapest possible price (this price has not increased since the 30% reduction in 2012). In Western Europe, spare parts are delivered to repair centers within 24 to 48 hours, rising to a maximum of four days in other parts of the world.

Nearly 7.5 million spare parts are stored at the Group's central warehouses in Faucogney in the east of France (30,000 m^2 in storage area). In addition, in a growing number of countries, consumers can directly order accessories, consumables and spare parts on the brand websites. In 2019, direct orders were possible on 67 brand websites across the world. In mid-2020, the Group expanded its storage capacity for spare parts and accessories in Hong Kong: the new local warehouse is double the size of the previous one and allows the Group to stock triple the number of items, which are then immediately available for repairers and consumers in Asia.

DIY REPAIR AND 3D PRINTING

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

The Group also moved into the **3D printing** of spare parts, allowing parts to be printed on demand. This simplifies inventory management and increases availability almost to infinity. Since 2015, qualification testing has been carried out on repairs with volunteer "pilot" consumers to evaluate how the parts hold up over time. Since the beginning of 2020, more than 100 3D-printed functional and technical parts have been supplied to all repairers worldwide with the note "3D-printed part certified by the manufacturer". The most basic of these are also available on brand websites for consumers who wish to repair their products themselves (*e.g.* a vacuum bag holder for an old model).

RÉPARESEB IN PARIS: A DEDICATED CIRCULAR AND SOLIDARITY ECONOMIC HUB

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

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

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

RAISING AWARENESS AMONG CONSUMERS AND OTHER STAKEHOLDERS

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

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

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

PRODUCTS WITHIN THE RECYCLING LOOP

DESIGNING RECYCLABLE PRODUCTS

Product recyclability is a priority of the Group's eco-design guide (see page 190) and all products are assessed for their recycling potential using a standardized method. When designing a product, the Group gives preference to materials that can be recycled (metallic components, certain plastics like polypropylene) and plans for quick and easy disassembly. For example, the Tefal Turbo Pro Anticalc steam iron, launched at year-end 2016, had a heat shield (the part above the sole-plate) made from recyclable PBT, rather than non-recyclable BMC, which was the case for previous ranges. Thanks to this change, the recyclability percentage rose to 82% compared to 76% for an equivalent iron with a BMC shield. Since then, all new steam iron ranges manufactured at Pont-Evêque (France) incorporate this part. The same change was made to the Calor Express Compact steam ironing station. Another illustration of the improved recyclability: in 2018, the Erbach (Germany) site adopted a new co-injection process that removes the use of non-recyclable glue.

The average potential recyclability rate for new electrical product families designed in 2020 was over 80%.

USING RECYCLED MATERIALS

OBJECTIFS GROUPE SEB – 2023

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

Groupe SEB uses more and more recycled materials in its products. In 2013, the Group set itself the target of incorporating 20% recycled materials in new products and packaging by 2020. It has now exceeded this goal, achieving 34%. The target is now 50% by 2023.

It also made a specific commitment **on recycled plastics,** with the goal of doubling the annual use in France by 2025 compared to 2017 (subject to any changes in applicable regulations that might impact this strategy). By the same token, the product design process now includes a new stage in which the Purchasing and Development teams thoroughly explore the possibility of using recycled plastic in various parts.

Metals: more recycled aluminum in cookware

As regards metals, across all products, most of the stainless steel used by the Group is already from recycled sources. This rate is 80% in stainless steel cookware produced in Europe (utensils, frying pans, saucepans, stewing pots, pressure cookers, etc.). In the case of aluminum, mostly used for this product category, the proportion of recycled materials is lower but is rising on the back of efforts by the teams in question. Using recycled aluminum produces 90% less greenhouse gases than primary aluminum and consumes 16 times less energy. In 2009, the Natura cookware range was the first made from 100% recycled aluminum and three years later, in 2012, Tefal established the first recycling system for cookware in France. Of products recently put on the market, the Eco Respect and Resource frying pan ranges, which also use 100% recycled aluminum, won the Grand Prix de la Responsabilité Sociétale des Marques in April 2019 (France). Tefal is going further in committing to reaching 50% recycled aluminum for all its products manufactured in France by 2025.

Recycled plastic: significant progress

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

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

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

The Expresseria (Krups) coffee maker, manufactured in Mayenne, also saw an improvement in terms of recycled plastic: following the incorporation, in 2017, of an internal technical support made from recycled ABS, from early 2020 its base will also be made from recycled ABS/PC. A dozen new projects are underway (full-automatic coffee machines, shredder, mincers, etc.), and the list of products incorporating recycled plastic is growing each year, including in South America and Asia. In Brazil, an Arno fan and a non-automatic washing machine have been designed to use up to 70%, recycled plastic, while in Vietnam, a range of fans uses 50% recycled plastic. In both cases, the polypropylene comes from local recycling industries. In addition to its long-standing partnership with Veolia in France, the Group is gradually expanding its portfolio of recyclers on all continents.

SHOPPING BAGS TOO

The use of recycled plastic also extends to the bags offered by the Group's stores to their customers. In Europe, in 2018, these were reviewed from an ecological and economic point of view. Made from 80% recycled plastic and 100% recyclable, the new bags have been awarded the Blue Angel environmental label. In addition to the use of recycled plastic, the reduction in the number of suppliers (from 10 to 4, including one covering 75% of needs) also helps to reduce the carbon footprint involved in transporting the materials. In 2020, these bags were available in nearly all countries in the EMEA zone where the Group has stores (Home & Cook and WMF). The 13 Egypt stores also adopted this approach.

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

END-OF-LIFE RECYCLING

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

As yet, there is no specific channel for aluminum pans, saucepans or stew pots, however. In France, for example, 60% end up as household waste (6,000 tons per year), even though they are 80% recyclable. Since 2012, Groupe SEB has expanded the number of initiatives designed to promote **cookware recycling**, in particular in Europe with the Tefal brand (France, Netherlands, Norway, etc.). The operations involve a partnership between the Group, specialist recycling companies and partner distributors. Consumers are encouraged to bring their old products back to the store, in exchange for a discount voucher to purchase a new item. Since 2019, the offer has focused on recycled aluminum cookware (Resource and So Recycled ranges). The used products are collected before being sorted and crushed. The main materials (aluminum, stainless steel and plastic) are separated, then recycled to manufacture new products, including cookware.

In 2020, in France, this campaign involved stores that included Leclerc (partners involved from the outset), Intermarché and Auchan. Since 2012, all these campaigns have led to the collection and recycling of 1,000 tons of cookware, corresponding to around 1.5 million cookware items.

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

SHARED USE PRODUCTS

The Group is at the forefront of new, more sustainable, consumer models similar to product-service systems, and since 2015 has been testing an innovative **kitchen appliance rental service** in France to respond to ad hoc consumer requirements. Christened **Eurêcook**, it was initially rolled out in the Dijon area in partnership with a network of public and private sector operators such as ADEME [1], the ENVIE association and Groupe Casino. In October 2018, it was launched in Paris, this time in partnership with ENVIE and Monoprix, the leader in city center shopping. The principle is simple: the consumer books their Seb, Tefal or Moulinex appliance on the www.eurecook.fr website or in one of the five Parisian Monoprix stores initially participating in the campaign. They choose the length of the rental (from a weekend to a week) then pick up the appliance at one of the collection points or with their shopping delivery. Once they have been returned, the products are systematically cleaned, checked and re-packaged. This service has taken on a new dimension in 2021 in Paris as part of the RépareSEB project (see page 183).

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

PRODUCTS WITH MULTIPLE LIVES

GROUPE SEB TARGET

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

RE-USE OF SMALL ELECTRICAL APPLIANCES

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

Thus, of the products returned to the Group's site in Alençon through distributors' after-sales services, most have not been used much and have a single fault. Since 2017, Groupe SEB France gives them to the ENVIE Anjou inclusive employment association. It dismantles and repairs defective products at its workshop near Angers before reselling them at a bargain price in its store with a one-year guarantee. Thanks to this partnership, the association put almost 4,000 appliances back into circulation in 2020 that would, otherwise, have been destroyed. Over a three-year period, it has also allowed 18 people caught in an unemployment trap to get back working. The RépareSEB center in Paris (see page 183) incorporates a similar project.

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

REFURBISHMENT OF FRYING PANS AND SAUCEPANS

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

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

3.10 Climate action

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

From the design of a product to the end of its life, the Group takes measures to limit its environmental footprint (eco-design, eco-manufacturing, eco-logistics, recycling, etc.) and contribute to combating climate change. It does so by using its product **eco-design guide** and **ISO 14001** international certification. In the factories, offices, laboratories and warehouses, all Group employees and contractors are made aware of the importance of respecting the environment. Groupe SEB's environmental strategy is supervised by the Quality, Standards and Environment department and is coordinated across the sites by Environment, Health and Safety Coordinators. Information on Groupe SEB's environmental expenditure is available on page 281.

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

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

ANALYSIS OF THE GROUP'S GREENHOUSE GAS EMISSIONS

In 2017, Groupe SEB assessed the greenhouse gases (GHGs) emitted along the entire length of its supply chain (2016 data) with the assistance of Deloitte. It distinguishes scope 1 and 2 greenhouse gas emissions that are directly linked to the Group's production activities from so-called indirect scope 3 emissions.

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

Scope 1: 58,049 tCO_2eq

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

Scope 2: 149,106 tCO_2eq

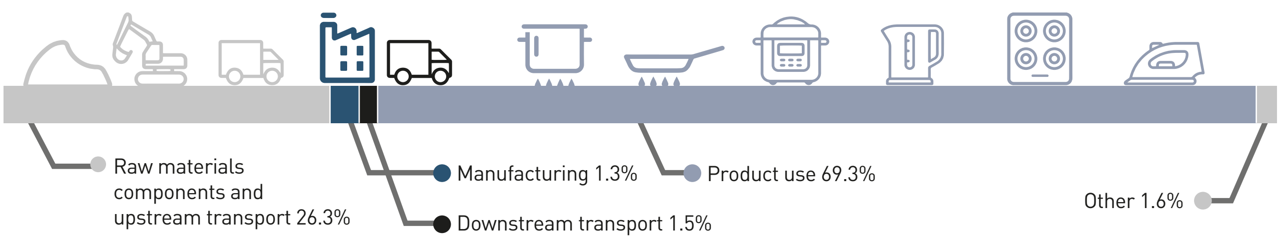
Scope 1 and 2 emissions (207,155 tCO_2eq) consist of the Group's emissions from its plants and logistics sites (see eco-manufacturing section on page 192).

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

Scope 3: 15,473,978 tCO_2eq

Groupe SEB's total emissions in 2016 amounted to 15.7 million tons of CO_2 equivalent. These break down as follows:

BREAKDOWN OF GROUPE SEB'S ANNUAL GREENHOUSE GAS EMISSIONS



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

GLOSSARY

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

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

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

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

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

METHODOLOGICAL NOTE

The emissions factors used are taken from databases (that of the International Energy Agency and the carbon database of ADEME [(1)]). There is a degree of uncertainty in the GHG Protocol's calculation method, since it is based on average emissions factors and given the number and type of data requested. It nevertheless provides information about the proportions of the Group's main emissions items, which serve as a useful guide for its strategies to reduce its carbon footprint.

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

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

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

SHORT AND LONG-TERM TARGETS

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

RESULTS FROM THE FIRST PHASE OF "2020 TARGETS"

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

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

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

  This area specifically features in the Science Based Target objectives (see below). Eco-design projects and developments in technology will make it possible to achieve significant progress. This is already the case for steam generators, hair dryers and kettles;
- target: 20% lower energy consumption by production plants (base year: 2010).

  Achieved by year-end 2020: **28.5% reduction** at constant scope [(2)];
- target: 20% minimum recycled materials in the new products and their packaging.

  Achieved by year-end 2020: **34%** for products manufactured by the Group;
- target: 20% lower greenhouse gas emissions from the transportation of products and components (per product sold) (base year: 2013).

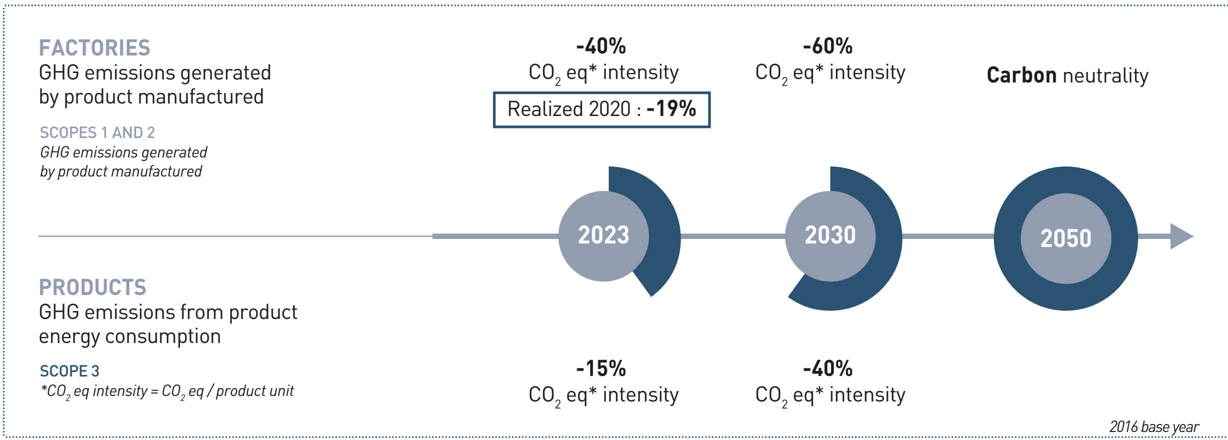
  Achieved by year-end 2020: **40.2% reduction**.

(1) French Environment and Energy Management Agency.
(2)Covers all the industrial and logistics sites within the 2010 sustainable development reporting scope.

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

To strengthen its contribution to combating climate change, in 2016 Groupe SEB joined the Science Based Targets initiative launched by the WWF, alongside the Global Compact (UN), the WRI (World Resources Institute) and the CDP (Carbon Disclosure Project). This initiative encourages large companies worldwide to align their greenhouse gas emission reduction targets with the IPCC's recommendations for limiting the average global temperature rise to below 2 °C by the end of the century.

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



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

- **the "product manufacturing" low-carbon strategy (scopes 1 & 2)** is defined and controlled by a low-carbon Steering Committee coordinated by the Sustainable Development department. It brings together representatives from the Cookware and Small Electrical Appliance Industry departments, the Quality Standards and Environment department, the Purchasing and Management Control department. This committee follows the environmental road-map, that more broadly covers all issues pertaining to environmental conservation.

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

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

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

- **the "use of products" low-carbon strategy (scope 3)** is coordinated via the eco-design road map. Under this road map, in-depth reviews (2019) were carried out for each product category to adjust the priority areas to its particularities. Actions to reduce greenhouse gas emissions caused by the use of products generally include:
  - repairing products,
  - integrating recycled materials,
  - raising consumer awareness about how to use products efficiently,
  - reducing how much energy products consume (eco-design and new technologies).

  See details about these actions on page 182 (Circular revolution) and page 190 (Eco-design).

To strengthen its environmental approach, the Group worked with the **WWF** NGO, which supported it with multiple specific projects including, in 2018, the formalization of SBT targets and its eco-packaging policy (see page 191).

ECO-DESIGN

WHAT "ECO-DESIGNED PRODUCT" MEANS

Groupe SEB's eco-design policy aims to reduce the environmental footprint of the Group's products throughout their life cycle. In 2020, the Group refined its definition of an eco-designed product. It is a product that must:

- be repairable and designed to last;
- be recyclable;
- have a significant third environmental benefit (*e.g.* it is more energy efficient or incorporates alternative materials [(1)]).

Eco-friendly packaging is also strongly encouraged.

There are specific criteria (quantitative thresholds and/or qualitative features) for sustainability, recyclability, energy efficiency and the integration of alternative materials for each product category: Small Electrical Appliances, Cookware, and Kitchen Utensils and Gadgets. Formalized in 2020, these criteria were tested with the assistance of Ernst & Young to ensure that they were relevant and robust. They act as operating guidelines for the teams.

The Group has set itself the objective of launching at least one eco-designed product a year for each product family starting in 2021.

ECO-DESIGN GUIDE

To move forward with this policy, the teams are supported by the Group's **eco-design guide**, drafted in 2014, that clearly incorporates every stage of the life cycle of products and their packaging (extraction of raw materials, manufacturing, transport, use and end of life). It has been distributed to the entire innovation community (*e.g.* the Marketing, R&D, Design, Purchasing, Quality and Legal teams) and is the focus of regular training sessions. In 2020, the Group incorporated eco-design into the new Path to Innovation training program (see page 163) with a more operational perspective. The goal is to help innovation teams better understand eco-design concepts and challenges, to understand the opportunities they represent in their area, and to make the most of them by using the resources provided by the Group (tools, case studies, monitoring documents, etc.).

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

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

LIFE CYCLE STUDIES AND ENVIRONMENTAL PROFILES

The Group regularly updates its **product life cycle analysis (LCA)**. These significant studies [(2)], which measure the various impacts of products on the environment, enable us to focus our research on reducing their ecological footprint. In 2020, around 75% of families of products defined as the most significant were covered by a life cycle analysis. A new LCA study was done on two motor technologies (universal motor and brushless motor), and the study on fully automatic coffee makers was fully reviewed. A special effort was made in 2018 to make the LCA methodology more robust and to include new data from recyclers, particularly in partnership with Ecosystem, the main French eco-organization.

In 2016, the Group undertook to establish the environmental profile of each product family through summary fact sheets for internal use. Based on the results of the LCA study, they respond to three questions: Which stage of the product life cycle affects climate change the most? What resources are required to manufacture the product and make it work? What ways are there to reduce the impact on the climate and resources? Designed with the participation of the Development, Marketing and Quality teams, these facts sheets are available on the Intranet. They are both awareness-raising materials and a tool to assist with targeting eco-design efforts. A new fact sheet was distributed in 2020, raising the number of environmental profiles done to date to 13.

ENERGY EFFICIENCY

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

In the case of **kettles**, for example, aside from temperature setting functionality, which has already been incorporated, the Group is working on multiple areas of improvement, in particular to help consumers to only heat the amount of water they need (water level indicator for one cup with the Delfini range by Tefal). There is also a focus on **hair dryers**: in 2020, an update to the two key ranges Dry and Powerline (Rowenta/Calor) incorporated Effiwatts technology. The

(1) Materials with lower environmental impact.
(2) Life cycle analysis conducted on the most representative models of each of the Group's product families in terms of technical features, sales and geographic distribution.

hair dryers consume on average 20% less energy than the standard models without affecting performance. Another product family that has improved its energy profile since 2018: **fans**. The Air Protect Eco-(Samurai) fan now uses 50% less energy than the benchmark model, achieving the same performance level. Projects on the energy efficiency of toasters are also underway.

When it comes to **vacuum cleaners**, the Group has made significant progress in recent years. In ten years (2010-2020), it cut the average energy consumption of its canister vacuum cleaners by up to more than a third, without compromising on cleaning power or noise level. To achieve this level of performance, the Group developed low input/high output motors, designed more effective suction nozzles and improved all air flows to reduce charge losses.

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

ECO-PACKAGING

GROUPE SEB 2023 TARGETS

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

The Group's eco-design policy includes product packaging (eco-packaging). It must properly fulfil its protective, storage, transport, information and handling functions while minimizing its environmental impact. The Group standardized and formalized its responsible packaging policy in 2018 with the support of the WWF (World Wide Fund for Nature). In 2020, to further support project prioritization and monitoring, the Group created an eco-packaging Steering Committee comprising the Development, Marketing, Purchasing and Sustainable Development teams. The eco-packaging policy was produced and co-signed by the Sustainable Development department and the Purchasing department, and it has 10 targets.

Practical steps for an eco-packaging policy

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

Cardboard to replace plastic bags and expanded polystyrene supports

With regard to the level of **recycled fibers**, the packaging used at the European and Asian production sites is already above the 90% target. The Group is thus focusing its efforts on the Americas.

As regards the **elimination of plastic packaging** and the **replacement of expanded polystyrene supports,** actions were stepped up in 2020 with solutions typically made from cardboard. Woks and fondue appliances (Tefal) manufactured in Rumilly, for example, are no longer packaged in a plastic bag and are now protected and perfectly secured in place using a custom-designed cardboard sleeve. Over the past two years, the list of products that have made these changes has continued to grow: multi-cooker Cookeo and steam cooker Steam'Up (Moulinex), the five-second mini meat mincer (Tefal), etc. The Group is continuing to explore various packaging solutions for keeping products secured in place, including "honeycomb cardboard", an option that has already been used for several years now for Rowenta vacuum cleaners manufactured in Vernon. Molded pulp packaging is another possible alternative.

Eco-designed e-commerce packaging to limit overpackaging

The explosion in online sales led to a sharp increase in e-commerce retailers overpackaging products to send to consumers from their logistics platforms. To avoid this environmentally unfriendly practice, the Group has developed a specific packaging for e-commerce. The solution no longer requires the product to be repackaged between leaving the factory and arriving on the consumer's doorstep. The packaging is made from 100% recycled cardboard, which can in turn be recycled, and does not use any plastic or polystyrene bags. It meets retailers' most stringent certifications in terms of product protection and user experience. This innovative solution, implemented in 2020 at the Tefal site in Rumilly, was awarded the Grand Prix Responsabilité Sociétale de la Marque (organized by Produrable and LinkUp Factory): Tefal took home the "Coup de cœur" favorite award for the eco-designed e-commerce packaging.

Other examples of progress on eco-packaging include bakeware (Kaiser) intended for the 8,000 counter displays designed for retailers: since 2019, they have ceased being individually wrapped and instead are stored in bulk until placed on the counter display, before being sent to the outlets. Performance over the past year: 6.5 tons of cardboard and 600 kilos of plastic saved.

RECYCLABILITY AND USING RECYCLED MATERIALS

See page 184

REPARABILITY

See page 182

HARMLESSNESS AND UNPOPULAR SUBSTANCES

See page 173

ECO-MANUFACTURING

GROUPE SEB 2023 TARGETS

- 100% of plants ISO 14001 certified
- -40% carbon intensity of our plants (base year 2016)

Covid-19 has had a moderate impact on greenhouse gas emissions from plants, varying greatly between the plants around the world, closely linked to the scenario in each country and the local health measures in place.

GLOBAL GROWTH BASED ON ISO 14001 CERTIFICATION

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

ISO 14001 certification

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

(Worldwide)

(in tons)	2020	2019	2018
Number of certifiable entities	44	41	34
Entities holding ISO 14001 certification*	100%	100%	100%

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

All the entities scheduled for ISO 14001 certification in 2020 successfully earned their certificates. The WMF sites were certified in 2019 and 2020. The EMSA sites in Emsdetten (Germany) and the sites in India were certified in 2020. **The Groupe SEB Egypt and EMSA Taicang sites** were recently included in the scope of certifiable sites and are planned for 2021.

In 2017, the Group adopted the new version of ISO 14001, which strengthens the role of management and promotes a more global approach to the impact of site operations on product life cycle. This change implies the upskilling of the teams through training and increased involvement of the international network of 35 **Health, Safety and Environment coordinators**. When new environmental coordinators join the network, they always have a welcome meeting during which they are shown the Group's eco-manufacturing road map and all the processes and tools implemented. This network is coordinated in particular through quarterly meetings, typically using video.

ECO-INNOVATIVE PROJECTS: BEST PRACTICES FOR SHARING

In order to share best practices, each plant and logistics site worldwide is invited each year to present at least one **eco-innovative project** designed to reduce the environmental impact. In 2020, this did not happen due to Covid-19, but the sites continued their efforts, particularly around energy. It has highlighted and shared around 250 projects since 2014. More than half of these focus on reducing energy use and using renewable energy, while around 50 focus on recycling and reducing waste and 20 seek to reduce water consumption. The remainder is split between several topics, prime among them is the protection of biodiversity and environmental awareness.

REDUCING THE SITES' CARBON FOOTPRINT

To achieve its low carbon targets for product manufacturing (scopes 1 and 2, see page 189), the Group acts on the two main drivers: reduction in energy consumption and use of renewable energy.

Using less energy

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

In 2020, the Group trialed a system designed to measure, monitor and manage energy consumption as a means of optimizing the energy efficiency of its sites: **DSM (digital shop-floor management) Énergie**. The system was trialed at two sites in France and will be gradually rolled out internationally. Using sensors installed on equipment, monitoring software and energy management modules, the system will allow sites to quickly take the necessary remedial actions in the event of consumption drift (alerts) and will help them carry out more in-depth analyses to refine machine settings (predicting tools). Energy experts at the industrial sites are in prime position to leverage the data collected by the system, with the support of the DSM Énergie corporate team. Everyone is trained in energy management in industry (training continued in 2020).

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

Here are some examples:

- in China, in 2017-2018 the Supor site in Shaoxing changed its 170 **molding machines to plastic injection** replacing a very energy intensive heating coil with a new insulation strip resulting in 30% less energy consumption. Moreover, its surface temperature, which is markedly lower, improves operator comfort. In 2019, the Hangzhou site installed this mechanism on all its molding machines. Along the same lines, other Group sites made progress in 2019 on the plastic injection insulation sheaths, in particular the ones at Emsdetten (EMSA) and at Mayenne in France. The Xiangsu site (China) launched a program to optimize insulation and the **mold** heating system with the key being energy consumption of close to 50% less when operating;
- **compressed air** production is also one of the areas targeted for improving energy efficiency, and several sites are making progress here, such as Lourdes, which installed a variable speed compressor in 2019. Aside from its improved energy efficiency, it allows heat to be recovered for building heating and improves working conditions by virtue of the fact that it is quieter. The Shaoxing, Hangzhou, Shanghai and Erbach sites are also making similar efforts in this area;
- in Selongey, optimizing the dust **extraction system** used in connection with the polishing of pressure cooker pots resulted in a sharp reduction in **energy consumption**. It encompasses both the electricity consumed by the three dust extraction systems relating to the reduction in air flows with the outside during winter. The operation has therefore significantly reduced both CO_2 emissions and energy bills;
- in Germany in 2018, the WMF/Silit site in Riedlingen installed a new **energy-saving ventilation system** that also recovers the warm air going out, which reduces heating needs. This system made it possible to significantly reduce energy consumption;
- in Omegna (Italy), the site has taken advantage of two existing 80m wells (used for its industrial processes) to introduce a reversible cooling/heating system for its offices. The system is based on the fact that, at that depth, water remains at a stable temperature (around 10 °C), whatever the season. Passing through a circuit which does the rounds of the site premises, the water cools the buildings in summer and can heat them in winter. Meanwhile, the new site in Itatiaia (Brazil) has incorporated environmental considerations from its construction (natural ventilation and lighting and mist cooling system, etc.).

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

Developing renewable energy

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

In 2019, solar panels were installed at Seb Campus in Écully with the goal of covering 20% of its energy consumption as well as at the headquarters of the subsidiary in the Netherlands. Photovoltaic electricity production began at two industrial sites in 2020: Pont-Évêque in France and Rionegro in Colombia. In Rionegro, the Group used the Power Purchase Agreement (PPA) mechanism for the first time with support from public authorities. Instead of investing in a solar power plant itself, it signed a long-term contract (20 years) with a renewable energy producer (in this case: GreenYellow). The producer financed the electricity production facilities on the site, and sells electricity back to the site at an attractive price, which is set at the beginning of the contract and stays fixed for its entire duration. Other projects that use PPAs are being explored, specifically in France, China, Egypt, Vietnam and the United States.

By 2023, one or two new renewable energy projects will be launched at a Group site every year. It should be noted that the Wilbur Curtis site in Montebello (United States), which the Group recently acquired, has solar panels that generate over half its electricity (Wilber Curtis is not yet included in Group reporting).

Since 2010, the Group has reduced the energy consumption of its plants and logistics sites by 28.5%, at constant scope, exceeding the 20% reduction target set for 2020.

CONSUMPTION OF RESOURCES

(ISO 14001-certified entities)

Direct raw materials

(in tons)	2020	2019	2018
Total consumption of metals	158,355	166,707	165,758
Total consumption of plastics*	92,628	100,558	94,247
Total consumption of packaging	106,119	106,546	114,370

* *This indicator consolidates polymers including plastics and rubber.*

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

Steps taken to improve packaging are detailed on page 191 (Eco-packaging).

Indirect raw materials

	2020	2019	2018
Total consumption of natural gas *(in GWh)*	263.9	282.9	217.9
Total consumption of liquefied gas *(in tons)*	5,259.9	4,640.2	4,857.3
Total consumption of electricity *(in GWh)*	365.7	385.9	373.4
Total consumption of water *(in thousands of m³)*	3,028.2	3,394.5	3,395.1
Total consumption of heating oil excluding fuel *(in m³)*	150	153.1	20.6

Total natural gas consumption fell 7% this year. Reduced activity in Europe in spring 2020 led to a fall in the use of natural gas for industrial processes and heating buildings. With natural gas being the main source of energy for heating at the Group's plants, weather patterns have a significant effect on consumption.

The increase in activity at the Supor Yuhuan and Supor Vietnam sites, where liquefied gas is used in the manufacturing processes, explains the 13% rise in liquified gas consumption.

Changes in the product mix in China, alongside a reduction in the use of the anodization process, are allowing energy and water consumption to be reduced. Actions to improve energy efficiency and reuse water (Supor Vietnam) are making a significant contribution to reducing electricity and water consumption.

REDUCING WATER CONSUMPTION

The Group is mindful of conserving water resources and is implementing action plans to reduce water consumption and recycle wastewater on industrial sites. Many sites are involved in this approach: the Canonsburg site (All-Clad) has developed a program to eradicate excessive water consumption, while the sites in Hangzhou (China) and Rionegro (Colombia) recycle waste water which, after treatment, is re-used in production or to supply the washrooms. The Rionegro site has also put in place a system for capturing and storing rainwater, covering over half of the site's water needs. In Itatiaia (Brazil), some of the wastewater treated by the water treatment plant is used to clean tools.

As most of the Group's water consumption is for manufacturing **cookware**, the Group also invests to make production processes water efficient. For example, in Selongey (France), a project launched in 2019 that focused on the process of washing and degreasing stainless steel parts when manufacturing pressure cookers. Replacing the existing wash tunnels with more efficient equipment aims to reduce water consumption by 70%, saving 50% in natural gas and 10% in electricity. A first tunnel washer was changed in 2019 and the three others will be shortly.

GROUP SITES AND WATER STRESS ZONES

In addition to monitoring and working to reduce the volumes consumed, it is of paramount importance to consider the location of consumption in order to look at consumption in relation to regions under water stress where water is a sensitive resource. In 2015, the Group, wishing to assess the risks relating to water and its availability, carried out an analysis of its industrial facilities according to the geographic location of the sites in question, using the Aqueduct Water Risk Atlas reference tool published by World Resources Institute (WRI). This tool measures availability, quality and water-related dispute risks on an aggregate basis. The assessment carried out by the Group was updated in 2020 and will provide a basis for updating its Water Strategy in 2021. It will allow the Group to identify priority areas and address the challenges highlighted by this new risk assessment.

WASTE

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

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

(Scope: ISO 14001 certified entities)

	2020	2019	2018
Non-hazardous waste (NHW) [a] *(in tons)*	25,677	34,599	26,559.5
Percentage of NHW recycled *(as a %)*	60	69.3	58.30
Percentage of NHW used for energy [a] *(as a %)*	19.1	14.9	18.1
Production of Hazardous Waste – excluding waste oil, effluent and sludges *(in tons)*	5,033	1,991	1,954.1
Sludges produced by internal wastewater treatment plants *(in tons)*	3,949	3,708	3,712.4

(a) Excluding Oils, Metals and Sludges.

Beyond the reduced activity in Europe, significant variations in non-hazardous and hazardous waste were primarily due to non-recurring work waste on site in 2019 and 2020. In 2020, 79.1% of the non-hazardous waste was treated through recycling or used to produce energy. The portions of waste sent to the recycling streams are subject to highly variable local regulations and international context. The Group also records its metal waste: 19,008 tons.

GREENHOUSE GAS EMISSIONS

(Scope: ISO 14001 certified entities)

(in tons of CO_2 equivalent)	2020	2019	2018
Greenhouse gas emissions	217,315	228,484*	206,986*

* *Updated emissions factors*

The overall decline in the energy consumption of the sites has lead to a 5% reduction in greenhouse gas emissions between 2019 and 2020. The reductions in electricity consumption in China contributed significantly to this decline.

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

PREVENTION OF POLLUTION

Prevention of air, soil and water pollution is the first pillar of the Group's environmental policy, designed to protect the ecological balance around our sites. In 2018, the Group strengthened its tools in this area, putting in place an environmental risk assessment methodology common to all the sites and defining a common standard for emergency response situations. All environmental risk analyses are incorporated into a centralized database, providing a comprehensive overview at Group level and making it easier for sites to share information.

Discharges into water

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

In 2019, the EMSA site in Emsdetten (Germany) worked to conserve water while reducing waste. The goal was to eliminate any risk of the dispersal of the plastic granules used in the manufacturing process to prevent them from getting into the wastewater and then into nature in the form of micro-plastics. Recovery systems were therefore installed in the various areas in which the granules are used. This was accompanied by a campaign to raise the awareness of teams regarding the protection of the oceans.

Chemical Oxygen Demand (ISO 14001-certified entities)

Chemical Oxygen Demand (COD) represents the amount of oxygen necessary to oxidize the organic matter and mineral content in a body of water. It is used to measure the degree of organic and chemical pollution of the water. In 2020, Groupe SEB emitted181 tons of COD from its own wastewater treatment plants.

Impact on soil

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

Noise and other disturbances

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

BIODIVERSITY

The Group's biodiversity policy has two priorities. The first is to minimize the environmental strain of its activities (eco-manufacturing). This includes combating climate change and overexploitation of resources and limiting land use (or change in land use). The second priority is to support biodiversity through specific actions (conservation gardens, shelter for wildlife, maintenance of wetlands, etc.).

Best practices

In 2019, the Group did a global inventory of the practices of its sites in terms of protecting biodiversity by means of a questionnaire structured by major themes (wetlands, pollinating insects, birds, woodlands, etc.). The most striking and easily replicable initiatives were compiled into a booklet for all sites worldwide. The Group encourages all its entities to take steps to protect biodiversity, for example to progressively eliminate the use of plant protection products to maintain green areas. This is already happening at Group headquarters: Seb Campus banned such products some years ago. In 2020, biodiversity has been integrated into the "country" roadmaps.

The Campus also houses a 300 m^2 conservation garden, established in 2016 with the Vavilov Institute (Saint Petersburg), the oldest plant gene bank in the world. Groupe SEB joined the network of Vavilov gardens in order to maintain biodiversity and develop healthy and responsible eating. This garden brings together varieties created in Rhône-Alps in the 19th and 20th centuries, old Russian varieties and a collection of wild species. Employees at the Campus can sign up for workshops on aspects of gardening, which are run from March to November. This initiative was so successful that the number of workshops was doubled in 2020 to accommodate more people. A dozen sessions were organized despite the public health situation. During lockdown periods, workshops were either postponed or held virtually. The garden can also be self-guided, thanks to information panels.

Many sites created flower meadows such as Emsdetten (Germany) or Is-sur-Tille (France). The latter installed a **swallow tower** used by a colony of swallows as a place to give birth and set up a home in a place where they were not usually found. Between 50 and 150 hatchlings take flight from there each year. Another such tower was also installed at Seb Campus. Other initiatives include: the Rumilly site (France) has hives; at Erbach (Germany), ponies take care of mowing the grass and at Canonsburg (United States) an aquatic biodiversity area was developed, using rainwater harvesting, just like at Seb Campus. Many sites also planted trees, usually fruit trees (Egypt, India, Colombia, China, etc.).

ECO-LOGISTICS

GROUPE SEB 2023 TARGETS

- -10% carbon intensity of the transportation of our products and components (GHG emissions by product transported – base year 2016)

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

Groupe SEB's Supply Chain department oversees the Group's eco-logistics policy and strategy. Its eco-logistics unit coordinates all actions, in France and internationally, and consolidates annual data using the Tennaxia sustainable development reporting system. It relies on the logistics managers of the plants and commercial subsidiaries in carrying out this work.

An initial assessment of greenhouse gas emissions related to logistics transport was conducted by the Group in 2009. To reduce its emissions, the Group is focusing on four areas:

- increasing the loading rate of transport units (trucks or containers);
- reducing distances traveled (direct deliveries);
- developing low-impact forms of transport as alternatives to road travel (river transport, rail, etc.);
- responsible purchasing (through the choice of shippers).

In 2018, the eco-logistics unit and the Purchasing teams developed a checking procedure for environmental criteria during transport calls for tender. The aim is to prefer, at the same cost, suppliers who perform best in this area, in particular those that have signed up to the Objectif CO_2 Charter established by the French Ministry of Transport and ADEME. The criteria examined cover fuel-saving equipment, eco-driving, use of alternative fuels, route optimization software, etc.

FRET 21 SCHEME

In 2017, Groupe SEB signed up to the Fret 21 scheme launched by the ADEME and the AUTF [(1)] to help companies better incorporate the impact of transport within their sustainable development strategies. Between 2017 and 2019, this scheme involved the subsidiary Groupe SEB France as a pilot. Over three years, the measures taken around the four improvement areas helped to reduce greenhouse gas emissions by nearly 4% within the scope of the project. Here are some examples of progress achieved by year-end 2019:

- Increase in the transport unit loading rate: +2.5 pallets/truck on average leaving the Orléans platform compared with 2016;
- increase in the number of direct deliveries to European customers from the Mions platform or from plants in France, without passing through the subsidiaries' platforms: by a factor of 6.6 compared with 2016;
- increase in transport methods other than road transport: 42.4% increase in rail transport between the port of Le Havre and the Orléans platform compared with 35% in 2016;
- encouraging haulage firms to improve their sustainable development approaches: at the end of 2019, one-third of inter-site haulage firms were signatories to the Objectif CO_2 Charter introduced in 2016 by the French Ministry of Transport and the ADEME.

The Group renewed this commitment in 2020 (2020-2022) with a broader scope, incorporating shipping from China to Europe in particular. It aims to reduce greenhouse gas emissions by 7% within this scope, which is nearly a third of the Group's emissions from transporting products. In addition to continuing efforts already underway, the Group will focus on using alternative fuels (B100, NVG, etc.), using low-emissions transport and rolling out the Oracle Transport Management system.

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

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

(1) French Association of Freight Transport Users.

GREENHOUSE GAS EMISSIONS

(Worldwide)

(in tons of CO_2 equivalent)	2020	2019	2018
Average value of greenhouse gas emissions	259,826	241,810	228,744

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

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

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

Each year, a new audit is carried out and the Supply Chain department seeks to expand the calculation scope for CO_2 emissions to cover new countries. The share of extrapolated emissions is therefore steadily declining.

In 2020, Groupe SEB emitted 259,826 tons of CO_2 equivalent: 21% from maritime transport, 75.5% from road transport, 3% from air transport and 0.5% from rail and river transport.

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

LOADING OF TRANSPORT UNITS

To reduce CO_2 emissions from the transportation of products and components, the Group is continuing to improve the loading rate of transport units. It makes particular use of the **EffyPACK** process (for PACKaging system for supply chain EFFiciencY) and the PackSoft software that improves palletization. In 2019, it started to use a new transport management system (OTM – Oracle Transport Management) to optimize the container loading plans. This system makes it possible to fill the same container with products corresponding to different suppliers, references and orders. This provides greater flexibility to better adjust to the order levels of trading subsidiaries while ensuring the container is as full as possible. The international roll-out of this system continued in 2020.

Reducing empty space in packaging

The Group is also endeavoring to reduce the **empty space inside packaging** as much as possible. Transporting less empty space means emitting less CO_2 while cutting costs. Since 2017, this parameter has been part of the product design/development process and the teams concerned (R&D, Marketing, Quality, etc.) have been trained in this topic via e-learning. The eco-logistics unit developed a tool for estimating the economic (avoided expenses in €) and ecological (avoided CO_2 kg) savings obtained by optimized product design aimed at minimizing empty space in the packaging. It tested it with multiple teams and showed that a minor change could have a major impact, even without modifying product design. For example, in the case of the Ultra Silence Force (Arno) desk fan launched in 2020, simply separating the fan head, neck and base during packaging (which can be easily reassembled by consumers) makes it easier to arrange the different product components. This reduces packaging volume and empty space by 30%, and so increases the number of products per pallet, bringing both environmental and economic benefits.

A similar project was conducted with the Steampod steam hair straightener (Rowenta/L'Oréal partnership): the teams reduced both the product footprint (including integrated tank) and the size of the packaging, doubling the number of products per palette as a result. The end result: out of approximately 600,000 items sold in 2020, the project helped to prevent 343 tons of CO_2 in emissions (the equivalent of traveling around the earth 72 times by car) and save 200,000 m^2 of cardboard (or 1,680 trees).

	2020	2019	2018
Container loading rate	83.7%	83.9%	84.1%
Truck loading rate (intergroup shipments)*	63.1%	63%	62.1%

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

Containers departing from China have a loading rate of 83.5%. Containers departing from Europe have a loading rate of 85.6%. These performances are close to the optimum for maritime transport.

SELECTING AND ORGANIZING MODES OF TRANSPORT

The Group also fosters research into transportation solutions with a lower environmental impact. For long distances, primarily departing from China, the maritime route emits the lowest levels of CO_2 and is the least costly. Emissions have also been improved by the use of new high-performance container ships: in 15 years, they have cut CO_2 emissions per ton transported by half.

Alternatives to road transport

In other cases (pre- and post-shipments to/from ports, transport between the Group's plants and platforms or those of its subsidiaries), the Group is working on developing **non-road transport, i.e. transport by rail and river.** To improve oversight of this initiative, the Group uses a **tracking table to monitor** the percentage of non-road transport in Europe for pre- and post-shipment to/from ports. For each entity (plant, warehouse, commercial subsidiary, etc.), changes in this percentage have a two-fold impact in terms of cost and CO_2 emissions. In 2019, the percentage of non-road transport in Europe (EMEA) was 36%. In France, Groupe SEB has had the MedLink Port label since 2015. This distinction is given to the biggest users of the river route (the Rhône) departing from the port of Fos (Groupe SEB is in the top 3).

Direct deliveries

The Group also optimizes the how transport flows are organized to reduce the distance traveled. For example, it prioritizes direct deliveries to European customers from its plants or Mions platform in France, without passing through the subsidiaries' warehouses. Similarly, some containers arriving in Le Havre are dispatched directly to French retailers without passing through the Group's logistics platforms.

In the event of an urgent supply of components, the Group prioritizes trains over planes as far as possible, in particular **between China and Europe**. Rail times are half the time required for maritime freight (three weeks on average compared with six for ships and two for planes), which is often sufficient. In terms of carbon footprint and financially, it is much more favorable than planes (-94% CO_2 emissions). The use of rail is not limited to urgent transport: in 2020, more than 800 containers from China were sent to European sites by rail (there were fewer than 200 in 2019 and fewer than 100 in 2018). In 2019, the Pont-Evêque site, for instance, put in place a procedure for such distant supplies by rail. In 2020, it received 170 tons of components from China by train, which reduced greenhouse gas emissions by 56% compared to the maritime route.

TERTIARY SITES AND IT

REDUCING THE CARBON FOOTPRINT OF IT EQUIPMENT

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

Eco-friendly printing policy

In 2018, the Group completely renewed all its multi-functional printers in Europe (809 printers in 2020). The new generation of printers have improved environmental performance, particularly in terms of energy use (optimized standby mode). Moreover, the program to reduce the number of printers in service and make the shared use of multi-functional machines more widespread is gradually being extended internationally. It helps to reduce the volume of printing, which fell 4.2% in 2020 compared to 2019 (excluding WMF), i.e. the equivalent of 56 trees saved. It has fallen by almost 40% since 2007. Efforts to promote eco-responsible printing are growing in the subsidiaries: in Mexico, for example, the awareness raised in 2019 made it possible to reduce the number of pages printed by 40%.

Processing of end-of-life equipment

In France, computers and telephones at the end of their useful lives have been given, since 2012, to the company Dataserv, which calls on the company working in the protected sector – Triade Avenir – to dismantle the products. In nine years, more than 12,616 devices have been managed in this way. The Group also donates some equipment to associations or schools that request it. The practice is governed by a procedure that was formalized in 2018 and rolled out to all the entities worldwide. It specifies the technical and administrative rules to follow (formatting, data erasure, licenses, etc.) and aims to ensure that the beneficiaries match the Group's values.

Computer servers that emit less greenhouse gas

The Group's IT infrastructure rationalization project, launched in 2016, has resulted in its applications being hosted in two data centers operated by Equinix, in the Paris region. These two sites are committed to an energy efficiency approach, as attested by their ISO 50001 certification. They are 100% powered by renewable energy from hydroelectric power stations. In 2020, the Group replaced its 16 largest servers, which were hosted in the two data centers, with eight devices that are both more powerful and more energy efficient. The new storage devices contain 14 disks instead of 68, providing three times the capacity and lower energy consumption. These two changes led to a reduction in electricity consumption of approximately 18%. Another benefit is that they save space, which in turn saves energy (smaller rooms requiring fewer cooling systems, for example).

New ways of communicating as alternatives to travel

Instant communication tools such as Skype and Teams are having a significant impact on reducing travel. In 2020, the increase in telecommuting because of Covid-19 caused a surge in the use of these tools. This meant that approximately 40,000 meetings could be held on average each month (nearly four times more than in 2019), including 635,000 one-to-one connections. The videoconferencing system, for its part, recorded an average of 57 video conferences a month (average length: 1 hour 40 minutes), down because of the widespread use of Skype/Teams.

At the end of 2020, the Group carried out a self-assessment of 72 good practices from the Opquast benchmark, to measure how far it had traveled since the previous assessment (2013) and identify areas for improvement. In six years, the Group has increased the number of good practices implemented from 39% to 76%. The areas needing improvement included raising employee awareness, particularly on how to use search engines properly, and reducing energy use at workstations. It is worth mentioning that the development of cloud-based IT solutions makes it possible to adjust how machines and services operate depending on requirements, such as shutting some of them down at night or at weekends.

PROMOTING EVERYDAY ECO-FRIENDLY ACTIONS

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

The many awareness raising actions carried out during sustainable development week (see page 125) also help to promote eco-friendly actions.

3.11 Report by the Independent-Third Party on the consolidated non-financial statement included in the Group management report

For the year ended 31/12/2020

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

To the Shareholders,

In our capacity as independent third party, accredited by COFRAC number 3-1058 (scope available at www.cofrac.fr), and member of the Mazars network of one of the company's Statutory Auditors, we hereby report to you on the non-financial statement for the year ended 31, December 2020 (hereinafter the "Statement"), included in the group management report pursuant to the requirements of articles L. 225 102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (Code de commerce).

THE ENTITY'S RESPONSIBILITY

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

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

INDEPENDENCE AND QUALITY CONTROL

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

RESPONSIBILITY OF THE INDEPENDENT THIRD PARTY

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

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

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

NATURE AND SCOPE OF OUR WORK

The work described below was performed with reference to the provisions of articles A. 225-1 et seq. of the French Commercial Code, as well as with the professional guidance of the French Institute of Statutory Auditors ("CNCC") applicable to such engagements and with ISAE 30001 [(1)]:

- we obtained an understanding of all the consolidated entities' activities and the description of the principal risks associated;
- we assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate;
- we verified that the Statement includes each category of social and environmental information set out in article L. 225 102 1 III, as well as information regarding compliance with human rights and anti-corruption and tax avoidance legislation;
- we verified that the Statement provides the information required under article R. 225-105 II of the French Commercial Code, where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the information required under article L. 225-102-1 III, paragraph 2 of the French Commercial Code;
- we verified that the Statement presents the business model and a description of principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks;
- we referred to documentary sources and conducted interviews to:
  - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented, and;
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in Appendix; concerning certain risks "Fights against Corruption" and "Human Rights violation", our work was carried out on the consolidating entity, for the others risks, our work was carried out on the consolidating entity and on a selection of entities2;
- we verified that the Statement covers the scope of consolidation, i.e. all the consolidated entities in accordance with article L. 233-16 of the French Commercial Code within the limitations set out in the Statement;
- we obtained an understanding of internal control and risk management procedures the entity has put in place and assessed the data collection process to ensure the completeness and fairness of the Information;
- for the key performance indicators and other quantitative outcomes that we considered to be the most important presented in Appendix, we implemented:
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data;
  - tests of details, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities and covers between 23% and 100% of the consolidated data relating to the key performance indicators and outcomes selected for these tests;
- we assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

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

(1) ISAE 3000 - Assurance engagements other than audits or reviews of historical financial information.
(2) SUPOR China Hangzhou Prod., Supor China Shaoxing Prod., WMF Production Consumer Riedlingen, TEFAL Rumilly Articles culinaires, SEB Is-sur-Tille.

MEANS AND RESOURCES

Our work was carried out by a team of 5 people between October 2020 and March 2021 and took a total of 6 weeks.

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

CONCLUSION

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

Paris La Défense, the 30th of March 2021,

The Independent third party,

French original signed by

Francisco Sanchez	Edwige REY
Partner	CSR Partner

APPENDIX: INFORMATION CONSIDERED AS THE MOST IMPORTANT

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

- Health and safety conditions at work (prevention actions);
- Actions to promote the attraction and retention of talent;
- Fight against corruption;
- Promotion of Human Rights;
- Organization of the company to take into account environmental issues and the fight against climate change.

Quantitative information, including Key Performance Indicators

- Total workforce as of December 31st, 2020;
- Lost Time Injury Rate;
- E-Learning Code of Ethics Training Deployment Rate;
- Percent of sites with an overall compliance score greater than 80%;
- Electricity consumption;
- Gas consumption;
- Greenhouse gas emissions (scopes 1 and 2);
- Greenhouse gas emissions related to the transportation of products and components by product sold;
- Quantity of waste generated;
- Financial and product donations for philanthropic actions (SUPOR China).

4 Commentary on the financial year

4.1 Highlights

GENERAL ENVIRONMENT

The main feature of 2020 was the Covid-19 pandemic, which began in Wuhan, China, before spreading further into Asia and then to the rest of the world, with major outbreaks in Europe and the Americas. Faced with this unprecedented and persistent health crisis, affecting all sectors of the economy, most countries imposed restrictive measures that varied in severity: lockdowns, curfews, mandatory remote working, closure of public places, restaurants and non-food retail, etc. A massive shift to online retail took place as a result, making it the big "winner" of this crisis.

In this highly unusual climate, the imperative to stay at home - and to prepare more meals - boosted sales of household equipment overall. This was also the case for small electrical appliances and cookware, which, despite being highly volatile, benefited from generally strong demand, the majority of which was fulfilled by e-commerce.

In China, the first country affected by Covid-19, the epidemic peaked in the first quarter of the year, resulting in some provinces, particularly Hubei (Wuhan), imposing very strict lockdown measures. Despite some resurgence of the epidemic in subsequent quarters, the country's health and economic situation improved, although there is still a need for vigilance. As a result, retail sales followed this trend, falling sharply in March (-15.8% compared to March 2019) before growing on a linear basis at the end of the year (+4.3%, +5.0% and +4.6% in October, November and December respectively), driven by online sales in particular (double-digit growth since October).

In Europe, the impact of Covid-19 was mainly felt in March and April, resulting in national governments imposing various lockdown measures and the related closure of non-food retail. Although the second wave of the epidemic also hit Europe hard from autumn onwards, the measures adopted at the time differed across the European Union and were less drastic in a number of countries. The results were mixed, however, and the epidemic took hold again at the very end of the year. From the point of view of household consumption, despite initial lockdown measures resulting in a decline in retail sales in the European Union of nearly 18% last April (compared to April 2019), they fell by only 2% in November. Between these two phases of the epidemic, demand was fairly steady.

In addition to a year that saw the election campaign and social tensions (with the "Black Lives Matter" movement), the Covid-19 pandemic increased exponentially in the United States. Faced with a lack of any concerted response at the federal level, individual states introduced local lockdown measures, which produced similar results as elsewhere in the world. The decisions taken by numerous shopping centers and stores to close temporarily increased the vulnerability of physical brands already affected by the profound changes in the US retail sector. The household aid measures introduced by the Trump administration nevertheless helped to support domestic consumption.

Lastly, other emerging countries have also not escaped the crisis and the public health situation has been and remains very worrying in Brazil, Colombia and some Eurasian countries.

CURRENCIES

It should be remembered that the US dollar and the Chinese yuan are currencies for which the Group is "short," i.e., the weight of its purchases denominated in these currencies is greater than that of its sales. In 2020, the dollar and yuan fell slightly against the euro, by an average of around 2%. For the dollar in particular, this slight depreciation actually conceals trends of a differing nature between the first half of the year, which saw growth of around 2% on average compared to 2019, and the second half, when it fell approximately 6.5% on average compared to 2019, in light of changes in the public health and economic situations.

In addition, because of its presence in around 150 countries, the Group is exposed to a large number of other currencies, all of them "long" (in which the Group has sales greater than its costs). For these currencies, movements were relatively mixed, with some of them weakening (Argentine peso -50%, Brazilian real -34%, Turkish lira -26%, Colombian peso -15%, Russian ruble -14%, Mexican peso -14%, and Ukrainian hryvnia -7%) and others strengthening (Swiss franc + 4%, Egyptian pound +4%).

In response to constant exchange rate volatility, for several years the Group has hedged certain currencies to limit sudden effects on its performance or to smooth out its impact over time. At the same time, it implements an agile pricing policy, passing on higher prices to compensate for the adverse effects of weakened currencies on local profitability.

In 2020, exchange rate fluctuations had a total negative impact of €219 million on the Group's sales (compared with a positive impact of €71 million in 2019) and -€109 million on the Operating Result from Activity (-€5 million in 2019).

RAW MATERIALS

The Group is exposed to fluctuations in the price of certain raw materials, including metals such as aluminum, nickel (used in stainless steel) and copper. It is also exposed to changes in the plastics used in the manufacture of small electrical appliances, and the paper and cardboard for packaging. These exposures are direct (for in-house production), or indirect if the manufacturing of the product is outsourced to subcontractors. In order to spread over time the effects of sometimes abrupt fluctuations in metal prices, the Group partially hedges its requirements (aluminium, nickel, copper and some plastic material related ingredients) which protects it in the event of a sharp rise in prices, but which results in some inertia in the event of decline.

As with currencies, fluctuations in the price of raw materials were directly linked to the global epidemic. Having experienced a sharp overall decline in the first quarter of the year, the prices of the main raw materials (including aluminum, copper and nickel) then rose strongly, due in particular to the industrial recovery in China and an upturn in global consumption. Consequently, after bottoming out in March and April 2020, aluminum, nickel and copper surged by around 44%, 62% and 72% respectively, reaching highs for the year in December.

In shipping, freight costs increased considerably in 2020 after remaining relatively stable in 2019. Prices soared at the end of the year, reaching all-time highs due to the economic recovery in China and a shortage in the supply of shipping services, particularly to Europe. The SCFI* index, a composite index in which each route is allocated a weighting, rose by an average of around 55% between 2019 and 2020.

CHANGES IN THE COMPOSITION OF THE BOARD OF DIRECTORS

The Annual General Meeting of SEB S.A. of 19 May 2020 voted in favor of the:

- reappointment of Thierry de La Tour d'Artaise as a director;
- reappointment of Fonds Stratégique de Participations (FSP) as a director;
- reappointment of VENELLE INVESTISSEMENT as a director;
- reappointment of Jérôme Lescure as a director.

As a result, the Board of Directors has 17 members (unchanged from 31 December 2019):

- the Chairman;
- 8 directors representing the Founder Group:
  - 4 directors from VENELLE INVESTISSEMENT,
  - 2 directors from GÉNÉRACTION,
  - 2 directors from FÉDÉRACTIVE;
- 5 independent directors;
- 1 director representing employee shareholders; and
- 2 directors representing employees.

FACING COVID-19 TOGETHER

Faced with the Covid-19 crisis, the Group's priority objectives were to protect employees and comply with local regulations, and this remains the case.

This led to the implementation of continuity plans and plans for remote working wherever possible, temporary closure of the vast majority of industrial sites, and reorganization and adaptation of our supply chain, so as to provide the best possible service to customers while safeguarding the health of our employees.

In this unprecedented critical situation, Groupe SEB quickly developed a strong spirit of solidarity. All over the world, the Group got to work, harnessing its industrial know-how or taking part in public initiatives: donating masks and products and contributing to the Makair initiative to manufacture low-cost ventilators…

In the DACH region (Germany, Austria, Switzerland) and Poland, a large number of products were also donated in support of healthcare personnel.

Internally, the Group implemented an unprecedented set of HR measures to support its staff, offsetting the impact of partial operations for those employees most affected.

In addition to managing the emergency phase of the crisis, the Group devoted its energies to preparing for and committing to resuming work in optimum health and safety conditions, both on industrial sites and in warehouses, offices and stores. Assembly lines in particular have been reorganized to ensure the necessary distance is in place between workstations and our employees are equipped with masks and gloves.

* *Shanghai Export Containerized Freight Index*

PARTNERSHIP FOR THE PRODUCTION OF THE ANGELL ELECTRICALLY ASSISTED BIKE

As part of an industrial and shareholding agreement, Groupe SEB has become the exclusive industrial partner for the production of the Angell electrically assisted bike. The Group has been responsible for the industrial development and production of Angell smart bikes at its long-standing Is-sur-Tille plant in Côte d'Or, France. Groupe SEB is also supporting the project by acquiring a stake in Zebra, the company that produces and markets Angell, through its SEB Alliance investment vehicle.

Angell is a next-generation electrically assisted bike created by French designer Ora-ïto and launched by Marc Simoncini. In a fast-growing market, Angell's stand-out features are its clean, minimalist styling, making it one of the lightest on the market (at just 13.9 kilos), and its innovations in connectivity and safety. It comes with a broad range of integrated services that make journeys easier and cycling safer. It notably features a "smart cockpit" that displays useful information such as weather conditions, pollution levels, battery charge, riding modes, assistance programs, speed and even a GPS. Angell's innovative safety system also sets it apart, with vibrating navigation assistance on the handlebars, a fall alert, an anti-theft alarm, etc.

REPAIRABILITY: LAUNCHING THE FIRST EVER ALL-INCLUSIVE REPAIR PACKAGES

As the first player in the Small Domestic Equipment market to commit to a 10-year product repairability policy, Groupe SEB is once again leading the way with the launch of the first fixed-price repair packages for its Rowenta, Moulinex, Seb, Calor, Krups and Tefal brands.

This is the first time that a manufacturer has guaranteed a repair service for its products, at a cost that is much lower than that of product replacement. It is also the first truly "all-inclusive" package. This new offering was launched in France and will soon be introduced in Europe.

Groupe SEB has made repairability one of the pillars of its sustainable development policy, which strives to prolong product life cycles, maintaining them as opposed to discarding them.

The new repair packages are offered at a price that is much lower than the product replacement cost and are generally available at between 20% to 40% of the price of an equivalent new product. A single flat rate is charged, regardless of the type of defect or the parts required to repair it.

SALE OF NON-STRATEGIC BUSINESSES

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

- EMSA GmbH, a Groupe SEB subsidiary based in Emsdetten, Germany and specialized in the design, manufacture and distribution of kitchen utensils and accessories, concluded an agreement with Poétic S.A.S., the French market leader for garden planters, for the sale of its Garden business;
- Boehringer, which specializes in the marketing of hotel equipment and was acquired alongside WMF in 2016, was sold to the Certina group.

These transactions reflect the Group's strategy to review its business portfolio when necessary and to focus on its core business, thereby enhancing performance.

The Group will continue developing the kitchenware activities of EMSA, a renowned expert in food storage containers, insulated jugs and flasks.

INVESTMENT IN CASTALIE

SEB Alliance, Groupe SEB's corporate venture arm, announced it had taken a minority stake in Castalie, alongside the Amundi F&S, RAISE Impact and Ring Capital funds, contributing to total funding of €13.5 million.

Castalie designs and markets micro-filtered water fountains for companies and restaurants. The company offers its customers an end-to-end service (water fountains, containers, accessories and maintenance) enabling them to produce micro-filtered water in-house from their own tap water. Bottled on the consumer's premises in reusable containers (flasks, bottles, glasses, etc.), this filtered water is a sustainable and responsible alternative to mineral water in plastic bottles, preventing plastic waste.

In the current climate of ecological transition, Groupe SEB's investment in Castalie confirms its commitment to the circular economy and shows the Group is fully in step with changing consumer habits, targeting both private and professional customers.

MAJORITY STAKE IN STOREBOUND

On 31 July 2020, Groupe SEB announced that it had completed the acquisition of a majority stake in StoreBound, owner of the DASH kitchenware brand.

Founded in 2010, StoreBound is a New York company specialized in developing kitchenware designed for better everyday living. Its omni-channel distribution model combines bricks-and-mortar retail, e-commerce and social media, enabling it to launch more than 200 products in North and South America, Europe and Asia.

The company achieved sales in excess of $120 million in 2020 and is therefore on the list of fastest-growing businesses in the United States.

This acquisition will generate a number of synergies; StoreBound will strengthen the Group's presence in the US consumer market and benefit from the Group's global distribution network.

FINANCING

BOND ISSUE

As part of an active liquidity management policy, on 9 June 2020 Groupe SEB successfully issued a five-year €500 million bond (maturing 16 June 2025), with a coupon of 1.375%.

The transaction was largely over-subscribed, with a very strong order book of more than €1,600 million, once again demonstrating investors' confidence in Groupe SEB's strategy and outlook.

This new issue will enable Groupe SEB to consolidate its debt structure through:

- ongoing refinancing securitization of part of its debt;
- extending the average maturity of its debt;
- attractive financing conditions.

The bond was admitted to trading on Euronext Paris on 16 June 2020. Lead managers for the issue are BNP Paribas, Crédit Agricole CIB, Citi, HSBC and Natixis, with BNP Paribas, Crédit Agricole CIB and Citi acting as global coordinators.

It should be noted that Groupe SEB's short-term debt is rated A2 by Standard & Poor's. Its long-term debt is unrated.

SYNDICATED LOAN EXTENSION

On 29 June 2020, Groupe SEB extended the maturity of its syndicated loan by 1 year, with an option to extend it for a further 6 months. This €960 million credit facility, concluded with a pool of eight banks, therefore now matures on 31 July 2022.

COVERAGE OF FREE SHARE AWARD PLANS

As part of its share buyback program, approved by the Combined Annual General Meeting of 19 May 2020, SEB S.A. entered into transactions for 70,000 treasury share options. These transactions were conducted to partially cover the free share award plan for employees, subject to performance conditions, maturing in 2023, that was approved by the 20th Resolution of that Meeting.

AWARDS FOR GROUPE SEB

WMF IN THE SPOTLIGHT IN 2020

Following the survey conducted in Germany by the GfK Institute (Gesellschaft für Konsumforschung), WMF finished in first place in the "Best Product Brand" category, ahead of some major consumer brands. The Best Brand Awards 2020 (awarded in Germany) are based on an in-depth representative survey that assesses brand recognition against two criteria: the brand's commercial success ("market component") and its attractiveness to consumers ("emotional component"). The winners are not selected by a panel but by consumers themselves, more than 14,000 of whom voted. It was the fifth consecutive year that WMF was named one of the 10 best brands in Germany, but the first time it has won first prize. This prestigious award reflects the recognition of a high-quality, sustainable and coherent brand strategy that is deeply rooted in the day-to-day life of consumers in Germany.

On the product side, WMF also won several awards that recognized the brand's design: Red Dot Product Design Award 2020, in the "Winner Best of the Best" category for its Kineo cutlery; IF Design Award for its Compact Cuisine range, Waterkant flasks and bottles as well as ovenware and insulated jugs.

Lastly, on the corporate citizenship front, WMF renewed the funding for the "Sustainable Product Management" chair at the University of Applied Sciences in Nürtigen-Geislingen (NGU) for a further three years. As a result, WMF was awarded the "Innovative through Research" label. The Group's commitment to sustainability also involves collaboration with higher education and research.

CSR COMMITMENT: GROUPE SEB MAINTAINS ITS TOP RANKING

The non-financial rating agency Vigeo-Eiris once again ranked Groupe SEB number one in the "Technology and Hardware" sector out of a selection of 40 European companies.

Groupe SEB's performance is well above average for its sector in the three SRI areas evaluated, and the Group was singled out in two areas: the environment, with its low carbon commitments and its eco-design approach for its products, as well as the human resources policy, with priority being given to building solid foundations for the social standards applicable worldwide.

RECOGNITION OF THE NON-FINANCIAL PERFORMANCE OF GROUPE SEB

Gaïa Rating, EthiFinance's ESG (environment, social, governance) rating agency, rates companies in four areas of socially responsible investment: governance, social policy, the environment and stakeholder relations. Increasing its overall score by 11 points in just three years, the Group achieved a score of 84/100 in 2020, making it one of the best-performing companies evaluated by Gaïa Rating for responsible and sustainable practices.

GROUPE SEB RANKED ONE OF THE BEST WORKPLACES IN EUROPE

According to the rankings issued by Great Place To Work®, an authority in the field, Groupe SEB is one of the 25 best workplaces in Europe. Through its certification programs, Great Place To Work® recognizes outstanding workplaces and produces a variety of Best Workplace rankings in more than 60 countries.

REPARESEB, WINNER OF THE ESS TROPHY

RépareSeb is an employment joint venture launched in partnership with the Ares Group (Association pour la Réinsertion Économique et Sociale), the leading player in integration through economic activity in the greater Paris region.

This innovative solidarity and ecological project, located at Porte de La Chapelle in Paris, opened its doors in December 2020. It will offer various services: repair of small electrical appliances; rental of appliances; refurbishment of products for resale, as "second hand", at fair prices; an incubator for start-ups in the circular economy; raising public awareness of responsible consumer practices. Once it is up and running, the hub aims to help around 30 people per year to find employment.

This project was named the winner of the 11th edition of the Parisian Trophies for the Social and Solidarity Economy (ESS) awarded by the City of Paris, selected by the panel for its dual social and environmental objective.

4.2 Commentary on consolidated sales

DETAIL OF REVENUE BY REGION - FULL YEAR 2020

Revenue *(in € million)*	2019	2020	Change 2020/2019		Change T4 2020/2019	
			As reported	Like-for-like*	Publié	Like-for-like*
EMEA	**3,339**	**3,307**	**-1.0%**	**+1.5%**	**+2.6%**	**+7.0%**
Western Europe	2,442	2,406	-1.5%	-1.5%	+2.3%	+2.5%
Other countries	897	901	+0.4%	+9.6%	+3.3%	+19.7%
AMERICAS	**915**	**876**	**-4.2%**	**-0.2%**	**+2.7%**	**+6.3%**
North America	589	622	+5.7%	-0.3%	+8.6%	-0.8%
South America	326	254	-22.1%	+0.1%	-9.1%	+20.4%
ASIA	**2,301**	**2,182**	**-5.2%**	**-3.4%**	**+2.4%**	**+4.5%**
China	1,762	1,626	-7.7%	-6.1%	+1.8%	+3.1%
Other countries	539	556	+3.2%	+5.2%	+4.2%	+8.3%
TOTAL CONSUMER	**6,555**	**6,365**	**-2.9%**	**-0.5%**	**+2.5%**	**+6.2%**
Professional business	799	575	-28.0%	-30.7%	-30.0%	-28.5%
GROUPE SEB	**7,354**	**6,940**	**-5.6%**	**-3.8%**	**-0.5%**	**+2.9%**

* *Like-for-like: at constant exchange rates and scope.* *Rounded figures in € millions.* *% calculated on non-rounded figures.*

DETAIL OF REVENUE BY REGION – FOURTH QUARTER

Revenue *(in € million)*	Q4 2019	Q4 2020	Change 2020/2019	
			As reported	Like-for-like*
EMEA	**1,159**	**1,189**	**+2.6%**	**+7.0%**
Western Europe	856	876	+2.3%	+2.5%
Other countries	303	313	+3.3%	+19.7%
AMERICAS	**285**	**292**	**+2.7%**	**+6.3%**
North America	190	206	+8.6%	-0.8%
South America	95	86	-9.1%	+20.4%
ASIA	**586**	**600**	**+2.4%**	**+4.5%**
China	423	430	+1.8%	+3.1%
Other countries	163	170	+4.2%	+8.3%
TOTAL CONSUMER	**2,030**	**2,081**	**+2.5%**	**+6.2%**
Professional Business	210	147	-30.0%	-28.5%
GROUPE SEB	**2,240**	**2,228**	**-0.5%**	**+2.9%**

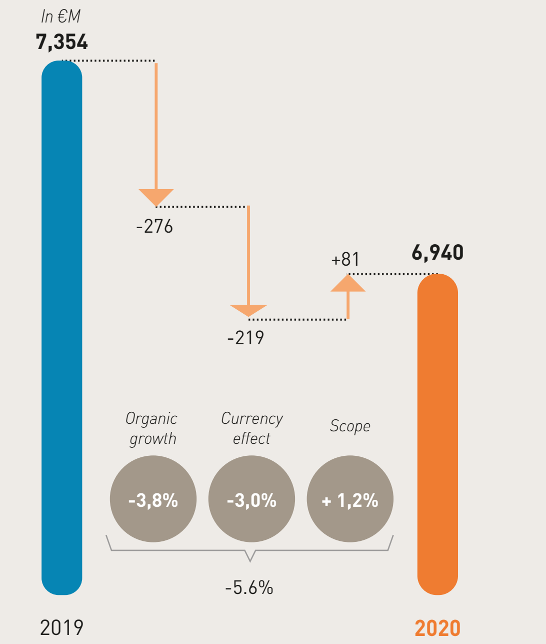
* *Like-for-like: at constant exchange rates and scope.* *Rounded figures in € millions.* *% calculated on non-rounded figures.*

In the difficult and uncertain environment caused by the COVID-19 crisis, Groupe SEB posted full-year 2020 turnover of €6,940m, down 5.6% including a limited organic decrease of 3.8%, a currency effect of -€219m (-3.0%) and a scope effect (mainly StoreBound, acquired in July 2020) of +€81m (+1.2%).

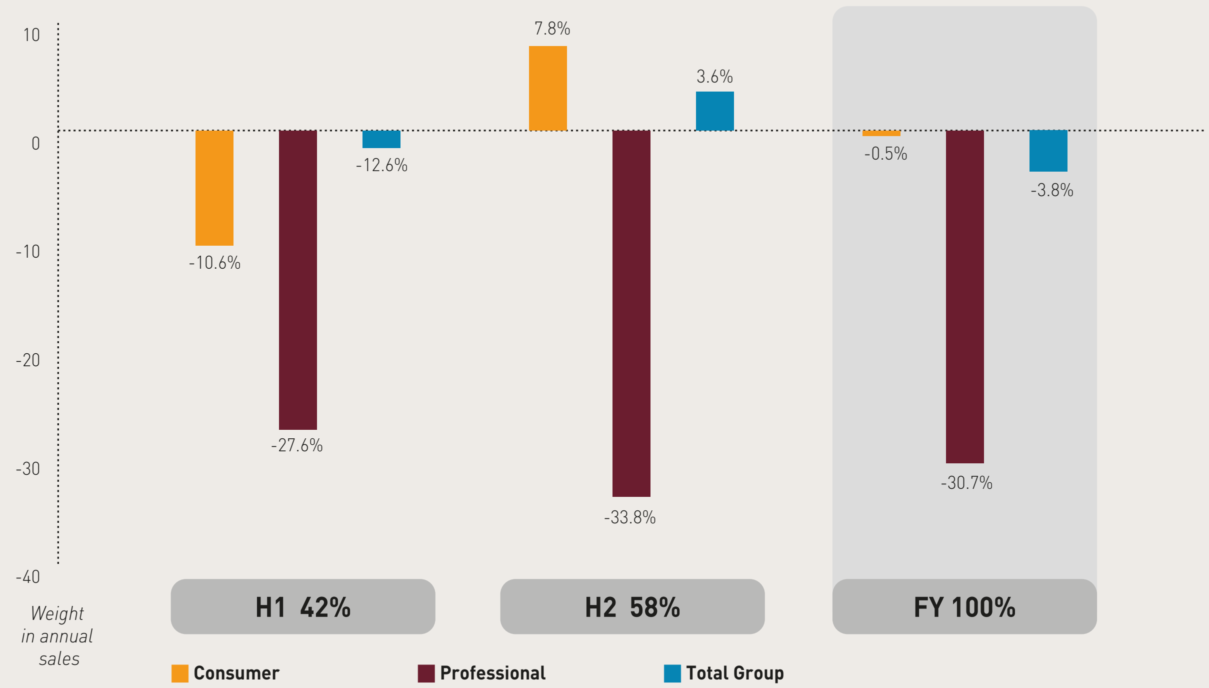
The resilience of annual sales stems from the Consumer business, which ended the year practically stable on a like-for-like basis (-0.5%).

Professional revenue fell 30.7% LFL in 2020, impacted by extremely low business activity in the hospitality and catering sectors from the second quarter onwards. This situation led our customers to suspend, postpone or reduce their investments in equipment (coffee machines) and significantly limited maintenance interventions.

DEVELOPMENT IN SALES 2019-2020



LIKE-FOR-LIKE* SALES GROWTH (% VS. 2019)



* Like-for-like: at constant exchange rates and scope.

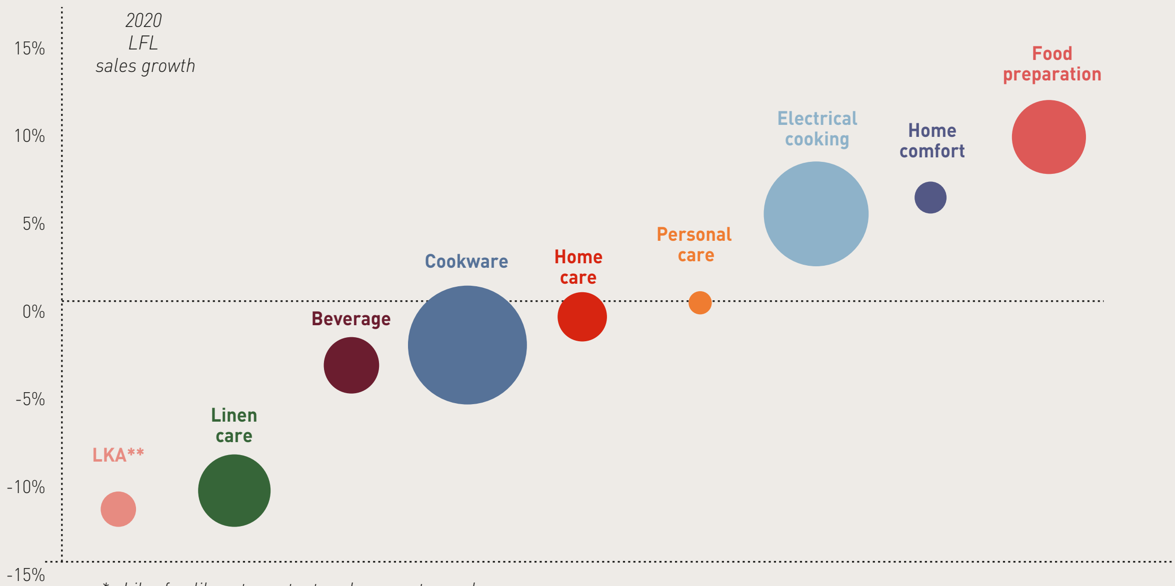
The rebound in the second half (+7.8% LFL) having largely made up for the decline at end-June (-10.6% LFL). Indeed, the positive trend in household consumption, particularly in products for the home, and a sharp ramp-up in online sales as of the initial lockdowns, offset in part the substantial contraction in in-store sales (mandatory closures and/or decreased footfall).

PRODUCT SALES PERFORMANCE

In the context of the global health crisis, the Group's business was impacted by highly volatile demand from month to month. Nevertheless, after a difficult first half-year, which saw a decline of 10.6% on a like-for-like basis, the recovery over the second half of the year was significant and the Group achieved consumer sales of €6,365 million over the 12-month period, a modest decrease of 0.5% on a like-for-like basis for 2020.

Activity varied between product lines, however.

ANNUAL CONSUMER SALES : €6,365M, -0.5% LFL*



* *Like-for-like: at constant exchange rates and scope.*
** *Large Kitchen Appliances*

COOKWARE

Accounting for around 35% of consumer sales, **Cookware** covers a broad range of products, from pressure cookers to insulated mugs, including frying pans and saucepans – made from a range of materials, coated and non-coated, with fixed or detachable handles – woks, food storage containers, kitchen utensils, and bakeware.

Annual sales were down for 2020, with the improvement in the second half-year and the increase in online sales for cookware unable to offset the very significant lag that had built up to 30 June; this was more specifically the result of massive stock outages caused by the prolonged production shutdown at the plant in Wuhan, China, and the closure of the majority of non-food retail for several weeks in many countries.

The recovery in performance from May reflects both a better performance in our core business (due, in some instances, to government consumer subsidies) and the very positive effect of a major loyalty program with a key retailer in France.

The best sellers of the year were aluminum-coated or stainless steel frying pans and saucepans, which accounted for approximately 60% of the category's sales. Conversely, some iconic Chinese products did not catch up over the year, and business was sluggish in kitchen utensils, particularly in insulated mugs, on-the-go products that were not very popular in 2020.

4

ELECTRICAL COOKING APPLIANCES

After a difficult first quarter, **electrical cooking appliances** performed well over the year, with the recovery in consumer spending that began in the second quarter accelerating in the second half-year. It should be noted that as the use of *e-commerce* for small electrical appliances is more extensive than for cookware, when offline retail was unavailable, the shift to *online* sales was more natural and more significant.

Electrical cooking was the in-demand category for cooking at home during the period of lockdown and restaurant closures; sales at the end of the first half-year were stable, with growth in the second quarter almost entirely offsetting the drop experienced in the first three months. The second six-month period was particularly dynamic, accelerating towards the end of the year and achieving growth of around 15% on a like-for-like basis compared to 2019. Of our flagship products, grills deserve particular mention in a number of geographical areas, as do multi-cookers in China and/or Asia (particularly Cook4me, the international version of the Cookeo, in Japan), oil-less fryers (on all continents), and, in Europe, informal meal appliances, sandwich makers and appliances riding the “home-made” trend (the Cake Factory cake maker, yogurt makers, etc.).

Having been hit hard at the start of the year, **food preparation** returned to growth in the second quarter, led by blenders in China, which accounted for half of the category’s global sales. This solid momentum was confirmed in the second half-year, fueled by all product families, although blenders remained the main driver of growth. Up by nearly 10% on a like-for-like basis, food preparation was the product family with the strongest growth over the year.

Sales in **beverage preparation** dropped back slightly over the year, with major disparities between product families: while coffee benefited from a buoyant environment, both for capsule machines (Nespresso, Dolce Gusto) and automatic espresso machines, sales of kettles contracted slightly and those of beer-taps were down sharply, compared with high sales volumes in 2019.

HOME CARE, LINEN CARE AND PERSONAL CARE

Annual sales in **linen care** fell, in a global ironing market in decline as a result of both structural trends and lockdowns. After a stable first quarter compared to 2019 (expansion in retail distribution of Rowenta irons and garment steamers in the United States), sales fell from the second quarter onwards, with the increase in remote working. However, the Group continued to outperform the market, with very strong performances in Russia and Germany in particular.

Compared with the exacting standard set by 2019, sales in **home care** were down sharply in the first half-year. The second half saw a return to growth, however, with a particularly strong fourth quarter showing a double-digit increase on a like-for-like basis, driven by the EMEA region and by Russia in particular. This turnaround meant the year ended with sales almost stable on a like-for-like basis. The drivers behind this momentum were versatile vacuum cleaners and the new robot vacuum models.

Despite a difficult first half, **home comfort** posted growth of around 6% for the year. Fans, accounting for 80% of the category, performed very well over the last two quarters, benefiting from catch-up purchases and favorable weather conditions.

Sales in **personal care** fell slightly over the year thanks to a significant upturn in the third quarter. The Steampod professional hair straightener, designed in partnership with L’Oréal, was a particular success.

PROFESSIONAL BUSINESS

After an excellent year in 2019, boosted by the delivery of major contracts in Professional Coffee - particularly with customers in North America - the 2020 financial year promised to be challenging, given this especially demanding basis for comparison. The emergence and persistence of the Covid-19 epidemic, with the public health and economic crisis that followed, had dramatic consequences for the hospitality and catering sector, which was directly affected by the restrictive measures adopted in the vast majority of countries. These closures lasted for almost half of 2020 and had a considerable impact on equipment sales (with capital expenditure on coffee machines suspended, postponed or reduced) and significantly limited our service and maintenance business.

The combination of the high basis for comparison from 2019 and the crisis means that sales for the Group’s professional division fell by around 30% over the year, reflecting a business area that was seriously affected for nine months. However, in a sector that is currently “disaster-stricken”, the diversity of our customer base and the international footprint of WMF and Schaerer have helped to mitigate the impact on core business (excluding deals) to some extent. Sales activity has continued despite this extremely difficult climate, to make the most of any opportunities for future development and thus build up the contract pipeline. As a small-scale area of activity within the Professional business division, hotel equipment was also hit hard by the crisis.

COMMENTS ON CONSUMER SALES BY REGION

			Change 2020/2019		Q4 Change 2020/2019	
Revenue (in €m)	2019	2020	As reported	Like-for-like*	As reported	Like-for-like*
EMEA	**3,339**	**3,307**	**-1.0%**	**+1.5%**	**+2.6%**	**+7.0%**
Western Europe	2,442	2,406	-1.5%	-1.5%	+2.3%	+2.5%
Other countries	897	901	+0.4%	+9.6%	+3.3%	+19.7%

* *Like-for-like: at constant exchange rates and scope of consolidation.*

WESTERN EUROPE

After a solid third quarter, business activity continued to trend positively in the last three months of the year (+2.5% LFL). The slowdown in momentum resulted primarily from loyalty programs, which were more substantial in 2019. December in particular was brisker than expected.

Growth in the fourth quarter was fueled by almost all the markets, despite the retightening of health measures at the end of the period in some countries. It continued to be driven largely by e-commerce and was boosted by increased growth drivers, as announced.

In France, fourth quarter sales, up slightly, continued to benefit from robust demand for cooking categories and vacuum cleaners, the roll-out of new products such as Cookeo Touch and Companion Touch, and the buoyancy of e-commerce. However, sales were negatively impacted by the closure of our proprietary stores during the new lockdown period in October and November.

In the other countries, apart from Belgium, owing to strong 2019 comparatives, and the UK, business was sustained, overall. This was the case in Northern Europe, Portugal and the Netherlands, which were less affected by containment measures as well as Germany, Spain – thanks notably to solid performances by WMF products and an acceleration of online sales – and Italy.

The key growth drivers were kitchen electrics (electrical cooking, coffee makers and food preparation) and vacuum cleaners (notably robots).

OTHER EMEA COUNTRIES

With organic sales growth of nearly 20%, the Group confirmed its excellent third-quarter performance in the last three months of the financial year. After a slight decline in sales in the first half owing to the emergence of Covid-19, catch-up in the second half of the year proved remarkable, despite continued complications in the overall environment. The performance led to a 9.6% LFL increase in turnover for the year as a whole.

However, the performance in euros, both for the quarter and the year, was negatively impacted by the continued and sometimes considerable depreciations of some currencies, including the Russian ruble, the Turkish lira and the Ukrainian hryvnia. These depreciations were offset in part by price increases.

Our major markets (Russia, Poland, Ukraine, Romania, Turkey, etc.) and ongoing development of the core business in Central Asia were the main catalysts behind this business momentum, fueled largely by e-commerce (click & mortar and pure players) and the implementation of our direct-to-consumer activities. However, performances were softer in the Middle East and Egypt.

In terms of products, the strong sales dynamic across the region was driven in particular by the confirmed success of our best sellers (vacuum cleaners, Optigrill, Ingenio cookware, etc.).

Despite the difficult conditions, 2020 thus marked a new step forward in our development in Eurasia.

			Change 2020/2019		Q4 Change 2020/2019	
Revenue (in €m)	2019	2020	As reported	Like-for-like*	As reported	Like-for-like*
AMERICAS	**915**	**876**	**-4.2%**	**-0.2%**	**+2.7%**	**+6.3%**
North America	589	622	+5.7%	-0.3%	+8.6%	-0.8%
South America	326	254	-22.1%	+0.1%	-9.1%	+20.4%

* *Like-for-like: at constant exchange rates and scope of consolidation.*

NORTH AMERICA

After a vigorous third quarter, organic momentum lost steam at the end of the year. Business trends differed between countries in the fourth quarter. In addition, the unfavorable currency effect across the region has accentuated month after month since summer. The increase in reported sales is thus to be attributed to the integration of StoreBound, acquired in July.

In the United States, while sales decreased slightly on a like-for-like basis in the fourth quarter, organic growth for the year was solid, coming out at nearly 6%. With the crisis persisting, the retail sector continued to transform, with a substantial acceleration in the growth of traditional retailers' online sales. Demand has also clearly been bolstered by the consumption incentive program introduced by the US government in April 2020. Consequently, momentum in cookware was highly positive under our three emblematic brands in the United States, T-fal, All-Clad and Imusa, with annual sales up double digit on an organic basis, in line with market performance. In contrast, linen care struggled throughout the year as the market contracted.

At the same time, following a very good fourth quarter marked by sales up nearly 60% in dollars, StoreBound had an excellent 2020, with growth of more than 50%. This was mainly driven by iconic products (small kitchen electrics appliances) and new products from the Dash brand. Acquired in July, StoreBound has been consolidated over 5 months.

Canada and Mexico enjoyed a positive fourth quarter, with buoyant core business, notably in electrical cooking in the former and the contribution of a new loyalty program in the latter.

SOUTH AMERICA

Amid a general deterioration in the backdrop, resulting from the health crisis as well as significant currencies depreciation, the Group reported satisfactory performances in South America in 2020. After a very difficult first half (with sales down 27.3% LFL), the situation turned around in the second half (+17.8% LFL, with a linear trend in the third and fourth quarters). Despite price increases, the weakening of South American currencies weighed heavily on sales in euros.

In Brazil, the recovery initiated in the third quarter continued in the fourth, enabling the Group to post organic turnover stability for the year as a whole. Fourth-quarter growth, at around +23% LFL, was driven by weather conditions favorable to fan sales and a strong "cooking market" that benefited electrical cooking, food preparation and cookware.

Overall, the large majority of retail channels contributed to the sales dynamism, particularly e-commerce, which has been ramping up at an ever-brisker pace.

In Colombia, business activity in pesos in the second half (and fourth quarter) increased by over 20% on strong demand for cooking products and the swift development of online sales.

			Change 2020/2019		Q4 Change 2020/2019	
Revenue (in €m)	2019	2020	As reported	Like-for-like*	As reported	Like-for-like*
ASIA	**2,301**	**2,182**	**-5.2%**	**-3.4%**	**+2.4%**	**+4.5%**
China	1,762	1,626	-7.7%	-6.1%	+1.8%	+3.1%
Other countries	539	556	+3.2%	+5.2%	+4.2%	+8.3%

* *Like-for-like: at constant exchange rates and scope of consolidation.*

CHINA

The market environment fluctuated throughout the year in China, with a strong contrast between the momentum in online distribution and the lasting negative trend for offline channels. The start of the year was severely impacted by Covid-19, but Supor returned to organic growth as early as the second quarter. These three positive quarters allowed to largely offset the sharp contraction in sales reported on March 31.

In addition, with Chinese New Year to fall on February 12, 2021, early sell-in in fourth-quarter 2020 was considerably limited, in contrast with sell-in in late 2019.

In cookware, Supor's business was significantly undermined by the extended closure of the Wuhan industrial plant and sales have been sharply down on a full-year basis. However, the recovery initiated in the third quarter was confirmed and heightened in the fourth, fueled by most product families (woks, pressure cookers, frying pans, thermal mugs, etc.) and driven by a notable increase in e-commerce sales.

Small electrical appliance turnover grew slightly in the fourth quarter, with contrasting performances across product categories. As in the third quarter, high-speed blenders remained the best-sellers in kitchen electrics, and the progress achieved by Supor have reinforced its number-two ranking in this buoyant segment. Sales growth was also driven by further inroads by the WMF brand in premium products and the introduction of more "Western" categories such as oil-less fryers and ovens.

In the very special context of 2020, stepping up digital activation and targeting of millennials has been at the heart of Supor's priorities.

OTHER ASIAN COUNTRIES

In Asia excluding China, after the positive trend reversal in the third quarter, Group turnover continued to be fueled by solid organic momentum in the fourth quarter (+8.3% LFL), despite resuming pandemic-related issues in several countries in December. Almost all the markets contributed to revenue growth, both quarterly and annually, which was underpinned as elsewhere by a strong acceleration in online sales.

In Japan, our largest market in the region, the Group posted excellent performances in the fourth quarter in a firm market. The dynamic reflected the confirmed success of our flagship products or categories, such as Ingenio cookware and electrical pressure cookers, as well as robust business, both offline -including in our retail network- and online, boosted by major advertising and marketing campaigns.

In South Korea, following a vigorous third quarter, year-end activity was more modest, impacted in particular by a decline in store footfall owing to the resurgence of Covid-19 epidemic and by the impact on volumes of price increases implemented in early October. However, the extension of the product offering (new categories, new product launches) and the additional listings earned in e-commerce and with specialized retailers were major business drivers in 2020.

In almost all the other countries, growth was confirmed, and even accelerated, in the fourth quarter. Australia posted record sales in 2020, mainly thanks to expanded distribution. In Thailand, Malaysia, Hong Kong, Singapore and Vietnam, the Group achieved double-digit organic growth in the fourth quarter.

4.3 Commentary on consolidated results

INCOME STATEMENT

OPERATING RESULT FROM ACTIVITY (ORFA)

The Group posted Operating Result from Activity (ORfA) of **€605m** in 2020. Though **down 18.2%** from 2019, ORfA was better than expected thanks to stronger than anticipated sales in the fourth quarter. Negatively impacted by currency effects (-€109m versus -€5m in 2019), ORfA included a scope effect of €9m, owing primarily to the consolidation of StoreBound.

As such, 2020 ORfA at constant exchange rates and scope stands at €705m, down 4.8%, with the following components:

- a volume effect of -€126m owing to the contraction in business activity, particularly Professional;
- a price-mix effect of +€60m, reflecting an overall less promotional Small Domestic Equipment market, continued upgrading of offer in numerous countries, and price increases made to offset the depreciation of some currencies;
- a €9m decrease in the cost of sales, purchasing and productivity gains having exceeded the industrial under-absorption in the first half and inflation;
- practically stable investments (-€1m) in growth drivers (innovation, operational marketing and advertising), maintained at around 10% of turnover with strong catch-up at the end of the year;
- a €23m decrease in sales, marketing and administrative expenses, stemming from both the aid received in some countries in respect of short-time work (notably France and Germany) and a reduction in costs.

Amid the exceptional circumstances of 2020, the Group generated over 80% of its Operating Result from Activity in the second half, against a backdrop of worsened exchange rates. This performance can be attributed to the recovery in the Consumer business and the remarkable mobilization of all the teams.

OPERATING PROFIT AND NET PROFIT

Groupe SEB reported Operating profit of €503m in 2020, versus €621m in 2019. The total includes a non-discretionary and discretionary employee profit-sharing expense of €24m, compared with €35m in 2019, the decrease reflecting the downturn in the results of French entities. It also comprises other operating income and expense of -€78m (-€82m in 2019). Two-thirds of these expenses resulted from the finalization of the restructuring of WMF's Consumer business, as well as from a reorganization of the Professional business, strongly impacted by the drop of activity in the hospitality and catering sectors. The remainder of these expenses came from several items relating to structure resizing, acquisition/disposal costs or write-downs of assets.

Financial result came out at -€61m, the same as in 2019. It notably comprised an external debt cost of €40m (close to that in 2019), including an IFRS 16-related expense of €12.5m.

In these conditions, profit attributable to owners of the parent amounted to €301m, compared with €380m in 2019. This comes after a tax charge of €94m, representing an effective tax rate of 21.2% in 2020 (23.5% in 2019) and non-controlling interests of €48m, practically similar to the amount of 2019, the slight decrease in Supor results being offset by the inclusion of the minority interests of StoreBound.

BALANCE SHEET

At December 31, 2020, consolidated equity totaled €2,735m, up €107m on end-2019.

At December 31, 2020, net debt amounted to €1,518m (of which €339m in IFRS 16 debt), versus €1,997m a year earlier, showing a decrease of €479m. The substantial reduction in debt mainly stemmed from a considerable improvement in the working capital requirement (WCR), which totaled €848m, down €367m on 2019 and representing 12.2% of sales. In addition to the continued structural optimization efforts led for more than 10 years, this new and significant drop in the WCR also resulted from cyclical favorable seasonality effects in 2020, including:

- strong collections of customer receivables at the end of the year;
- delayed purchases of some products and services (for example, investments in growth drivers);
- the positive impact of the downturn in Professional business on the Customers item.

This very low WCR/sales level thus stands as an exception and should not be extrapolated for 2021.

At December 31, 2020, the Group's net debt/consolidated equity ratio was 56% (compared with 76% at end-2019) and 43% excluding IFRS 16. The net debt/Adjusted EBITDA ratio came out at 1.8x, and 1.6x excluding the IFRS 16 effect.

CAPITAL EXPENDITURES

Capital expenditures amounted to €183 million, compared with €266 million in 2019; they are, as announced, decreasing as compared to previous years, representing approximately 2.6% of sales. This decrease is to be read in conjuction with the health crisis context which has slowed down many projects.

Investments in 2020 mainly concern projects in China: construction of a production site for the LKA* activity and for WMF, acquisition of large-scale tools for new products in the field of small domestic equipment ; as well as, as in previous years, investments in production capacity equipment.

The French sites of Rumilly, Pont Evêque and Mayenne have also benefited from investments for the development of new products: renewal of the Ingenio cookware range or Krups new automatic espresso machines. There too, investments in tools and capacities were maintained.

This is in addition to expenditures on production related computer software, capitalized development costs and redevelopment of the Group's own stores.

4.4 Commentary on SEB S.A.'s results

PRESENTATION OF SEB S.A.'S RESULTS

SEB S.A., the parent company of Groupe SEB, is a holding company. It therefore defines and implements the Group's development strategy. It holds financial interests that give it direct and indirect control over Group companies. SEB S.A. also manages the Group's cash, implements the financing policy and centralizes the management of the market risks to which the subsidiaries and the Group are exposed.

The financial statements of SEB S.A. at 31 December 2020 are characterized by the following amounts and transactions:

Operating income and expenses resulted in a loss of €20.6 million in 2020, compared with a loss of €19.8 million in 2019.

Net financial income increased, standing at €120.1 million in 2020, compared with €102.2 million in 2019. This net financial income mainly comprises:

- dividends received, which increased in 2020 to €133.7 million, compared with €122.5 million in 2019;
- unfavorable currency effects in 2020 of €16.5 million, compared with a loss of €25 million in 2019 corresponding mainly to foreign exchange losses on financial items;
- and a €2.9 million reversal of provisions for the impairment of financial items, compared with net allocations of €15.8 million in 2019.

Profit from ordinary activities before tax was therefore €99.5 million in 2020, compared with €82.4 million in 2019. An extraordinary net loss of €2.1 million was recorded, versus a gain of €19.1 million in 2019.

As SEB S.A. is the lead company of the tax consolidation group, it posted tax income of €27.2 million in 2020 (compared to €28.9 million in 2019), corresponding primarily to the tax savings related to the deduction of the losses of the loss-making subsidiaries from the total group's tax result of €23.1 million in 2020.

SEB S.A.'s net profit for 2020 was €124.6 million, compared with €130.4 million for 2019.

At 31 December 2020, total assets amounted to €5,868.6 million, compared with €4,720.8 million at the end of 2019, representing a sharp increase of €1,147.8 million.

Non-current assets amounted to €4,119.5 million, down €300.5 million compared with 31 December 2019. They were primarily composed of equity investments for a net amount of €1,614.5 million, compared with €1,587.8 million in 2019, and long- and medium-term loans granted for €2,502.5 million, versus €2,829.1 million in 2019.

In terms of liabilities, the company's equity stood at €1,305.7 million at 31 December 2020, compared with €1,255.7 million in 2019. SEB S.A.'s total borrowings and financial debt amounted to €4,302.3 million at 31 December 2020, compared with €3,207.8 million in 2019.

* *Large Kitchen Appliances.*

ACQUISITIONS OF EQUITY INVESTMENTS

SEB S.A. did not acquire any significant equity investments in 2020 in companies with their registered offices in France.

DIVIDENDS PAID OUT IN THE LAST THREE FISCAL YEARS

	Dividends	Share premium
2018	99,677,218	3,727,112
2019	106,554,007	4,072,106
2020	71,704,976	2,898,150

BREAKDOWN OF TRADE RECEIVABLES BY DUE DATE

	Article D. 441 I.-2: Invoices issued and not settled at the closing date of the fiscal year period that are in arrears					
	0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days or more	Total (1 day or more)
(A) Late payment tranches						
Number of invoices concerned						10
Total amount of invoices concerned incl. VAT		3.6	0	0	0	-
Percentage of total amount of purchases incl. VAT for the year		180.00%	0.00%	0.00%	0.00%	0.00%
(B) Invoices excluded from (A) relating to debts and receivables that are disputed or not reported						
Number of invoices excluded			0			
Total amount of invoices excluded			0			
(C) Payment deadlines for references used (contractual or statutory deadline - Article L. 441-6 or Article L. 443-1 of the French Commercial Code)						
Payment deadlines used to calculate late payments	Legal deadlines: for French suppliers, payment deadlines range from 15 days to 60 days; for foreign suppliers, payment deadlines are scheduled from 30 to 60 days. Contractual deadlines: The payment deadlines comply with the legal deadlines					

BREAKDOWN OF TRADE PAYABLES BY DUE DATE

	Article D. 441 I.-1: Invoices received and not settled at the closing date of the fiscal year period that are in arrears					
	0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days or more	Total (1 day or more)
(A) Late payment tranches						
Number of invoices concerned						10
Total amount of invoices concerned incl. VAT		0	0	0	0	0
Percentage of total amount of purchases incl. VAT for the year		0.00%	0.00%	0.00%	0.00%	0.00%
(B) Invoices excluded from (A) relating to debts and receivables that are disputed or not reported						
Number of invoices excluded	139*					
Total amount of invoices excluded	0					
(C) Payment deadlines for references used (contractual or statutory deadline – Article L. 441-6 or Article L. 443-1 of the French Commercial Code)						
Payment deadlines used to calculate late payments	Legal deadlines: for French suppliers, payment deadlines range from 15 days to 60 days; for foreign suppliers, payment deadlines are scheduled from 30 to 60 days. Contractual deadlines: The payment deadlines comply with the legal deadlines					

* *Including 66 credit notes on travel expenses remaining to be charged to current (64) or future invoices.*

SUMPTUARY EXPENSES AND NON-TAX DEDUCTIBLE EXPENSES

Pursuant to the provisions of Article 223 quater of the French General Tax Code, it is specified that the financial statements for the previous fiscal year contain sumptuary expenses of €17,093.94 corresponding to the depreciation of passenger vehicles. This expense is not deductible from the tax result under Article 39-4 of the French General Tax Code.

4.5 Outlook

Following an atypical year, Groupe SEB is confirming its trust in its business model, which once again demonstrated its resilience and solidity in the face of a major crisis.

The general environment at the start of 2021 is highly uncertain. Despite the initiation of vaccination campaigns, health conditions continue to be unstable, reflected in movement restriction measures in many countries, notably in Europe, and ongoing difficulties in the hospitality and catering sectors, still severely impacted.

However, as in the second half of 2020, our Consumer business activity is solid at the beginning of the year on a favorable comparison basis. The momentum is based on firm demand, new products launchings supported by strong advertising and marketing activation and stepped-up e-commerce. A gradual return to normal of the Professional business could materialize as of the second half of the year.

Given the limited visibility on the coming months and the seasonal nature of our business, we are not in a position to specify our objectives for full-year 2021 at this stage. The currency effects as well as the high price levels of raw materials and freight are currently headwinds. Nevertheless, the Group is well equipped and firmly on track to return to organic sales growth and higher Operating Result from Activity in 2021.

In any case, the Group remains entirely mobilized and agile, ready to adapt its systems and processes to health requirements and to any measures implemented by the public authorities in all of its countries.

4.6 Post-balance sheet events

CREATION OF A HOLDING COMPANY TO STRENGTHEN FAMILY CONTROL

The family shareholders of Groupe SEB, who signed the shareholders' agreement on February 27, 2019, together hold 31.9% of the share capital. This group of 260 individuals is structured around GÉNÉRACTION and VENELLE INVESTISSEMENT.

To ensure long-term family control and strengthen ties with Groupe SEB, the concerted family shareholders created a family holding company on March 12, 2021 to strengthen its position.

On the same day, this holding company, called HRC (Holding de Renforcement du Contrôle), received a significant portion of the SEB shares held by the concerted parties, i.e. 6.4% of the capital of SEB SA, with this group continuing to hold 31.9% of the capital. Note that HRC is a party to the shareholders' pact of 27 February 2019 and as such is a member of the concerted group.

Using these assets together with debt, HRC aims to acquire SEB shares. This objective will be pursued gradually and in compliance with current stock market regulations.

This move reflects the family group's strong commitment to Groupe SEB, confirming its confidence in the Group's sustainable growth model and its desire to support it over the long term.

This latest step is in keeping with the shareholders' agreement of February 2019. The holding company will be managed by two members of the seventh generation of the Lescure family.

FREE ALLOCATION OF SHARES

In order to earn the loyalty of its shareholders, Groupe SEB is proceeding with a free allocation of shares to their benefit.

Meeting on February 23, 2021, the Board of Directors, making use of the authorization it has been given by the Combined Annual Shareholders' General Meeting of May 19, 2020 under the 19th resolution, has decided to increase the share capital by €5,030,706 through the incorporation of reserves and/or retained earnings. This will take the share capital from €50,307,064 to €55,337,770.

The increase of share capital will be completed on March 3rd, 2021 through the creation of 5,030,706 new, entirely freed up shares with a nominal value of €1. The shares will be freely allocated to all shareholders registered on March 2nd, 2021, to the tune of ONE new share per TEN existing shares. It is specified that all shares making up the share capital, or 50,307,064 shares, will carry the same allocation right of 1 new share per 10 existing shares.

The attribution right will be detached on March 1st, 2021 on the opening for trade of the Paris-Euronext Stock Exchange and will lead to a corresponding adjustment of the share price. The new shares will bear rights on January 1, 2020 and will be immediately assimilated to existing shares. They will carry the same rights as the original shares in terms of double voting rights and dividend loyalty bonus. They will give right to a dividend in respect of 2020 financial year, paid in 2021.

Rights forming fractional shares shall not be tradeable, nor can they be sold, and ownership of the related shares shall be fully or partially maintained by SEB S.A. as shares held in treasury. SEB S.A. will compensate the holders of the fractional shares in respect of the amounts due at the latest thirty (30) days after the full number of shares has been recorded in their accounts. The remainder of potential rights forming fractional shares not maintained by SEB S.A. will be sold.

New shares stemming from shares featuring separation of the legal and beneficial ownership will maintain the same structure. The new share shall be booked to the original account: as such, it will be divided in the same way as existing shares. Fractional amounts will, however, be allocated to the bare owner only.

Transactions will be centralized by BNP Paribas Securities Services – Grands Moulins de Pantin, 9 rue du Débarcadère, 93500 Pantin.

This free share allocation will be the subject of a detailed Euronext release as of today.

GROUPE SEB INVESTS IN CHEFCLUB

Groupe SEB has announced a new partnership agreement with Chefclub, as well as the acquisition of a minority stake via its investment company, SEB Alliance.

Simplifying cooking and making it accessible to all: that's what Chefclub, the start-up created in 2016 by three brothers, Thomas, Jonathan and Axel Lang, has set as its corporate mission. Chefclub has rapidly become a leading brand in the production and dissemination of cooking content. It has already sold 700,000 books and launched a series of innovative products for kids, which more than 150,000 families have enjoyed so far, all created in collaboration with its online community. Groupe SEB decided to partner with Chefclub, in its new round of financing, for its appeal of experiential content and direct access to online communities which represents the future of e-commerce.

100 MILLION FOLLOWERS: DIRECT ACCESS TO A POWERFUL GLOBAL ONLINE COMMUNITY

Free dissemination of quality content has enabled the brand to attract a community of tens of millions of followers. A true Digital Native Vertical Brand (DNVB), Chefclub has built a relationship of trust with its users, who they can consult and involve in the development of their products. Each product is designed based on the tastes of and requests and comments from the online community, expressed at different stages of the creation process.

MORE THAN ONE BILLION VIEWS PER MONTH: UNRIVALED VISIBILITY

Unlike traditional DNVBs, however, Chefclub stands out thanks to one key strength. As viewers switch from television to social media, Chefclub promotes its brand and its products via inspirational and amusing video recipes viewed all over the world: in December 2020, more than 50 million Americans and close to 15 million French viewers watched Chefclub's recipe videos.

AND A STRATEGIC BRAND LICENSE: "CHEFCLUB BY TEFAL"

This acquisition is also part of joint efforts which will be stepped up in H1 2021 with the launch of a range of products under the brand license "Chefclub by Tefal", including skillets, saucepans, kitchen tools and small domestic appliances. Created in collaboration with the Chefclub community, this range combines Chefclub's expertise in the development of creative recipes with Tefal's sustainable design for simple products to make cooking easier. It will be launched shortly in France and internationally (Germany, Brazil, Italy, South Korea, Canada, Spain, the UK and Mexico), and will be sold via all offline and online channels as well as directly to customers (DtoC) on the Tefal and Chefclub websites.

The new brand "Chefclub by Tefal" benefits from unprecedented visibility on social networks and will broaden Groupe SEB's reach, particularly with Millennials, who are discovering or rediscovering the joys of cooking thanks to the start-up's content. By joining forces with Groupe SEB, world reference for small domestic appliances, Chefclub has access to recognized industrial expertise, the renown of the Tefal brand and a broader retail network which will enable its community to discover its products via the Group's retail channels.

5 Consolidated Financial Statements

5.1 Financial statements

CONSOLIDATED INCOME STATEMENT

Year ended 31 December

(in € millions)	**31/12/2020**	31/12/2019
Revenue (Note 6)	6,940.0	7,353.9
Operating expenses (Note 7.1)	(6,334.6)	(6,614.1)
OPERATING RESULT FROM ACTIVITY	**605.4**	**739.8**
Statutory and discretionary employee profit-sharing (Note 7.2)	(24.2)	(37.2)
RECURRING OPERATING PROFIT	**581.2**	**702.6**
Other operating income and expense (Note 8.1)	(77.9)	(82.1)
OPERATING PROFIT (LOSS)	**503.3**	**620.5**
Finance costs (Note 9)	(39.8)	(41.1)
Other financial income and expense (Note 9)	(21.0)	(19.6)
Share of profits of associates		
PROFIT BEFORE TAX	**442.5**	**559.8**
Income tax (Note 10)	(93.8)	(131.5)
PROFIT FOR THE PERIOD	**348.7**	**428.3**
Non-controlling interests (Note 21)	(48.2)	(48.6)
PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT	**300.5**	**379.7**
PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT PER SHARE *(IN UNITS)*		
Basic earnings per share (Note 11)	6.00	7.63
Diluted earnings per share (Note 11)	5.96	7.58

The accompanying Notes 1 to 36 are an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in € millions)	**31/12/2020**	31/12/2019
PROFIT BEFORE MINORITY INTERESTS	**348.7**	**428.3**
Foreign currency translation adjustments	(109.8)	27.9
Gains (losses) on cash flow hedges	(12.9)	(16.9)
Change in fair value of financial assets (a)	26.5	6.5
Revaluation of employee benefits (a)	(11.3)	(37.5)
Tax effect	6.6	13.9
OTHER COMPREHENSIVE INCOME	**(100.9)**	**(6.0)**
COMPREHENSIVE INCOME	**247.8**	**422.3**
Non-controlling interests	(41.9)	(51.3)
COMPREHENSIVE INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT	**205.9**	**371.0**

(a) Items that will not be reclassified to profit or loss.

CONSOLIDATED BALANCE SHEET

Year ended 31 December

ASSETS *(in € millions)*	31/12/2020	31/12/2019
Goodwill (Note 12)	1,642.4	1,611.3
Other intangible assets (Note 12)	1,261.6	1,261.9
Property plant and equipment (Note 13)	1,219.5	1,248.0
Investments in associates (Note 15)		
Other investments (Note 15)	108.0	100.4
Other non-current financial assets (Note 15)	15.9	38.6
Deferred taxes (Note 10)	107.7	96.3
Other non-current assets (Note 18)	47.2	58.0
Long-term derivative instruments – assets (Note 25)	17.9	3.4
NON-CURRENT ASSETS	**4,420.2**	**4,417.9**
Inventories (Note 16)	1,211.5	1,189.1
Trade receivables (Note 17)	965.4	1,159.7
Other receivables (Note 18)	160.6	175.1
Current tax assets (Note 10)	42.0	57.4
Short-term derivative instruments – assets (Note 25)	36.2	20.5
Financial investments and other current financial assets (Note 15)	664.7	10.2
Cash and cash equivalents (Note 19)	1,769.4	785.5
CURRENT ASSETS	**4,849.8**	**3,397.5**
TOTAL ASSETS	**9,270.0**	**7,815.4**

LIABILITIES *(in € millions)*	31/12/2020	31/12/2019
Share capital (Note 20)	50.3	50.3
Reserves and retained earnings (Note 20.3)	2,436.8	2,395.1
Treasury stock (Note 20.4)	(19.6)	(52.8)
Equity attributable to owners of the parent	2,467.5	2,392.6
Non-controlling interests (Note 21)	267.3	234.9
CONSOLIDATED SHAREHOLDERS' EQUITY	**2,734.8**	**2,627.5**
Deferred taxes (Note 10)	191.0	222.3
Employee benefits and other non-current provisions (Note 22 and Note 23)	355.9	339.5
Long-term borrowings (Note 24)	2,285.8	2,301.8
Other non-current liabilities (Note 27)	52.0	55.2
Long-term derivative instruments – liabilities (Note 25)	15.5	17.1
NON-CURRENT LIABILITIES	**2,900.2**	**2,935.9**
Employee benefits and other current provisions (Note 22 and Note 23)	122.9	107.8
Trade payables (Note 27)	1,260.3	1,044.8
Other current liabilities (Note 27)	493.3	527.6
Current tax liabilities	35.9	74.1
Short-term derivative instruments – liabilities (Note 25)	50.4	27.1
Short-term borrowings (Note 24)	1,672.2	470.6
CURRENT LIABILITIES	**3,635.0**	**2,252.0**
TOTAL EQUITY AND LIABILITIES	**9,270.0**	**7,815.4**

The accompanying Notes 1 to 36 are an integral part of these Consolidated Financial Statements.

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 December

(in € millions)	**31/12/2020**	31/12/2019
PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT	**300.5**	**379.7**
Depreciation, amortization and impairment losses	273.9	278.1
Change in provisions	25.8	(3.5)
Unrealized gains and losses on financial instruments	(23.3)	13.2
Income and expenses related to stock options and bonus shares	29.2	35.3
Gains and losses on disposals of assets	3.5	1.3
Other [(a)]	5.0	(17.5)
Non-controlling interests	48.2	48.6
Current and deferred taxes	93.8	131.5
Finance costs	37.5	41.3
CASH FLOW [(b) (c)]	**794.1**	**908.0**
Change in inventories and work in progress	(59.4)	19.8
Change in trade receivables	107.7	(51.5)
Change in trade payables	251.5	(18.8)
Change in other receivables and payables	62.0	7.8
Income tax paid	(158.9)	(145.9)
Net interest paid	(34.5)	(37.3)
NET CASH FROM OPERATING ACTIVITIES	**962.5**	**682.1**
Proceeds from disposals of assets	6.3	32.4
Purchases of property, plant and equipment	(158.4)	(218.2)
Purchases of software and other intangible assets	(24.1)	(48.1)
Purchases of financial assets [(d)]	(675.4)	248.8
Acquisitions of subsidiaries, net of cash acquired	(17.1)	(292.5)
NET CASH USED BY INVESTING ACTIVITIES	**(868.7)**	**(277.6)**
Increase in borrowings [(c)]	1,669.2	599.3
Decrease in borrowings	(616.5)	(715.4)
Issue of share capital		15.7
Transactions between owners [(e)]	(48.4)	0.2
Change in treasury stock	1.8	1.9
Dividends paid, including to non-controlling interests	(101.0)	(137.3)
NET CASH USED BY FINANCING ACTIVITIES	**905.1**	**(235.6)**
Effect of changes in foreign exchange rates	(15.0)	3.8
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**983.9**	**172.7**
Cash and cash equivalents at beginning of period	785.5	612.7
Cash and cash equivalents at end of period	1,769.4	785.5

(a) Reclassification in profit and loss of €5 million in foreign currency translation adjustments upon deconsolidation of Boehringer in 2020 and €17.5 million in foreign currency translation adjustments upon deconsolidation of Grain Harvest in 2019.
(b) Before net finance costs and income taxes paid.
(c) Excluding IFRS 16, the effects of which are presented in Note 14.
(d) Including a change in financial investments of €608.1 million in France and of -€47.8 million in China (including -€40.2 million of BAD) at 31 December 2020, versus +€254.8 million at 31 December 2019.
(e) Including purchase of Supor shares for €51.6 million.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in € millions)	Share capital	Share premiums [(a)]	Reserves and retained earnings [(a)]	Translation Differences [(a)]	Treasury shares	Equity attributable to owners of the parent	Non-controlling interests	Consolidated shareholders' equity
AT 31 DECEMBER 2018	**50.2**	**88.1**	**2,011.8**	**30.3**	**(82.4)**	**2,098.0**	**208.6**	**2,306.6**
Profit for the period			379.7			379.7	48.6	428.3
Other comprehensive income			(33.9)	25.2		(8.7)	2.7	(6.0)
COMPREHENSIVE INCOME			**345.8**	**25.2**		**371.0**	**51.3**	**422.3**
Dividends paid			(110.6)			(110.6)	(26.7)	(137.3)
Issue of share capital	0.1	15.6				15.7		15.7
Reduction of share capital								
Changes in treasury stock					29.6	29.6		29.6
Gains (losses) on sales of treasury stock, after tax			(26.8)			(26.8)		(26.8)
Exercise of stock options			34.3			34.3	1.1	35.4
Other movements [(b)]			(18.6)			(18.6)	0.6	(18.0)
AT 31 DECEMBER 2019	**50.3**	**103.7**	**2,235.9**	**55.5**	**(52.8)**	**2,392.6**	**234.9**	**2,627.5**
Profit for the period			300.5			300.5	48.2	348.7
Other comprehensive income			8.9	(103.5)		(94.6)	(6.3)	(100.9)
COMPREHENSIVE INCOME			**309.4**	**(103.5)**		**205.9**	**41.9**	**247.8**
Dividends paid			(74.4)			(74.4)	(26.6)	(101.0)
Issue of share capital								
Reduction of share capital								
Changes in treasury stock					33.2	33.2		33.2
Gains (losses) on sales of treasury stock, after tax			(30.2)			(30.2)		(30.2)
Exercise of stock options			28.5			28.5	0.7	29.2
Acquisition of StoreBound			(31.0)			(31.0)	12.3	(18.7)
Other movements [(c)]			(57.1)			(57.1)	4.1	(53.0)
AT 31 DECEMBER 2020	**50.3**	**103.7**	**2,381.1**	**(48.0)**	**(19.6)**	**2,467.5**	**267.3**	**2,734.8**
Dividends proposed for 2020			(123.2)			(123.2)		(123.2)
BALANCE AFTER APPROPRIATION AT 31 DECEMBER 2020	**50.3**	**103.7**	**2,257.9**	**(48.0)**	**(19.6)**	**2,344.3**	**267.3**	**2,611.6**

(a) Reserves and retained earnings in the balance sheet.
(b) Reclassification in profit or loss of €17.5 million in foreign currency translation adjustments upon deconsolidation of the Grain Harvest holding company.
(c) Including purchase of Supor shares for €51.6 million.

SOMMAIRE DES NOTES

5.2 Notes to the Consolidated Financial Statements

SEB S.A. and its subsidiaries (together "Groupe SEB" or "the Group") are a world reference in the design, manufacture and marketing of cookware and Small Domestic Equipment: pressure cookers, irons and steam generators, kettles, coffee machines, deep fryers, toasters and food processors. The Group is also world leader of the professional automatic coffee machine market.

SEB S.A.'s registered office is at Chemin du Moulin Carron, 69130 Écully, France and it is listed on the Euronext-Paris Eurolist market (ISIN code: FR0000121709).

5.2.1. GENERAL PRINCIPLES

The financial statements of Group companies are prepared in accordance with local generally accepted accounting principles. They are restated to comply with Group accounting policies.

The notes to the Financial Statements include analyses of assets and liabilities by maturity where disclosure of this information is required.

NOTE 1. ACCOUNTING PRINCIPLES

Note 1.1. Applicable accounting principles

The Financial Statements were authorized for publication by the Board of Directors on 23 February 2021.

As a company listed in a European Union member State and pursuant to regulation (EC) no. 1606/2002 of 19 July 2002, the Group's published Consolidated Financial Statements for FY 2020 and the comparative financial statements for FY 2019 were prepared in accordance with the IFRS (International Financial Reporting Standards) as adopted by the European Union at 31 December 2020.

Beginning from the consolidated financial statements to be published for financial year 2020, only the comparative financial statements for the year preceding the current year will be presented.

These guidelines can be downloaded from the European Commission's website http://ec.europa.eu/internal_market/accounting/ias_en.htm. This includes the standards published by the IASB (International Accounting Standards Board), namely the IFRS, IAS (International Accounting Standards) and the interpretations from the International Financial Reporting Interpretations Committee (IFRIC) and the former Standard Interpretations Committee (SIC).

MANDATORY NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

The Group adopted the following standards, amendments and interpretations applicable as of 1 January 2020. Their date of application matches that of the IASB.

- "Amendments to References to the Conceptual Framework in IFRS Standards";
- Amendment to IAS 1 and IAS 8, "Definition of Material";
- Amendment to IFRS 3, "Business Combinations".

These new standards and amendments had no material impact on the Group's financial statements.

As a reminder, Phase 1 of the Interest Rate Benchmark Reform, which amends IFRS 9, IAS 39 and IFRS 7, was applied early in the financial statements at 31 December 2019. This amendment allows the Group to ignore uncertainty regarding future reference rate movements when measuring the effectiveness of hedge relationships and/or assessing the highly probable nature of the hedged risk, thereby making it possible to secure existing or future hedge relationships until these uncertainties have been lifted.

NEW EARLY-ADOPTED STANDARDS AND INTERPRETATIONS

The optional standards and interpretations at 31 December 2020 and in particular Phase 2 of the Interest Rate Benchmark Reform, which amends IFRS 9, IAS 39 and IFRS 7, were not applied early. However, the Group does not anticipate any material impacts associated with the application of these new standards.

Note 1.2. Use of estimates

The preparation of Consolidated Financial Statements in accordance with IFRS requires the use of estimates and assumptions that have an impact on the reported amounts of assets and liabilities – such as accumulated depreciation, amortization and impairment losses – and contingent assets and liabilities on the date of the Consolidated Financial Statements, as well as on income and expenses for the year.

These estimates are made on a going concern basis and reflect amounts and assumptions that management considers relevant and reasonable given the Group's operating environment and past experience. Forecasting and producing medium-term plans are rendered difficult by the current economic environment. The Consolidated Financial Statements for the period were prepared on the basis of financial parameters for the market available at the end of the period. The value of certain assets, such as goodwill and trademarks, is estimated at the year-end based on the long-term economic outlook and management's best estimates, taking into account the reduced visibility of future cash flows.

The assumptions used – which mainly concern impairment tests on non-current assets – and the sensitivity of reported amounts to changes in these assumptions, are presented in the relevant notes to these Consolidated Financial Statements, in accordance with IAS 36.

Estimates are adjusted following any change in the circumstances on which they were based or when any new information comes to light. Actual results may differ from these estimates and assumptions.

The impact of the Covid-19 pandemic on estimates is described in a note dedicated to it.

The main estimates and assumptions used to prepare the consolidated financial statements concern the measurement of pension liabilities (Note 23), deferred taxes (Note 10), property, plant and equipment (Note 13), intangible assets (Note 12), investments in associates and other investments, impairment of current assets (Note 16 and 17), short and long-term provisions (Note 22), certain financial instruments (Note 25).

Note 1.3. Translation of foreign financial statements and currency transactions

1.3.1. Translation of the financial statements of foreign operations

The financial statements of foreign entities are prepared in their functional currency, corresponding to the currency of the primary economic environment in which the entity operates. The functional currency of most foreign entities is their local currency.

The Group's functional and reporting currency is the euro.

The financial statements of the Group's subsidiaries are translated into euros by the closing rate method, as follows:

- assets and liabilities in a functional currency other than the euro are translated at the closing rate at the balance sheet date and income statement items are translated at the weighted average rate for the year;
- the resulting exchange differences are recognized as a separate component of equity, under "Translation differences".

The financial statements of subsidiaries whose functional currency is not the local accounting currency are initially translated into the functional currency using the historical rate method, as follows:

- non-monetary assets and liabilities: non-current assets, inventories and securities and the corresponding movements recorded in the income statement are translated at the historical exchange rate;
- monetary assets and liabilities: cash, short and long-term loans and borrowings, operating receivables and payables are translated at the closing rate at the balance sheet date;
- income statement items are translated at the weighted average exchange rate for the year, apart from depreciation, amortization and impairment losses on non-monetary items;
- the resulting exchange differences are recognized in the income statement for the year.

These financial statements in the functional currency are then translated into euros using the closing rate method.

In accordance with the option available to first-time adopters under IFRS 1, Groupe SEB elected to reset to zero at 1 January 2004 the cumulative translation differences arising on consolidation of foreign entities.

1.3.2. Translation of foreign currency transactions

Foreign currency transactions are recognized and measured in accordance with IAS 21 – Effects of Changes in Foreign Exchange Rates. Transactions in currencies other than the euro are initially recognized at the exchange rate prevailing on the transaction date.

Monetary assets and liabilities denominated in currencies other than the euro are translated at the closing exchange rate. The resulting exchange gains and losses are recognized in the income statement except where they are recognized directly under other comprehensive income or refer to eligible cash flow hedges or hedges of a net investment in a foreign entity.

Non-monetary foreign currency assets and liabilities carried at historical cost are translated using the exchange rate on the date of the transaction. Non-monetary assets and liabilities measured at fair value in a foreign currency are translated at the exchange rate on the date on which this fair value was measured.

Where a profit or a loss on a non-monetary item is recognized under other comprehensive income, any exchange component of this profit or loss is recognized directly under other comprehensive income. In contrast, where a profit or a loss on a non-monetary item is recognized directly in the income statement, any exchange component of this profit or loss is recognized in the income statement.

The Group's exposure to certain currency risks is hedged using forward contracts and options (Note 25).

5.2.2. HIGHLIGHTS AND POST-BALANCE SHEET EVENTS

NOTE 2. IMPACT OF THE COVID-19 PANDEMIC ON THE FINANCIAL STATEMENTS

In the face of the pandemic, the Group's top priority has been and remains the health and safety of its employees throughout the world. Additional priorities include the maintenance of service to our customers, the implementation of business continuity plans under optimal safety conditions for our teams and all our partners, and the preservation of cash flows.

Initially in China and then in the rest of the world from March, the Group was forced to temporarily close more than half of its manufacturing facilities, a significant part of its own store network and most of its commercial and office subsidiaries. To address the crisis, numerous pragmatic measures were taken to contain our cost base:

- increased flexibility of the payroll through – in accordance with prevailing national labor regulations – the introduction of short-time working measures, mandatory leave, contract suspension, the end of temporary contracts, etc., as well as a recruitment freeze;
- adaptation of growth drivers to the market situation;
- general reduction in non-essential costs and expenses (travel, events, etc.);
- renegotiation of lease amounts and maturities for our own stores;
- reduction in the remuneration of company officers and directors.

At the same time, the Group undertook a very strict policy of preserving its cash flow through implementing working capital management tailored to the context of the crisis. This focused particularly on maintaining the quality of relationships with suppliers on the one hand and the enhanced monitoring of trade receivables on the other.

The Group did not request deferral of the payment of charges and taxes in France, and did not use loans guaranteed by the French government.

Furthermore, the decision of the Board of Directors to revise the amount of dividends paid in 2020 down by a third compared to 2019 also helped to improve the cash position in the amount of €43.5 million.

The preparation of consolidated financial statements in accordance with IFRSs requires that the Group use estimates and assumptions that have an impact on the amounts of assets and liabilities reported. The Group has taken account of the ever-changing context of the Covid-19 pandemic in the preparation of its annual financial statements.

NOTE 3. CHANGES IN SCOPE OF CONSOLIDATION

Note 3.1. Transactions in 2020

STOREBOUND

On 31 July 2020, Groupe SEB acquired a majority 55% stake in StoreBound, owner of the Dash kitchenware brand, a leading brand for health-conscious consumers in the United States.

Founded in 2010, StoreBound develops kitchenware to improve everyday life under several brands such as Dash, Sobro, Chef Geoffrey Zakarian, and others. The company sells and markets its products through leading US off-line and on-line distributors. In just eight years, StoreBound has developed its industry's largest social media audience in the United States, with more than one million followers on Instagram, generating billions of advertising impressions for the distribution of its products in North and South America, Europe and Asia. StoreBound has launched more than 200 products based on an efficient omnichannel distribution model combining in-store sales, e-commerce and social media.

The company is experiencing rapid growth and has generated revenue of more than $100 million over the last 12 months. StoreBound is based in New York and employs around 50 people. It has been included in the list of the fastest-growth companies published by Inc. Magazine for four consecutive years and broke into the Top 100 of the Entrepreneur 360 list in 2019.

This investment was accompanied by two earnout clauses estimated at €16.7 million at 31 December 2020. The valuations of these two earnouts are based on an EBITDA multiple and will be determined on the basis of the financial statements for the periods ending 31 December 2020 and 31 December 2021.

Furthermore, put options on minority interests were also granted as part of this acquisition of a majority stake. These options, the valuation of which is based on EBITDA multiples, may be exercised no later than 31 March 2025 and no later than 31 March 2028 respectively. This resulted in the recording of estimated borrowings of €28.4 million at 31 December 2020.

The provisional net fair value of identifiable assets and liabilities at 31 July 2020 breaks down as follows:

(in € millions)	**31/07/2020**
Non-current assets*	37.2
Inventories	20.1
Trade receivables	14.6
Net debt	(21.7)
Trade payables	(17.1)
Other net liabilities	(5.8)
TOTAL NET ASSETS	**27.3**
PERCENTAGE INTEREST	**55%**
TOTAL NET ASSETS ACQUIRED	**15.0**
Non-controlling interests	12.3
Acquisition price including earnout clauses	36.6
Provisional goodwill	21.6

* *Including the DASH brand valued by an independent expert at $40 million.*

Furthermore, as part of the streamlining of its activities, the Group sold its "Garden" business at the end of June 2020 and its subsidiary Boehringer Gastro Profi GmbH, which specializes in the sales and marketing of hotel products. The net impact of these two transactions, which amounts to €6.6 million, was recorded in other expenses (see Note 8.4).

Note 3.2. Follow-up on significant transactions in 2019

KRAMPOUZ

On 7 October 2019, Groupe SEB announced the acquisition of Krampouz. Specialized in the design, manufacture and marketing of crepe makers, waffle makers, planchas and grills, Krampouz rounds out both Groupe SEB's BtoB offering and the premium Consumer range. Krampouz now has access to the Group's extensive distribution network, in France and abroad, on top of the DIY and gardening chains where it sells.

Given the date of the acquisition, with the acquisition price allocation process not having been finalized at 31 December 2019, the total acquisition price was presented under "Other investments" at 31 December 2019.

During the first half of 2020, the acquisition price allocation process carried out was used to determine the final net fair value of the identifiable assets and liabilities at 30 September 2019. These can be broken down as follows:

(in € millions)	**30/09/2019**
Non-current assets*	16.0
Inventories	3.9
Trade receivables	1.7
Net debt	(15.1)
Trade payables	(0.9)
Other net liabilities	(4.2)
TOTAL NET ASSETS	**1.4**
PERCENTAGE INTEREST	**100%**
TOTAL NET ASSETS ACQUIRED	**1.4**
Non-controlling interests	
CASH OUTFLOW FOR ACQUISITION OF THE BUSINESS	**39.8**
Final goodwill	38.4

* *Comprising the Krampouz brand estimated at €11.8 million by an independent assessor.*

WILBUR CURTIS

On 8 January 2019, Groupe SEB announced that it had acquired Wilbur Curtis outright, the number two in the US in professional filter coffee machines. With the deal being subject to the usual regulatory clearance, it was finalized on 8 February 2019.

Founded in 1941, Wilbur Curtis manufactures and sells equipment for preparing hot and cold drinks, primarily filter coffee machines and cappuccino machines. Its sustained investment, particularly in innovation, means that it can offer some of the most advanced and top-quality systems on the market. Sales, which have been growing steadily, exceeded 90 million US dollars in 2018 and are mostly US-based. The main customers are coffee roasters, various coffee shop chains, convenience stores, fast food chains, hotels and restaurants. Wilbur Curtis builds long-term relationships with its customers and has an experienced sales force that gives it coverage throughout the US. Its high-performance manufacturing facility employs 300 people in Montebello (California).

After finalizing the purchase price allocation process, the final net fair value of the identifiable assets and liabilities at 8 February 2019 broke down as follows:

(in € millions)	08/02/2019
Non-current assets	87.9
Inventories	13.6
Trade receivables	10.2
Net debt	0
Trade payables	(2.4)
Other net liabilities	0.3
TOTAL NET ASSETS	**109.6**
PERCENTAGE INTEREST	**100%**
TOTAL NET ASSETS ACQUIRED	**109.6**
NON-CONTROLLING INTERESTS	
CASH OUTFLOW FOR ACQUISITION OF THE BUSINESS	**234**
Final goodwill	124.4

The acquisition price allocation process carried out by an independent expert identified and valued one Brand at €37.3 million and customer relationships at €17.5 million;

LIQUIDATION OF GRAIN HARVEST BASED IN HONG KONG

As part of the liquidation of the intermediate holding company Grain Harvest (the company has been dormant since 2016), the reclassification in profit or loss of this company's foreign currency translation adjustments gave rise to the recognition of €17.5 million in financial income.

Some legal restructuring operations also continued, particularly in Switzerland and Austria, as part of the combining of the WMF and Groupe SEB consumer businesses. This restructuring had no impact on the Group's consolidated financial statements.

NOTE 4. OTHER SIGNIFICANT EVENTS

NEW BOND ISSUE

As part of an active liquidity management policy, on 9 June 2020 Groupe SEB announced that it had successfully placed a five-year €500 million bond issue (maturing 16 June 2025), with a coupon of 1.375% (Note 24.1).

SYNDICATED CREDIT FACILITY RENEGOTIATION

On 29 June 2020, the Group's syndicated credit facility was the subject of an addendum to extend its maturity by one year (to 31 July 2022), with an option to extend by an additional six months (Note 24.1).

INVESTIGATION BY THE TURKISH COMPETITION AUTHORITY

On 7 January 2020, the Turkish competition authority opened an investigation at the headquarters of GS Istanbul, a distributor, various warehouses, a wholesaler and a competitor. This investigation concerns facts related to three practices (fixed resale price, refusal to supply, prohibited use of confidential information). Possible fines range from five per thousand to three percent of Groupe SEB Istanbul sales in 2020. A provision of €0.7 million, or 1% of revenue, was recognized in the accounts at 31 December 2020.

BRAZIL

On 15 March 2017, the Brazilian Federal Supreme Court found the inclusion of the ICMS in the PIS and COFINS tax bases to be unconstitutional. Our Seb do Brasil manufacturing subsidiary had brought a case on this matter in 2009 and received a favorable verdict on 6 September 2018 in a final judgment confirming the position of the Supreme Court and thereby opening the door to the refunding of the additional tax paid by Seb do Brasil since 2004. As a result, a €32 million tax receivable was recognized in 2018 under "Revenue" for the period in Brazil. Aside from this revenue, interest on arrears of circa €20 million has been recognized.

In July 2019, the Brazilian courts also handed down a final judgment in favor of Seb Comercial, opening the door to the refunding of the additional tax paid since 2013. As a result, an €8 million tax receivable was recognized under "Revenue" for the period in Brazil. Aside from this revenue, interest on arrears of circa €3 million has been recognized.

Following a referral by the FRB (Federal Revenue of Brazil), the Supreme Court must provide clarification on the calculation basis for the PIS and COFINS taxes; a decision was expected on 1 April 2020. However, given the context of the Covid-19 pandemic, the Supreme Court has not yet delivered its verdict.

GERMANY

In 2019, the Group identified commercial practices at Groupe SEB Deutschland that weren't in line with Group principles. Internal investigations led the Group to recognize accounting adjustments pertaining to prior financial years (2018 primarily) of around €20 million. Additional accounting adjustments of €4 million were also recorded during the 2020 financial year (Note 8.4).

INVESTIGATION BY THE FRENCH COMPETITION AUTHORITY

In 2013, the French Competition Authority conducted an inquiry into the pricing and listing practices of several domestic appliance manufacturers, including Groupe SEB France and Groupe SEB Retailing, with regard to certain online retailers. After having responded to questions and requests for documentation from the AMF, no notification has been received to date. Given the uncertain outcome of the proceedings, no provision was funded in the financial statements at 31 December 2020.

In the past 12 months, other than the proceedings reflected in the financial statements and described in the accompanying notes, there have been no other government, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Group is aware) which may have or have had in the recent past significant effects on the Group and/or its financial position or profitability.

NOTE 5. SUBSEQUENT EVENTS

During the weekend of 10 January 2021, following the heavy snowfall caused by Storm Filomena, the roof of our Madrid logistics center collapsed, destroying a portion of the stock. This warehouse is leased from a private owner outside the Group. Due diligence procedures are being conducted by our insurers as this loss is well covered by the insurance policies in effect. An alternative storage solution has been set up to supply the Spanish market.

At the date these financial statements were approved by the Board of Directors, 23 February 2021, no other material event had occurred.

5.2.3. INCOME STATEMENT

NOTE 6. REVENUE

Revenue corresponds to the value, excluding tax, of goods and services sold by consolidated companies in the course of their ordinary activities, after eliminating intra-group sales.

Revenue is recognized on the date of transfer of control over a good or service, generally when the customer receives a product.

"CONSUMER" BUSINESS

This business encompasses the sales and marketing of cookware and small electrical appliances. Revenue from this business is recognized upon transfer of control of the product and is assessed for an amount corresponding to the fair value of the consideration received or receivable as determined after deducting rebates and discounts.

Accruals are booked for deferred rebates granted to customers on the basis of contractual or constructive commitments identified at the period-end. Advertising expense contributions billed by customers, the cost of consumer promotions and some miscellaneous sales are recognized as a deduction from Group revenue.

Freight and other costs billed to customers are treated as an integral part of revenue.

"PROFESSIONAL" BUSINESS

This business encompasses the sales and marketing of professional automatic coffee machines and hotel equipment.

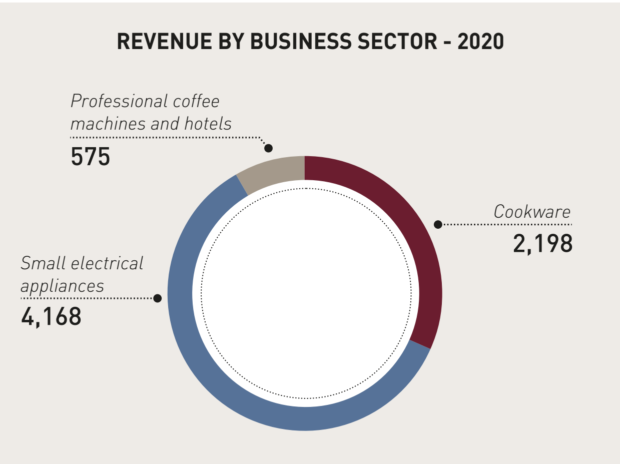
Revenue from the sales and marketing of machines is recognized upon transfer of control of the product and is assessed for an amount corresponding to the fair value of the consideration received or receivable as determined after deducting rebates and discounts.

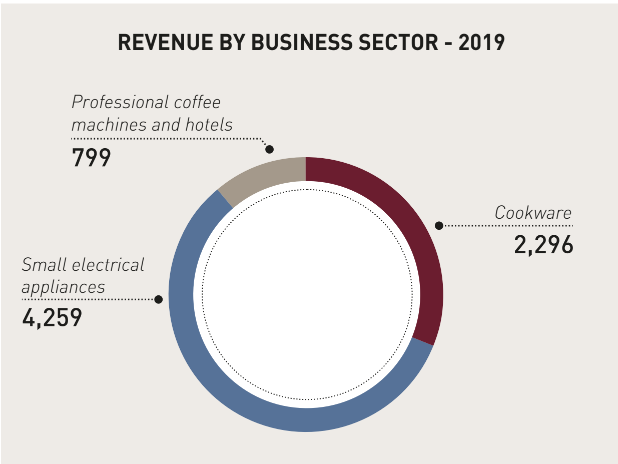
Revenue from the sales and marketing of annual or multi-year maintenance contracts is recognized as the service is provided.

Freight and other costs billed to customers are treated as an integral part of revenue.

REVENUE BY GEOGRAPHICAL LOCATION OF THE CUSTOMER AND BUSINESS SECTOR

(in € millions)	**2020**	2019
Western European market	2,405.5	2,442.2
Other countries	901.0	897.2
TOTAL EMEA	**3,306.5**	**3,339.4**
North America	622.5	589.2
South America	253.6	325.6
TOTAL AMERICAS	**876.1**	**914.8**
China	1,626.2	1,761.8
Other countries	556.3	539.2
TOTAL ASIA	**2,182.5**	**2,301.0**
TOTAL CONSUMER	**6,365.1**	**6,555.2**
TOTAL PROFESSIONAL	**574.9**	**798.7**
TOTAL	**6,940.0**	**7,353.9**





NOTE 7. OPERATING RESULT FROM ACTIVITY AND RECURRING OPERATING PROFIT

(in € millions)	**31/12/2020**	31/12/2019
Revenue (Note 6)	6,940.0	7,353.9
Operating expenses (Note 7.1)	(6,334.6)	(6,614.1)
OPERATING RESULT FROM ACTIVITY	**605.4**	**739.8**

The Group's main performance indicator is the **Operating Result from Activity (ORfA)**.

Operating Result from Activity corresponds to revenue less operating expenses.

Exchange gains and losses on manufacturing and sales transactions denominated in foreign currencies and their related hedging transactions are included in Operating Result from Activity.

Recurring Operating profit corresponds to Operating Result from Activity less statutory and discretionary employee profit sharing.

Note 7.1. Operating expenses

Operating expenses comprise the cost of sales, research and development costs, advertising costs and distribution and administrative expenses.

ORfA does not include discretionary and non-discretionary profit-sharing or other non-recurring operating income and expense.

(in € millions)	2020	2019
COST OF SALES SUB-TOTAL	**(4,280.9)**	**(4,522.0)**
Research and development costs (Note 12)	(132.3)	(137.4)
Advertising	(143.7)	(114.9)
Distribution and administrative expenses	(1,777.7)	(1,839.8)
OPERATING EXPENSES	**(6,334.6)**	**(6,614.1)**

Note 7.2. Employee benefits expenses

(in € millions)	2020	2019 [(a)]
Wages and salaries (excluding temporary staff costs)	(986.0)	(1,036.4)
Payroll taxes	(168.7)	(175.2)
Pension and other post-employment benefit plan costs	(71.5)	(79.1)
Service cost under defined benefit plans	(22.0)	(11.6)
EMPLOYEE BENEFITS EXPENSES INCLUDED IN OPERATING EXPENSES	**(1,248.2)**	**(1,302.3)**
Discretionary and non-discretionary profit-sharing	(24.2)	(37.2)
TOTAL EMPLOYEE BENEFITS EXPENSES	**(1,272.4)**	**(1,339.6)**

(a) After reclassification within employee benefits expenses, without any impacts on the total of the section.

Breakdown by geographical segment 2020	EMEA	Americas	Asia	Total
Employee benefits expense (excluding temporary staff costs)	(884.7)	(116.4)	(271.3)	**(1,272.4)**
Average number of employees *(in units)*	16,074	2,741	14,469	**33,284**

Breakdown by geographical segment 2019	EMEA	Americas	Asia	Total
Employee benefits expense (excluding temporary staff costs)	(940.6)	(134.2)	(264.8)	**(1,339.6)**
Average number of employees *(in units)*	16,089	2,925	14,923	**33,937**

NOTE 8. OPERATING PROFIT

Operating profit is comprised of all the recurring and non-recurring income and expenses generated in the course of the Group's ordinary activities, including income and expenses resulting from one-off decisions or transactions that are unusual in terms of their amount.

Note 8.1. Other operating income and expenses

Other non-recurring operating income and expenses primarily include the following items:

- costs of significant restructuring plans as well as non-recurring and significant costs related to the consolidation of new entities within the Group;
- impairment losses on property, plant and equipment and intangible assets, including goodwill;
- costs related to business combinations (excluding the costs of issuing equity instruments or of new debt contracted for the purpose of the business combination) and remeasurement of any previously held investment on the date control was obtained;
- gains or losses recognized upon losing exclusive control of a subsidiary, including the remeasurement at fair value of any retained investment;
- gains and losses on unusual, abnormal and infrequent events (litigation, asset disposals, etc. involving unusually large amounts) and changes in provisions booked for these types of events.

(in € millions)	2020	2019
Restructuring costs	(50.5)	(32.8)
Impairment losses	(3.7)	(14.6)
Gains and losses on asset disposals and other	(23.7)	(34.7)
OTHER OPERATING INCOME AND EXPENSES	**(77.9)**	**(82.1)**

Note 8.2. Restructuring costs

2020

Restructuring costs in 2020 came to €50.5 million, mainly related to WMF, particularly with the continuation of the restructuring plan announced in July 2019 for €27 million, the finalization of the optimization plan for the Retail business for €0.9 million, and a restructuring plan for WMF's business activities for €16.1 million.

In addition, restructuring costs in the United States, Spain, Colombia, Brazil and Canada were recorded in the amount of €6.5 million.

2019

The restructuring costs of €32.8 million for 2019 mainly include €29 million for the WMF restructuring plan announced in July 2019, designed to increase its competitiveness, and €2.7 million to continue the optimization plan for its Retail business. In addition, restructuring costs in the United States, Italy and China were recorded in the amount of €1.1 million.

Note 8.3. Impairment losses

In application of the principle described in Note 12.2, certain manufacturing CGUs are tested for impairment by comparing the carrying amount of the assets of each CGU with their recoverable amount. As part of the WMF restructuring plan, and in particular the restructuring of its cookware business, a €7.9 million impairment loss on the industrial assets was recognized in the 2019 financial statements. In 2020, an additional impairment of €3.5 million was recorded.

Furthermore, given the complexity of the local situation, in 2019 the Group decided to fully write down the remaining goodwill associated with its operations in India. The resulting expense recorded in 2019 was €6.6 million.

Note 8.4. Gains and losses on asset disposals and other

2020

The "Gains and losses on asset disposals and other" section primarily includes:

- the impact of the sale of Boerhinger, which generated an accounting loss of €4.9 million;
- €4.0 million in additional accounting adjustments recognized in the financial statements of Groupe SEB Deutschland for prior financial years;
- the impact of the sale of ESMA's Garden business, which generated an accounting loss of €1.7 million;
- €5.6 million in transaction fees related to M&A transactions during the period.

2019

In 2019, this item included in particular:

- accounting adjustments recognized in the financial statements of Groupe SEB Deutschland for prior financial years (mainly 2018) for approximately €20 million (see Note 4) as well as around €2 million in costs for internal investigations;
- the cost of the departure of several members of the Group's Executive Committee (around €8 million);
- the cost of acquiring the "cookware" business of our Egyptian partner, the acquisition of Wilbur Curtis and the acquisition of Krampouz for a total of €6 million;
- multiple disputes offset by the reversal of a contingent liability recognized upon acquisition of WMF for €3.5 million (see Note 22);

NOTE 9. FINANCE RESULT

FINANCE COSTS

Finance costs are recognized in the income statement in the period in which they are incurred.

Accrued interest on interest-bearing instruments is recognized by the effective interest method based on the purchase price. Dividend income is recognized when the shareholder's right to receive payment is established.

Gains and losses on borrowings in foreign currencies and related hedges are reported under "Finance costs".

OTHER FINANCIAL INCOME AND EXPENSES

Seb SA is the main provider of financing for its subsidiaries. As resources (current accounts and long-term loans) are issued in the operating currency of the subsidiaries, Seb SA is exposed to currency risks on this financing. Gains and losses on these intra-Group borrowings in foreign currencies and related hedges are reported under "Other financial income and expenses."

The interest costs on long-term employee benefits set out below represents the difference between the annual discounting of commitments and the expected return on the corresponding financial assets held in a hedging contract for these commitments, as well as the discounting charges for other long-term liabilities and provisions.

(in € millions)	31/12/2020	31/12/2019
FINANCE COSTS	**(39.8)**	**(41.1)**
Exchange gains and losses and financial instruments	(12.5)	(24.6)
Interest cost on long-term employee benefit obligations	(2.4)	(4.9)
Fair value of the optional portion of ORNAE bonds net of calls	3.8	(0.6)
Other miscellaneous financial expenses	(9.9)	10.5
OTHER FINANCIAL INCOME AND EXPENSES	**(21.0)**	**(19.6)**

In 2019, the line "Other miscellaneous financial expenses" mainly included €3.4 million in interest on arrears relating to the PIS COFINS tax receivable in Brazil (Note 4) and the impact of the deconsolidation of the holding company Grain Harvest, which generated financial income of €17.5 million.

In 2020, this line mainly included the impairment of the financial current account in the non-consolidated company Feeligreen for €3.2 million, and various financial expenses that are not material when taken individually.

NOTE 10. INCOME TAX

The "Income tax" line in the income statement includes current tax for the period and changes in deferred taxes.

In accordance with IAS 12 – Income Taxes, deferred taxes are recognized, using the liability method, for temporary differences between the carrying amounts of assets and liabilities and their tax base. They are determined using tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

Temporary differences include:

a) taxable temporary differences, which are temporary differences that will result in taxable amounts in determining taxable profit (tax loss) of future periods when the carrying amount of the asset or liability is recovered or settled; and

b) deductible temporary differences, which are temporary differences that will result in amounts that are deductible in determining taxable profit (tax loss) of future periods when the carrying amount of the asset or liability is recovered or settled.

Deferred tax assets are recognized for deductible temporary differences and tax loss carryforwards to the extent that it is highly probable that future taxable profits will be available in the foreseeable future against which they can be utilized.

Deferred tax assets previously unrecognized at the date of a business combination or during the 12-month purchase price allocation period are subsequently recognized as an adjustment to profit or loss provided they meet the recognition criteria.

In accordance with IAS 12, deferred tax assets and liabilities are not discounted.

Note 10.1. Income tax expense

Profit (loss) before tax amounted to €442.5 million versus €559.8 million in 2019.

(in € millions)	2020	2019
Current tax assets and liabilities	142.3	147.1
Deferred tax assets and liabilities	(48.5)	(15.6)
INCOME TAXES	**93.8**	**131.5**

Current income tax expense corresponds to taxes paid or payable in the short term on profit for the year, based on local tax rates and tax laws in the Group's host countries.

Group companies in France, Italy and the United States have elected for group relief. The agreements guarantee neutrality for each of the companies included in the scope and generate no significant tax savings apart from the immediate offset of the deficits on profits.

Note 10.2. Analysis of income tax expense

The difference between the effective tax rate of 21.2% (23.5% in 2019) and the statutory French tax rate of 32.02% in 2020 (including additional contribution) breaks down as follows:

(in %)	2020	2019
Statutory french tax rate	**32.0**	**34.4**
Effect of differences in tax rates (a)	(13.0)	(15.4)
Unrecognized and relieved tax loss carryforwards	3.7	4.1
Prior period tax loss carryforwards recognized and utilized during the period	(0.8)	(0.6)
Other (b)	(0.7)	1.0
EFFECTIVE TAX RATE	**21.2**	**23.5**

(a) The "Effect of differences in tax rates" line is affected by the large share of profits made in China.

(b) The "Other" line mainly includes withholding tax of 2.2% offset by refunds or the elimination of tax risks in Germany and Brazil. In 2019, this line included withholding tax of 1.1% and the non-deductibility of the goodwill impairment of our Indian business for 0.3%.

Note 10.3. Deferred tax assets and liabilities on the balance sheet

(in € millions)	2020	2019
Intangible assets (brands)	(302.0)	(296.8)
Capitalized research and development costs	(9.4)	(9.9)
Property, plant and equipment	(33.0)	(39.3)
Net tax loss carryforwards	62.8	43.5
Provisions for pensions and other employee-related liabilities	63.3	61.6
Elimination of intra-Group gains	37.7	32.2
IFRS16	2.3	1.5
Other temporary differences	95.0	81.2
TOTAL DEFERRED TAX ASSETS (LIABILITIES)	**(83.3)**	**(126.0)**
Of which:		
Deferred tax assets	107.7	96.3
Deferred tax liabilities	(191.0)	(222.3)

"Other liabilities" mainly correspond to the shareholding valued at approximately €2.6 million.

Deferred tax liabilities on "other temporary differences" are principally comprised of deferred taxes on non-deductible provisions.

The change in net deferred tax liabilities on the balance sheet is explained as follows:

(in € millions)	
NET DEFERRED TAXES AT 31/12/2019	**(126.0)**
Deferred taxes for the period recognized in profit or loss	48.5
Effect of deferred taxes recognized in equity	4.2
Effect of changes in foreign exchange rates	
Effect of changes in the scope of consolidation	(10.2)
Other	0.2
NET DEFERRED TAXES AT 31/12/2020	**(83.3)**

Deferred taxes recognized in consolidated equity principally derive from deferred tax liabilities related to actuarial gains and losses on pension liabilities, derivative instruments and gains or losses on treasury shares.

Note 10.4. Other information

At 31 December 2020, the Group had a number of unrecognized deductible temporary differences and tax loss carryforwards. These amounts are listed per category as well as per expiry date in the table below:

At 31/12/2020 *(in € millions)*	Deductible temporary differences	Tax losses	Total
2021		1.3	1.3
2022	2.4	1.4	3.8
2023		1.6	1.6
2024	0.1	1.3	1.4
2025 and beyond		4.9	4.9
Unlimited	7.4	84.9	92.3
TOTAL	**9.9**	**95.4**	**105.3**

Unrecognized tax loss carryforwards rose from €103.7 million in 2019 to €95.4 million in 2020. The item mainly concerns Germany (€35.3 million in 2020, €30.8 million in 2019), Brazil (€36.4 million in 2020, €43.3 million in 2019) and India (€4.9 million in 2020, €5.9 million in 2019).

NOTE 11. EARNINGS PER SHARE

Basic earnings per share correspond to profit attributable to owners of the parent divided by the weighted average number of shares outstanding during the period, excluding treasury stock.

Diluted earnings per share are calculated by adjusting the weighted average number of shares outstanding to take into account the dilutive effect of stock options and other consolidated equity instruments issued by the company.

(in € millions)	2020	2019
Numerator		
Profit attributable to owners of the parent	300.5	379.7
After tax effect of dilutive potential shares		
Profit used to calculate diluted earnings per share	300.5	379.7
Denominator		
Weighted average number of ordinary shares used to calculate basic earnings per share	50,072,727	49,778,922
Effect of dilutive potential shares	342,867	319,773
Weighted average number of ordinary shares used to calculate diluted earnings per share	50,415,595	50,098,695
BASIC EARNINGS PER SHARE *(IN €)*	**6.00**	**7.63**
DILUTED EARNINGS PER SHARE *(IN €)*	**5.96**	**7.58**

The dilutive impact may relate to the various existing stock option and performance share plans (see Note 20.2).

5.2.3. BALANCE SHEET

NOTE 12. INTANGIBLE ASSETS

GOODWILL

Goodwill arising from consolidated companies is booked as a balance sheet asset under “Goodwill”.

It is measured as the excess of the Group’s interest in the net fair value of the identifiable assets and liabilities acquired in a business combination over the consideration transferred. The consideration transferred is measured as the fair value of assets transferred, equity instruments issued and liabilities incurred by the acquirer to the former owner on the acquisition date, plus any contingent consideration. In the case of an acquisition carried out in stages, the difference between the carrying amount of the previously held interest and its acquisition-date fair value is recorded directly in the income statement on the acquisition date under “Other operating income and expenses”.

For each business combination, any non-controlling interest in the acquired company may be measured either at fair value on the acquisition date (full goodwill method) or at the non-controlling interest’s proportionate share of the acquired company’s identifiable net assets (partial goodwill method).

The fair values provisionally attributed to identifiable assets and liabilities, non-controlling interests measured at fair value and the various components of the consideration transferred may be adjusted by the acquirer for a period of twelve months after the acquisition date. After that period, any adjustments are recognized prospectively in profit or loss with no adjustment to goodwill.

Goodwill is not amortized but is tested for impairment at least once a year. For the purpose of these tests, goodwill is allocated to cash generating units (CGU). These CGUs are uniform groups of assets the ongoing use of which generates cash inflows that are largely independent from the cash inflows generated by other groups of assets.

The method used to test cash generating units for impairment is described in Note 12.3.

When impairment is noted, the difference between the carrying amount of the asset and its recoverable amount is recognized in other operating expenses. Impairment losses on goodwill are not reversible.

Badwill (negative goodwill) is recognized directly in the income statement under “Other operating income and expenses” and is attributed in full to the acquirer.

OTHER INTANGIBLE ASSETS

Software licenses and internal software development costs are recognized as intangible assets when it is probable that they will generate future economic benefits.

They are amortized by the straight-line method over useful lives ranging from three to five years.

Other software licenses and software development costs are expensed as incurred. Patents, licenses and trademarks with a finite useful life are amortized over the shorter of the period of legal protection and their expected useful life, not to exceed 15 years.

Trademarks with an indefinite useful life are not amortized but are tested for impairment.

In business combinations, order books and customer relationships are recorded as recurring transactions with existing customers at the date of acquisition.

The Group also holds certain trademarks – such as the Tefal international trademark and the Seb and Calor regional trademarks – which are not recognized in the balance sheet.

DEVELOPMENT COSTS

Under IAS 38 – Intangible Assets, research costs are recognized as an expense and development costs must be recognized as an intangible asset when the Group can demonstrate (IAS 38, paragraph 57) (nonexhaustive list):

- its intention to complete the development project;
- that it is probable that the expected future economic benefits attributable to the intangible asset will flow to the Group;
- its ability to reliably measure the cost of the intangible asset.

Development costs that do not fulfill the above criteria are expensed during the year in which they are incurred.

In Groupe SEB’s Consolidated Financial Statements, qualifying development costs incurred after the advance design phase and before the manufacturing phase are recognized as intangible assets.

Development costs are amortized on a straight-line basis over three to five years, corresponding to the same useful life as that applied to specific tooling.

Note 12.1. Product Development Costs

(in € millions)	2020	2019
RESEARCH AND DEVELOPMENT GROSS EXPENDITURE	**(144.4)**	**(156.4)**
Research tax credit	7.8	6.5
RESEARCH AND DEVELOPMENT NET EXPENDITURE	**(136.6)**	**(149.9)**
as a % of revenue	2.0%	2.0%
CAPITALIZED DEVELOPMENT COSTS	**4.3**	**12.5**
as a % of R&D expenditure	3.1%	8.3%
AMORTIZATION FOR THE PERIOD RECOGNIZED IN COST OF SALES	**(4.7)**	**(4.7)**
RESEARCH AND DEVELOPMENT COSTS RECOGNIZED IN THE INCOME STATEMENT (NOTE 7.1)	**(132.3)**	**(137.4)**
TOTAL COST RECOGNIZED IN THE INCOME STATEMENT	**(137.1)**	**(142.1)**
as a % of revenue	2.0%	1.9%

Note 12.2. Change in intangible assets

2020 *(in € millions)*	Patents and licenses	Trademarks	Goodwill	Software	Development costs	Intangible assets in progress and other	Total
Cost							
At 1 January	41.2	1,062.9	1,687.7	128.4	36.9	183.1	3,140.2
Acquisitions/additions				12.3	4.3	7.4	24.0
Disposals				(6.9)	(2.5)	(0.3)	(9.7)
Other movements*	0.5	46.2	60.0	3.4	(8.7)	(16.9)	84.5
Foreign currency translation adjustments	(2.0)	(29.8)	(35.7)	(4.9)	(0.7)	(4.2)	(77.3)
AT 31 DECEMBER	**39.7**	**1,079.3**	**1,712.0**	**132.3**	**29.3**	**169.1**	**3,161.7**
Depreciation and impairment losses							
At 1 January	30.4	10.1	76.4	86.1	15.3	48.7	267.0
Foreign currency translation adjustments	(1.6)	(1.2)	(6.8)	(4.0)	(0.5)	(1.6)	(15.7)
Depreciation and amortization expense	3.7			17.4	4.7	9.3	35.1
Net impairment losses							
Depreciation and impairment written off on disposals				(5.0)	(2.6)	(0.3)	(7.9)
Other movements*	0.4			(14.5)	(6.8)	0.1	(20.8)
AT 31 DECEMBER	**32.9**	**8.9**	**69.6**	**80.0**	**10.1**	**56.2**	**257.7**
Carrying amount at 1 January	10.8	1,052.8	1,611.3	42.3	21.6	134.4	2,873.2
CARRYING AMOUNT AT 31 DECEMBER	**6.8**	**1,070.4**	**1,642.4**	**52.3**	**19.2**	**112.9**	**2,904.0**

* *Including changes in scope of consolidation.*

5

2019 *(in € millions)*	Patents and licenses	Trademarks	Goodwill	Software	Development costs	Intangible assets in progress and other	Total
Cost							
At 1 January	40.7	1,021.7	1,553.8	114.4	26.2	142.0	2,898.8
Acquisitions/additions				10.8	12.5	24.8	48.1
Disposals	(0.8)			(5.2)	(2.5)	(0.4)	(8.9)
Other movements*		37.3	124.4	8.3	0.6	15.9	186.5
Foreign currency translation adjustments	1.3	3.9	9.5	0.1	0.1	0.8	15.7
AT 31 DECEMBER	**41.2**	**1,062.9**	**1,687.7**	**128.4**	**36.9**	**183.1**	**3,140.2**
Depreciation and impairment losses							
At 1 January	26.4	10.0	68.9	74.3	13.0	38.1	230.7
Foreign currency translation adjustments	0.9	0.1	0.8	0.1		0.3	2.2
Depreciation and amortization expense	3.9			15.2	4.7	10.6	34.4
Net impairment losses			6.7				6.7
Depreciation and impairment written off on disposals	(0.8)			(5.2)	(2.5)	(0.2)	(8.7)
Other movements*				1.7	0.1	(0.1)	1.7
AT 31 DECEMBER	**30.4**	**10.1**	**76.4**	**86.1**	**15.3**	**48.7**	**267.0**
Carrying amount at 1 January	14.3	1,011.7	1,484.9	40.1	13.2	103.9	2,668.2
CARRYING AMOUNT AT 31 DECEMBER	**10.8**	**1,052.8**	**1,611.3**	**42.3**	**21.6**	**134.4**	**2,873.2**

* *Including changes in scope of consolidation.*

Note 12.3. Impairment rules for fixed assets and definition of CGUs

In accordance with IAS 38, intangible assets with an indefinite useful life – corresponding to trademarks and goodwill – are no longer amortized but are tested for impairment at each year end. Intangible assets with a finite useful life are amortized by the straight-line method over their estimated useful life. Amortization expenses are included in “Operating Result from Activity”. The capitalized amount of development projects in progress is also tested for impairment.

In accordance with IAS 36 – Impairment of Assets, the net carrying amount of property, plant and equipment and intangible assets is tested at the appearance of impairment. Assets with an indefinite useful life – corresponding in the case of the Group to goodwill and trademarks – are tested for impairment at least once a year. Assets with a finite life are tested whenever events or circumstances indicate that their carrying amount may not be recovered. The capitalized amount of development projects in progress is also tested for impairment.

Impairment tests are performed at the level of each Cash-Generating Unit (CGU).

A CGU is defined as an identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other groups of assets. The value in use of these units is determined by reference to net discounted future cash flows. An impairment loss is recognized for any excess in an asset’s carrying amount over its recoverable amount. Recoverable amount corresponds to the higher of the asset’s fair value less costs to sell and its value in use, calculated using the discounted cash flows method. The impairment loss thus determined is first allocated against goodwill and then pro-rata to the other assets based on their carrying amounts.

Losses on CGUs and on assets with an indefinite useful life is recorded in “Other operating income and expenses”. Impairment losses recognized for non-financial assets other than goodwill are reviewed at each annual and interim period end or adjusted as necessary.

Following the acquisition of WMF in 2016, Groupe SEB defined three distinct CGU categories:

- a “Professional” CGU comprising intangible assets and industrial assets (mainly tools, machinery and buildings) related to professional activities (professional coffee machines and hotels) to which a portion of the goodwill calculated at the time of the WMF acquisition has been allocated;
- a “Consumer EMEA” CGU, covering activities relating to cookware and electrical cooking in the EMEA area. This CGU includes intangible assets and industrial assets (mainly tools, machinery and buildings) related to its “Consumer” activities in the EMEA region, to which a portion of the goodwill calculated at the time of the WMF acquisition has been allocated. Furthermore, a portion of the goodwill and industrial assets located in China are also allocated to this CGU. This grouping is in line with the synergies identified in the EMEA region when WMF was acquired;
- independent CGUs for marketing subsidiaries that may be grouped together in the event of pooled resources and for Group entities outside the EMEA region having closely-related industrial and commercial activities.

Note 12.4. Procedures for conducting impairment tests

Trademarks and goodwill were tested for impairment according to the method described above, by comparing their carrying amount to their value in use, with the exception of the trademarks mentioned below, which were valued using the relief from royalty method.

The discount rates used were based on a weighted average cost of capital that factors in market borrowing rates, gearing ratio, beta and country risk using Damodaran methodology. The mature country risk premium used for 2020 was 6.01%. Specific equity risk premiums ranging from 0% to 6.0% were applied to the Group's different CGUs, according to their size, region and other specific characteristics. Furthermore, an additional risk premium of 0.5 points was added this year to take into account the context of the Covid-19 pandemic.

In general, the 2020 tests were conducted on the basis of a 2021 budget corresponding to the sales and ORfA forecasts expected for 2021 within the current ever-changing environment.

DISTRIBUTION OF INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIVES IN THE GROUP'S VARIOUS CGUS

(in € millions)		Goodwill	Trademarks
EMEA	Consumer EMEA	325.1	380.5
	Other	1.4	23.1
		326.5	**403.6**
America	USA	45.6	117.9
	Brazil		20.2
	Colombia	19.5	12.2
	Other	20.5	43.7
		85.6	**194.0**
Asia	Supor	361.4	107.2
	Other	3.8	2.3
		365.2	**109.5**
Consumer	**Total**	**777.3**	**707.2**
Professional business		**865.1**	**363.3**
		1,642.4	**1,070.4**

"PROFESSIONAL BUSINESS" CGU

The test of this CGU, which included trademarks with a net value of €363.3 million and goodwill for €865.1 million (including in particular intangible assets arising from the allocation of the WMF, Wilbur Curtis and Krampouz purchase price), was carried out by comparing the carrying amount with its value in use. The value in use is defined as the sum of discounted cash flows based on a five-year business plan and taking into account a terminal value based on the cash flow of the final year of the plan. The business plan used for the Professional Business CGU, whose activity is the most severely impacted by the current pandemic, is based on the assumption that ORfA will return to pre-epidemic levels from 2024.

The main actuarial assumptions used were as follows:

- a discount rate of 7.79% (compared with 7.76% in 2019);
- and a long-term growth rate of 2% in line with forecasts for the sector.

This test did not indicate any impairment risk for the assets allocated to this CGU. However, the effects of the Covid-19 pandemic reduced the margin of this test, which dropped from 52% in 2019 to 16% by 2020. The terminal value represents 80% of the value in use of the CGU.

The sensitivity of the test to changes, taken in isolation, in the assumptions used to calculate the value in use of this CGU at the end of 2020 is as follows:

- a 1-point decrease in the growth rate would have reduced the test margin to 3%;
- the use of a WACC of 8.67% would have reduced the test margin to zero;
- moreover, if the terminal value had been calculated based on the ORfA projection for 2024 (rather than 2025), thereby reducing the weighting of the terminal value to 77%, an impairment loss of around €19 million would have been recognized.

"CONSUMER EMEA" CGU

The test of this CGU, which included net trademark values for €380.5 million and for goodwill for €420.1 million (of which €307 million in trademarks and €240 million in goodwill from the allocation of the WMF purchase price), was carried out by comparing the carrying amount with its value in use. The carrying amount of this CGU also includes a share of the goodwill and industrial assets in our consumer business in China. The share of Supor goodwill incorporated into this CGU in 2020 amounts to €95 million.

The value in use is defined as the sum of discounted cash flows based on a five-year business plan and taking into account a terminal value based on the cash flow of the final year of the plan. This business plan assumes a return to pre-epidemic ORfA levels from 2023.

The main actuarial assumptions used were as follows:

- a discount rate of 7.79% (compared with 7.76% in 2019);
- a long-term growth rate of 2% in line with forecasts for the household goods sector.

This test did not indicate any impairment risk for the assets allocated to this CGU. The effects of the Covid-19 pandemic had no impact on the margin of this test, which increased from 117% in 2019 to 134% in 2020. The terminal value represents 81% of the value in use of the CGU.

A one-point change in the discount rate or long-term growth rate, or significant changes in the assumptions in the business plan regarding revenue and profitability, would not affect the valuation of this CGU.

The following brands are allocated to the Consumer EMEA CGU:

- Lagostina for €30.4 million;
- OBH Nordica for €12.6 million;
- EMSA for €10.7 million;
- Zahran for €2 million;
- Maharaja Whiteline for €9.0 million.

OTHER CGUS TESTED SEPARATELY

All-Clad

The All-Clad CGU (including net trademark value and goodwill for €117.9 million and €45.6 million respectively at 31 December 2020) was tested for impairment by comparing the carrying amount to its value in use. The value in use is defined as the sum of discounted cash flows based on a five-year business plan and taking into account a terminal value based on the cash flow of the final year of the plan. The main actuarial assumptions used were as follows:

- a discount rate of 6.94% (compared with 7.11% in 2019); and
- a long-term growth rate of 2%.

This test gave rise to no additional impairment of goodwill in 2020. All-Clad's economic performance in 2020 was in line with forecasts.

The sensitivity of the test to changes, taken in isolation, in the assumptions used to calculate the value in use of the All-Clad CGU at the end of 2020 is as follows:

- The use of a 12% discount rate (i.e. +5 points) would not affect the valuation of this CGU;
- A one-point decrease in the growth rate to perpetuity would not result in any additional impairment loss being recognized;
- The use of an unchanged Operating Result from Activity over the course of the business plan would not give rise to any additional impairment loss;
- As regards the sales trends for 2021-2025, Group management currently considers the most probable scenario to be average annual growth of 2%. A revision of sales forecasts to flat over the entire period would result in no additional goodwill impairment loss.

Imusa

The Imusa CGU (including net trademark value and goodwill of Groupe SEB Andean for €12.2 million and €19.6 million respectively at 31 December 2020) was tested for impairment by comparing the carrying amount to its value in use. The value in use is defined as the sum of discounted cash flows based on a five-year business plan and taking into account a terminal value based on the cash flow of the final year of the plan. The main actuarial assumptions used were as follows:

- a discount rate of 12.57% (compared with 13.01% in 2019); and
- and a long-term growth rate of 3% in line with forecasts for the sector.

The test did not lead to any impairment loss being recognized.

The sensitivity of test results to changes in the individual assumptions used in 2020 to determine the value in use of the Imusa CGU assets is as follows:

- the use of a 18% discount rate (i.e. +5 points) would not affect the valuation of this CGU;
- a one-point decrease in the growth rate to perpetuity would not result in any additional impairment loss being recognized;
- the use of an unchanged Operating Result from Activity over the course of the business plan would not give rise to any additional impairment loss;
- as regards the sales trends for 2021-2025, Group management currently considers the most probable scenario to be average annual growth of 4.8%. A revision of sales forecasts to flat over the entire period would result in no goodwill impairment loss.

Supor

At 31 December 2020, the Supor CGU (including the trademark for €107.2 million and goodwill for €361.4 million) was compared to its market value. ZJ Supor is listed on the Shenzhen stock market and the share has enough liquidity to make this a good basis for comparison. At 31 December 2020, Supor shares were trading at CNY 77.99. The carrying amount at the same date was CNY 24.12 per share.

It should be noted that a portion of Supor's goodwill and industrial assets is included in the assets of the Consumer EMEA CGU presented above.

Main trademarks tested using the relief from royalty method or attached to CGUs considered non-material

The Arno brand (€17.2 million) was specifically tested using the relief from royalty method which consists of discounting the royalty revenues that would be derived from licensing the trademarks.

In addition, the Rowenta, Krups, Moulinex, Panex, Clock, Rochedo, Penedo, Imusa USA, Umco, MiroWearEver and AsiaVina brands were recognized in the Consolidated Financial Statements for a total of €39.8 million. The unit value of these brands, with the exception of the Rowenta brand, is less than €10 million.

The main assumptions used in the 2020 tests were as follows:

- royalty rate: 2.0% to 5.5% (unchanged from 2019);
- discount rate after tax: from 5.48% (Rowenta) to 16.72% (Arno) (range between 5.99% and 18.0% in 2019);
- long-term growth rate: 1% to 3% (unchanged from 2019).

For all of these assets, the Group tested the sensitivity of these values in use to different assumptions on discount rate (1% increase) and growth to perpetuity (1% decrease). The decreases in value in use under each of these simulations taken on their own would not result in the impairment of the trademarks in the balance sheet.

NOTE 13. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are initially recognized at cost and are depreciated by the straight-line method over their estimated useful lives.

Maintenance and repair costs are expensed as incurred.

The useful lives are as follows:

- buildings: 10-40 years;
- plant and machinery: 10 years;
- office equipment: 3-10 years;
- vehicles: 4-5 years;
- tooling: 1-5 years.

Each asset component with a useful life that is different from that of the asset to which it belongs is depreciated separately. Useful lives are reviewed at regular intervals and the effect of any adjustments are recognized prospectively.

No items of property, plant or equipment have been revalued.

5

Note 13.1. Change in property, plant and equipment

2020 *(in € millions)*	Land	Buildings	Machinery and equipment	Other property, plant and equipment	Fixed assets in progress	Total
Cost						
At 1 January	84.1	1,061.1	1,332.1	477.2	114.1	3,068.6
Acquisitions/additions	0.1	117.9	60.9	41.6	53.5	274.0
Disposals	(1.9)	(26.4)	(59.0)	(19.2)	(0.6)	(107.1)
Other movements [(a)]	1.5	39.8	56.4	(58.9)	(92.9)	(54.1)
Foreign currency translation adjustments	(4.6)	(35.6)	(30.5)	(9.7)	(2.2)	(82.6)
AT 31 DECEMBER	**79.2**	**1,156.8**	**1,359.9**	**431.0**	**71.9**	**3,098.8**
Depreciation and impairment losses						
At 1 January	8.2	432.3	1,047.2	332.9		1,820.6
Foreign currency translation adjustments	(0.1)	(7.5)	(20.5)	(5.7)		(33.8)
Additions	0.8	96.1	91.8	47.2		235.9
Net impairment losses			0.9	2.8		3.7
Depreciation and impairment written off on disposals	(0.4)	(11.1)	(58.3)	(15.5)		(85.3)
Other movements [(a)]	0.9	(8.8)	9.9	(63.8)		(61.8)
AT 31 DECEMBER	**9.4**	**501.0**	**1,071.0**	**297.9**		**1,879.3**
Carrying amount at 1 January	75.9	628.8	284.9	144.3	114.1	1,248.0
CARRYING AMOUNT AT 31 DECEMBER [(b)]	**69.8**	**655.8**	**288.9**	**133.1**	**71.9**	**1,219.5**

(a) Including changes in scope of consolidation.
(b) Of which €331 million related to the application of IFRS 16 (Note 14).

Breakdown of acquisitions/additions
(in € millions)

New IFRS 16 leases (Note 14)	71.9
Upward change in leases (Note 14)	45.9
IFRS 16 impact on StoreBound acquisition (Note 14)	(2.2)
Other purchases of property, plant and equipment per cash flow statement	158.4
TOTAL	**274.0**

2019 *(in € millions)*	Land	Buildings	Machinery and equipment	Other property, plant and equipment	Fixed assets in progress	Total
Cost						
At 1 January	62.7	678.1	1,263.0	412.5	87.4	2,503.7
Acquisitions/additions	6.7	400.0	82.7	69.2	93.9	652.5
Disposals	(0.5)	(37.0)	(42.0)	(13.9)	(6.8)	(100.2)
Other movements [a]	14.9	18.3	24.9	7.3	(60.8)	4.6
Foreign currency translation adjustments	0.3	1.7	3.5	2.1	0.4	8.0
AT 31 DECEMBER	**84.1**	**1,061.1**	**1,332.1**	**477.2**	**114.1**	**3,068.6**
Depreciation and impairment losses						
At 1 January	7.6	356.4	1,000.9	299.3		1,664.2
Foreign currency translation adjustments		0.6	2.7	1.4		4.7
Additions	0.9	98.4	83.1	47.8		230.2
Net impairment losses		2.3	5.0	0.5		7.8
Depreciation and impairment written off on disposals	(0.2)	(17.4)	(37.5)	(12.3)		(67.4)
Other movements [a]	(0.1)	(8.0)	(7.0)	(3.8)		(18.9)
AT 31 DECEMBER	**8.2**	**432.3**	**1,047.2**	**332.9**		**1,820.6**
Carrying amount at 1 January	55.1	321.7	262.1	113.2	87.4	839.5
CARRYING AMOUNT AT 31 DECEMBER [b]	**75.9**	**628.8**	**284.9**	**144.3**	**114.1**	**1,248.0**

(a) Including changes in scope of consolidation.
(b) Of which €329 million related to the application of IFRS 16 (Note 14).

Note 13.2 Location of the group's main industrial sites

Most of the Group's operations are on 40 major industrial sites. They are distributed as follows:

The Group owns all of its plants, except for the one in Shanghai (China).
Logistics warehouses and commercial and office buildings are generally leased, except for the Group's headquarters building in Écully.

All leases are with unrelated lessors and reflect normal market terms.

NOTE 14. LEASES

Under IFRS 16 "Leases", all leases (except where exempted by the standard) result in the recognition on the balance sheet of an asset (representing the right to use the leased asset during the lease) and a liability (in respect of lease payment obligations).

On the date on which the lease takes effect, the use right is measured at cost including the initial amount of the liability, the advance payments made to the lessor and the initial direct costs incurred in concluding the lease. This may also include an estimate of the costs of restoring the leased asset as per the lease.

When the lease comes into effect, the lease payment liability represents the present value of lease payments under the lease. This discounting of lease payments must be done at the interest rate implicit in the lease or, as the case may be, the lessee's marginal borrowing rate.

The lease payments factored into the calculation of the liability include fixed lease payments (including lease payments considered fixed in substance), variable lease payments based on a rate or index (using the rate or index on the date on which the lease takes effect), residual value guarantees, the exercise price of purchase options, penalties for cancellation or non-renewal of leases. The term of the lease is the non-cancelable period over which the Group is entitled to use the asset as well as periods covered by lease renewal options, which are reasonably certain to be exercised and periods covered by cancellation options that the Group does not intend to exercise.

Upon first-time application of this standard, an analysis of existing leases found:

- the absence of complex leases and pretty uniform types of leases within the Group primarily regarding the leasing of offices, stores, warehouses, vehicles and a number of industrial assets;
- relatively short leases except for a number of stores;
- fixed lease payments in virtually all cases.

As of 1 January 2019, the Group applied IFRS 16 for the first time using the simplified retrospective method.

The Group did not use any simplification methods except regarding the creation of fleets of passenger vehicles and computer hardware. These simplifications did not have any material impacts.

Moreover, the final decision by the IFRS IC on 16 December 2019 on lease terms has not had a material impact on the Group's financial statements. In fact, most leases have renewal options but few include tacit renewal clauses.

Discount rates have been determined based on the remaining term of existing leases as at 1 January 2019. The estimated amount of the liabilities and the right-of-use assets concerned as of 1 January 2019 was €362.2 million.

As of 31 December 2020, the average term of leases falling within the scope of IFRS 16 is 3.4 years compared with 3.5 years at 31 December 2019. The average marginal borrowing rate as of 31 December 2020 was 4%, unchanged from 31 December 2019.

The remaining lease expense related to the variable portion of contracts and other exemptions as of 31 December 2020 amounted to €39.7 million compared with €40 million at 31 December 2019.

Note 14.1. Changes in right of use and breakdown by type of asset

Change in right-of-use over the period 2020

Carrying amount (in € millions)	01/01/2020	New contracts	Upward change in contracts	Downward change in contracts	Depreciation and amortization expense	Foreign currency translation adjustments	31/12/2020
Land	3.5			(1.5)	(0.4)	(0.2)	1.4
Buildings	293.6	61.5	33.3	(13.4)	(67.5)	(11.5)	296.0
Machinery and equipment	7.4	2.2	1.5	(0.1)	(2.9)	(0.3)	7.8
Other property, plant and equipment	24.3	8.2	11.2	(2.0)	(14.7)	(0.8)	26.2
TOTAL	**328.8**	**71.9**	**45.9**	**(17.0)**	**(85.5)**	**(12.8)**	**331.4**

These amounts are included in Note 13.1 "Property, plant and equipment".

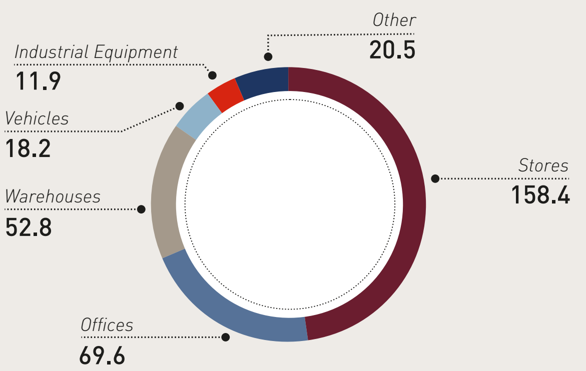
Change in right-of-use over the period 2019

Carrying amount (in € millions)	01/01/2019	New contracts	Upward change in contracts	Downward change in contracts	Depreciation and amortization expense	Foreign currency translation adjustments	31/12/2019
Land	3.7			(0.1)	(0.5)	0.4	3.5
Buildings	323.2	27.5	32.0	(21.9)	(68.7)	1.5	293.6
Machinery and equipment	7.1	2.7	0.6	(0.4)	(2.9)	0.3	7.4
Other property, plant and equipment	28.2	7.4	2.1		(14.7)	1.3	24.3
TOTAL	**362.2**	**37.6**	**34.7**	**(22.4)**	**(86.8)**	**3.5**	**328.8**

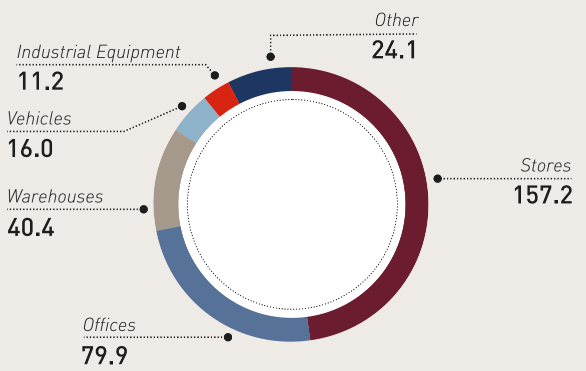
These amounts are included in Note 13.1 “Property, plant and equipment”.

Breakdown by type of asset

LEASING DEBT BY TYPE LEASED ASSETS AT 31/12/2020 (In €M)



LEASING DEBT BY TYPE LEASED ASSETS AT 31/12/2019 (In €M)



Note 14.2. Change in lease liabilities

Change in lease liabilities over the 2020 period

(in € millions)	01/01/2020	New leases and lease amendments	Repayment	Financial expenses	Foreign currency translation adjustments	31/12/2020
Lease liabilities	333.7	100.8	(94.7)	12.5	(13.4)	338.9

Change in lease liabilities over the 2019 period

(in € millions)	01/01/2019	New leases and lease amendments	Repayment	Financial expenses	Foreign currency translation adjustments	31/12/2019
Lease liabilities	362.2	50.0	(95.7)	14.8	2.4	333.7

The short-term lease liability totaled €70.8 million at 31 December 2020 compared with €71.5 million at 31 December 2019.

Note 14.3. Remaining lease expense and off-balance sheet commitments

The remaining lease expense following application of IFRS 16 breaks down as follows:

				Breakdown of remaining lease expense		
(in € millions)	Prior to application of IFRS 16	IFRS 16 adjustment	Remaining lease expense	Short-term lease payments	Lease payments for low-value assets	Variable portion of lease payments
Lease expense	(134.4)	94.7	(39.7)	(9.5)	(2.2)	(28.0)

Off-balance sheet commitments relating to remaining lease expense:

(in € millions)	Less than one year	More than one year but less than five years	More than five years	Total commitments
Short-term lease payments	5.9			5.9
Lease payments for low-value assets	2.1	2.5		4.6
Variable portion of lease payments	24.2	5.2	0.2	29.6
TOTAL COMMITMENTS	**32.2**	**7.7**	**0.2**	**40.1**

NOTE 15. INVESTMENTS IN OTHER FINANCIAL ASSETS

Financial instruments are accounted for in accordance with IFRS 9 – Financial Instruments.

Financial assets are recognized in the balance sheet when the Group becomes a party to the contractual provisions of the instrument. They are recognized at the fair value of the consideration given or received. The transaction costs directly attributable to the acquisition of the financial assets are included in the initial valuation. Acquisition costs include direct external transaction costs.

The classification of financial assets into each of the categories defined by IFRS 9 (amortized cost, fair value through other comprehensive income, fair value through profit or loss) is dependent on the management systems put in place by the Group and their contractual cash flow characteristics.

EQUITY INSTRUMENTS HELD

These assets are measured at fair value through profit or loss or for those not held for trading designated at fair value through other comprehensive income (cannot be reclassified to profit or loss). This classification is irrevocable.

These assets are presented on the "Other investments" line in the balance sheet.

FINANCIAL ASSETS RECOGNIZED AT AMORTIZED COST

These assets include loans and receivables and held-to-maturity investments.

Held-to-maturity investments are financial assets with a fixed maturity that the Group has the positive intention and ability to hold to maturity. They are measured at amortized cost, determined by the effective interest method.

SHORT-TERM FINANCIAL INVESTMENTS

The Group makes short-term financial investments with no significant risk of a change in value but whose maturity on the subscription date is longer than three months. These financial assets recognized using the amortized cost method do not meet the definition of cash equivalents. They are classified in the "Other investments and other financial assets" balance sheet item and form an integral part of the definition of the Group's net debt.

BANK ACCEPTANCE DRAFTS (CHINA)

In its Chinese subsidiaries, the Group receives Bank Acceptance Drafts issued by leading local banks for the payment of trade receivables. These financial instruments, with no risk of impairment and whose only counterparty risk is that of the bank, have maturities of less than one year.

They are classified in the "Other investments and other financial assets" balance sheet item and form an integral part of the definition of the Group's net debt.

(in € millions)	2020	2019
OTHER INVESTMENTS	**108.0**	**100.4**
OTHER NON-CURRENT FINANCIAL ASSETS	**15.9**	**38.6**
Financial investments	622.5	7.7
Bank Acceptance Drafts in China (Note 15.3.2)	40.2	
Other current financial assets	2.0	2.5
FINANCIAL INVESTMENTS AND OTHER CURRENT FINANCIAL ASSETS	**664.7**	**10.2**

Note 15.1. Investments

15.1.1. Investments in associates

The Group has not had any investments in associates since 2017.

15.1.2. Other investments

The "Other investments" item stood at €108.0 million at 31 December 2020 compared with €100.4 million at 31 December 2019.

This largely consists of non-controlling interests in several entities and investments in non-consolidated entities due to their non-material size in the Group. This line includes equity investments made in 2020 in connection with the Angell project for €5.7 million and in the company Castalie for €3.4 million.

In accordance with IFRS 9, the non-current financial assets for which the management model is to collect contractual cash flows and the flows resulting from disposals are recognized at fair value in other items of comprehensive income without subsequent reclassification to profit or loss, even in the event of disposal. The change in fair value of these investments amounted to €26.5 million in 2020 compared with €6.4 million in 2019.

At 31 December 2019, this line also included €39.3 million in securities related to the acquisition of Krampouz at the end of September 2019.

Note 15.2. Other non-current financial assets

The "Other non-current financial assets" item stood at €15.9 million at 31 December 2020 compared with €38.6 million at 31 December 2019.

These assets are mainly comprised of endorsements and guarantees, chiefly for property leases.

At 31 December 2019, this line also included €19.3 million in long-term loans and current accounts related to the acquisition of Krampouz at the end of September 2019.

Note 15.3. Financial investments and other current financial assets

15.3.1. Financial investments

These short-term financial investments with a maturity of over three months as of the subscription date totaled €622.5 million at 31 December 2020 (including €14.4 million in China) compared with €7.7 million at 31 December 2019 (all in China).

15.3.2. Bank Acceptance Drafts

The Bank Acceptance Drafts issued by leading Chinese banks, received as payment of trade receivables, were previously presented in the Group's trade receivables. Since 2020, these Bank Acceptance Drafts have now been reclassified under the item "Other investments and other financial assets". These assets with a maturity of less than one year totaled €40.2 million at 31 December 2020.

The amount of Bank Acceptance Drafts recorded in trade receivables at 31 December 2019 was €114.6 million.

NOTE 16. INVENTORIES

Raw materials and goods purchased for resale are measured at purchase cost, using the weighted average cost method.

Work-in-progress and finished products are measured at cost, including raw materials and labor and a portion of direct and indirect production costs.

In accordance with IAS 2, inventories are measured at the lower of cost, determined as explained above, and net realizable value.

Net realizable value corresponds to the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale (mainly distribution costs).

The carrying amount of inventories does not include any borrowing costs.

	2020			2019		
(in € millions)	Cost	Depreciation	Carrying amount	Cost	Depreciation	Carrying amount
Raw materials	324.0	(31.3)	292.7	308.3	(23.2)	285.1
Work in progress	12.1	(1.9)	10.2	20.2	(1.5)	18.7
Finished products and goods purchased for resale	940.3	(31.7)	908.6	916.9	(31.6)	885.3
TOTAL	**1,276.4**	**(64.9)**	**1,211.5**	**1,245.4**	**(56.3)**	**1,189.1**

NOTE 17. TRADE RECEIVABLES

Trade receivables are measured at their nominal amount, which is equivalent to their fair value in view of their short-term maturity.

These receivables are impaired, on the basis of the credit losses expected at maturity in accordance with the asset impairment model introduced by IFRS 9.

(in € millions)	2020	2019
Trade receivables (including discounted bills)	994.9	1,182.2
Provision for doubtful debt	(29.5)	(22.5)
TOTAL	**965.4**	**1,159.7**

At 31 December 2019, the Group sold trade receivables and signed up to reverse factoring programs of some of these customers for a total of €120 million. As the sale of receivables was without recourse, the receivables were deconsolidated. At 31 December 2020, the amount of trade receivables sold and deconsolidated was €34 million.

The amount of Bank Acceptance Drafts recorded in the trade receivables of the Chinese entities at 31 December 2019 was €114.6 million. Beginning in 2020, these financial instruments have been reclassified under the item "Other investments and other financial assets" (Note 15).

A receivables aging analysis is presented in Note 25.

NOTE 18. OTHER RECEIVABLES AND NON-CURRENT ASSETS

(in € millions)	2020	2019
Non-current prepaid expenses	0.8	0.5
Prepaid and recoverable taxes and other non-current receivables [(b)]	46.4	57.5
OTHER NON-CURRENT ASSETS	**47.2**	**58.0**
Current prepaid expenses	12.3	12.7
Advances paid [(a)]	55.3	53.7
Prepaid and recoverable taxes and other receivables [(b)]	93.0	108.7
OTHER CURRENT RECEIVABLES	**160.6**	**175.1**

(a) Including €39.0 million from Supor
(b) Including VAT claims amounting to €74.8 million at 31 December 2020 (€86.4 million at 31 December 2019).

Non-current tax receivables mainly relate to the PIS COFINS receivables in Brazil (Note 4 “Other highlights”).

NOTE 19. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at bank and on hand and short-term investments in money market instruments.

Cash equivalents are mainly composed of very short-term investments, such as SICAV money market funds, whose market value corresponds to their carrying amount at the balance sheet date.

(in € millions)	2020	2019
Cash at bank	1,209.2	632.1
Investments securities	560.2	153.4
TOTAL	**1,769.4**	**785.5**

The €983.9 million change in cash and cash equivalents over the financial year was due to €962.5 million in cash generated from operations, allocated to investment activities in the amount of (€868.7) million and financing activities in the amount €905.1 million.

The consolidated cash flow statement is presented using the indirect method and cash flows are analyzed between operating, investing and financing activities.

IAS 7 – Statement of Cash Flows was amended following the publication of IAS 27R. The aggregate cash flows arising from obtaining or losing control of a subsidiary are classified as investing activities while cash flows arising from changes in ownership interests in a fully consolidated subsidiary are classified as financing activities.

Transactions with jointly controlled entities or entities accounted for by the equity method continue to be classified as investing activities

NOTE 20. EQUITY

Note 20.1. Share capital

At 31 December 2020, the capital consisted of 50,307,064 shares with a nominal value of €1 (similar to the capital at 31 December 2019).

Some shares enjoy double voting rights (Article 35 of the bylaws) and a supplementary dividend (Article 46 of the bylaws). Shares acquire double voting rights when they are fully paid-up and have been registered in the name of the same owner for at least five years. The supplementary dividend of 10% of the unit value of the reference dividend is granted to holders of shares registered without interruption for two financial years preceding the dividend payment, and which are still registered on the ex-dividend date. For any one shareholder, this supplement is limited to a number of shares that may not exceed 0.5% of the share capital.

After deducting treasury shares, the weighted average number of shares outstanding in 2020 was 50,072,727 (49,778,922 in 2019).

At 31 December 2020, the Family voting block owned 31.87% of the capital with these shares representing 40.66% of the theoretical voting rights at Extraordinary Shareholders' Meetings.

Note 20.2. Share-based payments

Stock option plans are measured and recognized in accordance with IFRS 2 – Share-Based Payment.

Stock options represent a benefit for the grantee and, accordingly, are treated as part of the Group's compensation costs. Option grants are not cash-settled, and the benefit is therefore recognized as an expense over the vesting period by adjusting equity. They are valued on the basis of the fair value of the underlying equity instruments. As the stock options and performance shares granted to employees of Group subsidiaries are only exercisable for Seb S.A. shares, they are deemed to be equity-settled share-based payments.

The fair value of stock options at the grant date is determined using the Black & Scholes option pricing model. This model takes into account the option exercise price and period, market data at the grant date (risk-free interest rate, share price, volatility, expected dividends) and grantee behavior assumptions (average holding period of the options).

The fair value of performance shares corresponds to the share price on the grant date less a discount covering the lock-up feature and the value of future dividends that will not be received during the vesting period.

The compensation cost recorded for each plan is determined by multiplying the fair value per option or performance share by the estimated future number of shares to be delivered. The estimated number of shares is adjusted at each balance sheet date, as necessary, based on a revised estimate of the probability of non-market-based performance criteria being met, leading to an adjustment of the compensation cost.

The compensation cost is recognized in employee benefits expense on a straight-line basis over the option or performance share vesting period by adjusting equity. When a grantee leaves the Group before the end of the vesting period, resulting in the rights to the options or performance shares being forfeited, the cumulative compensation cost is canceled by recording an equivalent amount in income. Conversely, if a grantee leaves the Group earlier than originally expected, while maintaining his or her rights to the stock options held, amortization of the cost of his or her options or performance shares is accelerated.

20.2.1. Stock options

There are no more subscription and purchase option plans, as the last plan from June 2012 expired in June 2020.

20.2.2. Performance shares

In 2016, 2017, 2018, 2019 and 2020, the Board of Directors granted performance shares to certain employees and executive officers.

Performance shares granted under the plans are subject to vesting periods of three years (2016, 2017, 2018, 2019 and 2020 plans). In addition, the final vesting of performance shares is subject to the achievement of objectives identical to those used to calculate the variable compensation of the Group's senior managers and executives, based on revenue and Operating Result from Activity. After this vesting period, the performance shares will remain locked for a further two-year period in accordance with the 2016 plan.

The 2017, 2018, 2019 and 2020 plans do not provide for any lock-up period.

At 31/12/2020	Date			Number of shares				
Type	of grant [a]	of vesting	of end of lock-up	granted	vested	canceled	Outstanding	Price on the grant date [b]
Performance shares	5/19/2016	5/19/2019	5/19/2021	168,605	163,385	5,220		96.63
Performance shares	5/11/2017	5/11/2020	5/11/2020	193,450	185,830	7,620		151.6
Performance shares	5/16/2018	5/16/2021	5/16/2021	185,330		6,580	178,750	160.9
Performance shares	5/22/2019	5/22/2022	5/22/2022	226,500	200	3,300	223,000	155.9
Performance shares	5/19/2020	5/19/2023	5/19/2023	193,880			193,880	112.3
TOTAL				**967,765**	**349,415**	**22,720**	**595,630**	

(a) *The grant date corresponds to the date on which the Board of Directors granted the rights.*
(b) *Share price on the date of the Board Meeting.*

For the 2016 plan, the fair value of performance share plans includes a discount to reflect the impact of the restriction on the sale of the shares represented by the lock-up. The measurement method used to determine this discount is based on a strategy that consists of selling the shares at the end of the lock-up period and immediately purchasing an equivalent number of shares free of any restrictions, with the purchase financed by debt repayable at the end of the lock-up using the proceeds from the forward sale and dividends received during the lock-up period.

As the shares granted for the 2017, 2018, 2019 and 2020 plans have no lock-up clause, the fair value only takes into account the absence of dividends during the vesting period.

The main assumptions used to determine the fair value of performance shares were as follows:

Assumptions	2020 plan	2019 plan	2018 plan	2017 plan	2016 plan
Share price on the grant date *(in €)*	112.3	155.9	160.9	151.6	96.63
Risk-free interest rate (5-year rate)	(0.27%)		1.28%	1.63%	(0.16%)
Average interest rate on a 5-year general purpose loan					6.13%
Discounted average rate of dividends not received	1.65%	2.45%	2.25%	1.92%	1.96%
Discount for the lock-up *(as a % of the price on the vesting date)*					15.30%
INITIAL VALUE *(IN € MILLIONS)*	**20.8**	**33.6**	**28.5**	**28.2**	**13.8**
Expense for 2020 *(in € millions)*	4.8	11.4	7.4	2.2	

In addition, there is a local performance share allocation plan in effect in the Supor Group since 2017, with a cost of €3.4 million for 2020 (€5.3 million in 2019).

20.2.3. Employee share ownership plan

When employee rights issues are carried out, if the shares are offered at a discount to market price, the difference between the offer price and the market price is recorded as an expense. The expense is measured on the date the rights are granted, corresponding to the point at which both the Group and the employees understand the characteristics and terms of the offer.

It takes into account matching employer contributions to the plan and any discount offered on the shares, less the deemed cost to the employee of the lock-up applicable to the shares.

It is recognized in full in the income statement in the year of the rights issue, provided the shares are not subject to any vesting condition, as in this case the shares are issued in exchange for employee services rendered in prior periods. The charge is recognized on the income statement, under “Discretionary and non-discretionary profit-sharing.”

In 2019, Groupe SEB offered its employees the possibility of becoming shareholders through the issue of reserved shares. This program, entitled “Horizon 2019”, allowed employees from around 30 countries in which the Group operates to subscribe for Company shares, via an FCPE (company investment fund) or directly – depending on the legislation in force in the various countries. The program would cover a maximum of 501,690 new shares with a par value of €1 each.

The purchase price was set at €123.04, i.e. 20% below the average Seb share price over the 20 trading sessions prior to opening of the subscription period by employees. Moreover, a matching payment, the level of which varies depending on the subscriber country and the number of shares, is made in existing Group shares. Shares acquired are locked in for at least five year, except where there are legal exemptions.

The share capital increase resulting from this plan is of 138,015 new shares with a par value of €1 each.

The IFRS 2 expense that measures the benefit offered to employees stood at €2.1 million in 2019.

Note 20.3. Reserves and retained earnings (before appropriation of profit)

Retained earnings include reserves shown on the balance sheet of Seb S.A. (of which €1,232.5 million was available for distribution at 31 December 2020, compared with €1,182.5 million at 31 December 2019), and Seb S.A.'s share of the retained earnings of consolidated subsidiaries subsequent to their acquisition or incorporation.

Seb S.A.'s share of the retained earnings of foreign subsidiaries is considered to be permanently invested. Any withholding taxes or additional taxes on distributed income are only recognized when distribution of these amounts is planned or considered probable.

Note 20.4. Treasury shares

The Group buys back shares for the following purposes:

- for cancellation in order to reduce the company's share capital;
- for allocation to employees, senior managers or senior executives of the company or of related companies upon exercise of stock options or vesting of performance shares;
- for delivery on redemption, conversion, exchange or exercise of share equivalents.

Share buybacks are carried out based on market opportunities and only when the Group has sufficient cash to fund the transactions.

Treasury stock is deducted from equity at cost. Any gains or losses arising from the purchase, sale, issue or cancellation of treasury stock are recognized directly in equity without affecting profit.

Groupe SEB set up collars on treasury shares from July 2019 to cover its performance share and employee share ownership plans. The call options are classified as equity instruments. The put options sold simultaneously with these call options are classified as financial instruments and are part of the Group's net debt.

In 2020, the Group bought back 127,404 shares at a weighted average price of €124.37 and sold 344,519 shares at an average price of €51.29. The €30.3 million after tax loss on the sales was recognized directly in equity without affecting profit (loss) for the period.

At 31 December 2020, the Group held 145,328 treasury shares at an average price of €135.2 per share.

Movements in treasury shares were as follows:

	Transactions	
(in number of shares)	**2020**	2019
Shares held in treasury at 1 January	**362,443**	**575,888**
Purchases	**127,404**	**280,577**
Buyback plan	4,100	
Liquidity contract	123,304	280,577
Sales	**(344,519)**	**(494,022)**
Disposals	(127,502)	(278,719)
Shares allocated on exercise of stock options, and under the performance share and employee share ownership plans	(217,017)	(215,303)
Shares canceled during the period		
SHARES HELD IN TREASURY AT 31 DECEMBER	**145,328**	**362,443**

	Transactions	
(in € millions)	**2020**	2019
Shares held in treasury at 1 January	**52.8**	**82.4**
Share purchases	**15.8**	**40.5**
Buyback plan	0.6	
Liquidity contract	15.2	40.5
Sales	**(49.0)**	**(70.1)**
Disposals	(15.7)	(39.8)
Exercise of call options, allocation of performance shares and capital	(33.3)	(30.3)
Shares canceled during the period		
SHARES HELD IN TREASURY AT 31 DECEMBER	**19.6**	**52.8**

The Group set up collars on treasury shares from July 2019 broken down into call and put options. These put options, which are an integral part of the Group's debt, are presented in the table below:

Put options	2020	2019
Number of shares	257,200	187,200
Amount in millions of euros	5.0	3.6
Change in Fair Value impacting the Net Financial Expense in millions of euros	2.1	(0.3)

NOTE 21. NON-CONTROLLING INTERESTS

Acquisitions or disposals of non-controlling interests that do not affect the Group's control of a subsidiary are treated as transactions between owners and accounted for in equity.

The carrying amounts of the subsidiary's assets (including goodwill recognized upon obtaining control) and liabilities remain unchanged.

When the Group sells to a minority shareholder a put option for the securities it holds in that subsidiary, a financial liability is recorded on the balance sheet at fair value through equity. Subsequent changes in this debt are also recorded through equity.

In the event of the disposal of non-controlling interests resulting in a loss of control of a subsidiary, a gain (loss) on disposal is recognized for the difference between the selling price, the fair value of the interest retained in the subsidiary and the carrying amount of all the assets (including goodwill) and liabilities as well as non-controlling interests in the subsidiary, following reclassification in profit or loss of the gains and losses recognized in other comprehensive income attributable to owners of the parent. The remeasurement at fair value of the retained investment therefore affects profit or loss.

Changes in non-controlling interests are as follows:

(in € millions)	2020	2019
AT 1 JANUARY	**234.9**	**208.6**
Non-controlling interests in profit	48.2	48.6
Dividends paid	(26.6)	(26.7)
Exercise of stock options	0.7	1.1
Non-controlling interests in shares issues by subsidiaries	4.1	
Changes in scope of consolidation and acquisition by the Group of non-controlling interests in subsidiaries	12.3	0.6
Foreign currency translation adjustments	(6.3)	2.7
TOTAL AT 31 DECEMBER	**267.3**	**234.9**

Since 31 December 2008, non-controlling interests have primarily concerned the non-controlling interests of the ZJ Supor Group. The share of non-controlling interests therefore mainly changed in line with changes in the ZJ Supor Group's reserves (particularly profit and translation adjustments), purchases, sales or any other voluntary adjustments to Seb's stake in ZJ Supor. At 31 December 2020, Groupe SEB held 81.20% of Supor's shares.

Note: in 2020, the impact of the acquisition of 55% of the company StoreBound (Note 3.1) resulted in a €12.3 million increase in minority interests.

The ZJ Supor Group is made up of various subsidiaries, whose name, line of business, location and percentage of interest are shown in Note 34 herein. The 2019 dividends paid to non-controlling interests in 2020 were €25.6 million. The 2020 profit (loss) of this sub-group taken by itself was €233.9 million on revenue of €2,354.9 million. The impact of the sub-group on the consolidated statement of comprehensive income consists solely of foreign currency translation adjustments.

SUMMARY 2020 BALANCE SHEET OF THE SUPOR SUB-GROUP (IN € MILLIONS)

ASSETS	2020	2019	LIABILITIES	2020	2019
Non-current assets	734	730	Shareholders' equity	1,355	1,332
Inventories	284	272	Long-term provisions	6	4
Trade receivables	238	295	IFRS 16 debt	22	24
Other receivables	64	65	Trade payables	356	329
Cash and cash equivalents	596	526	Other current liabilities	177	199
TOTAL	**1,916**	**1,888**	**TOTAL**	**1,916**	**1,888**

SUMMARY 2020 CASH FLOW STATEMENT OF THE SUPOR SUB-GROUP (IN € MILLIONS)

	2020	2019
Net cash from operating activities	320	253
Net cash used by investing activities	(51)	(64)
Net cash used by financing activities	(189)	(143)
Currency translation adjustment	(10)	
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS GROSS	**70**	**46**

The gross cash presented above also includes the Supor financial investments and Bank Acceptance Drafts (see Note 15).

Financing activities during the period mainly concerned the payment of dividends to Groupe SEB and non-controlling interests and the purchase of Supor shares for €51.6 million.

Since this group is located in China, the cash it generates is subject to the foreign exchange controls in effect in that country.

NOTE 22. PROVISIONS AND CONTINGENT LIABILITIES

In accordance with IAS 37 – Provisions, Contingent Liabilities and Contingent Assets, a provision is recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation:

A) PROVISIONS FOR WARRANTY COSTS

The Group provides a warranty on its products. The estimated costs of the warranty are accrued at the time of sale, based on historical data.

This item also includes provisions for product recalls, which are set up when the recall is decided by Groupe SEB.

B) PROVISION FOR CLAIMS AND LITIGATION

As a general principle, all known claims and litigation involving the Group are reviewed by management at each period end. All necessary provisions have been recorded to cover the related risks, as estimated after obtaining advice from outside legal advisors.

C) RESTRUCTURING PROVISION

The Group is considered as having a constructive obligation when management has a detailed formal plan for the restructuring, or has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features and no inflow of economic benefits is expected that would offset the costs of the plan.

The amount of the related provision corresponds to forecast cash outflows under the plan.

In a business combination, a contingent liability will be recognized where there is a current obligation arising from past events and its fair value can be measured reliably.

Provisions are classified as short-term or long-term according to whether the obligation is expected to be settled within or beyond one year.

(in € millions)	2020 non-current	2020 current	2019 non-current	2019 current
Pension and other post-employment benefit obligations (Note 23)	302.2	20.3	283.3	25.3
Product warranties (22.1)	7.4	37.6	9.2	37.0
Claims and litigation and other contingencies (22.2)	44.2	17.8	43.7	17.3
Restructuring provisions (22.3)	2.1	47.2	3.3	28.3
TOTAL	**355.9**	**122.9**	**339.5**	**107.9**

Provision movements (other than provisions for pensions and other post-employment benefits) over the year are as follows:

(in € millions)	01/01/2020	Increases	Reversals	Utilizations	Other movements*	31/12/2020
Product warranties (22.1)	46.2	14.3	(1.4)	(15.3)	1.2	45.0
Claims and litigation and other contingencies (22.2)	61.0	12.9	(5.5)	(5.7)	(0.7)	62.0
Restructuring provisions (22.3)	31.6	44.3	(2.2)	(22.0)	(2.4)	49.3
TOTAL	**138.8**	**71.5**	**(9.1)**	**(43.0)**	**(1.9)**	**156.3**

* *"Other movements" include foreign currency translation adjustments and the effect of changes in the scope of consolidation.*

(in € millions)	01/01/2019	Increases	Reversals	Utilizations	Other movements*	31/12/2019
Product warranties (22.1)	40.0	13.2	(0.9)	(12.1)	6.0	46.2
Claims and litigation and other contingencies (22.2)	69.0	9.7	(7.5)	(9.1)	(1.1)	61.0
Restructuring provisions (22.3)	8.1	28.6	(0.2)	(5.3)	0.4	31.6
TOTAL	**117.1**	**51.5**	**(8.6)**	**(26.5)**	**5.3**	**138.8**

* *"Other movements" include foreign currency translation adjustments and the effect of changes in the scope of consolidation.*

5

Note 22.1. Product warranties

Provisions are recorded for the estimated cost of repairing or replacing products sold under warranty to customers and consumers. The warranty, which is either legal or contractual, generally covers a period of one or two years. Provisions for product recalls are recorded as soon as the recall is decided.

Note 22.2. Claims and litigation and other contingencies

Certain subsidiaries are involved in claims and litigation with third parties.

At 31 December, this item included:

(in € millions)	2020	2019
Supplier claims and litigation	1.9	1.8
Local government claims, litigation and contingencies	5.4	6.4
Commercial claims, litigation and contingencies	0.1	
Employee claims, litigation and contingencies	4.8	4.9
Other claims, litigation and contingencies	49.8	47.9
TOTAL	**62.0**	**61.0**

The "Other claims, litigations and contingencies" item mainly includes the liabilities acquired with WMF (see Note 22.4). The provisions for the other claims, litigations and risks under this item are not material when taken individually.

Note 22.3. Restructuring provision

Restructuring provisions break down as follows:

(in € millions)	2020	2019
Severance costs	48.7	30.5
Site closure costs	0.6	1.1
TOTAL	**49.3**	**31.6**

The current portion of the restructuring provision amounted to €47.2 million and mainly related to the WMF restructuring plan on cookware and professional activities.

Note 22.4. Contingent liabilities

Provisions for contingent liabilities were estimated at €48 million in connection with the WMF acquisition which covered litigation, tax, environmental and regulatory risks.

At 31 December 2019, following a €3.5 million provision reversal (see Note 8.4), this provision for contingent liabilities stood at €34.6 million. At 31 December 2020, following a €1.2 million provision reversal for tax risk now extinguished, the amount of this provision was €33.4 million.

No other contingent liabilities have been identified to date.

NOTE 23. EMPLOYEE BENEFITS

Employee benefits include retirement plans, other post-employment benefits and other long-term benefits

Pension and other post-employment benefit plans

In some countries, the Group is required to pay length-of-service awards to employees on retirement or pension benefits under formal pension plans. The Group also pays contributions to government-sponsored pension plans in its various host countries. The accounting treatment of these pension and other post-employment benefit plans depends on the type of plan.

There are two categories of retirement plans:

Defined contribution plans

Contributions to these plans are recognized as an expense for the period to which they relate.

Defined benefit plans

In accordance with IAS 19, as amended – Employee Benefits, obligations are calculated annually by independent actuaries using the projected Unit credit method based on final salaries. This method sees each period of service as giving rise to an additional Unit of benefit entitlement and measures each Unit separately to build up the final obligation. The final obligation is then discounted. The actuarial assumptions used to calculate the obligation include staff turnover rates, mortality rates, the discount rate and the retirement age.

The assumptions vary according to local laws and regulations in the host countries concerned.

A provision is recorded in the balance sheet for any unfunded obligations, corresponding to defined benefit obligations not covered by plan assets.

Current service cost, corresponding to the increase in the present value of the defined benefit obligation resulting from employee service in the current period, and the effect of plan amendments and reductions, are recognized in the Operating Result from Activity.

Actuarial gains and losses, resulting from changes in actuarial assumptions and experience adjustments (i.e. the effects of the differences between the previous actuarial assumptions and what has actually occurred) are recognized in “Other comprehensive income”.

Interest income or interest expense calculated on the defined benefit obligation net of the value of plan assets by applying the discount rate used to determine the defined benefit obligation is recognized in “Other financial income and expenses”.

The difference between the actual return on plan assets and the interest income calculated by applying the discount rate is recorded in other comprehensive income.

For plans that have a surplus – corresponding to the excess of plan assets over the defined benefit obligation – the Group applies the limit provided for in IAS 19, as amended in determining any asset recognized in the balance sheet.

Other long-term benefits

Certain subsidiaries pay jubilees to employees who have completed a certain number of years’ service or offer employees “time savings accounts”. The cost of these long-term benefits is calculated on an actuarial basis and recognized in profit over the service lives of the employees concerned. Actuarial gains and losses are recognized immediately in profit during the period in which they are generated, as their deferral is not allowed under IFRS.

Pension and other post-employment benefit costs are classified as operating expenses, except for the interest cost, which is included in other financial income and expenses in accordance with the alternative treatment allowed under IAS 19.

Contributions to external funds and payments to employees are reported in the cash flow statement under “Cash flows from operating activities”.

In accordance with IAS 19, which was early-adopted on 1 January 2012, unrecognized actuarial gains and losses on defined benefit obligations at 31 December 2009 and past service costs were recognized in equity in the opening balance sheet starting 1 January 2010.

Note 23.1. Assumptions

Provisions for pension and other post-employment benefit obligation, determined as explained in the accounting principle set out above, mainly concern France and Germany. The obligations are determined by qualified actuaries using a certain number of assumptions. These assumptions are revised once a year.

Discount rates are determined based on the yields of investment grade corporate bonds with maturities that match the remaining life of the benefit obligations at the measurement date.

Assumptions	France 2020	Germany 2020
Economic assumptions		
Rate of salary increases	between 2.50% and 4.00%	between 1.75% and 2.50%
Discount rate (based on Iboxx AA)	-0.15% and 0.35%	-0.12% and 0.35%
Average remaining service life of participating employees	15.4	16.0
Demographic assumptions		
Retirement age	62 to 65 years*	65 years
Staff turnover	0% to 14.8%	0% to 7.5%
Mortality tables	INSEE TD/TV 2014-2016	HEUBECK RT 2018 G

* *Depending on employee age and category (management or other).*

Assumptions	France 2019	Germany 2019
Economic assumptions		
Rate of salary increases	between 1.50% and 4.00%	between 1.75% and 2.50%
Discount rate (based on Iboxx AA)	0.15% and 0.75%	-0.10% and 0.75%
Average remaining service life of participating employees	15.6	15.7
Demographic assumptions		
Retirement age	62 to 65 years*	65 years
Staff turnover	0% to 13.7%	0% to 7.5%
Mortality tables	INSEE TD/TV 2013-2015	HEUBECK RT 2018 G

* *Depending on employee age and category (management or other).*

Note 23.2. Analysis of the pension and other post-employment benefit obligations

The total obligation breaks down as follows:

	2020			
(in € millions)	France	Germany	Other countries	Total
Projected benefit obligation based on final salaries	149.6	228.9	74.3	452.8
Present value of plan assets	(66.2)	(7.5)	(56.6)	(130.3)
DEFICIT	**83.4**	**221.4**	**17.7**	**322.5**
Recognized liability	83.4	221.4	17.7	322.5
Recognized asset				
NET	**83.4**	**221.4**	**17.7**	**322.5**

	2019			
(in € millions)	France	Germany	Other countries	Total
Projected benefit obligation based on final salaries	144.4	223.6	75.7	443.7
Present value of plan assets	(68.8)	(7.4)	(58.9)	(135.1)
DEFICIT	**75.6**	**216.2**	**16.8**	**308.6**
Recognized liability	75.6	216.2	16.8	308.6
Recognized asset				
NET	**75.6**	**216.2**	**16.8**	**308.6**

Obligations for the payment of jubilees were €9.5 million at 31 December 2020 (€9.1 million at 31 December 2019).

Note 23.3. Recognized costs

The cost recognized in the income statement for pension and other post-employment benefit plans breaks down as follows:

	2020			
(in € millions)	France	Germany	Other countries	Total
Service cost	8.2	3.7	4.8	16.7
Interest cost	0.8	1.5	0.4	2.7
Expected return on plan assets	(0.3)	(0.1)	(0.1)	(0.5)
Other	(1.6)	3.0	(0.3)	1.1
COST FOR THE PERIOD	**7.1**	**8.1**	**4.8**	**20.0**

	2019			
(in € millions)	France	Germany	Other countries	Total
Service cost	5.9	5.7	4.4	16.0
Interest cost	1.6	3.1	0.8	5.5
Expected return on plan assets	(0.7)	(0.1)	(0.4)	(1.2)
Other	(1.5)	0.1	(2.6)	(4.0)
COST FOR THE PERIOD	**5.3**	**8.8**	**2.2**	**16.3**

Note 23.4. Change in gains and losses recorded in other comprehensive income

	2020			
(in € millions)	France	Germany	Other countries	Total
Amount at 1 January	(51.6)	(48.0)	(13.4)	(113.0)
Actuarial gains and losses	(4.2)	(11.0)	2.0	(13.2)
Return on plan assets greater/(less than) expected return	0.2		1.0	1.2
Other		0.5	0.2	0.7
AMOUNT AT 31 DECEMBER	**(55.6)**	**(58.5)**	**(10.2)**	**(124.3)**

	2019			
(in € millions)	France	Germany	Other countries	Total
Amount at 1 January	(45.6)	(25.0)	(5.5)	(76.1)
Actuarial gains and losses	(10.1)	(23.2)	(8.5)	(41.8)
Return on plan assets greater/(less than) expected return	4.1		0.3	4.4
Other		0.2	0.3	0.5
AMOUNT AT 31 DECEMBER	**(51.6)**	**(48.0)**	**(13.4)**	**(113.0)**

Note 23.5. Movements in provisions

Movements in provisions break down as follows:

(in € millions)	2020	2019
Net at 1 January	308.6	291.0
Cost for the period	20.0	16.3
Contributions paid	(17.1)	(34.5)
Actuarial gains and losses and other changes	11.0	35.8
NET AMOUNT AT 31 DECEMBER	**322.5**	**308.6**

Note 23.6. Movements in pension and other post-employment benefit obligations

Movements in pension and other post-employment benefit obligations 2020

	2020			
(in € millions)	France	Germany	Other countries	Total
PROJECTED BENEFIT OBLIGATION AT 1 JANUARY 2020	**144.4**	**223.6**	**75.7**	**443.7**
Service cost	8.2	3.7	4.6	16.7
Interest cost	0.8	1.5	0.4	2.7
Benefits paid	(6.8)	(13.9)	(3.5)	(24.2)
Plan amendments				
Actuarial gains and losses	4.3	13.9	(2.3)	15.9
Curtailments/Settlements	(3.3)		(0.1)	2.3
Other	1.0	0.1	(0.7)	0.3
PROJECTED BENEFIT OBLIGATION AT 31 DECEMBER 2020	**149.6**	**228.9**	**74.3**	**452.6**

Movements in pension and other post-employment benefit obligations 2019

	2019			
(in € millions)	France	Germany	Other countries	Total
PROJECTED BENEFIT OBLIGATION AT 1 JANUARY 2019	**132.1**	**204.9**	**67.8**	**404.8**
Service cost	5.9	5.7	4.4	16.0
Interest cost	1.6	3.1	0.8	5.5
Benefits paid	(3.8)	(13.5)	(3.2)	(20.5)
Plan amendments			(2.0)	(2.0)
Actuarial gains and losses	10.5	23.3	8.7	42.5
Curtailments/Settlements	(1.9)			(1.9)
Other		0.1	(0.8)	(0.7)
PROJECTED BENEFIT OBLIGATION AT 31 DECEMBER 2019	**144.4**	**223.6**	**75.7**	**443.7**

Note 23.7. Analysis of plan assets

Change in plan assets in 2020

(in € millions)	2020 France	Germany	Other countries	Total
PLAN ASSETS AT 1 JANUARY 2020	**68.8**	**7.4**	**58.9**	**135.1**
Expected return on plan assets	0.3	0.1	0.1	0.5
Contributions paid		(0.4)	(1.0)	(1.4)
Benefits paid	(3.1)		(2.6)	(5.7)
Actuarial gains and losses and other	0.2	0.4	1.2	1.8
PLAN ASSETS AT 31 DECEMBER 2020	**66.2**	**7.5**	**56.6**	**130.3**

Change in plan assets in 2019

(in € millions)	2019 France	Germany	Other countries	Total
PLAN ASSETS AT 1 JANUARY 2019	**63.9**	**6.4**	**43.5**	**113.8**
Expected return on plan assets	0.8	0.1	0.4	1.3
Contributions paid		1.0	15.1	16.1
Benefits paid		(0.1)	(2.0)	(2.1)
Actuarial gains and losses and other	4.1		1.9	6.0
PLAN ASSETS AT 31 DECEMBER 2019	**68.8**	**7.4**	**58.9**	**135.1**

Plan assets in France are managed by two insurance companies and are invested as follows:

- 44% of the general portfolio of these insurance companies is primarily composed of government bonds, corporate bonds mostly rated AAA or AA, shares in blue-chip international companies (managed directly) and high-yield office property;
- approximately 11% in bond funds;
- the balance in equity funds.

The return on these funds was +1.64% in 2020.

The actual return on plan assets for 2020 should be in line with the expected rate, and actuarial gains and losses generated in 2021 are not expected to be material.

The only contributions to these plans are paid by the employer. Plan members make no contributions.

Note 23.8. Other information

23.8.1. Cash outflows expected in future periods

Expected cash outflows *(in € millions)*	France	Germany	Other	Total
In less than 1 year	8.7	10.7	0.9	20.3
> 1 year	74.7	210.7	16.8	302.2
TOTAL	**83.4**	**221.4**	**17.7**	**322.5**

23.8.2. Expected contributions to plans in the following year

No material contribution is currently planned.

23.8.3. Sensitivity analysis

A 0.25% reduction in the discount rate would increase the projected benefit obligation by around €12.1 million and a 0.25% increase in the discount rate would reduce the obligation by approximately €11.5 million. The impact on 2020 service cost of a change in the projected benefit obligation resulting from the application of either of the above discount rates would not be material.

NOTE 24. BORROWINGS

Financial instruments are accounted for in accordance with IFRS 9 – Financial Instruments.

Financial assets and liabilities are recognized in the balance sheet when the Group becomes a party to the contractual provisions of the instrument. They are recognized at the fair value of the consideration given or received. Transaction costs directly attributable to the acquisition or issue of the financial asset or liability are included in the initial measurement of all financial assets and liabilities. Acquisition costs include direct external transaction costs.

Financial liabilities comprise borrowings and other financing, including bank overdrafts, and operating liabilities.

Borrowings and other financial liabilities are measured at amortized cost, determined by the effective interest method.

Any financial liabilities hedged by interest rate swaps are hedged against future cash flows. Changes in the fair value of the swap are recorded in the balance sheet, with the effective portion recognized in equity.

Note 24.1. Total borrowings

Total borrowings includes all short- and long-term borrowings.

(in € millions)	2020	2019
Bonds	1,494.7	1,150.7
Bank borrowings		5.8
IFRS 16 debt	268.1	262.2
Negotiable European Medium Term Note (NEU MTN)	125.0	212.9
Other debts (including private placements)	385.4	656.3
Non discretionary profit-sharing	12.6	13.9
LONG-TERM BORROWINGS	**2,285.8**	**2,301.8**
Bonds	155.9	
Bank borrowings	8.1	12.7
IFRS 16 debt	70.8	71.5
Negotiable European Medium Term Note (NEU MTN) and Negotiable EUropean Commercial Paper (NEU CP)	1,087.9	347.0
Current portion of long-term borrowings	349.5	39.4
SHORT-TERM BORROWINGS	**1,672.2**	**470.6**
TOTAL BORROWINGS	**3,958.0**	**2,772.4**

At 31 December 2020, Group debt was composed of short-term and long-term borrowings. The Group has diversified its financing sources, and borrowings now comprise:

- €625 million in private placement notes (Schuldschein instruments);
- a €500 million bond debt due in 2022;
- a €500 million bond debt due in 2024;
- a €500 million bond debt due in 2025;
- a €150 million convertible bond issue (ORNAE – bonds redeemable in cash and/or existing shares) maturing in 2021.
- €975 million in Negotiable European Commercial Paper (NEU CP) (outstanding from a €1 billion program with an A2 short-term rating from Standard & Poor's);
- €236.5 million in Negotiable European Medium Term Note (NEU MTN) (outstanding from a €500 million program).

At 31 December 2020, the weighted average interest rate on long-term bank borrowings (falling due in over a year) was 1.60%.

At 31 December 2020, none of these borrowings were subject to early repayment clauses based on covenants.

Characteristics of borrowings (nominal amounts)

				Due			
At 31 December 2020 *(in € millions)*	Issuing currency	Term	Outstanding balance	In less than 1 year	1 to 5 years	In more than 5 years	Original interest rate
Schuldschein	EUR	2021	130.0	130.0			Variable [(a)]
Schuldschein	EUR	2021	146.5	146.5			Fixed
Schuldschein	EUR	2023	102.5		102.5		Variable [(a)]
Schuldschein	EUR	2023	180.0		180.0		Fixed
Schuldschein	EUR	2024	18.0		18.0		Variable [(a)]
Schuldschein	EUR	2026	48.0			48.0	Fixed
ORNAE [(b)]	EUR	2021	150.0	150.0			Fixed
Bond 1	EUR	2022	500.0		500.0		Fixed
Bond 2	EUR	2024	500.0		500.0		Fixed
Bond 3	EUR	2025	500.0		500.0		Fixed
Negotiable European Commercial Paper (NEU CP)	EUR	2021	975.0	975.0			Fixed
Negotiable European Medium Term Note (NEU MTN)	EUR	2024 and 2026	100.0		20.0	80.0	Fixed
Negotiable European Medium Term Note (NEU MTN)	EUR	2021 and 2022	136.5	111.5	25.0		Variable
Other bank borrowings (including overdrafts)			116.2	84.5	3.4	28.3	Variable
IFRS 16 debt			338.9	70.8	218.6	49.5	
Employee profit-sharing	EUR		16.4	3.9	12.5		
TOTAL			**3,958.0**	**1,672.2**	**2,080.0**	**205.8**	

(a) Partly hedged by floating rate for fixed rate swaps.
(b) Excluding the ORNAE optional portion.

Loan maturities (undiscounted nominal amounts, including accrued interest)

At 31 December 2020 *(in € millions)*	Issuing currency	Term	Expected cash outflows	Due: In less than 1 year	Due: 1 to 5 years	Due: In more than 5 years
Schuldschein	EUR	2021	131.3	131.3		
Schuldschein	EUR	2021	148.1	148.1		
Schuldschein	EUR	2023	106.4	1.3	105.1	
Schuldschein	EUR	2023	188.7	2.9	185.8	
Schuldschein	EUR	2024	18.7	0.2	18.5	
Schuldschein	EUR	2026	54.5	1.1	4.4	49.0
ORNAE	EUR	2021	150.0	150.0		
Bond 1	EUR	2022	523.8	11.9	511.9	
Bond 2	EUR	2024	530.0	7.5	522.5	
Bond 3	EUR	2025	534.4	6.9	527.5	
Negotiable European Commercial Paper (NEU CP)	EUR	2021	975.0	975.0		
Negotiable European Medium Term Note (NEU MTN)	EUR		246.7	113.3	51.9	81.5
TOTAL			**3,607.6**	**1,549.5**	**1,927.6**	**130.5**

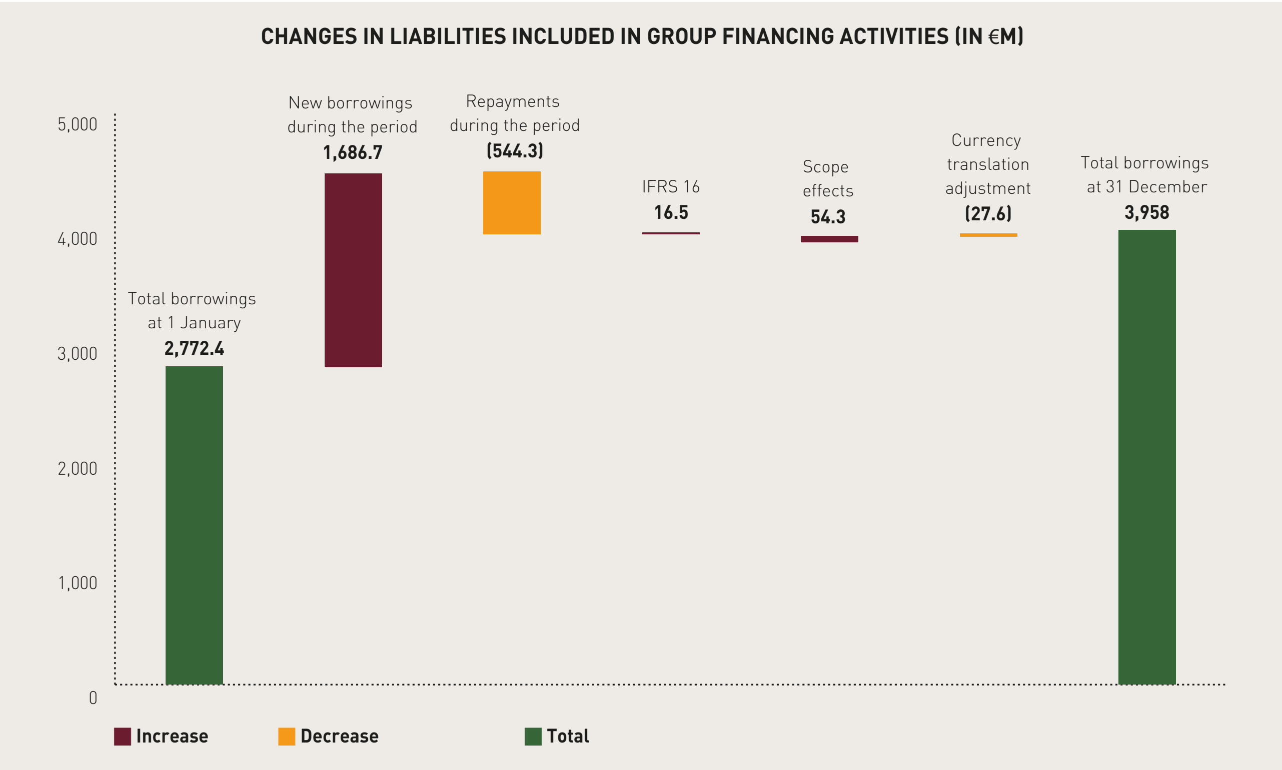
Confirmed credit facilities

The Group also has unused, confirmed credit facilities that break down as follows by maturity:

- a syndicated credit facility for €960.0 million, expiring in July 2022;
- a bilateral loan for €50.0 million, maturing in September 2022.

None of these credit lines include any acceleration clauses.

Changes in liabilities included in Group financing activities



New borrowings during the period amounting to €1,686.7 million primarily included the new €500 million bond issue (see Highlights) and €975 million in Negotiable European Commercial Paper (NEU CP).

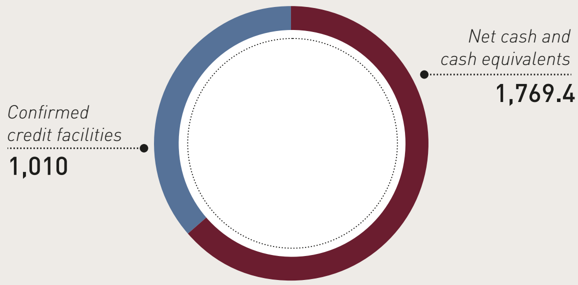
Note 24.2. Net debt

Net debt corresponds to total long-term and short-term borrowings less cash and cash equivalents and derivative instruments related to Group financing. It also includes financial debt from application of the IFRS 16 standard "Leases" in addition to short-term investments with no risk of a substantial change in value but with maturities of over three months.

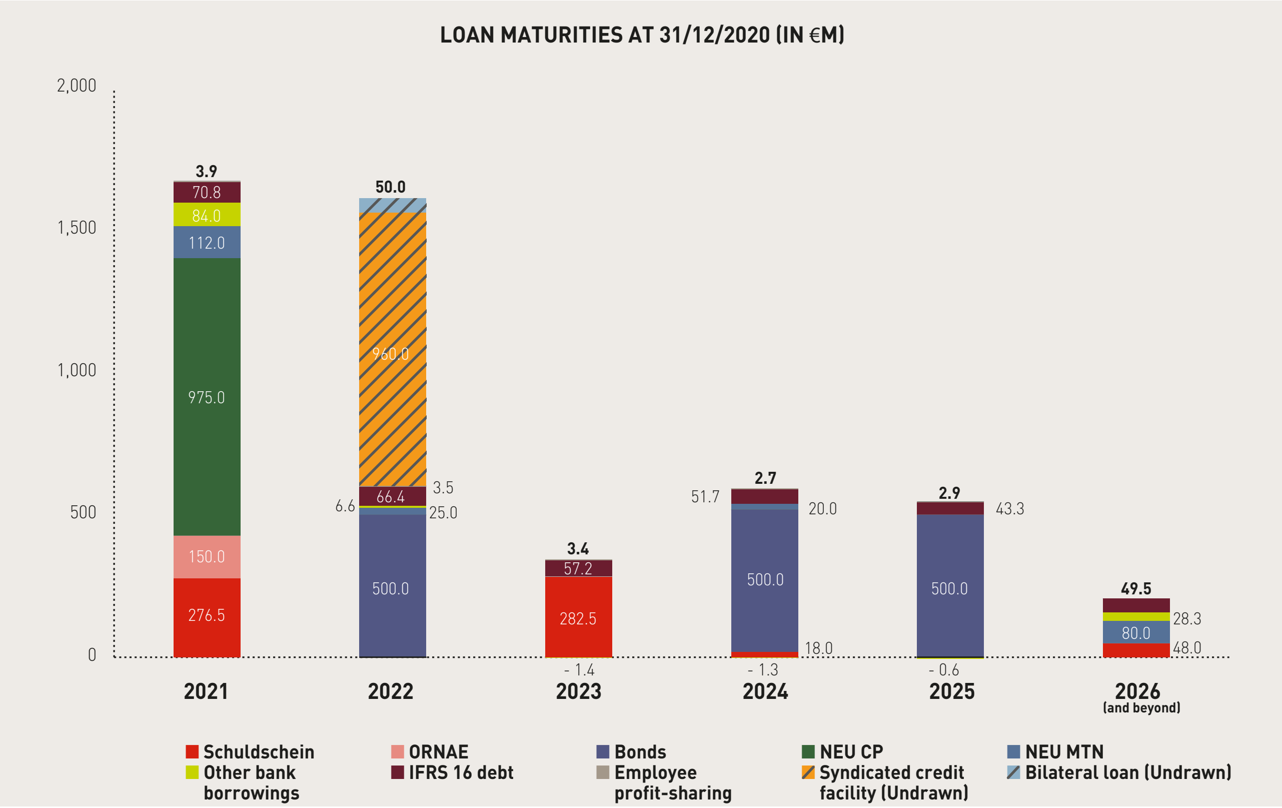
(in € millions)	**2020**	2019
Long-term borrowings	2,285.8	2,301.8
Short-term borrowings	1,672.1	470.6
TOTAL BORROWINGS	**3,958.0**	**2,772.4**
Net cash and cash equivalents [(a)]	(1,769.4)	(785.5)
Other current financial investments [(b)]	(662.7)	(7.7)
Derivative instruments (net)	(7.9)	18.1
NET DEBT	**1,518.0**	**1,997.3**

(a) *Including €598 million in China, versus €530 million at 31 December 2019.*
(b) *excluding guarantees (cf. note 15).*

NET CASH AND UNUSED CONFIRMED CREDIT FACILITIES AT 31/12/2020 (IN €M)



5



NOTE 25. FAIR VALUE OF FINANCIAL INSTRUMENTS

Market risks (interest rate, currency and commodity price risks) are hedged, generally through the use of derivative instruments. In accordance with IFRS 9 and IAS 32, derivative instruments are measured at fair value.

The accounting treatment of changes in fair value depends on the future use of the derivative and the resulting accounting classification. Derivative instruments designated as the hedging instrument in a hedging relationship may be classified as either fair value or cash flow hedges:

- a fair value hedge is a hedge of the exposure to changes in fair value of a recognized asset or liability, or an unrecognized firm commitment that is attributable to a particular risk and could affect profit;
- a cash flow hedge is a hedge of the exposure to variability in the value of future cash flows relating to existing or future assets or liabilities.

The change in fair value of derivative instruments designated at fair value hedge is recognized in profit, offsetting the unrealized gain or loss recognized on the hedged item for the effective portion of the hedge.

In the case of cash flow hedges, the effective portion of the gain or loss arising from remeasurement of the derivative instrument at fair value is recognized in equity and the ineffective portion is recognized in profit. The cumulative gains and losses on cash flow hedges recognized in equity are reclassified into profit when the hedged item affects profit.

Hedge accounting is applied when:

- the hedging relationship is formally designated and documented at the inception of the hedge;
- the hedge is expected to be highly effective and is determined actually to have been highly effective throughout the financial reporting periods for which it was designated.

At the inception of each hedge, the hedging relationship is formally documented by the Group, specifying in particular its risk management objective and strategy for undertaking the hedge. The Group also documents how it will assess the hedging instrument's effectiveness throughout its useful life in offsetting exposure to changes in fair value or cash flows attributable to the hedged risk.

Changes in the fair value of derivative instruments that do not qualify for hedge accounting are recognized in profit.

The amendments to IFRS 9 on hedge accounting are mainly intended to harmonize the accounting rules for business risk management. The main amendment primarily concerns the method of accounting for the time value of currency and interest rate options. Time value adjustments recognized during the life of the option are now recorded in other comprehensive income.

When the Group categorizes a hedging relationship as a “Hedge of a net investment in a foreign operation” due to the non-repayable nature of the intragroup loan set up within a scheduled or foreseeable period, changes in the fair value of the hedging instrument are recorded in equity, with the exception of the ineffective portion recorded in profit or loss. The amounts recorded in equity are only reclassified to the income statement when the investment is deconsolidated.

Note 25.1. Financial instruments

Financial assets consist of shares in subsidiaries and affiliates as well as operating receivables (excluding tax and social security claims), debt securities and other cash equivalents classified as current assets. The fair value of trade and other receivables is equivalent to their carrying amount, in view of their short maturities.

Non-current financial assets consist mainly of investments in non-consolidated companies, certain receivables related to those investments and receivables due beyond one year. In accordance with IFRS 9, these non-current financial assets for which the management model is to collect contractual cash flows and the flows resulting from disposals are recognized at fair value in other items of comprehensive income without subsequent reclassification to profit or loss, even in the event of disposal (see Note 15).

Financial liabilities include borrowings and other financing, including bank overdrafts, and operating liabilities (excluding accrued taxes and employee benefit expense).

Borrowings that are not quoted in an active market are measured by the discounted cash flows method, applied separately to each individual facility, based on market rates observed at the period end for similar facilities and the average spread obtained by the Group for its own issues.

	2020		Financial instruments by category				
(in € millions)	Carrying amount	Fair value	At fair value through profit or loss (excluding derivatives)	Fair value through other items of comprehensive income	Assets at amortized cost	Borrowings at amortized cost	Derivative instruments
ASSETS							
Other investments [(a)]	95.5	95.5		95.5			
Other non-current financial assets	15.9	15.9			15.9		
Other non-current assets [(b)]	2.9	2.9			2.9		
Long-term derivative instruments – assets	17.9	17.9					17.9
Trade receivables	965.4	965.4			965.4		
Other current receivables [(b)]	67.6	67.6			67.6		
Short-term derivative instruments – assets	36.2	36.2					36.2
Financial investments and other current financial assets	664.7	664.7			664.7		
Cash and cash equivalents	1,769.4	1,769.4	1,769.4				
TOTAL FINANCIAL ASSETS	**3,635.5**	**3,635.5**	**1,769.4**	**95.5**	**1,716.5**		**54.1**
LIABILITIES							
Long-term borrowings	2,285.8	2,342.7				2,342.7	
Other non-current liabilities [(c)]	3.2	3.2				3.2	
Long-term derivative instruments – liabilities	15.5	15.5					15.5
TRADE PAYABLES	1,260.3	1,260.3				1,260.3	
Short-term borrowings	1,672.2	1,680.5				1,680.5	
Other current liabilities [(c)]	161.9	161.9				161.9	
Short-term derivative instruments – liabilities	50.4	50.4					50.4
TOTAL FINANCIAL LIABILITIES	**5,449.3**	**5,514.5**				**5,448.6**	**65.9**

(a) Of which non-reclassifiable Fair Value through OCI: see Statement of Comprehensive Income.
(b) Excluding prepaid expenses and tax/social security receivables.
(c) Excluding prepaid income and tax/social security payables.

	2019		Financial instruments by category				
(in € millions)	Carrying amount	Fair value	At fair value through profit or loss (excluding derivatives)	Fair value through other items of comprehensive income	Assets at amortized cost	Borrowings at amortized cost	Derivative instruments
ASSETS							
Other investments*	49.5	49.5		49.5			
Other non-current financial assets	19.4	19.4			19.4		
Other non-current assets	2.5	2.5			2.5		
Long-term derivative instruments – assets	3.4	3.4					3.4
Trade receivables	1,159.7	1,159.7			1,159.7		
Other current receivables	70.4	70.4			70.4		
Short-term derivative instruments – assets	20.5	20.5					20.5
Financial investments and other current financial assets	10.2	10.2	10.2				
Cash and cash equivalents	785.5	785.5	785.5				
TOTAL FINANCIAL ASSETS	**2,121.1**	**2,121.1**	**795.7**	**49.5**	**1,252.0**		**23.9**
LIABILITIES							
Long-term borrowings	2,301.8	2,362.5				2,362.5	
Other non-current liabilities	2.0	2.0				2.0	
Long-term derivative instruments – liabilities	17.1	17.1					17.1
TRADE PAYABLES	1,044.8	1,044.8				1,044.8	
Short-term borrowings	470.6	470.6				470.6	
Other current liabilities	187.4	187.4				187.4	
Short-term derivative instruments – liabilities	27.1	27.1					27.1
TOTAL FINANCIAL LIABILITIES	**4,050.8**	**4,111.5**				**4,067.3**	**44.2**

* *Of which non-reclassifiable Fair Value through OCI: see Statements of Comprehensive Income.*

Note 25.2. Derivative instruments

The fair value of derivative instruments is as follows:

	2020				2019			
	Assets		Liabilities		Assets		Liabilities	
(in € millions)	Notional amount	Fair value	Notional amount	Fair value	Notional amount	Fair value	Notional amount	Fair value
FAIR VALUE HEDGES								
Forward sales of foreign currencies	109.8	2.1	181.5	(2.8)	37.4	0.5	149.3	(3.4)
Forward purchases of foreign currencies	127.0	2.3	282.7	(5.6)	154.5	1.9	130.8	(1.4)
Optional hedging purchases	17.4	0.1	14.0	(1.0)	49.0	1.3	3.1	
Optional hedging sales	8.3	0.2	2.0				23.2	(0.6)
Revaluation of intra-Group transactions		7.8		(6.1)		3.2		(2.2)
TOTAL		**12.5**		**(15.5)**		**6.9**		**(7.6)**
TRADING								
AUD			9.2	(0.1)	12.0	0.2	25.1	(0.4)
BRL	56.7	2.1			5.1	0.6	126.0	(2.4)
CAD			0.6		30.5	0.3	13.8	(0.5)
CLP			14.0	(0.3)			14.3	(0.3)
GBP	2.6		9.1	(0.1)	2.0		18.5	
JPY			2.0		47.0	0.2		
MXN			17.4		20.0	0.1	0.2	
RUB	20.3	0.7			0.6		32.1	
THB	19.1	0.1	2.1		2.2		27.3	(0.2)
TRY	0.8				21.8	0.7	7.1	(0.2)
UAH	1.1		1.1				11.4	(0.3)
USD	53.0	1.7	147.1	(0.2)	72.0		165.0	(0.5)
Other currencies	41.6	0.2	33.0	(0.2)	29.0		29.1	(0.1)
TOTAL		**4.8**		**(0.9)**		**2.1**		**(4.9)**
CASH FLOW HEDGES								
Forward purchases and sales of foreign currencies	405.8	5.0	453.5	(13.0)	411.3	6.7	540.4	(7.6)
Option hedges (foreign currencies)	289.1	12.9	571.4	(24.3)	199.4	5.9	265.8	(6.1)
Floating/fixed rate swaps			341.5	(5.1)			393.5	(4.5)
Cross-currency swap	156.0	11.7		(0.1)		(0.2)	208.0	(2.4)
Commodity hedges (aluminum, nickel, copper and plastic)	36.6	3.1	13.2	(0.5)	11.9	0.8	40.2	(1.0)
TOTAL		**32.7**		**(43.0)**		**13.2**		**(21.6)**
NET INVESTMENT HEDGES								
Net investment hedges	50.4	1.9	238.1	(0.8)	1.4	0.4	235.2	(0.7)
TOTAL		**1.9**		**(0.8)**		**0.4**		**(0.7)**
ORNAE								
Redemption option				(0.6)				(5.5)
Call on ORNAE		0.3				1.4		
TOTAL		**0.3**		**(0.6)**		**1.4**		**(5.5)**
TREASURY SHARES								
Put on Treasury Shares		1.8		(5.0)				(3.8)
TOTAL		**1.8**		**(5.0)**				**(3.8)**
TOTAL DERIVATIVE INSTRUMENTS		**54.0**		**(65.8)**		**24.0**		**(44.1)**
NET IMPACT ON EQUITY (INCLUDING FAIR VALUE ADJUSTMENTS RECOGNIZED IN PROFIT OR LOSS)				**(11.8)**				**(20.1)**

The instruments expiring beyond one year are primarily cash flow hedges. They also include a cross currency swap and a put option on treasury shares.

At 31 December 2020, the fair value of these instruments breaks down as follows:

At 31 December 2020 *(in € millions)*	In less than 1 year	1 to 5 years	In more than 5 years	Total
Cross-currency swap		11.6		11.6
Forward purchases and sales of foreign currencies	(7.0)	(1.0)		(8.0)
Zero-premium collars (currencies)	(10.6)	(0.8)		(11.4)
Floating/fixed rate swaps	(0.4)	(4.7)		(5.1)
Commodity hedges (aluminum, nickel, copper and plastic)	2.6			2.6
ORNAE	(0.3)			(0.3)
Put on Treasury Shares		(3.2)		(3.2)
TOTAL	**(15.7)**	**1.9**		**(13.8)**

The fair value of derivative instruments is determined by the discounted future cash flows method using forward exchange rates, market interest rates, and aluminum, copper, nickel and plastics prices at 31 December 2020.

Note 25.3. Information on financial assets and liabilities recognized at fair value

In accordance with IFRS 13 and the amended IFRS 7, fair value measurements are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The hierarchy breaks down into three levels as follows:

- level 1: instrument quoted in active markets;
- level 2: valuation techniques for which all significant inputs are based on observable market data;
- level 3: valuation techniques for which any significant input is not based on observable market data.

	31 December 2020			
(in € millions)	Total	Level 1	Level 2	Level 3
ASSETS				
Other investments	95.5		95.5	
Derivative instruments – assets	54.1		54.1	
Cash and cash equivalents	1,769.4	1,769.4		
TOTAL FINANCIAL ASSETS MEASURED AT FAIR VALUE	**1,919.0**	**1,769.4**	**149.6**	
LIABILITIES				
Derivative instruments – liabilities	65.9		65.9	
TOTAL FINANCIAL LIABILITIES MEASURED AT FAIR VALUE	**65.9**		**65.9**	

The portfolio of derivative financial instruments used by the Group to manage its risks mainly includes forward currency sales and purchases, options strategies, interest rate swaps, currency swaps and commodity swaps. These instruments are classified as Level 2, as their fair value is calculated using internal valuation models based on observable data.

NOTE 26. FINANCIAL RISK MANAGEMENT

Note 26.1. Risk management

Risks are managed centrally by the Group Corporate Finance and Treasury.

Hedging transactions are carried out in the financial markets with a limited number of high-quality partners in order to avoid counterparty risk. Hedging transactions are managed centrally. They are carried out in specific cases by Group subsidiaries when required by local regulations but these transactions remain under the control of the Group Corporate Finance and Treasury.

Note 26.2. Financial market risks

26.2.1. Currency risks

The majority of the Group's sales are billed in currencies other than the euro, mainly the US dollar, Chinese yuan, Russian ruble, Brazilian real, Japanese yen and Korean won. Most billing currencies correspond to the functional currencies of the subsidiaries concerned and do not give rise to any transactional currency risk at the local level.

Similarly, goods purchased for resale (sourced products) billed in US dollars or Chinese yuan are bought from Asian suppliers by a Group subsidiary, SEB Asia, whose functional currency is also the US dollar.

The main sources of transactional currency risks therefore arise from:

- intra-group billings between Group companies when they bill or purchase products or services in a currency other than their functional currency.
- purchases of industrial components and finished products from external suppliers by the manufacturing subsidiaries, that are billed in a currency other than their functional currency (for example, components purchased by the Group's production plants that are billed in US dollars or Chinese yuan).

These risks are managed at Group level by SEB S.A., which acts as the subsidiaries' sole counterparty, except where this is not possible due to local regulations. Transactional foreign exchange positions open on the balance sheet are hedged partially through forward or optional hedges.

The Group's overall currency risk management policy sets very strict rules for the hedging of currency risks associated with highly probable future transactions.

CURRENCY RISKS ON INTRA-GROUP AND EXTERNAL CUSTOMER COMMERCIAL TRANSACTIONS

The Group's net exposure to notional currency risks primarily concerns the following currencies (excluding the functional currencies of Group companies).

In 2020 *(in € millions)*	USD	CNY	RUB	BRL	KRW	GBP	JPY	CAD	Other
Intra-Group positions	(31)	(159)	39	11	18	7	13	8	100
Ex-Group positions	(22)	(50)						1	6
NET POSITION BEFORE HEDGING	**(53)**	**(209)**	**39**	**11**	**18**	**7**	**13**	**9**	**106**
Forward purchases of foreign currencies	135	242		1			12	7	21
Forward sales of foreign currencies	(95)	(7)	(36)	(11)	(16)	(2)	(15)	(11)	(106)
Optional hedging strategic purchases	14	17							
Optional hedging strategic sales						(4)	(6)		
NET POSITION AFTER HEDGING	**1**	**43**	**3**	**1**	**2**	**1**	**4**	**5**	**21**

In 2019 *(in € millions)*	USD	CNY	RUB	BRL	KRW	GBP	JPY	CAD	Other
Intra-Group positions	(116)	(107)	30	11	15	7	8	3	81
Ex-Group positions	(17)	(65)							
NET POSITION BEFORE HEDGING	**(133)**	**(172)**	**30**	**11**	**15**	**7**	**8**	**3**	**81**
Forward purchases of foreign currencies	99	135		2	10	6	14	9	10
Forward sales of foreign currencies	(25)		(26)	(10)	(23)	(3)	(8)	(9)	(83)
Optional hedging strategic purchases	24	28							
Optional hedging strategic sales						(9)	(12)	(2)	
NET POSITION AFTER HEDGING	**(35)**	**(9)**	**4**	**3**	**2**	**1**	**2**	**1**	**8**

At 31 December 2020, the euro was trading at USD 1.2271, RUB 91.4671, CNY 7.9813 and JPY 126.49.

At 31 December 2020, the sensitivity analysis of the position after hedging was as follows:

(in € millions)	USD	CNY	RUB	BRL	KRW	GBP	JPY	CAD	Other
Hypothetical currency appreciation	10%	10%	10%	10%	10%	10%	10%	10%	10%
IMPACT ON PROFIT	**0.1**	**4.8**	**0.3**	**0.1**	**0.2**	**0.1**	**0.4**	**0.6**	**2.1**

CURRENCY RISKS ON FINANCIAL TRANSACTIONS

SEB S.A. is the main provider of financing for its subsidiaries. Current account advances are made in the subsidiaries' functional currency. As SEB S.A. raises long-term financing in euros, it is exposed to currency risks on these current account advances and long-term loans. This exposure is hedged by borrowing or lending in the subsidiary's functional currency using currency swaps. Currency risks on financing are therefore systematically hedged from the moment there are competitive derivative instruments available on the market.

The Group does not, however, apply hedge accounting to these transactions.

In 2020 *(in € millions)*	USD	Other
Total assets	430	169
Total liabilities	(393)	(53)
NET POSITION BEFORE HEDGING	**37**	**116**
Hedging positions	(56)	(126)
NET POSITION AFTER HEDGING	**(19)**	**(10)**

In 2019 *(in € millions)*	USD	Other
Total assets	414	356
Total liabilities	(406)	(18)
NET POSITION BEFORE HEDGING	**8**	**338**
Hedging positions	(43)	(338)
NET POSITION AFTER HEDGING	**(35)**	

The appreciation or depreciation of these currencies, assuming all other variables remained the same, would have an impact on profit.

At 31 December 2020, the sensitivity analysis of the net position after hedging was as follows:

(in € millions)	USD	Other
Hypothetical currency appreciation	10%	10%
IMPACT ON PROFIT	**(2.1)**	**(1.0)**

CURRENCY RISKS ON NET INVESTMENTS

Groupe SEB is also exposed to currency risks on its net investment in foreign operations, corresponding to the impact of changes in exchange rates for the subsidiaries' functional currencies on SEB S.A.'s share in their net assets.

At 31 December 2020, the nominal amount of hedges classified as NIH and fair values recognized in equity are:

In 2020 *(in € millions)*	BRL	CNY	TOTAL
Nominal amount of hedges classified as NIH	**50.4**	**238.1**	**288.5**
Fair value in equity	1.4	(0.3)	1.1

26.2.2. Interest rate risk

Group policy consists of hedging interest rate risks based on trends in market interest rates and changes in the Group's overall debt structure.

The following table presents the net debt maturity schedule at the end of December 2020, based on interest rate reset dates:

In 2020 *(in € millions)*	Overnight to 1 year		Due in 1 to 5 years		More than 5 years	
	Floating rate	Fixed rate	Floating rate	Fixed rate	Floating rate	Fixed rate
Total assets	1,623.9	808.2				
Total liabilities	(400.7)	(1,271.5)	(408.3)	(1,700.0)	(49.5)	(128.0)
NET NOMINAL VALUE BEFORE HEDGING	**1,223.2**	**(463.3)**	**(408.3)**	**(1,700.0)**	**(49.5)**	**(128.0)**

Floating/fixed interest rate swaps were arranged to hedge interest payable by January 2024.

The Group is mainly hedged on the monetary interest rate, Euribor 6-month.

In 2020 *(in € millions)*	Less than one year	Due in 1 to 5 years	More than 5 years
Floating/fixed rate swaps	117.0	224.5	
Cross-currency swap		156.0	

Assuming total borrowings remain constant at 31 December 2020 levels throughout the year and with the same currency breakdown, an immediate 1% rise in interest rates would add an estimated €0.7 million to financial expenses and would have no material impact on net debt.

The change in the impact on equity of the interest rate swap at 31 December 2020 was as follows:

(in € millions)	31/12/2020
FAIR VALUE AT 1 JANUARY	**(4.9)**
Change in fair value	(0.3)
Amount recognized in income statement	
FAIR VALUE AT 31 DECEMBER	**(5.2)**

26.2.3. Commodity risk

Commodity risks arising from changes in the prices of certain raw materials used by the Group – mainly aluminum, copper, nickel used to produce stainless steel and plastics – are hedged by derivative instruments. The Group anticipates its needs for the coming year (except for China) and hedges them on a conservative basis, covering about 80% of its estimated purchases for the next twelve months.

At 31 December 2020, the following tonnages were hedged: 27,308 tons of aluminum, 318 tons of copper, 306 tons of nickel and 834 tons of propylene.

The Group uses swaps to set the prices of these commodities. These hedges of raw material purchases are qualified as cash flow hedges under IFRS 9 when the criteria listed in Note 25 are met.

At 31 December 2020, the commodity derivative instruments showed an unrealized gain of €2.6 million. In 2019, there was an unrealized loss of €0.3 million.

Derivative instruments expiring in 2020 generated a loss of €4.5 million (loss of €4.0 million in 2019).

SENSITIVITY ANALYSIS

On the portfolio of raw materials, a 10% increase in raw material prices at 31 December 2020 would have had a €4.9 million positive impact on equity. A 10% fall would have an equivalent negative effect, assuming all other variables remained constant.

Excluding derivatives, a 10% increase or decrease in raw material prices versus their average prices in 2020 would have had a €17.7 million positive or negative impact on the Operating Result from Activity.

26.2.4. Equity risk and treasury stock

It is not Group policy to hold significant portfolios of equities or equity funds.

The Group does, however, hold a portfolio of treasury stock. It thus established:

- a liquidity contract set up in order to ensure that there is a sufficiently liquid market for its shares and to stabilize the share price;
- the share buyback program, mainly for allocation on exercise of performance shares awarded to employees.

Treasury stock is deducted directly from equity. Gains and losses from sales of treasury shares are also recognized in consolidated equity.

Based on the closing SEB share price on 31 December 2020 (€149.0), the market value of shares held in treasury at that date stood at €21.7 million. A 10% increase or decrease in the SEB share price would therefore have led to a €2.2 million change in the market value of treasury stock.

ZJ Supor, which is now 81.20%-owned by Groupe SEB, is listed on the Shenzhen Stock Exchange. At 31 December 2020, the share price was CNY 77.99, valuing Groupe SEB's investment at €6,514.5 million. Changes in the Supor share price have no impact on Groupe SEB's Consolidated Financial Statements, as ZJ Supor is fully consolidated.

Note 26.3. Liquidity risk

To manage the liquidity risk that may arise due to financial liabilities reaching maturity or needing to be settled early, the Group implements a financing strategy based on:

- maintaining cash and cash equivalents at a certain level at all times (€1769.4 million at 31 December 2020);
- short-term financial investments with top-ranked counterparties in the amount of €662.7 million at 31 December 2020;

and additional liquid resources including:

- a €1 billion Negotiable European Commercial Paper (NEU CP) program. At 31 December 2020, €975 million had been drawn down;
- a €500 million Negotiable European Medium Term Note (NEU MTN) program. At 31 December 2020, €236.5 million had been drawn down;
- credit facilities:
  - a €960 million syndicated credit facility expiring in 2022,
  - a €50 million bilateral credit facility expiring in 2022,
  - several *Schuldschein* credit lines totaling €625 million maturing in 2021, 2023, 2024 and 2026,
  - a €500 million bond debt due in 2022,
  - a €500 million bond debt due in 2024,
  - a €500 million bond debt due in 2025,
  - a €150 million convertible bond issue (ORNAE – bonds redeemable in cash and/or existing shares) maturing in 2021.

Cash and cash equivalents and debt are described in Note 19 and Note 24, respectively.

Note 26.4. Credit risk

At the period end, trade receivables broke down as follows based on their age:

		Past due			
(in € millions)	Current	0-90 days	91-180 days	Over 181 days	Total
Net trade receivables	797.2	139.6	12.8	15.8	965.4

To avoid default risks, Groupe SEB sets individual credit limits that are regularly updated based on the customer's financial position and payment history.

Groupe SEB's main customers are well-known international retailers, and for the year ended 31 December 2020, no single customer accounted for more than 5.5% of sales.

Groupe SEB has covered the customer credit risk by means of credit insurance with COFACE and EULER HERMES. At 31 December 2020, most of the Group's subsidiaries were covered by insurance on trade receivables that would apply in the event of non-recovery.

Furthermore, the Group has chosen to work only with first-rate Banks in France and abroad.

NOTE 27. TRADE PAYABLES AND OTHER LIABILITIES

Trade payables and other liabilities are measured at fair value at the time of initial recognition, then at amortized cost.

At the end of the period, trade payables and other liabilities broke down as follows by maturity:

(in € millions)	2020	2019
Accrued taxes and employee benefits expenses	46.9	49.2
Other payables	5.1	6.0
OTHER NON-CURRENT LIABILITIES	**52.0**	**55.2**
Accrued taxes and employee benefits expenses	318.7	321.7
Due to trade payables of non-current assets	16.3	17.9
Advances received[a]	124.0	142.7
Other liabilities	34.3	45.3
OTHER CURRENT LIABILITIES	**493.3**	**527.6**
TRADE PAYABLES	**1,260.3**	**1,044.8**

(a) Including €120.5 million from Supor at 31 December 2020 (€140.7 million at 31 December 2019).

Non-current accrued taxes and employee benefits expense corresponds mainly to employee time savings accounts in France.

5.2.4. OTHER INFORMATION

NOTE 28. ENVIRONMENTAL EXPENDITURE

Environmental expenditure and capital expenditure at the Group's industrial sites amounted to €9.8 million in 2020 (€12.1 million in 2019).

These amounts include routine environmental management system costs, covering areas such as water and waste management. They do not include taxes on packaging or the cost of disposing of waste electrical and electronic equipment.

The main costs are presented below, including the breakdown between amounts recognized as expenses and as capital expenditure.

	2020			2019		
(in € millions)	Expenditure	Capital expenditure	Total	Expenditure	Capital expenditure	Total
Ambient air quality	0.7	0.7	1.4	0.6	1.8	2.4
Waste water management and water saving systems	1.9	0.5	2.4	2.2	1.2	3.4
Waste management	3.6	0.2	3.8	3.2		3.2
Soil protection and decontamination	0.3	0.3	0.6	0.6	1.1	1.7
Other environmental protection measures	1.3	0.3	1.6	1.2	0.2	1.4
TOTAL	**7.8**	**2.0**	**9.8**	**7.8**	**4.3**	**12.1**

Since 31 December 2018, there is no longer any provision for significant environmental risks.

NOTE 29. OFF-BALANCE SHEET COMMITMENTS

For several years now, the Group's reporting system has included detailed reporting of off-balance sheet commitments to identify the nature and purpose. The process provides for the reporting by consolidated subsidiaries, in their consolidation packages, of information about the following commitments that they have given:

- guarantees, endorsements and bonds;
- security interests (mortgages and pledges);
- operating leases (leases excluded from the scope of IFRS 16), firm orders and investments;
- other commitments.

Commitments related to operating activities:

(in € millions)	**2020**	2019
Firm orders for property, plant and equipment	35.8	50.5
Guarantees and bonds given [(b)]	20.8	
Commitments under non-cancelable operating leases [(a)]	40.1	43.6
Miscellaneous financial commitments including tripartite contracts in China	45.7	16.8
TOTAL COMMITMENTS GIVEN	**142.4**	**110.9**
Guarantees received for trade receivables under credit insurance policies	765.3	719.3
Miscellaneous financial commitments	0.3	0.5
TOTAL COMMITMENTS RECEIVED	**765.6**	**719.8**

(a) Following first-time application of IFRS 16 in 2019.
(b) Mainly in Brazil.

Three-parties contracts in China

As part of three-parties contracts signed with leading Chinese banks and selected distributors, the Group receives Bank Acceptance Drafts which are recorded under other financial assets (see Note 15) and provides collateral to the bank in the event of default by the distributor. If the suppliers endorse these Bank Acceptance Drafts, they are deconsolidated as the collateral granted to the bank is not attached to the Draft.

The theoretical risk incurred by the Group under these three-parties contracts at 31 December 2020 stood at CNY 264 million, or €33 million.

NOTE 30. RELATED PARTY TRANSACTIONS

Note 30.1. Transactions with associates and non-consolidated companies

The Consolidated Financial Statements include transactions carried out in the normal course of business with related companies and majority interests in non-consolidated companies.

All of these transactions are carried out on arm's length terms.

(in € millions)	2020	2019*
Revenue		
Other income	1.5	0.1
Purchases and expenses	41.0	47.0
Other non-current financial assets		
Trade receivables	5.1	
Trade payables	8.2	6.1

* *2019 data has been amended to include transactions with the company Anzaï, which is 30% owned by Supor.*

In 2020, Groupe SEB paid €32.9 million to Anzai (€44.4 million in 2019) and €6.3 million to Numberly (1000mercis Group) for services (versus €2.3 million in 2019).

Financial guarantees given by the Group to banks in connection with the external financing of subsidiaries stood at €59.8 million at 31 December 2020 (versus €34.5 million at 31 December 2019).

Note 30.2. Directors' and officers' compensation and benefits

The directors and members of the Group Executive Committee are the current members listed in the corporate governance section of the Annual Report along with the members of the Group Executive Committee who retired in 2020 or left the Group during the period.

The following table provides an analysis of the compensation and benefits paid to the members of the Board of Directors and the Executive Committee:

(in € millions)	2020	2019
SHORT-TERM BENEFITS		
Fixed remuneration	6.0	5.5
Variable remuneration	5.1	4.5
Remuneration allocated to directors	0.6	0.5
OTHER BENEFITS		
Post-employment benefits	0.8	
Share-based payments (stock options)	8.2	11.0
TOTAL	**20.7**	**21.5**

Changes in remuneration and other benefits are directly related to changes to the Group Executive Committee in 2020.

The remuneration and other benefits of Group executive officers are detailed in Chapter 2.5 Remuneration Policy. They are not covered in this note.

NOTE 31. SEGMENT INFORMATION

In accordance with IFRS 8 – Operating segments, financial information is presented by geographical segment, which is the basis of the internal information reviewed and used by the chief operating decision makers, i.e. the members of the Executive Committee.

Since 1 January 2018 and WMF's integration into the Group's systems, the "Professional" business activity comprising professional automatic coffee machines and hotel activities has been separated.

The internal information reviewed and used by the main operational decision-makers is based on a presentation per region. The Executive Committee assesses the performance of the segments on the basis of:

- revenue and operating profit or loss; and
- net capital invested defined as the sum of segment assets (goodwill, property, plant and equipment and intangible assets, inventory and trade receivables) and segment liabilities (trade payables, other operating liabilities and provisions).

Performance in terms of financing and cash flow and tax on profits is monitored at Group level and is not allocated per segment.

Financial information by location of assets

The data below includes internal transactions established on a market basis, under terms and conditions similar to those offered to third parties, i.e. they include the effects of the Group's internal transfer prices.

"Inter-segment revenue" corresponds to sales to external customers located within the geographical segment.

"External revenue" corresponds to total sales (within the Group and to external customers) generated outside the geographical segment by companies within the geographical segment.

	"Consumer" business					
(in € millions)	EMEA	Americas	Asia	"Professional" business	Intra-Group transactions	Total
31/12/2020						
Revenue						
Inter-segment revenue	3,273.9	853.6	2,181.6	574.9		6,884.0
External revenue	233.2	0.3	1,529.7		(1,707.2)	56.0
TOTAL REVENUE						6,940.0
Profit (loss)						
Operating Result from Activity	136.1	68.5	412.1	2.4	(13.7)	605.4
Operating profit	69.3	58.2	409.4	(19.9)	(13.7)	503.3
Finance costs and other financial income and expenses						(60.8)
Profit (loss) attributable to associates						
Income tax						(93.8)
PROFIT FOR THE PERIOD						**348.7**
Consolidated balance sheet						
Segment assets	3,578.5	827.6	1,555.1	897.5	(350.5)	6,508.2
Financial assets						2,612.1
Tax assets						149.7
TOTAL ASSETS						**9,270.0**
Segment liabilities	(1,185.2)	(235.9)	(922.7)	(211.2)	270.6	(2,284.4)
Borrowings						(4,023.9)
Tax liabilities						(226.9)
Equity						(2,734.8)
TOTAL EQUITY AND LIABILITIES						**(9,270.0)**
Other information						
Capital expenditure and purchases of intangible assets	156.8	16.8	98.6	25.8		298.0
Depreciation and amortization expense	(148.8)	(19.3)	(59.0)	(43.4)		(270.5)
Impairment losses	(4.0)	(0.1)				(4.1)

(in € millions)	"Consumer" business EMEA	Americas	Asia	"Professional" business	Intra-Group transactions	Total
31/12/2019						
Revenue						
Inter-segment revenue	3,308.2	866.2	2,288.5	798.5		7,261.4
External revenue	267.7	0.2	1,516.5		(1,691.9)	92.5
TOTAL REVENUE						7,353.9
Profit (loss)						
Operating Result from Activity	141.6	64.4	420.9	121.1	(8.2)	739.8
Operating profit	27.4	66.5	417.4	117.4	(8.2)	620.5
Finance costs and other financial income and expenses						(60.7)
Profit (loss) attributable to associates						
Income tax						(131.5)
PROFIT FOR THE PERIOD						**428.3**
Consolidated balance sheet						
Segment assets	3,580.7	867.4	1,583.6	971.1	(299.7)	6,703.1
Financial assets						958.7
Tax assets						153.6
TOTAL ASSETS						**7,815.4**
Segment liabilities	(1,045.4)	(201.9)	(855.4)	(202.8)	230.6	(2,074.9)
Borrowings						(2,816.6)
Tax liabilities						(296.4)
Equity						(2,627.5)
TOTAL EQUITY AND LIABILITIES						**(7,815.4)**
Other information						
Capital expenditure and purchases of intangible assets	467.5	47.5	160.1	21.7		696.8
Depreciation and amortization expense	(155.3)	(22.4)	(55.3)	(31.5)		(264.5)
Impairment losses	(14.4)					(14.4)

NOTE 32. 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)	2020	2019	2020	2019	2020	2019	2020	2019
AUDIT								
Statutory auditor, certification, review of individual and consolidated financial statements	1,876	1,889	89%	85%	2,358	2,260	95%	90%
Other services performed by the networks for fully integrated subsidiaries	229	343	11%	15%	123	262	5%	10%
TOTAL	**2,105**	**2,232**	**100%**	**100%**	**2,481**	**2,522**	**100%**	**100%**

5.2.5. LIST OF CONSOLIDATED COMPANIES AT 31 DECEMBER 2020

NOTE 33. CONSOLIDATION CRITERIA

Material companies that are exclusively controlled by SEB S.A. either directly or indirectly are fully consolidated.

The profits of subsidiaries acquired or disposed of during the year are recognized in the consolidated income statement from the acquisition date or up to the disposal date.

Where necessary, the financial statements of subsidiaries are restated to comply with Group accounting policies.

Material companies over which SEB S.A. exercises significant influence, directly or indirectly, are accounted for by the equity method.

Certain companies fulfilling all of the above criteria are not consolidated because they are not material to the Group:

- revenue of less than €15 million;
- total assets of less than €15 million;
- total debt of less than €5 million.

All material intra-group transactions have been eliminated in consolidation.

NOTE 34. FULLY CONSOLIDATED COMPANIES

Company	Core business [b]	Headquarters	Registration no.	% voting rights	% interest
EMEA					
EUROPE					
SEB S.A. [a]	Parent company	France	300349636		
Calor S.A.S. [a]	*	France	956512495	100	100
S.A.S. SEB [a]	*	France	302412226	100	100
Tefal S.A.S. [a]	*	France	301520920	100	100
Rowenta France S.A.S. [a]	*	France	301859880	100	100
Groupe SEB Moulinex S.A.S. [a]	*	France	407982214	100	100
SIS S.A.S. [a]	***	France	399014216	100	100
SEB Développement S.A.S. [a]	***	France	016950842	100	100
Groupe SEB France S.A.S. [a]	**	France	440410637	100	100
Groupe SEB Retailing S.A.S. [a]	**	France	440410884	100	100
Seb Internationale S.A.S.(a)	Holding company	France	301189718	100	100
Groupe SEB Export S.A.S.(a)	**	France	421266271	100	100
SEB Alliance S.A.S. [a]	Holding company	France	440410918	100	100
Immobilière Groupe SEB S.A.S. [a]	***	France	799230388	100	100
Financière Billig S.A.S.	Holding company	France	811798941	100	99.74
Krampouz S.A.S.	*	France	387558315	100	100
Ethera S.A. [a]	***	France	520944182	95.4	95.4
Rowenta Werke GmbH [c]	*	Germany		100	100
Groupe SEB Deutschland GmbH [c]	**	Germany		100	100
EMSA GmbH [c]	*	Germany		100	100
Groupe SEB Osterreich GmbH	**	Austria		100	100
Groupe SEB Belgium S.A. NV	**	Belgium		100	100
Groupe SEB Denmark AS	**	Denmark		100	100
Groupe SEB Iberica S.A.	**	Spain		99.93	99.93
Groupe SEB Finland OY	**	Finland		100	100
Groupe SEB UK Ltd.	**	United Kingdom		100	100

Company	Core business [b]	Headquarters	Registration no.	% voting rights	% interest
Tefal UK Ltd.	Dormant	United Kingdom		100	100
Groupe SEB Hellados S.A.	**	Greece		100	100
Groupe SEB Italia SpA	**	Italy		100	100
Lagostina SpA	*	Italy		100	100
Casa Lagostina S.R.L	**	Italy		100	100
Groupe SEB Norway AS	**	Norway		100	100
Groupe SEB Nederland BV	**	Netherlands		100	100
Rowenta Invest BV	Holding company	Netherlands		100	100
Groupe SEB Portugal, sociedade unipessoal, LDA.	**	Portugal		100	100
Tefal – OBH Nordica Group AB	***	Sweden		100	100
Groupe SEB Schweiz GmbH	**	Switzerland		100	100
SEB Professional France SARL [a]	**	France	421742586	100	100
WMF France Consumer Goods S.A.R.L. [a]	**	France	309434017	100	100
Schaerer France S.A.R.L.	**	France	537799777	100	100
Finedening TopCo GmbH	Holding company	Germany		100	100
WMF Group GmbH	*	Germany		100	100
Silit-Werke Beteiligungsgesellschaft GmbH	***	Germany		100	100
Silit Haushaltswaren GmbH	***	Germany		100	100
Silit-Werke GmbH & Co. KG	*	Germany		100	100
ProHeq GmbH	*	Germany		100	100
W. F. Kaiser u. Co. GmbH	*	Germany		100	100
ProLOG – Brand Logistics GmbH & Co.KG	***	Germany		100	100
ProLOG – Logistics Services GmbH & Co. KG	***	Germany		100	100
ProLOG Temp GmbH	***	Germany		100	100
WMF Consumer-Electric GmbH	**	Germany		100	100
ProMONT Montage GmbH	*	Germany		100	100
WMF Immobilienverwaltungs GmbH	***	Germany		100	100
WMF in Österreich Ges.m.b.H.	**	Austria		100	100
SEB Professional Belux	**	Belgium		100	100
SEB Professional Iberia S.A.	**	Spain		100	100
SEB Professional United Kingdom Ltd.	**	United Kingdom		100	100
SEB Professional Nederland B.V.	**	Netherlands		100	100
Schaerer AG	*	Switzerland		100	100
EURASIA					
Groupe SEB Bulgaria EOOD	**	Bulgaria		100	100
Groupe SEB MKU & P D.O.O.	**	Croatia		100	100
Groupe SEB for Trade and Consultancy	Holding company	Egypt		100	100
Groupe SEB for Importation	**	Egypt		66.3	55
Groupe SEB Egypt for Household Appliances	*	Egypt		55	55
Groupe SEB Central Europe Ltd.	**	Hungary		100	100
Groupe SEB India PVT Ltd.	*	India		100	100
Groupe SEB Baltic OU	**	Latvia		100	100
Groupe SEB Polska ZP Z.O.O.	**	Poland		100	100
Groupe SEB CR s.r.o	**	Czech Republic		100	100
Groupe SEB Romania S.R.L.	**	Romania		100	100
Groupe SEB Vostok ZAO	*	Russia		100	100
Groupe SEB Slovensko s.r.o	**	Slovakia		100	100

5

Company	Core business (b)	Headquarters	Registration no.	% voting rights	% interest
Groupe SEB d.o.o.	**	Slovenia		100	100
Groupe SEB Istanbul EV A.S.	**	Turkey		100	100
Groupe SEB Ukraine	**	Ukraine		100	100
WMF Bulgaria EOOD	**	Bulgaria		100	100
Coffee Day Schaerer Technologies p.l.	*	India		51	51
ProHeq (CZ) s.r.o.	*	Czech Republic		100	100
AMERICAS					
NORTH AMERICA					
Groupe SEB Canada Inc.	**	Canada		100	100
Groupe SEB USA	**	United States		100	100
All-Clad Metal-Crafters LLC	*	United States		100	100
Groupe SEB Holdings Inc.	Holding company	United States		100	100
Imusa USA Corp.	**	United States		100	100
Wilbur Curtis Co., Inc.	*	United States		100	100
CEI RE Acquisition LLC	***	United States		100	100
SEB Professional North America	**	United States		100	100
Storebound LLC	**	United States		55	55
Groupe SEB Mexico SA de CV	**	Mexico		100	100
Groupe SEB Servicios SA de CV	***	Mexico		100	100
SOUTH AMERICA					
Groupe SEB Argentina S.A.	**	Argentina		100	100
SEB Do Brasil Produtos Domesticos Ltda.	*	Brazil		100	100
SEB Comercial de Produtos Domesticos Ltda.	**	Brazil		100	100
Lojas SEB de Produtos Domesticos Ltda.	**	Brazil		100	100
SEB Serviços LTDA	***	Brazil		100	100
Groupe SEB Chile Ltda.	**	Chile		100	100
Groupe SEB Andean S.A.	*	Colombia		100	99.5
Groupe SEB Venezuela S.A.	**	Venezuela		100	100
Corporación GSV 2015, C.A.	***	Venezuela		100	100
ASIA					
CHINA					
Zhejiang Supor Co.Ltd	Holding company	China		81.2	81.2
Zhejiang Shaoxing Supor Domestic Electrical Appliances	*	China		100	81.2
Wuhan Supor Pressure Cooker Co.Ltd	Holding company	China		100	81.2
Wuhan Supor Cookware Co.Ltd	***	China		100	81.2
Wuhan Supor Recycling Co.Ltd	***	China		100	81.2
Yuhuan Supor Cookware Sales Co.Ltd	***	China		100	81.2
Zhejiang Supor Plastic & Rubber Co.Ltd	*	China		100	81.2
Zhejiang Supor Electrical Appliance Manufacturing Co.Ltd	*	China		100	81.2
Hangzhou Omegna Commercial Trade Co.Ltd	**	China		100	81.2
Shanghai Supor Cookware Marketing Co.Ltd	**	China		100	81.2
SSEAC Co. Ltd	*	China		100	81.2
Emsa Taicang Co. Ltd.	**	China		100	100
Zhejiang WMF Housewares Co., Ltd	*	China		100	81.2
Zhejiang Shaoxing Supor Housewares Co., Ltd	**	China		100	81.2
Zhejiang Supor Large Kitchen Appliance Manufacturing Co., Ltd.	**	China		100	81.2
Shanghaï WMF Enterprise Development Co.Ltd	*	China		100	81.2

Company	Core business [b]	Headquarters	Registration no.	% voting rights	% interest
Zhejiang Supor Water Heaters Co. Ltd	*	China		52	42.2
GS Innovation Center Co.Ltd	***	China		100	100
WMF Shanghaï Co.Ltd	***	China		100	100
SEB Professional (Shanghai) Co. Ltd	**	China		100	100
WMF (He Shan) Manufacturing Co. Ltd	*	China		100	100
Groupe SEB (Shenzen) Co. Ltd.	***	China		100	100
ASIA-PACIFIC					
Groupe SEB Australia PTY Ltd.	**	Australia		100	100
Groupe SEB Korea Co. Ltd.	**	South Korea		100	100
SEB Asia Ltd	**/***	Hong Kong		100	100
Groupe SEB Japan Co. Ltd.	**	Japan		100	100
Groupe SEB Malaysia SND. BHD	**	Malaysia		100	100
Groupe SEB Singapore PTE Ltd.	**	Singapore		100	100
South East Asia Domestic Appliances PTE, Ltd	***	Singapore		100	90.41
Groupe SEB Thailand Ltd.	**	Thailand		100	100
PT Groupe SEB Indonesia MSD	*	Indonesia		66.67	60.27
Vietnam Fan Joint Stock Company	*	Vietnam		100	100
Vietnam Supor	*	Vietnam		100	81.2
EMSA Vietnam Co. Ltd.	*	Vietnam		100	100
AFS Vietnam Management Co. Ltd.	***	Vietnam		100	90.41
WMF (Hong Kong) Manufacturing Co. Ltd.	Holding company	Hong Kong		100	100
WMF Group Hong Kong Ltd.	***	Hong Kong		100	100
SEB Professional Japan Corporation K.K.	**	Japan		100	100

(a) Companies within the tax consolidation group in France.
(b) Core business:
- ** manufacturing, sales and marketing;*
- *** sales and marketing;*
- **** services.*

(c) These entities claim the exemption according to § 264 para.3 HGB (German Commercial Code). This Corporate Financial Report is the liberating Financial Statement.

NOTE 35. TRANSACTIONS WITH ASSOCIATES

Company	Core business	Headquarters	Registration no.	% interest
	None			

NOTE 36. NON-CONSOLIDATED COMPANIES WHERE GROUPE SEB HAS A % INTEREST OF AT LEAST 20%

Company	Core business (a)	Headquarters	Registration no.	% interest
Tefal India Household Appliances PVT Ltd.	Dormant	India		100
Groupe SEB Pars (not material in relation to the Group as a whole)	**	Iran		72
Han ANZAI Cookware Co. Ltd. (not material in relation to the Group as a whole)	*	China		30
Gastromedia Sp.z.o.o.	***	Poland		20
Bauscher Hepp Inc.	Holding company	United States		49
Invenido GmbH	***	Germany		30
Groupe SEB Media SAS (not material in relation to the Group as a whole)	***	France	539534792	100
Feeligreen S.A. (not material in relation to the Group as a whole)	*	France	538799370	71.1
Billig Management S.A.S. (not material in relation to the Group as a whole)	***	France	811851716	100
WMF Gastronomie Service GmbH (not material in relation to the Group as a whole)	***	Germany		100
Repareseb S.A.S. (not material in relation to the Group as a whole)	***	France	892136920	49
4iTECH 4.0 S.A.S.	*	France	829128420	22.7

(a) Core business:
** manufacturing, sales and marketing;*
*** sales and marketing;*
**** services.*

5.3 Statutory auditors' report on the consolidated financial statements

For the year ended December 31, 2020

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Annual General Meeting of SEB SA,

OPINION

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of SEB SA ("the Group") for the year ended December 31, 2020.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2020 and of the results of its operations for the year then ended in accordance with International Financial reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

BASIS FOR OPINION

AUDIT FRAMEWORK

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements" section of our report.

INDEPENDENCE

We conducted our audit engagement in compliance with independence requirement rules required by the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for statutory auditors for the period from January 1, 2020 to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of regulation (EU) N° 537/2014.

Furthermore, the non-audit services that we provided to your Company and its controlled undertakings during the financial year that are not disclosed in the management report or in the notes to the consolidated financial statements are as follows:

- For PricewaterhouseCoopers Audit and Mazars: comfort letters in the context of a bond issue and services other than certification of accounts required by law (report on regulated agreements, completion letter…);
- For Mazars: certificates relating to the accounting information of entities.

JUSTIFICATION OF ASSESSMENTS - KEY AUDIT MATTERS

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is this complex and evolving context that, in accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements

MEASUREMENT OF THE RECOVERABLE AMOUNT OF GOODWILL AND TRADEMARKS WITH INDEFINITE USEFUL LIVES

(Note 12 to the consolidated financial statements)

DESCRIPTION OF RISK

As part of its business development, SEB has carried out targeted external growth transactions and thus recognized several goodwill amounts, representing the difference between the acquisition price and the net fair value of identifiable assets acquired and liabilities assumed, on the acquisition date. Group assets also comprise several trademarks.

As at December 31, 2020, trademarks with indefinite useful lives and goodwill amount to € 1,070.4 million and €1,642.4 million (representing 29% of the total consolidated balance sheet), respectively. These non-current assets are subject to impairment tests each year, or whenever there is any indication that the carrying amount of the assets might not be recoverable. For the purpose of these tests, goodwill and trademarks are grouped into cash-generating units (CGUs) as described in Note 12.3 to the consolidated financial statements.

An impairment loss must be recognized if the recoverable value of these assets is less than their carrying amount.

Recoverable amount corresponds to the higher of an asset's fair value less costs to sell and the value in use of the CGU. The value of the CGUs is determined on the basis of net discounted future cash flows, with the exception of trademarks, which are valued using the relief from royalty method. The results of the impairment test are therefore sensitive to the assumptions used, especially those used to determine the discount rate applied to projections of future cash flows, the method for grouping together CGUs, and future changes in revenues in terms of volume and value.

We deemed the measurement of the recoverable value of these non-current assets to be a key audit matter due to the materiality of the trademarks and goodwill recorded in SEB's consolidated balance sheet and the high degree of judgment required from management to determine the assumptions to be used to perform the impairment tests.

HOW OUR AUDIT ADDRESSED THIS RISK

Our work involved:

- assessing compliance of the methodology applied by SEB with current accounting standards, particularly in relation to the approach used by management to define the CGUs;
- verifying the reasonableness of the key assumptions used by management for discounting the net future cash flows of the CGUs (including the discount rate and the long-term growth rate) by checking them against comparable companies and external market data, taking into account the economic and financial climate specific to each CGU and impacts of the health crisis;
- when a Group entity is listed (e.g. the SUPOR Group), assessing the market value with the share price;
- assessing, through interviews with SEB's management control team, the consistency of future cash flow projections for the CGUs and future royalties on trademarks in relation to past performance and our knowledge of the business;
- performing our own calculations to ascertain the sensitivity of the value of the various assets calculated by management to changes in the main assumptions used.

We also assessed the appropriateness of the disclosures provided in Note 12 to the consolidated financial statements.

MEASUREMENT AND RECOGNITION OF PROVISIONS FOR DEFERRED REBATES

(Note 6 to the consolidated financial statements)

DESCRIPTION OF RISK

- SEB's consolidated revenues are recognized after deduction of rebates and discounts, as well as advertising expense contributions billed by customers and the cost of consumer promotions, referred to as "deferred rebates".
- Management assesses the amount of provisions for deferred rebates granted to customers and offset against customer receivables based on the contractual or constructive commitments of SEB Group entities identified at period-end.
- Given the complex and diverse nature of existing agreements with retailers in various countries with different legislations, there is a risk that the provision may be incorrectly estimated.
- In light of this complexity, we deemed the measurement of provisions for deferred rebates to be a key audit matter.

HOW OUR AUDIT ADDRESSED THIS RISK

Our work primarily involved:

- obtaining an understanding of the internal control procedures implemented by management in relation to the recognition of revenue and the estimation of rebates, and testing the effectiveness of key controls relating to these procedures;
- analyzing the differences between the amounts set aside for provisions in the previous reporting period and amounts actually paid during the period, with a view to assessing the reliability of the measurement of deferred rebates;
- testing, on a sample basis, the calculation of provisions for deferred rebates at period end based on the contract terms (revenue, rebate percentage).

SPECIFIC VERIFICATIONS

We have also performed, in accordance with professional standards applicable in France, the specific verification required by laws and regulations of the Group's information given in the management report of the Board of Directors.

We have no matters to report as to their fair presentation and their consistency with the consolidated financial statements.

We attest that the consolidated non-financial statement required by Article L. 225-102-1 of the French commercial code (*Code de commerce*) is included in the Group's information given in the management report, it being specified that, in accordance with Article L. 823-10 of this Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein. This information should be reported on by an independent third party.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

FORMAT OF PRESENTATION OF THE FINANCIAL STATEMENTS INTENDED TO BE INCLUDED IN THE ANNUAL FINANCIAL REPORT

In accordance with Article 222-3, III of the AMF General regulation, the Company's management informed us of its decision to postpone the presentation of the consolidated financial statements in compliance with the European single electronic format as defined in the European Delegated regulation No 2019/815 of 17 December 2018 to years beginning on or after January 1st, 2021. Therefore, this report does not include a conclusion on the compliance with this format of the presentation of the consolidated financial statements intended to be included in the Annual Financial Report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (*Code monétaire et financier*).

APPOINTMENT OF THE STATUTORY AUDITORS

We were appointed statutory auditors of SEB SA by the Annual General Meeting held on June 15, 1985 for PricewaterhouseCoopers Audit and on May 12, 2015 for Mazars.

As at December 31, 2020, PricewaterhouseCoopers Audit and Mazars were in the thirty-sixth year and the sixth year of total uninterrupted engagement, respectively.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless it is expected to liquidate the Company or to cease operations.

The Audit and Compliance Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

STATUTORY AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OBJECTIVES AND AUDIT APPROACH

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

REPORT TO THE AUDIT AND COMPLIANCE COMMITTEE

We submit a report to the Audit and Compliance Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit and Compliance Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit and Compliance Committee with the declaration provided for in Article 6 of regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France, such as they are set in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code (*Code de commerce*) and in the French Code of Ethics (*Code de déontologie*) for statutory auditors. Where appropriate, we discuss with the Audit and Compliance Committee the risks that may reasonably be thought to bear on our independence and the related safeguard.

Lyon and Courbevoie, March 26, 2021,

The statutory auditors

PricewaterhouseCoopers Audit	Mazars
Elisabeth L'HERMITE	Francisco SANCHEZ

5.4 History of significant consolidated items and ratios

5.4.1. HISTORY OF SIGNIFICANT CONSOLIDATED ITEMS

(in € millions)	2020	2019 [f] [g]	2018	2017	2016 [e]	2015	2014	2013	2012	2011 [e]
RESULTS										
Sales in France	796	780	775	804	779	739	700	666	689	705
Sales outside France	6,144	6,574	6,037	5,681	4,221	4,031	3,553	3,495	3,371	3,258
Total sales	6,940	7,354	6,812	6,485	5,000	4,770	4,253	4,161	4,060	3,963
Operating Result from Activity	605	740	695	661	505	428	368	410	415	455
Operating profit	503	620	626	580	426	371	314	364	368	402
Profit attributable to owners of the parent	301	380	420	375	259	206	170	200	194	236
Depreciation, amortization and impairment losses	274	278	179	178	123	146	123	112	109	115
Employee benefits expenses [a]	1,315	1,373	1,286	1,250	831	802	753	737	698	665
Discretionary and non-discretionary profit sharing and bonuses and matching contributions to employee savings plans	24	37	34	38	37	31	33	37	48	44
EBITDA [b]	777	899	805	765	550	508	434	475	475	516
Adjusted EBITDA [d]	851	966	829	808	591	533	455	485	474	511
BALANCE SHEET (AT 31 DECEMBER)										
Shareholders' equity after appropriation	2,612	2,553	2,196	1,861	1,747	1,829	1,650	1,460	1,395	1,279
Net debt	1,518	1,997	1,578	1,905	2,019	316	453	416	556	673
Non-current assets	4,247	4,260	3,576	3,508	3,583	1,654	1,593	1,413	1,434	1,453
Capital expenditure	298	701	215	192	181	153	201	127	128	131
Inventories and work-in-progress	1,212	1,189	1,181	1,112	1,067	821	823	731	681	702
Trade receivables net of advances received	841	1,017	939	1,016	1,053	886	768	740	836	828
Trade payables net of advances made	1,205	991	999	906	915	695	637	525	508	516
Net cash from operating activities	962	682	724	457	576	376	271	298	313	242
Number of employees at 31 December *(in units)*	32,847	34,263	33,974	32,319	32,871	26,024	25,759	24,682	24,758	24,927
SHARES (IN €)										
Total number of shares outstanding *(in thousands)*	50,307	50,307	50,169	50,169	50,169	50,169	50,169	50,169	50,169	49,952
Weighted average number of shares after treasury stock *(in thousands)*	50,073	49,779	49,661	49,597	49,749	49,037	48,694	48,344	47,718	47,886
Adjusted diluted earnings per share	5.96	7.58	8.38	7.50	5.15	4.14	3.45	4.08	4.01	4.81
Net income	2.14	1.43	2.14	2.00	1.72	1.54	1.44	1.39	1.32	1.25
Yield per share *(in%)* [c]	1.44	1.08	1.90	1.29	1.34	1.63	2.34	2.12	2.37	2.15
Price range:										
High	153.30	166.80	175.90	169.90	136.00	97.45	68.99	69.50	67.85	82.15
Low	86.35	107.00	105.60	115.70	79.90	58.01	56.85	51.50	46.70	52.00
Price at 31 December	149.00	132.40	112.80	154.45	128.75	94.60	61.57	65.70	55.71	58.12
Stock market capitalization *(in € millions)*	7,495.7	6,660.7	5,659.1	7,748.6	6,459.3	4,746.0	3,088.9	3,296.1	2,794.9	2,903.2
Average daily trading volume (number of shares)	68,839	53,796	56,108	53,452	60,252	79,811	56,210	75,245	90,232	143,151

(a) Excluding discretionary and non-discretionary profit sharing and matching contributions to employee savings plans, including temporary staff costs. Since the Group's transition to IFRS in 2004, the reported amounts have also included the service cost of pension and other post-employment benefits.

(b) Earnings before interest, taxes, depreciation and amortization (including amortization and impairment of goodwill and trademarks, and depreciation and amortization expense reported under "Other operating income and expenses").

(c) Dividend for the year expressed as a percentage of the closing share price at the year-end.

(d) Operating Result from Activity minus discretionary and non-discretionary profit-sharing, to which are added operating depreciation and amortization.

(e) The balance sheets and income statements for 2011 and 2016 were restated in subsequent years. The restatements were not material.

(f) After the first application of IFRS 16.

(g) Excluding Krampouz.

5.4.2. HISTORY OF CONSOLIDATED RATIOS

(in %)	2020	2019 [(d)]	2018	2017	2016	2015	2014	2013	2012	2011 [(b)]
PROFITABILITY RATIOS										
Return on equity before appropriation of previous year's profit	11.44	16.46	21.36	20.43	13.55	11.94	11.09	13.66	14.47	15.27
Net profit/Sales	4.33	5.16	6.16	5.78	5.17	4.32	4.00	4.80	4.78	5.96
FINANCIAL RATIOS										
Net debt/shareholders' equity before appropriation [(c)]	55.51	76.02	68.39	96.96	109.98	16.57	26.27	27.14	38.04	50.14
Financial costs, net/Revenue	0.88	0.83	0.47	1.11	1.16	1.00	1.15	1.32	1.54	0.68
Net debt/Adjusted EBITDA (in value) [(c)]	1.78	2.07	1.90	2.36	3.42	0.59	1.00	0.86	1.17	1.32
INVESTMENT RATIOS [(a)]										
Investments/Sales	4.30	9.53	3.15	2.97	3.63	3.23	4.73	3.05	3.14	3.55

(a) Capital expenditure on property, plant and equipment, software and development costs.
(b) Restated for the effects of early application of IAS 19R.
(c) According to the definition of net debt, Note 24.2.
(d) After the first application of IFRS 16.

5

6 Company financial statements

6.1 Financial statements

INCOME STATEMENT AT 31 DECEMBER

(in € millions)	Notes	2020	2019
Other income		2.3	2.8
Operating income		**2.3**	**2.8**
Other purchases and external charges		8.0	8.1
Taxes other than income taxe		2.0	4.2
Wages and salaries		8.2	6.0
Payroll taxes		1.6	1.7
Depreciation and amortization		2.3	1.8
Other expenses		0.9	0.8
Operating expenses		22.9	22.6
OPERATING PROFIT (LOSS)	**2**	**(20.6)**	**(19.8)**
Financial income		**422.9**	**285.3**
Financial expenses		**302.8**	**183.1**
NET FINANCIAL INCOME AND EXPENSE	**3**	**120.1**	**102.2**
PROFIT (LOSS) FROM ORDINARY ACTIVITIES		**99.5**	**82.4**
Non-recurring income		**58.3**	**98.9**
Non-recurring expenses		**60.4**	**79.8**
EXCEPTIONAL PROFIT (LOSS)	**4**	**(2.1)**	**19.1**
Income tax (income)	5	(27.2)	(28.9)
PROFIT FOR THE PERIOD		**124.6**	**130.4**

BALANCE SHEET OF SEB S.A. AT 31 DECEMBER

Assets *(in € millions)*	Notes	2020 GROSS	2020 DEPRECIATION/ AMORTIZATION	2020 NET	2019 Net
Patents, licenses and other rights		0.2	0.1	0.1	0.1
Financial investments		1,842.7	228.2	1,614.5	1,587.8
Loans to subsidiaries and affiliates		2,526.8	24.2	2,502.5	2,829.1
Other non-current assets		2.4		2.4	3.0
TOTAL NON-CURRENT ASSETS	**6**	**4,372.0**	**252.5**	**4,119.5**	**4,420.0**
Accounts receivable		6.1		6.1	5.3
Other receivables	7	578.7		578.7	82.1
Investment securities	8	577.2		577.2	50.1
Cash		571.0		571.0	155.5
Prepaid expenses		0.1		0.1	0.1
TOTAL CURRENT ASSETS		**1,733.0**		**1,733.0**	**293.2**
Deferred financing costs	9	6.0		6.0	4.4
Bond redemption premium	9	3.7		3.7	
Conversion losses		6.4		6.4	3.2
TOTAL ASSETS		**6,119.6**	**252.5**	**5,868.6**	**4,720.8**

Liabilities (before appropriation of profit) *(in € millions)*	Notes	2020	2019
Share capital		50.3	50.3
Additional paid-in capital		114.9	114.9
Revaluation reserve		16.9	16.9
Legal reserve		5.2	5.2
Regulatory reserves		0.8	0.8
Revenue reserves		7.9	7.9
Retained earnings		985.1	929.3
Profit (loss) for the period		124.6	130.4
TOTAL EQUITY	**10**	**1,305.7**	**1,255.7**
Provisions for contingencies		86.0	84.7
Provisions for charges		134.1	134.2
TOTAL PROVISIONS FOR CONTINGENCIES AND CHARGES	**11**	**220.1**	**218.8**
Bank borrowings	12	2,294.8	1,796.2
Other borrowings	12	2,007.5	1,411.7
Trade payables		3.1	1.7
Accrued taxes and employee benefits expenses		4.6	4.5
Other payables	13	29.5	29.7
TOTAL LIABILITIES		**4,339.5**	**3,243.7**
Conversion gains		3.3	2.6
TOTAL LIABILITIES		**5,868.6**	**4,720.8**

6.2 Notes to the SEB S.A. financial statements

SIGNIFICANT EVENTS OF THE YEAR

CHANGES TO THE BOARD OF DIRECTORS

The Annual General Meeting of SEB S.A. of 19 May 2020 voted in favor of the:

- reappointment of Thierry de La Tour d'Artaise as a director;
- reappointment of Fonds Stratégique de Participations (FSP) as a director;
- reappointment of VENELLE INVESTISSEMENT as a director;
- reappointment of Jérôme Lescure as a director.

As a result, at 31 December 2020, the Board of Directors had 17 members:

- the Chairman;
- 8 directors representing the Founder Group:
  - 4 directors from VENELLE INVESTISSEMENT,
  - 2 directors from GÉNÉRACTION, and
  - 2 directors from FÉDÉRACTIVE.
- 5 independent directors;
- 2 directors representing employees; and
- 1 director representing employee shareholders.

COVID-19

The Covid-19 health crisis and the promulgation of the state of emergency is a major event of the year.

Faced with the pandemic, the absolute priority of the company and its subsidiaries has been and remains the health and safety of its employees, throughout the world. In addition, priority was given to maintenance of service to our customers, the implementation of business continuity plans under the best safety conditions for our teams in the subsidiaries, as well as for all of our partners, and the preservation of our cash flow.

The board of directors has made the decision to downgrade by one third the amount of dividend paid in 2020 as compared to 2019, this has improved the cash position by € 43.5 million.

The company notes that this health crisis is not having a significant impact on the closing of the 2020 annual accounts. Management has not identified risk on business continuity at the end of the financial year December 31, 2020.

FINANCING

Placement of a new bond issue

As part of an active liquidity management policy, on 9 June 2020 Groupe SEB successfully issued a five-year €500 million bond (maturing 16 June 2025), with a coupon of 1.375%. The bond was admitted to trading on Euronext Paris on 16 June 2020.

SEB S.A.'s three bond issues now total €1,500 million, showing investors' confidence in the strategy and prospects of Groupe SEB.

Extending the term of the syndicated credit facility

On 29 June 2020, SEB S.A. extended the maturity of its syndicated credit facility by one year, with an option to extend it for a further six months. This €960 million facility now matures on 31 July 2022.

Acquisition of call options

As part of its share buyback program, approved by the Combined Annual General Meeting of 19 May 2020, SEB S.A. entered into further transactions for 70,000 treasury share options (tunnel). These transactions were conducted to partially cover the free share award plan for employees, subject to performance conditions, maturing in 2023, that was approved by the 20th resolution of that Meeting.

As a reminder, SEB S.A. had entered into transactions during the past financial year involving 187,200 treasury share options (tunnel). These transactions were intended to partly cover the performance-based share award plan for employees, maturing in 2022, approved by the Combined Annual General Meeting of 22 May 2019 under Resolution 22.

As the plans for 2022 and 2023 involve a maximum of 416,880 shares, SEB S.A. may enter into other such transactions up to the overall amount of the plan should it wish to increase the level of coverage.

NEU MTN Program

During the period, the company placed a new Negotiable European Medium Term Note (NEU MTN) in the amount of €25 million and repaid a €30 million NEU MTN, which was due to mature. The NEU MTN outstanding totaled €236.5 million at 31 December 2020.

During the past financial year, the company had made new NEU MTN placements for a total amount of €211.5 million, bringing all outstandings to €241.5 million at 31 December 2019.

These issues took place under an overall program of €500 million introduced in 2018 and which allows SEB S.A. to diversify its sources of financing.

SUBSIDIARIES

Acquisition of the US company StoreBound by GS Holdings (Inc.)

On 31 July 2020, Groupe SEB announced through its subsidiary Groupe SEB Holdings that it had completed the acquisition of a majority stake in StoreBound, owner of the DASH kitchenware brand.

Founded in 2010, StoreBound is a New York company specialized in developing kitchenware designed for better everyday living. Its omni-channel distribution model combines bricks-and-mortar retail, e-commerce and social media, enabling it to launch more than 200 products in North and South America, Europe and Asia.

Sale of businesses in non-majority subsidiaries by SEB Internationale

In the first half of 2020, SEB S.A., through its subsidiary SEB Internationale and its sub-subsidiaries, sold two of its non-strategic businesses:

- EMSA GmbH, a Groupe SEB subsidiary based in Emsdetten, Germany and specialized in the design, manufacture and distribution of kitchen utensils and accessories, concluded an agreement with Poétic S.A.S., the French market leader for garden planters, for the sale of its Garden business;
- Boehringer, which specializes in the marketing of hotel equipment and was acquired alongside WMF in 2016, was sold to the Certina group.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Note 1.1. Principles

General accounting conventions were applied, in line with the principle of prudence and in compliance with the general rules on the preparation and presentation of annual financial statements set out in French law and France's Chart of Accounts (Plan Comptable Général) governed by regulation 2014-03 issued by the French Accounting Standards Authority (Autorité des Normes Comptables, "ANC") on 5 June 2014.

Note 1.2. Cash and cash equivalents and financial instruments

SEB S.A. takes care of cash management and risks related to the Group's financing. Several notes to the financial statements in this appendix refer to the following principles:

- SEB S.A. takes care of the Group's long-term and short-term financing needs. With respect to the financing of subsidiaries, SEB S.A. has set up an automatic daily bank balance reporting system for some subsidiaries, while for others cash requirements or surpluses are transferred manually. Short-term loans or borrowings between Group companies and SEB S.A. pay interest at the spot base rate for the currencies concerned, plus or minus an intermediation margin.
- For subsidiaries in receipt of medium- or long-term financing, in particular SEB Internationale, WMF GmbH, the Colombian and Brazilian subsidiaries, GS Holdings, and Immobilière Groupe SEB, the rate applied is a fixed rate or the three-month currency rate plus an intermediation margin.
- SEB S.A. raises capital on the financial market and/or from financial institutions in euros. SEB S.A. buys and sells currency swaps enabling it to convert its euro financing into its subsidiaries' local currency. Exposure to currency risks on the financing of non-euro subsidiaries is hedged in this way. A provision may be set aside to cover the unhedged portion of the risk.
- To cover the ORNAE bond redemption premium, the company purchased calls, which are documented as hedges. The premium paid on the calls purchased is recognized in the balance sheet and amortized in profit or loss over the term of the hedge. The result of the hedge will be recognized at maturity if the option is exercised, symmetrically to the hedged risk.
- The company puts competitiveness and transactional hedges in place to cover its subsidiaries' exposure to currency risks. The hedged transactions are recorded for the guaranteed price by SEB S.A. for the operating subsidiaries and in their own currency for market subsidiaries.

Clarification of ANC regulation no. 2015-05:

- currency swaps linked to current accounts, intercompany loans/borrowings, and foreign currency bank accounts are revalued on the balance sheet to offset the revaluation at the closing rate of these items. The premium/discount is taken to profit or loss over the term of the hedge;
- the competitiveness and transactional hedges taken out with banking counterparties are backed in accounting terms by foreign exchange hedges granted to Group subsidiaries. In the event of a significant difference between the rates realized with the banking counterparties and the rates granted to the subsidiaries, any gains or losses realized by SEB S.A. will be passed on to the subsidiaries that initiated the hedging requests;
- currency translation adjustments on hedges and hedged items are classified in the income statement under Net financial expense. The company does not engage in optimization transactions that entail additional risks for the business;
- financial income and expenses relating to interest rate swaps are recognized in the income statement symmetrically to the income and expenses generated by the hedged item;
- the company centrally manages raw materials price increase risks by entering into raw materials derivative contracts on behalf of Group subsidiaries. Realized gains and losses on derivatives entered into with bank counterparties are written back to the subsidiaries that initiated the hedging requests;
- the fair value of the instruments and information on the volume and nature of the instruments (type of income/underlyings) and the amount of deferred realized gains and losses on the balance sheet are disclosed in Note 16.

Clarification of conversion and valuation procedures:

Cash and short-term bank loans denominated in foreign currency at the period-end are converted into local currency at the exchange rate on the last business day of the period, and foreign exchange translation adjustments are recognized in profit for the period under "Foreign Exchange gains" or "Foreign Exchange losses".

NOTE 2. OPERATING PROFIT

(in € millions)	2020	2019
Other income	2.3	2.8
Operating income	**2.3**	**2.8**
Other purchases and external charges	8.0	8.1
Taxes other than income taxe	2.0	4.2
Wages, salaries and payroll taxes	9.8	7.7
Depreciation, amortization and impairment losses	2.3	1.8
Other expenses	0.9	0.8
Operating expenses	**22.9**	**22.6**
OPERATING PROFIT (LOSS)	**(20.6)**	**(19.8)**

Over the financial year, Operating profit fell slightly to -€20.6 million, compared with -€19.8 million in 2019.

Operating expenses are stable; these mainly consist of external expenses of €8 million, and personnel expenses of €9.8 million, an increase of €2.2 million due to the performance share expense, which rose from €2.6 million to €4.2 million in 2020.

They also include transactions with related companies, carried out under normal market conditions.

NOTE 3. FINANCIAL RESULT

(in € millions)	2020	2019
Dividends	133.7	122.5
Interest incomes	36.7	62.8
Financial and similar expenses	(36.7)	(42.2)
Net reversal (increase) in provision for impairment of financial items	2.9	(15.8)
Other financial income and expenses	(16.5)	(25.0)
TOTAL	**120.1**	**102.2**

Dividends received during the financial year totaled €133.7 million, compared with €122.5 million in 2019. They mainly came from SEB Internationale (€60 million), Groupe SEB France (€31 million) and Tefal (€22.6 million).

Income from financial interests mainly comprises the income from remuneration for loans and current accounts of subsidiaries; they fell sharply over the financial year, correlated with the fall in remuneration rates in most countries.

In addition, the valuation of the subsidiaries' portfolios led the company to make a €2.9 million net reversal of provisions for impairment of financial items (€3 million of which was a reversal of provisions on Groupe SEB Retailing securities).

Other financial income and expenses consist of foreign exchange income (including the costs of risk hedging), amounting to €16.5 million, compared with €25 million in 2019.

NOTE 4. EXCEPTIONAL PROFIT

(in € millions)	2020	2019
Gains/(losses) on sales of treasury shares	(31.3)	(27.7)
Reversal (increase) in provision for losses on treasury shares	1.9	(35.5)
Non-recurring expense transfers	27.4	40.9
Other non-recurring income and expenses	(0.1)	(6.8)
Reversal (increase) in provision for charges for tax group		48.2
TOTAL	**(2.1)**	**19.1**

Over the year, the sale of treasury shares generated a total net loss of €31.3 million, compared with €27.7 million in 2019 (344,519 treasury shares were sold over the period, including 127,502 under the liquidity contract and 217,017 as part of performance share programs).

Discounting over the period of the provision for unrealized losses on treasury shares resulted in a net reversal of €1.9 million for the year, compared with a net expense of €35.5 million in 2019.

This year, transfers of non-recurring expenses primarily included the rebilling to subsidiaries of realized losses of €22.6 million (compared with €16.3 million in 2019).

NOTE 5. INCOME TAX

Note 5.1. Analysis of income tax

Since 2015, SEB S.A. has signed a tax group agreement with all its subsidiaries benefiting from the tax group system, setting the rules for the tax group. The contract specifies that the tax group will take effect retroactively from 1 January 2013 and, pursuant to the provisions of Article 223 A et seq. of the French General Tax Code, will be tacitly renewed for additional five-year periods.

The agreement also provides that subsidiary companies which are members of the tax group should be placed in a situation during consolidation comparable to the situation that they would have been in if the Group did not exist.

With regard to the calculation of tax liability, each subsidiary “shall pay the parent company, by way of contribution to the Group’s income tax, irrespective of the actual amount of said tax, a sum equal to the tax that it would have paid on earnings and/or net long-term capital gains for the financial year had it been taxed separately, minus all the tax deductions to which the subsidiary would have been entitled in the absence of consolidation, including its tax loss carryforwards.”

The agreement also states that at the “end of a loss-making financial year, the subsidiary shall not be entitled to make any claim on the parent company on this basis, even if the parent company establishes a claim against the French Treasury by opting to carry back the total loss”.

Concerning tax credits, the subsidiaries’ liability to the parent company shall be reduced:

- for tax credits that cannot be carried forward and cannot be refunded. If the subsidiary is loss-making, these claims shall be offset by the parent company against the income tax owed by the Group;
- for all tax credits that cannot be carried forward but can be refunded. The fraction of the claim in excess of the income tax owing by the subsidiary shall be repaid to the subsidiary by the parent company.

Lastly, if the subsidiary leaves the tax group, the agreement provides that compensation shall be paid insofar as it can be determined, by mutual agreement, that the subsidiary has paid too much tax as a result of its membership of the Group.

Income tax for the financial year ended 31 December 2020 breaks down as follows:

(in € millions)	Before tax	Tax	Profit (loss)
Non-recurring profit (loss)	(2.1)	(0.1)	(2.2)
Tax loss carryforwards generated/(used)		8.1	8.1
Tax group		29.1	29.1
Other tax expenses		(1.9)	(1.9)
TOTAL	**97.4**	**27.2**	**124.6**

Note 5.2. Tax group

The tax group recorded a profit for the 2020 financial year.

The €29.1 million in tax savings was recognized in the company's financial statements as current tax income, breaking down as follows:

- income of €23.1 million for tax losses by consolidated subsidiaries used in the financial year;
- income of €3.2 million connected with tax credits not allocated by loss-making subsidiaries;
- a tax saving of €2.9 million resulting from the application of the specific tax group rules for determining the individual profit (loss).

In addition, under the tax agreement signed with member companies, the tax savings made by the Group as a result of the tax group are retained by the parent company.

From now on, a provision will no longer be recorded in the financial statements of SEB S.A. to cover the tax loss carryforwards generated by members of the tax group other than SEB S.A. Only reversals of provisions are recorded when tax loss carryforwards are used. In this regard, the company has not recorded any reversal of provisions.

Note 5.3. Deferred tax assets and liabilities

At 31 December 2020, the company had a liability of €1.1 million (€0.8 million at 31 December 2019), corresponding to unrealized exchange gains deductible in the year following their recognition.

NOTE 6. NON-CURRENT ASSETS

The gross amount of shares in subsidiaries and affiliates on the balance sheet is the sum of the purchase price (after statutory revaluation if necessary) plus additional charges.

If the net asset value is inferior to the net book value, a provision for impairment is observed, equal to the amount of the difference.

The net asset value is estimated based on the share of the net asset, which can be, if necessary, reevaluated according to the financial prospects that include business models and economic environments of every subsidiary.

Treasury shares are classified as follows:

- all treasury shares bought back for allocation under existing or future stock option or performance share plans are classified as "investment securities";
- all other classes of treasury shares—mainly treasury shares held under a liquidity contract—are classified as "other non-current assets".

At year-end, an impairment loss is recognized in connection with the liquidity agreement whenever the average purchase price of treasury shares held in the portfolio is higher than the average share price for the last month of the year.

Note 6.1. Movements by nature

(in € millions)	2019	Increase	Decrease	2020
Patents, licenses and other rights	0.2			0.2
Financial investments	1842.7			1,842.7
Loans to subsidiaries and affiliates	2829.5	405.8	708.6	2,526.7
Other non-current financial assets	3.0		0.6	2.4
TOTAL GROSS VALUE	**4,675.4**	**405.8**	**709.2**	**4,372.0**
Patents, licenses and other rights	(0.1)			(0.1)
Provisions for investments and related receivables	(255.3)		(3.0)	(252.4)
TOTAL PROVISIONS	**(255.4)**		**(3.0)**	**(252.5)**
TOTAL NET VALUE	**4.420.0**	**405.7**	**706.3**	**4,119.5**

Loans to subsidiaries and affiliates comprised advances by SEB S.A. to its subsidiaries in connection with the Group's financial policy (see Note 1.2 under the Summary of significant accounting policies).

At 31 December 2020, these receivables totaled €2,526.7 million, mainly comprising €903.6 million granted to SEB Internationale, €541.4 million to WMF Group GmbH and €197 million to Wilbur Curtis.

During the financial year, the company provided further advances totaling €405.8 million, consisting of new long-term loans of €171.3 million, including to Calor (€40 million) and EMSA GmbH (€40 million), and a €234.5 million increase in the current accounts of its subsidiaries, including WMF Group GmbH (€92.6 million), Wilbur Curtis (€38.9 million) and SEB Alliance (€23.5 million).

Furthermore, the company was repaid total advances of €708.6 million, primarily for long-term loans of €370.4 million to SEB Internationale (€97.8 million), Wilbur Curtis (€59.2 million) and SEB Commercial Do Brasil (€42.2 million). Current account advances were also repaid in the amount of €338.2 million, notably by Groupe SEB Deutschland (€47.9 million), EMSA GmbH (€43.5 million) and WMF Consumer Electric (€23.6 million).

Other non-current financial assets mainly include treasury shares under the liquidity agreement. At 31 December 2020, the company held 15,462 treasury shares at an average price of €144.21, representing a total amount of €2.2 million (compared with 19,660 securities at 31 December 2019). Over the financial year, 123,304 shares were bought back at an average price of €123.61 and 127,502 shares were sold at an average price of €125.41 per share.

At 31 December 2020, SEB S.A. held a total of 145,328 treasury shares (compared with 362,443 at 31 December 2019) at an average price of €135.20, notably to cover current stock option plans.

Note 6.2. Maturities of loans to subsidiaries and affiliates

Loans to subsidiaries and affiliates mainly comprise medium- and long-term intra-Group loans to subsidiaries totaling €1,705.1 million (€192 million of which are repayable within a year). The loans were primarily provided to SEB Internationale (€784.2 million) and WMF Group GmbH (€285.9 million). The remaining loans to subsidiaries and affiliates, totaling €1,013.6 million, comprise current accounts for subsidiaries repayable within one year.

NOTE 7. MATURITIES OF OTHER LOANS

			Maturities at 31/12/2020		
(in € millions)	2019	2020	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Tax receivables	22.4	29.9	5.7	24.2	
Accruals of subsidiaries	45.2	45.4	14.1	31.3	
Financial instruments	14.5	35.2	19.5	15.7	
Other financial investments		468.1	468.1		
TOTAL OTHER RECEIVABLES	**82.1**	**578.7**	**507.4**	**71.3**	**-**

Financial investments are made up of investment lines with a maturity of less than one year and for which there is no immediate availability (within 32 days or 91 days).

Financial instruments include €23.1 million in assets under foreign exchange hedging forward contracts and options, €4.7 million in premiums paid on the collar on treasury shares (expiring in 2022 and 2023) and calls on ORNAE bonds (€0.3 million).

NOTE 8. INVESTMENTS SECURITIES

Treasury shares are classified as follows:

- All treasury shares bought back for allocation under existing or future stock option or performance share plans are classified as "investment securities";
- All other classes of treasury shares—mainly treasury shares held under a liquidity contract—are classified as "other non-current assets".

(in € millions)	2020	2019
Treasury shares	17.4	50.1
Investment securities	559.8	
TOTAL	**577.2**	**50.1**

At 31 December 2020, the unrealized loss on investment securities totaled €0.2 million.

NOTE 9. BOND REDEMPTION PREMIUMS AND DEFERRED FINANCING COSTS

(in € millions)	2020	2019
Deferred financing costs	6.0	4.4
Bond redemption premiums	3.7	
TOTAL	**9.7**	**4.4**

The increase in deferred financing costs, with a net amount of €1.6 million over the period, relates to the one-year extension to the maturity of the syndicated credit facility, undertaken by the company on 29 June 2020. This €960 million facility now matures on 31 July 2022.

Of the charges to be deferred, maturities are more than one year, in the following amounts:

- €2.2 million to the bonds;
- €0.3 million to the Schuldschein investments;
- €0.7 million in commitment fees on the €960 million syndicated credit facility.

NOTE 10. EQUITY

Share capital

At 31 December 2020, the share capital was €50,307,064, as at the end of the previous financial year. This was made up of 50,307,064 fully paid-up shares, representing 77,492,242 "theoretical" voting rights and 77,346,914 "effective" voting rights (excluding treasury shares).

Changes in equity

EQUITY AT 31 DECEMBER 2019 BEFORE APPROPRIATION OF PROFIT	**1,255.7**
2019 dividend paid in 2020	(74.6)
Profit (loss) for the period	124.6
EQUITY AT 31 DECEMBER 2020	**1,305.7**

Potential share capital at 31 December 2020

On 17 November 2016, as part of the financing of the WMF acquisition, the company issued €150 million in ORNAE convertible bonds (bonds with optional reimbursement in cash and/or existing shares).

In accordance with the provisions of the issue contract, were the conversion price to be hit, the only equity securities to be provided to holders of these ORNAE would be existing company shares.

NOTE 11. PROVISIONS FOR CONTINGENCIES AND CHARGES

In accordance with the principles of ANC regulation no. 2015-05, the company recognizes a provision for currency risks, on the basis of an aggregate net position determined per currency at year-end.

The company funds a provision for contingencies for expected losses on performance shares under performance share plans granted to all Group employees.

The company also records provisions on the balance sheet for the tax savings resulting from the implementation of the tax group, relating to the utilization of losses incurred by certain subsidiaries, which may have to be transferred back to them if and when they leave the consolidation group.

(in € millions)	2019	Increases	Releases of surplus provisions	Utilizations	2020
Provisions for currency risks	3.2	6.4		3.2	6.4
Provisions for contingencies	81.5	28.1		30.0	79.6
TOTAL PROVISIONS FOR CONTINGENCIES	**84.7**	**34.5**	**-**	**33.2**	**86.0**
Provisions for Tax Group	134.2			0.1	134.1
TOTAL PROVISIONS FOR CHARGES	**134.2**	**-**	**-**	**0.1**	**134.1**
TOTAL	**218.8**	**34.5**	**-**	**33.3**	**220.1**

Changes in provisions for contingencies and charges for the financial year are as follows:

A provision for currency risks was recorded in the financial statements at 31 December 2020, in the amount of €6.4 million (compared with €3.2 million in 2019) to cover currency risk on the invoices hedged.

The provision for other contingencies represents the expected loss on performance share grants pertaining to Group option-holders. The total provision stood at €79.6 million in 2020 compared with €81.5 million in 2019, with the change discussed in Note 4.

Lastly, the company's financial statements continue to have a €134.1 million provision for tax refunds to the subsidiaries in the tax group. During the financial year, the company did not make any significant reversals of provisions. In fact, management reassessed the risk and now considers that, in the event of a negotiation with its subsidiaries regarding an exit from the tax group, the tax saving to be considered would be the saving that the subsidiary could achieve in the future.

NOTE 12. MATURITIES OF BORROWINGS

(in € millions)	2019	2020	Due by 31/12/2020 Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Bonds	1,005.6	1,509.3	9.3	1,500.0	
Other financial debts (including private placements)	777.4	777.3	428.8	300.5	48.0
Bank borrowings	12.7	8.1	8.1		
Bond issue/redemption premium	0.5				
Bank borrowings	**1,796.2**	**2,294.8**	**446.3**	**1,800.5**	**48.0**
NEU Commercial Paper	317.0	975.0	975.0		
NEU Medium Term Notes	241.5	236.5	111.5	45.0	80.0
Group borrowings	835.2	779.7	779.7		
Employee profit-sharing	18.0	16.4	3.9	12.5	
Other borrowings	**1,411.7**	**2,007.5**	**1,870.0**	**57.5**	**80.0**
TOTAL	**3,207.8**	**4,302.3**	**2,316.3**	**1,858.0**	**128.0**

During the financial year, SEB S.A. carried out a new bond issue for €500 million over a five-year period, with a coupon of 1.375%.

In addition, SEB S.A. also subscribed to new lines of French NEU Commercial Paper (NEU CP) in the amount of €975 million (following repayment of €317 million). SEB S.A. has a NEU CP program of €1 billion, which has a short-term rating of A2 awarded by Standard & Poor's.

Sources of financing are diversified, with maturities partly beyond one year, as follows:

- a €500 million bond repayable in full in 2022;
- a €500 million bond repayable in full in 2024;
- a €500 million bond repayable in full in 2025;
- "Schuldschein" private placements, €282.5 million of which is repayable in 2023, €18 million in 2024 and €48 million in 2026;
- a €125 million issue of French NEU MTN (as part of a €500 million program), maturing in 2022, 2024 and 2026;
- frozen employee profit-sharing accounts, due in more than one year as follows: €3.5 million due in 2022, €3.4 million due in 2023, €2.8 million due in 2024, and €2.9 million due in 2025.

NOTE 13. DEBT MATURITY SCHEDULE

			Due by 31/12/2020		
(in € millions)	2019	2020	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Trade payables	1.7	3.1	3.1		
Accrued taxes and employee benefits expenses	4.5	4.6	4.0	0.6	
Other payables	29.7	29.5	29.5		
TOTAL	**35.9**	**37.2**	**36.6**	**0.6**	**-**

OTHER INFORMATION

NOTE 14. EMPLOYEES

The average number of employees was two (in accordance with the previous financial year).

NOTE 15. STOCK OPTION AND PERFORMANCE SHARE PLANS

Information about stock option and performance share plans at 31 December 2020 is provided below:

At 31/12/2020	Date			Number of options				
Type	of grant*	of exercise	of expiry	granted	exercised	canceled	outstanding	Exercise price *(in euro)*
Purchase plan	15/06/2012	15/06/2016	15/06/2020	408,925	390,304	18,621	-	54.12
TOTAL*				**408,925**	**390,304**	**18,621**	**-**	

* *Of which movements in 2020.* *31,017*

At 31/12/2020	Date			Number of shares				
Type	of grant [(a)]	of vesting	of end of lock-up	granted	vested	canceled	outstanding	Share price on the grant date [(b)]
Performance shares	19/05/2016	19/05/2019	19/05/2021	168,605	163,385	5,220		96.63
Performance shares	11/05/2017	11/05/2020	11/05/2020	193,450	185,830	7,620		151.60
Performance shares	16/05/2018	16/05/2021	16/05/2021	185,330		6,580	178,750	160.90
Performance shares	22/05/2019	22/05/2022	22/05/2022	226,500	200	3,300	223,000	155.90
Performance shares	19/05/2020	19/05/2023	19/05/2023	193,880			193,880	112.30
TOTAL				**967,765**	**349,415**	**22,720**	**595,630**	

(a) *The grant date corresponds to the date on which the Board of Directors granted the rights.*
(b) *Share price of the date of the Board Meeting.*

As part of its share buyback program, approved by the Combined Annual General Meeting of 19 May 2020, SEB S.A. entered into further transactions for 70,000 treasury share options (tunnel). These transactions were conducted to partially cover the free share award plan for employees, subject to performance conditions, maturing in 2023, that was approved by the 20th resolution of that Meeting.

As a reminder, during the past financial year, SEB S.A. had entered into transactions involving 187,200 treasury shares (tunnel). These transactions were intended to partly cover the performance-based share award plan for employees, maturing in 2022, approved by the Combined Annual General Meeting of 22 May 2019 under Resolution 22.

NOTE 16. FINANCIAL COMMITMENTS

	31/12/2020		31/12/2019	
(in € millions)	Notional amount	Market value	Notional amount	Market value
VIS-A-VIS THE MARKET				
COMMITMENTS ON THE BALANCE SHEET				
FX hedges for competitiveness and transactional risk				
Forward sales of foreign currencies	292.2	(0.7)	186.7	(2.9)
Forward purchases of foreign currencies	(414.7)	(3.4)	(285.4)	0.5
Purchases of put options	10.2	0.2	23.2	0.0
Sales of call options	10.2	0.0	23.2	(0.6)
Purchases of call options	(31.4)	0.1	(52.1)	1.3
Sales of put options	(31.4)	(1.0)	(52.1)	0.0
Financial FX hedges				
Currency swaps	158.6	4.2	122.0	(2.2)
Purchases of put options			36.6	0.3
Sales of call options			36.6	(0.7)
Cross-currency swaps	156.0	11.7	208.0	(2.2)
Forward financial sales/purchases	(132.8)	(0.3)	85.7	(0.2)
ORNAE redemption options	NA	(0.6)	NA	(5.5)
Calls on ORNAE (bonds redeemable in cash and/or existing shares) (including premiums paid)	NA	0.3	NA	1.4
Calls on treasury shares (including premiums paid)	NA	4.9	NA	3.6
Puts on treasury shares (including premiums paid)	NA	(4.9)	NA	(3.6)
OFF-BALANCE SHEET COMMITMENTS				
FX hedges for competitiveness				
Forward sales of foreign currencies	268.0	1.6	350.3	(3.4)
Forward purchases of foreign currencies	(399.3)	(9.4)	(601.4)	2.7
Purchases of put options	284.1	6.6	107.9	1.2
Sales of call options	276.4	(5.7)	107.9	(2.5)
Purchases of call options	(576.4)	6.3	(357.3)	4.6
Sales of put options	(576.4)	(18.6)	(357.3)	(3.6)
Financial FX hedges				
Forward financial sales	50.4	1.4	16.4	(0.3)
Forward financial purchases			(1.4)	0.3
Purchases of put options	238.1	0.5	218.8	0.1
Sales of call options	238.1	(0.8)	218.8	(0.4)
Other hedges				
Fixed-rate payer swaps	(341.5)	(5.3)	(393.5)	(4.7)
Cross-currency swaps	156.0	(0.1)	208.0	(0.3)
Raw materials derivatives	49.8	2.6	52.1	(0.2)

(in € millions)	31/12/2020 Notional amount	31/12/2020 Market value	31/12/2019 Notional amount	31/12/2019 Market value
WITH SUBSIDIARIES				
COMMITMENTS ON THE BALANCE SHEET				
Forward purchases of foreign currencies	346.8	2.1	214.8	0.2
Forward sales of foreign currencies	195.3	(0.5)	147.0	0.8
Deferred forward financial sales/purchases		(0.3)	39.2	1.0
OFF-BALANCE SHEET COMMITMENTS				
Raw materials derivatives	(49.8)	2.6	(52.1)	(0.2)

The use and accounting treatment of financial instruments are discussed under the Summary of significant accounting policies. Notional amounts represent the notional amounts of the contracts. The market value of financial instruments represents the gain or loss that would have been recognized had the contracts been settled on the market at 31 December 2020. It is estimated based on the exchange rate and interest rate on 31 December 2020, or obtained from the counterparty banks with which the commitments were made.

Commitment for the ORNAE bond issue

With respect to the ORNAE bond issue, it should be noted that, in the event of the exercise of the right to the allocation of shares, representing the delivery of existing shares, the company will not issue any new shares.

The Bonds will grant entitlement, under certain conditions, to the allocation of existing SEB shares at any time from 17 November 2016 to the twenty-eighth trading day (exclusive) preceding the date of maturity of the Bonds or, where applicable, the date of early redemption.

In the event of the exercise of the right to the allocation of shares, the Bond holders will receive an amount in cash and, where applicable, an amount payable in existing SEB shares. The company will also have the option to deliver only existing SEB shares or only cash.

The number of existing shares that may be delivered to the bond holders will in particular be determined by the Bond exchange ratio. Initially one share per Bond, this ratio was adjusted in 2018 to 1.002 shares per bond and may be adjusted again in certain common scenarios for such financial securities. The exchange ratio may in particular be adjusted up or down in the event of dividend payouts by the company between the issue date and the redemption date.

Commitment received by SEB S.A.

The company has unused confirmed credit facilities available under the following terms:

- syndicated credit facility of €960 million expiring in July 2023;
- confirmed credit line of €50 million expiring in 2022.

NOTE 17. PENSION COMMITMENTS

Details of pension liabilities and similar commitments are presented in Chapter 2.5, Remuneration policy.

NOTE 18. POST-BALANCE SHEET EVENTS

On the date the accounts were closed by the Board of Directors, management is not aware of any significant uncertainties linked to the pandemic (COVID-19), which would call into question the entity's ability to continue its operations or impact the value of its assets.

NOTE 19. LIST OF SUBSIDIARIES AND AFFILIATES

Note 19.1. Detailed information concerning subsidiaries and affiliates

18.1.1. Subsidiaries (more than 50%-owned)

(in € millions)	Equity*	Percentage share of capital held	Aggregate carrying amount of shares in other subsidiaries and affiliates	Loans and advances granted by the parent company	Guarantees and bonds given	Dividends received by the company over the period
Calor S.A.S.	(30.8)	100%		86.1		
S.A.S. SEB	20.0	100%	139.4	20.3		
Tefal S.A.S.	38.5	100%	6.6	12.3		22.6
Rowenta France S.A.S.	0.6	100%	28.6	10.8		
SEB Développement S.A.S.	5.0	100%	18.0			4.9
Rowenta Invest BV	346.5	100%	211.8			
SEB Internationale S.A.S.	1,681.7	100%	949.4	903.6		60.0
Groupe SEB France	132.3	98%	73.9			31.0
Groupe SEB Export	30.8	100%	38.0	25.5		14.0
Groupe SEB Moulinex	22.5	100%	91.3			
Groupe SEB Retailing	1.1	100%	3.0			0.3
SEB Alliance	25.8	100%	30.0	39.2		
Immobilière Groupe SEB	2.0	100%	10.0	88.1		
Ethera	(2.3)	56,9%		3.8		

* *The equity of subsidiaries does not include net profit (loss) for the period, as the company financial statements were not finalized at the date of publication of this document.*

19.1.2. Affiliates (10% to 50%-owned)

(in € millions)	Equity	Percentage share of capital held	Aggregate carrying amount of shares in other subsidiaries and affiliates	Loans and advances granted and received by the company	Guarantees and bonds given	Dividends received by the company over
S.I.S.	3.6	46.8%	0.5	7.2	-	0.9

The company considers that disclosure of results of individual subsidiaries could be seriously prejudicial to its interests. Additional information analyzed by geographic segment is provided at consolidated level. Group consolidated revenue generated by direct and indirect subsidiaries and affiliates totaled €6,940 million, and profit attributable to owners of the parent came to €300.5 million.

Note 19.2. General information concerning other subsidiaries and affiliates

The carrying amount of securities of other subsidiaries and affiliates totals €0.2 million.

6.3 Five-year financial summary

(in € thousands)	2020	2019	2018	2017	2016
SHARE CAPITAL AT YEAR-END					
a) share capital	50,307	50,307	50,169	50,169	50,169
b) number of shares outstanding	50,307,064	50,307,064	50,169,049	50,169,049	50,169,049
c) number of convertible bonds outstanding	-	-	-	-	-
OPERATIONS AND PROFIT (LOSS) FOR THE PERIOD					
a) net revenue, excluding tax	-	-	-	-	-
b) profit before tax, depreciation, amortization and provisions	98,073	103,580	111,271	178,787	42,155
c) income taxes	(27,178)	(28,881)	(29,899)	(26,464)	(21,847)
d) profit after tax, depreciation, amortization and provisions	124,594	130,402	99,557	268,762	45,555
e) dividend payout*	123,237	74,603	110,377	103,288	88,589
EARNINGS PER SHARE (IN UNITS)					
a) profit after tax but before depreciation, amortization and provisions	2.49	2.63	2.81	4.09	1.27
b) profit after tax, depreciation, amortization and provisions	2.48	2.59	1.98	5.40	0.91
c) dividend per share*	2.14	1.43	2.14	2.00	1.72
EMPLOYEES					
a) number of employees	2.00	2.00	1.83	2.00	2.00
b) total payroll	8,154.5	5,961.4	2,495.4	3,600.7	3,127.0
c) employee benefits paid (payroll taxes)	1,626.9	1,698.8	960.2	1,458.4	993.0

* *Provisional amounts.*

6.4 Statutory auditors' report on the financial statements

For the year ended December 31, 2020

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To Annual General Meeting of SEB SA Company

OPINION

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying financial statements of SEB SA for the year ended December 31, 2020.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2020 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit and Compliance Committee.

BASIS FOR OPINION

AUDIT FRAMEWORK

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the statutory auditors' Responsibilities for the Audit of the Financial Statements section of our report.

INDEPENDENCE

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for statutory auditors, for the period from January 1, 2020 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of regulation (EU) No 537/2014.

Furthermore, the non-audit services that we provided to your Company and its controlled undertakings during the financial year that are not disclosed in the management report or in the notes to the consolidated financial statements are as follows:

- For PricewaterhouseCoopers Audit and Mazars: comfort letters in the context of a bond issue and services other than certification of accounts required by law (report on regulated agreements, completion letter…);
- For Mazars: certificates relating to the accounting information of entities.

JUSTIFICATION OF ASSESSMENTS - KEY AUDIT MATTERS

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

VALUATION OF EQUITY INTERESTS AND RELATED RECEIVABLES

(6 and 6.1 of the notes to the annual accounts)

IDENTIFIED RISK

As written in the 6 of the notes to the annual accounts, equity interests are booked at their purchase price (after the legal revaluation if necessary) including additional charges. At December 31, 2020, the equity interests and related receivables are booked for a net value of €4,117 million which stands at 70% of the assets. At the closure, the equity interests are valued by the Company at the inventory value. If this value is inferior to the net book value, a provision for impairment is observed, equals to the amount of the difference.

The inventory value is estimated based on the share of the net asset, which can be, if necessary, reevaluated according to the financial prospects that include business models and economic environments of every subsidiary.

Receivables from equity interests represent mainly overdrafts granted by SEB SA to its direct or indirect subsidiaries in accordance with the Group financial policy. In view of the significant amount and of the uncertainties inherent to the use of certain elements, especially judgments and hypotheses taken on by the management to determine some forecasts, we have considered that the valuation of equity interests and related receivables was a Key Audit Matter.

HOW OUR AUDIT ADDRESSED THIS RISK

In order to assess the reasonableness of the estimated value, based on the on the information which was given to us, our work consisted mainly in evaluating the relevance of the valuation method which was taken on by the management, and in verifying figures used, and, depending on the concerned equity interests:

For the valuations based on historical elements:

- Check that the equity was in accordance with the accounts of the entities which were audited or reviewed, and that reevaluations made, if necessary, on this equity, were based upon a supporting documentation.

For the valuations based on estimate:

- Obtain the predictive cash flows and appreciate the consistency of the hypotheses with historical performances and economic environment, especially, the discounted method and the long-term growth rate.

For all these concerned assets:

- Check the mathematical correctness of the inventory values that were taken on by the Company;
- Assess the recoverability of the receivables from the equity interests according to the analysis made on equity shares.

SPECIFIC VERIFICATIONS

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

INFORMATION GIVEN IN THE MANAGEMENT REPORT AND IN THE OTHER DOCUMENTS WITH RESPECT TO THE FINANCIAL POSITION AND THE FINANCIAL STATEMENTS PROVIDED TO THE SHAREHOLDERS

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents with respect to the financial position and the financial statements provided to the Shareholders.

We attest the fair presentation and the consistency with the financial statements of the information relating to the payment deadlines mentioned in Article D.441-4 of the French Commercial Code (*Code de commerce*).

REPORT ON CORPORATE GOVERNANCE

We attest that the Board of Directors' report on corporate governance sets out the information required by Articles L. 225-37-4 and L.225-37-4 of the French Commercial Code (*Code de commerce*).

Concerning the information given in accordance with the requirements of Article L.22-10-9 of the French Commercial Code (*Code de commerce*) relating to remunerations and benefits received or awarded by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from controlling and controlled companies. Based on these procedures, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your company considered likely to have an impact in the event of a takeover bid or exchange offer, provided pursuant to Article L.22-10-11 of the French Commercial Code (*Code de commerce*), we have agreed this information to the source documents communicated to us. Based on these procedures, we have no observations to make on this information.

OTHER INFORMATION

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

FORMAT OF THE PRESENTATION OF THE FINANCIAL STATEMENTS INTENDED TO BE INCLUDED IN THE ANNUAL FINANCIAL REPORT

In accordance with Article 222-3, III of the AMF General regulation, the Company's management informed us of its decision to postpone the presentation of the financial statements in compliance with the European single electronic format as defined in the European Delegated regulation No 2019/815 of 17 December 2018 to years beginning on or after January 1st, 2021. Therefore, this report does not include a conclusion on the compliance with this format of the presentation of the financial statements intended to be included in the Annual Financial Report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (*Code monétaire et financier*).

APPOINTMENT OF THE STATUTORY AUDITORS

We were appointed statutory auditors of SEB SA by the Annual General Meeting held on June 15, 1985 for PricewaterhouseCoopers Audit and on May 12, 2015 for Mazars.

As at December 31, 2020, PricewaterhouseCoopers Audit and Mazars were in the thirty-sixth year and the sixth year of total uninterrupted engagement, respectively

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit and Compliance Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

STATUTORY AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

OBJECTIVES AND AUDIT APPROACH

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

REPORT TO THE AUDIT AND COMPLIANCE COMMITTEE

We submit a report to the Audit and Compliance Committee, which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit and Compliance Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit and Compliance Committee with the declaration provided for in Article 6 of regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (*Code de commerce*) and in the French Code of Ethics (*Code de déontologie*) for statutory auditors. Where appropriate, we discuss with the Audit and Compliance Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Lyon and Courbevoie, March 26,2021

The statutory auditors

PricewaterhouseCoopers Audit

Elisabeth L'HERMITE

Mazars

Francisco SANCHEZ

7 Information concerning the company and its share capital

7.1 Information concerning the company

CORPORATE NAME: SEB S.A.

Registered head office: Campus SEB – 112, Chemin du Moulin Carron 69130 Écully – France

Tel.: +33 (0) 472 18 18 18 Fax: +33 (0) 472 18 16 55

Business registration number: 300 349 636 RCS Lyon

Industrial classification (NACE) Code: 6420 Z

LEI Code: 969500WP61NBK098AC47

SEB share ISIN Code: FR0000121709

Form: limited company (société anonyme)

Financial year: 1 January to 31 December

Law: French

Duration: 99 years from 27 December 1973

CONSULTATION OF LEGAL DOCUMENTS

The Company's bylaws, minutes of Annual General Meetings and other company documents may be consulted at the company's registered office.

Company regulatory documents may be consulted on the Groupe SEB website: www.groupeseb.com

CORPORATE PURPOSE (ARTICLE 3 OF THE BYLAWS)

The purpose of the company in France and abroad covers:

- investment in any company involved in any form of business and, therefore, the acquisition or subscription of all types of shares, debentures, capital holdings and interests, all types of marketable securities, as well as the disposal of the said investments and marketable securities;
- all operations concerning the financing of its subsidiaries and other companies in which it owns or may acquire a holding;
- the acquisition and registration of patents or inventions and the granting of all forms of licenses for the use of these patents;
- the acquisition, construction and management of real estate and its disposal;
- all operations contributing to the development of the company and to the achievement of the purpose specified above.

ALLOCATION OF PROFITS (ARTICLE 46 OF THE BYLAWS)

Profits are allocated in accordance with legal requirements and regulations. Dividends are drawn, as a priority, from distributable profits.

The Annual General Meeting may offer shareholders a choice between payment of dividends in cash or in new shares whose price is set beforehand as provided for by law.

A supplementary dividend payment per share of 10% of the unit value of the reference dividend, which may be rounded down to the nearest even number of euro cents, will be paid in respect of shares registered without interruption by the same shareholder in the nominal register for at least two financial years preceding the dividend payment, and which are still registered on the ex-dividend date. For any one shareholder, this supplement is limited to a number of shares which may not exceed 0.5% of the share capital. This supplement may be altered or canceled by decision of an Extraordinary General Meeting which will then decide on any new terms and conditions.

The General Meeting may, in addition, decide to distribute sums drawn from the reserves at its disposal. In this case, the decision will expressly indicate the reserve items from which the drawings have been made.

From 1 January 2023, if the Board of Directors, upon authorization by the Annual General Meeting, were to decide on an increase in capital by incorporation of reserves, profits or premiums, shares registered at 31 December preceding the transaction in registered form for at least two years, which remain so until the day before the share allocation, will give their holders a share allocation increased by 10%, this number being rounded down in the case of fractions. The new shares thus created (plus dividends and double voting rights) will be absorbed into the former shares from which they originated. Pursuant to the law, the number of securities eligible for these increases may not exceed, for the same shareholder, 0.5% of the company's share capital".

ANNUAL GENERAL MEETINGS (ARTICLE 28 ET SEQ. OF THE BYLAWS)

Shareholders are notified of Annual General Meetings in accordance with legal requirements.

Each shareholder has the right to attend Annual General Meetings or to be represented, regardless of the number of shares that they hold, provided that said shares are fully paid up and registered in either their name or the name of the intermediary registered on the shareholder's behalf, by midnight, French time, on the second business day preceding the Annual General Meeting, either in registered share accounts held by the company, or in bearer share accounts held by the qualified intermediary.

DOUBLE VOTING RIGHTS (ARTICLE 35 OF THE BYLAWS)

Each member attending the Annual General Meeting is entitled to exercise one vote for every share they hold or represent. Double voting rights are allocated to any fully paid-up share providing that it has been held long enough in registered form in the name of the same shareholder. This registered holding period requirement set by the founders at two years when the company was established in 1973, was extended to five years at the Annual General Meeting of 15 June 1985. Entitlement to double voting rights expires if the shares concerned are converted to bearer form or if their ownership is transferred, except in cases where the transfer involves a change of name in the register subsequent to family inheritance or gift. In the event of a capital increase by incorporation of reserves, profit or issue premiums, double voting rights are granted, as from their issuance, to registered shares allocated free of charge to a shareholder as a result of the shares already held which benefit from said right.

LIMITATION OF VOTING RIGHTS

There is no statutory limitation on voting rights.

THRESHOLD CLAUSE (ARTICLE 8 OF THE BYLAWS)

Historically, the Company's bylaws provide that any natural or legal person, acting alone or in concert, who comes to hold, directly or indirectly, as defined by Articles L. 233-7 and L. 233-9 of the French Commercial Code, 2.5% of the share capital or voting rights, or any multiple of that percentage, shall be required to notify the company of the total number of shares they hold within a period of four trading days of crossing one of these thresholds or any other threshold provided for in law.

We ask shareholders, by voting for Resolution 22, to lower the crossing notification threshold from 2.5% to 0.5% and each subsequent multiple of 0.5%, to amend the notification process and to strengthen the penalties for non-compliance.

For the purpose of determining the thresholds referred to in this Article, the share capital and voting rights defined by the provisions of Article L. 233-9 of the French Commercial Code and those defined by the relevant provisions of the General regulation of the French Financial Markets Authority (Autorité des Marchés Financiers) shall be considered to be the share capital and voting rights referred to in the first paragraph, and in particular, without this mention being exhaustive, company stock options, whether exercisable immediately or in the future, and whatever the level of the market price versus the exercise price of the option.

IDENTITY OF BEARER SHAREHOLDERS

The company may at any time, in accordance with the legal provisions and regulations in force, ask the Euroclear France securities settlement agency to provide:

- the personal name or company name, year of birth, address, and nationality of company shareholders;
- the number of shares held by each of them;
- where applicable, any restrictions to which these shares may be subject.

SEB S.A. makes such a request every year on 31 December.

SHARE CAPITAL AT 31 DECEMBER 2020

At 31 December 2020, the share capital stood at €50,307,064 and was made up of 50,307,064 fully paid-up shares, representing 77,492,242 total "theoretical" voting rights and 77,346,914 total "effective" voting rights (excluding treasury shares).

There are no stricter conditions than the law to modify shareholder rights.

FACTORS WHICH COULD AFFECT A TAKEOVER BID

Pursuant to Article L. 225-10-11 of the French Commercial Code, the factors which could affect a takeover bid are as follows:

CAPITAL STRUCTURE OF THE COMPANY

See following page: "Breakdown of share capital and voting rights at 31 December 2020".

SHAREHOLDER AGREEMENTS OF WHICH THE COMPANY IS AWARE

See paragraph: "Shareholder agreements – concerted voting blocks".

POWERS OF THE BOARD OF DIRECTORS IN THE EVENT OF A TAKEOVER BID

The Annual General Meeting of 19 May 2020 authorized the Board of Directors to implement a share buyback program and to use financial delegations of authority to increase the share capital in the event of a takeover bid, subject to legal and regulatory provisions.

OTHERS

As of 31 December 2020, SEB S.A. holds 81.2% of the company's capital under Chinese law Zhejiang Supor Co., Ltd., whose shares are listed on the Shenzhen Stock Exchange. Considering its value, this participation is likely to constitute an essential asset of SEB S.A., within the meaning of Article L. 433-3, III of the Monetary and Financial Code; Consequently, any takeover bid falling under this article, which would be filed with SEB SA, should also give rise to the filing of a irrevocable and fair takeover bid for the entire share capital of Zhejiang Supor. Co., Ltd. under the conditions set by this same text.

7.2 Information on share capital

BREAKDOWN OF SHARE CAPITAL AND VOTING RIGHTS AT 31 DECEMBER 2020

	Share capital		Votes			
At 31/12/2020	Total shares	%	Ogm	% Theoretical	Egm	% Theoretical
SHAREHOLDERS FROM FOUNDER GROUP						
VENELLE [(a)]	9 658 591	19,20%	19 235 376	24,82%	19 235 376	24,82%
GÉNÉRACTION [(b)]	5 779 451	11,49%	11 225 880	14,49%	11 231 778	14,49%
OTHER CONCERTED VOTING BLOCK [(c)]	595 416	1,18%	1 045 181	1,35%	1 039 283	1,34%
CONCERTED VOTING BLOCK	**16 033 458**	**31,87%**	**31 506 437**	**40,66%**	**31 506 437**	**40,66%**
FÉDÉRACTIVE [(d)]	4 712 935	9,37%	9 356 388	12,07%	9 356 388	12,07%
OTHER SHAREHOLDERS						
FSP	2 633 876	5,24%	5 267 752	6,80%	5 267 752	6,80%
FFP Invest [(e)]	2 021 522	4,02%	4 043 044	5,22%	4 043 044	5,22%
Employees	1 432 256	2,85%	2 231 526	2,88%	2 231 526	2,88%
Investors	20 590 928	40,93%	21 193 719	27,35%	21 193 719	27,35%
Individuals	2 736 761	5,44%	3 748 048	4,84%	3 748 048	4,84%
Treasury shares	145 328	0,29%	145 328	0,19%	145 328	0,19%
TOTAL	**50 307 064**		**77 492 242**		**77 492 242**	

(a) The VENELLE category includes the Venelle Investissement SAS, its associates and members, natural or legal persons, part of the Founder Group's shareholders and members of the concerted voting block with GENERACTION and OTHER CONCERTED VOTING BLOCK categories.
(b) The GENERACTION category includes the shareholders association Généraction and its members, natural or legal persons, part of the Founder Group's shareholders and members of the concerted voting block with VENELLE and OTHER CONCERTED VOTING BLOCK categories.
(c) The OTHER CONCERTED VOTING BLOCK category includes some shareholders, natural or legal persons, part of the Founder Group's shareholders and members of the concerted voting block with GENERACTION and VENELLE categories, without being affiliated to one of those.
(d) The FEDERACTIVE category includes the Fédéractive SAS, its associates and members, natural or legal persons, part of Founder Group's shareholders.
(e) FFP Invest will become Peugeot Invest Asset at 31 March 2021.

As a reminder, voting rights attached to stripped shares belong to the bare holder for decisions covered by the Extraordinary General Meeting ("EGM") and to the usufruct holder for those covered by the Ordinary General Meeting ("OGM"), according to Article 35 of the company bylaws. Registered nominal shares held by the same person for at least five years give entitlement to double voting rights. Apart from double voting rights, all shareholders have the same voting rights attached to their shares.

The total number of "theoretical" voting rights is 77,492,242 at 31 December 2020. This number includes, under the terms of Article 223-11 of the AMF's General regulations, all shares with voting rights attached, as well as non-voting shares.

The term "Shareholders from Founder Group", used in the table above, refers to a group of natural persons who are either direct descendants of the Lescure family or related to the family through marriage, and any legal entities that they control.

Some individuals who are partners of FÉDÉRACTIVE have temporarily granted the usufruct of their shares to the controlling holding company FÉDÉRACTIVE, which represents the equity interests of some members of the Founding Family.

Some individuals who are part of VENELLE and FEDERACTIVE categories have granted the usufruct of their shares to foundations.

To present the information more clearly, the above table has been streamlined in comparison with previous years:

- in the "Capital" column, the distinction between OGM and EGM has been removed insofar as the fraction of capital corresponding to split shares belongs to bare owners; a single "Capital" column is now shown, simply reflecting the share capital breakdown.
- in the "Voting Rights" column, the distinction between (i) theoretical voting rights and (ii) "effective" voting rights or voting rights "exercisable at the Annual General Meeting" has also been removed. Since the difference between the two is no longer significant, only theoretical voting rights are now mentioned. Should this difference become significant again in future, the distinction would be reinstated in accordance with the recommendations of the AMF.

Furthermore, voting rights attached to shares for which usufruct was granted to foundations have always, once stripped, been assigned (without specific instruction) at each General Meeting by said foundations to the relevant bare holders. As this historical practice is intended to continue as agreed with said foundations, it seems simpler to record the corresponding voting rights for the relevant bare holders, as has been done in the presentation above.

It is specified that none of the members of the Concerted voting block or of the FEDERACTIVE category individually owns more than 5% of the share capital or voting rights of SEB S.A..

LEGAL SHAREHOLDER THRESHOLD CROSSINGS

In a letter received on 31 July 2020, FFP Invest (headquarters located at 66 avenue Charles de Gaulle, 92200 Neuilly-sur-Seine, France), declared that on 30 July 2020, as a result of selling 500,000 SEB S.A. shares on the market, it had crossed the legal and statutory threshold of 5% of the capital of SEB S.A. and held, on this date, 2,021,522 SEB S.A. shares representing 4,043,044 voting rights (based on the capital declaration and votes of 30 April 2020), i.e. 4.02% of the company's share capital and 5.24% of its voting rights.

In a letter received on 29 June 2020, Invesco Ltd. (Invesco Headquarters, Two Peachtree Pointe, 1555 Pondtree Street, N.E., Suite 1800, Atlanta, Georgia 30309, United States), acting on behalf of the funds it manages, declared that on 26 June 2020, as a result of selling shares on the market, it had fallen below the legal and statutory threshold of 5% of the capital of SEB S.A. and held, on this date, 2,498,152 SEB S.A. shares on behalf of these funds, representing as many voting rights, or 4.97% of the capital of SEB S.A. and 3.21% of its voting rights.

Not including the shareholders mentioned in the tables and paragraph above, and to the best of the company's knowledge, there are no other shareholders that directly or indirectly hold more than 5% of the share capital or voting rights at 31 December 2019.

SHAREHOLDER AGREEMENTS – CONCERTED VOTING BLOCKS

On 27 February 2019, VENELLE INVESTISSEMENT, the members and associates of VENELLE INVESTISSEMENT, GÉNÉRACTION, the members of GÉNÉRACTION and the HPP holding company (see above) entered into a new shareholders' agreement (the "Agreement") in the presence of SEB, which replaced the various shareholder agreements previously signed (notably the Agreement of 19 November 2016) for the parties involved.

On this occasion, the family holding company VENELLE INVESTISSEMENT, GÉNÉRACTION, and their associates and members, confirmed their intention to implement a long-term management policy for Groupe SEB in writing to the AMF (French Financial Markets Authority) in order to ensure the longevity of their control, thus maintaining the concerted voting block formed by the members of the Founder Group in May 1989.

The Shareholders' Agreement, which has an initial term of four years and whose scope has been broadened compared to previous agreements, aims to stabilize the SEB share capital by strengthening the ties between its signatories (more than 260 people, including the seventh generation of the Founder Group) and to ensure the long-term control of family shareholders over Groupe SEB, in particular through a right of first offer and full tag-along rights.

The Agreement also aims to preserve the assets and interests of its signatories, strengthens the consultation process of its signatories, as well as improve the monitoring of their shareholdings through a timely and effective procedure.

The main provisions of the Shareholders' Agreement were notified to the AMF, which published a summary thereof, in accordance with applicable regulations (AMF notice n°219C0415 as of 7 March 2019).

FÉDÉRACTIVE, its associates and members, who are not parties to the Agreement, have decided to discontinue participation in the aforementioned concerted voting block. However, FÉDÉRACTIVE, its associates and members, who terminated the FÉDÉRACTIVE shareholders' agreement entered into on 9 July 2008, have stated that they are continuing their concerted voting block together by maintaining their commitment to implement a common long-term management policy for SEB.

Following the agreement signed on 27 February 2019, shareholders from the Founder Group now comprise i) a voting block of VENELLE INVESTISSEMENT and its members and associates, GÉNÉRACTION and its members and other family shareholders and ii) a voting block of FÉDÉRACTIVE, its associates and members.

EVENTS AFTER 31 DECEMBER 2020

HRC (which stands for Holding de Renforcement du Contrôle) is an investment vehicle composed exclusively of shareholders who are members of VENELLE and GÉNÉRACTION, aimed at strengthening the concerted voting block's holding of SEB S.A. shares. Its former corporate name was HPP, a company already included in the voting block declared between VENELLE INVESTISSEMENT, GÉNÉRACTION and their respective associates and members (see above).

On 15 March 2021, HRC sent the AMF and the company a threshold crossing notification and declared its interest in SEB as follows:

	Share capital		Votes			
At 12/03/2021	Total shares	%	Ogm	% Theoretical	Egm	% Theoretical
ACTIONNAIRES ISSUS DU GROUPE FONDATEUR						
VENELLE	8,247,381	14.9 %	16,412,059	19.81 %	16,412,059	19.81 %
GÉNÉRACTION	5,362,292	9.69 %	10,595,125	12.79 %	10,601,613	12.80 %
OTHER CONCERTED VOTING BLOCK	498,194	0.90 %	836,172	1.01 %	829,684	1.00 %
HRC	3,517,746	6.36 %	3,517,751	4.25 %	3,517,751	4.25 %
CONCERTED VOTING BLOCK	**17,625,613**	**31.85 %**	**31,361,107**	**37.85 %**	**31,361,107**	**37.85 %**
FÉDÉRACTIVE	5,166,628	9.34 %	10,256,826	12.38 %	10,256,826	12.38 %
OTHER SHAREHOLDERS						
Other shareholders	32,545,529	58.81 %	41,231,129	49.77 %	41,231,129	49.77 %
TOTAL	**55,337,770**		**82,849,062**		**82,849,062**	

This breakdown takes into account the bonus share allocation (one new share for ten existing shares) that took place on 3 March 2021.

NUMBER OF REGISTERED SHAREHOLDERS AND BEARER SHAREHOLDERS

At 31 December 2020, 7,203 shareholders owned registered SEB shares and 23,472 shareholders held SEB bearer shares (request for information about the identity of bearer shareholders dated 31 December 2020).

PURE REGISTERED SEB S.A. SHARES USED AS COLLATERAL AT 31 DECEMBER 2020

During the year, 23 individual shareholders used pure registered SEB shares as collateral for loans for the benefit of their financial intermediaries. This concerned a total of 379,763 shares, or 0.75% of the share capital.

COLLECTIVE COMMITMENTS TO HOLD SHARES

COLLECTIVE COMMITMENTS TO HOLD SHARES

	2016		
Agreements in force during 2020	Dutreil	Jacob	Jacob
Regime	Art 885 I bis of the French General Tax Code	Art 787 B of the French General Tax Code	Art 787 B of the French General Tax Code
Date of signing	01/12/2016	01/12/2016	01/12/2016
Term of collective commitment	6 years	4 years	6 years
Expiry date of commitment	05/12/2022	05/12/2020	05/12/2022
Renewal terms	1 year by tacit renewal	None	None
Shares pledged upon signing the agreement, as a percentage of the share capital	26,48	26,48	26,48
Shares pledged upon signing the agreement, as a percentage of the voting rights	36,43	36,43	36,43
Names of signatory executive officers	Thierry de La Tour d'Artaise	Thierry de La Tour d'Artaise	Thierry de La Tour d'Artaise
Names of signatories holding at least 5% of the share capital and/or voting rights	-	-	-

CHANGES IN THE BREAKDOWN OF SHARE CAPITAL AND VOTING RIGHTS OVER THE PREVIOUS YEARS

	Share capital		Votes			
At 31/12/2019	Total shares	%	Ogm	% Theoretical	Egm	% Theoretical
SHAREHOLDERS FROM FOUNDER GROUP						
VENELLE	9,798,165	19.48%	18,096,193	23.25%	19,560,193	25.13%
GÉNÉRACTION	5,489,770	10.91%	10,256,373	13.18%	10,323,601	13.26%
OTHER CONCERTED VOTING BLOCK	881,629	1.75%	1,533,327	1.97%	1,573,731	2.02%
CONCERTED VOTING BLOCK	**16,169,564**	**32.14%**	**29,885,893**	**38.39%**	**31,457,525**	**40.41%**
FÉDÉRACTIVE	4,716,209	9.37%	9,486,727	12.19%	9,379,095	12.05%
OTHER SHAREHOLDERS						
FSP	2,633,876	5.24%	5,267,752	6.77%	5,267,752	6.77%
FFP Invest	2,521,522	5.01%	5,043,044	6.48%	5,043,044	6.48%
Employees	1,445,093	2.87%	2,219,524	2.85%	2,219,524	2.85%
Investors	19,626,435	39.01%	21,728,750	27.91%	20,264,750	26.03%
Individuals	2,831,922	5.63%	3,846,198	4.94%	3,846,198	4.94%
Treasury shares	362,443	0.72%	362,443	0.47%	362,443	0.47%
TOTAL	**50,307,064**		**77,840,331**		**77,840,331**	

	Share capital		Votes			
At 31/12/2018	Total shares	%	Ogm	% Theoretical	Egm	% Theoretical
SHAREHOLDERS FROM FOUNDER GROUP						
VENELLE	9,823,774	19.58%	18,134,880	23.44%	19,598,880	25.33%
GÉNÉRACTION	5,511,242	10.99%	9,982,522	12.90%	10,049,750	12.99%
Other	853,523	1.70%	1,334,443	1.72%	1,414,847	1.83%
FÉDÉRACTIVE	4,716,788	9.40%	9,437,721	12.20%	9,400,089	12.15%
CONCERTED VOTING BLOCK	**20,905,327**	**41.67%**	**38,889,566**	**50.26%**	**40,463,566**	**52.29%**
OTHER SHAREHOLDERS						
FSP	2,633,876	5.25%	5,267,752	6.81%	5,267,752	6.81%
FFP Invest	2,521,522	5.03%	5,043,044	6.52%	5,043,044	6.52%
Employees	1,376,911	2.74%	2,245,651	2.90%	2,247,919	2.90%
French investors	5,886,503	11.73%	7,663,629	9.90%	6,089,759	7.87%
Foreign shareholders	13,824,173	27.56%	14,347,441	18.54%	14,347,656	18.54%
Individual shareholders	2,444,849	4.87%	3,350,281	4.33%	3,347,668	4.33%
Treasury shares	575,888	1.15%	575,888	0.74%	575,888	0.74%
TOTAL	**50,169,049**		**77,383,252**		**77,383,252**	

CHANGES IN THE SHARE CAPITAL OVER THE LAST FIVE YEARS

Year	Nature of the capital increase	Changes in number of shares	Par value *(in €)*	Issue premium *(in €)*	Subsequent capital amounts *(in €)*
2016	No change to share capital				50,169,049
2017	No change to share capital				50,169,049
2018	No change to share capital				50,169,049
2019	Employee share purchase plan	138,015	138,015	15,565,495	50,307,064
2020	No change to share capital				50,307,064

POTENTIAL SHARE CAPITAL AT 31 DECEMBER 2020

On 17 November 2016, as part of the financing of the WMF acquisition, the company issued €150 million in ORNAE bonds (bonds with optional reimbursement in cash and/or existing shares). In accordance with the provisions of the issue contract, were the conversion price to be hit, the only equity securities to be provided to holders of these ORNAE would be existing company shares. The conversion would thus not be dilutive for shareholders.

CHANGES IN THE SHARE CAPITAL AND VOTING RIGHTS BREAKDOWN OVER THE LAST THREE YEARS

In 2018:

- in July, the voting rights attached to the shares held by FSP, amounting to 5.25% of the share capital, were doubled after being held in registered form for five years, which had a slight dilutive effect on the other shareholders' voting rights;
- part of the temporary grant of the usufruct of shares to FÉDÉRACTIVE ended and was not renewed;

In 2019:

- in July, SEB S.A. carried out a capital increase for 138,015 shares as part of an employee share purchase plan (Horizon 2019), which slightly diluted other shareholders' shares;
- during the year, Invesco Ltd, acting on behalf of funds they were managing, declared they had rose above or fell under the legal 5% share capital threshold. On 16 December 2019, Invesco Ltd declared it held 2,574,318 SEB S.A. shares on behalf of the funds they managed, representing as many voting rights, or 5.12% of the share capital and 3.32% of the company's voting rights;
- in December, 314,000 voting rights attached to shares held by FCL Investissements were doubled after being held for five years in registered form. This strengthened the voting rights of GÉNÉRACTION, which the holding company is connected to;
- part of the temporary grant of the usufruct of shares to FÉDÉRACTIVE ended and was not renewed.

In 2020:

- in July, FFP Invest declared that on 30 July 2020, as a result of the sale of 500,000 SEB S.A. shares on the market, it had fallen below the legal and statutory threshold of 5% of the capital of SEB S.A. and held, on this date, 2,021,522 SEB S.A. shares representing 4,043,044 voting rights (based on the capital declaration and votes of 30 April 2020), i.e. 4.02% of the company's share capital and 5.24% of its voting rights. This transfer concerned securities with double voting rights;
- in a letter received on 29 June 2020, Invesco Ltd. (Invesco Headquarters, Two Peachtree Pointe, 1555 Pondtree Street, N.E., Suite 1800, Atlanta, Georgia 30309, United States), acting on behalf of the funds it manages, declared that on 26 June 2020, as a result of selling shares on the market, it had fallen below the legal and statutory threshold of 5% of the capital of SEB S.A. and held, on this date, 2,498,152 SEB S.A. shares on behalf of these funds, representing as many voting rights, or 4.97% of SEB S.A.'s share capital and 3.21% of its voting rights;
- in September, 331,450 voting rights attached to shares held by FCL Investissements were doubled after being held for five years in registered form. This strengthened the voting rights of GÉNÉRACTION, to which the holding company is connected;
- in November, Invesco Ltd, acting on behalf of funds they were managing, declared they had fell under the statutory 2.5% share capital threshold. On 12 November 2020, Invesco Ltd declared it held 1,257,551 SEB S.A. shares on behalf of the funds they managed, representing as many voting rights, or 2.49% of the share capital and 1.62% of the company voting rights;
- part of the temporary grant of the usufruct of shares to FÉDÉRACTIVE ended and was not renewed;
- other changes in the share capital breakdown in 2020: See paragraph: "Shareholder agreements – concerted voting blocks".

7.3 Financial authorizations

EXISTING AUTHORIZATIONS IN RELATION TO THE SHARE CAPITAL AND SHARE EQUIVALENTS

Type of operation	Resolution no.	Authorization date	End of authorization	Maximum authorized	Used at 31/12/2020
Treasury share purchases in 2020 for no more than €210 per share	15 (Annual General Meeting 2019)	22/05/2019	22/07/2020	5,030,706 shares	0 (buyback agreement)
				€1,053,550,029	121,801 shares (liquidity contract)
Treasury share purchases in 2020 for no more than €210 per share	13	19/05/2020	19/07/2021	5,030,706 shares	4,100 shares (buyback agreement)
				€1,056,448,260	1,503 shares (liquidity contract)
Cancellation of treasury shares	14	19/05/2020	19/07/2021	5,030,706 shares	
Issuing of all shares or share equivalents with pre-emptive subscription rights[a]	15	19/05/2020	19/07/2021	Shares: €5 million aggregate par value	
				Debt securities: €1,000 million	
Issuing of all shares or share equivalents without pre-emptive subscription rights[a]	16	19/05/2020	19/07/2021	Shares: €5 million aggregate par value	
				Debt securities: €1,000 million	
[a] Blanket ceiling of two authorizations to issue shares or share equivalents	18	19/05/2020	19/07/2021	€10 million aggregate par value	
Capital increase by capitalization of reserves, profit or premiums or additional paid-in capital	19	19/05/2020	19/07/2021	€10 million aggregate par value	
Authorization to award performance shares to Group executive officers and employees	20	19/05/2020	19/07/2021	0.3976% of the share capital 200,000 shares	193,880 shares
Share capital increase restricted to members of a Company or Group Savings Scheme	21	19/05/2020	19/07/2021	Par value of €503,070	

BONUS SHARE AWARD TRANSACTION AFTER 31 DECEMBER 2020

With a view to retaining its shareholders, Groupe SEB granted bonus shares to them.

The Board of Directors' Meeting of 23 February 2021, using the authorization granted to it by the Combined General Meeting of 19 May 2020 under Resolution 19, decided to increase the share capital from €5,030,706 by incorporating reserves and/or retained earnings, taking the share capital from €50,307,064 to €55,337,770.

This capital increase took place on 3 March 2021 by creating 5,030,706 fully paid-up new shares with a par value of €1, which were allocated free of charge to all registered shareholders on 2 March 2021 on the basis of one new share for ten existing shares. It should be noted that all the shares comprising the share capital (50,307,064 shares) carried the same right to one new share for ten existing shares. The ex-rights period occured on 1 March 2021 at the opening of Paris Stock Exchange Euronext and it led to a corresponding adjustment in price. The new shares carried benefits from 1 January 2020 and were immediately assimilated with the existing shares. They will carry the same rights as the original shares in terms of double voting rights and an increased dividend. In particular, they will be entitled to the dividend for the 2020 financial year paid in 2021.

Fractional shares were non-transferable and the corresponding shares were partially retained by SEB S.A. to develop its treasury shares. SEB S.A. compensated holders for sums due in respect of their fractions no later than thirty (30) days after the date on which the whole number of shares awarded was registered in their account. Any remaining fractional shares not retained by SEB S.A. were sold.

New shares originating from stripped securities retained the same structure. The new share were registered in the original account: it was therefore stripped in the same way as the existing shares; however, any fractions were paid to the bare owners only.

Transactions were cleared by BNP Paribas Securities Services, Grands Moulins de Pantin, 9 rue du Débarcadère, 93500 Pantin, France.

This bonus share award was the subject of a detailed Euronext notice published on 25 February 2021.

AUTHORIZATION FOR THE COMPANY TO TRADE IN ITS OWN SHARES

The Annual General Meeting of 19 May 2020 authorized the Board of Directors to trade in the company's shares.

Under the authorizations granted to the Board of Directors at the 2019 and 2020 Annual General Meetings and pursuant to Article 225-209 of the French Commercial Code, the company:

- sold 31,017 shares upon exercise of stock options at an average price of €54.12;
- definitively awarded 185,830 performance shares for the 2017 plan, and 200 performance shares for the 2019 plan (exceptional early vesting);

As part of the redemption program entrusted to a investment services supplier, the company:

- acquired 4,100 shares at an average price of €146.91.

Moreover, in the course of performing the liquidity agreement, the company:

- acquired 123,304 shares at an average price of €123.61;
- sold 127,502 shares at an average price of €125.41.

As a reminder, an amendment to the liquidity agreement was signed on 20 December 2019 with Natixis ODDO BHF in accordance with regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse, with Commission Delegated regulation (EU) 2016/908 of 26 February 2016 supplementing regulation (EU) No. 596/2014 and AMF ruling no. 2018-01 dated 2 July 2018 establishing liquidity agreements on equity instruments as an accepted market practice.

Groupe SEB set up collars on treasury shares from July 2019 to cover its performance share and employee share ownership plans. During 2020, 70,000 stock options were acquired. At 31 December 2020, the company thus had open positions in derivatives amounting to 257,200 stock options.

At 31 December 2020, the company held 145,328 treasury shares with a par value of €1 and a gross value of €19,648,354. These treasury shares represented 0.29% of the company's share capital, of which 129,866 under the buyback agreement and 15,462 under the liquidity agreement.

With the current authorization expiring in July 2021, the company will ask the Annual General Meeting of 20 May 2021 to grant a new authorization to allow the company to buy back treasury shares (Resolution 13) for a period of 14 months at a maximum purchase price of €240 per share excluding trading fees.

The authorization would cover a maximum of 10% of the share capital. The company could buy back its own shares with a view to:

- maintaining a liquid market for the company's shares through an investment service provider acting on a fully independent basis;
- allocating shares to eligible employees and executive officers of the company;
- canceling shares in order to increase return on equity and earnings per share or to offset the dilutive impact of any capital increases on existing shareholders' interests;
- delivering or exchanging shares in connection with any future external growth transactions;
- allocating shares on the exercising of rights attached to share equivalents.

In accordance with the law, these shares have been stripped of their voting rights.

7.4 Employee shareholding

STAFF MUTUAL INVESTMENT FUND AND DIRECT EMPLOYEE SHAREHOLDING

In accordance with the provisions of Article L. 225-102 of the French Commercial Code, the management report mentioned in paragraph 2 that the Board of Directors presents to the Annual General Meeting is an annual summary of how the employee profit-sharing plan is performing as of the last day of the year and it shows what percentage of share capital belongs to employees of the company and to employees of related parties within the meaning of Article L. 225-180.

At 31 December 2020, employees held 1,121,089 shares, 789,738 of which were owned via an employee mutual investment fund and 331,351 were directly owned, representing 2.23% of the share capital and 2.39% of the voting rights.

With the addition of SEB shares held by employees outside the savings scheme, employees held a total of 2.85% of the share capital and 2.88% of the voting rights.

STATUTORY AND DISCRETIONARY EMPLOYEE PROFIT-SHARING

To attract and retain competent and motivated employees at all levels, Groupe SEB has always combined its dynamic remuneration and career management policies with an active policy of long-term employee shareholding and staff participation in profits, through:

- an exceptional Group profit-sharing agreement, which involves all employees of the French companies in shareholding and profit-sharing with significantly more attractive terms than legally required. Depending on the year, the exceptional share is between 0.5 and 2 times the legal amount of profit-sharing;
- a Group profit-sharing agreement, based on a statutory plan, but which is discretionary. This Group-level agreement allows a fair distribution of the sums from the bonus plan between the employees of the various French companies, regardless of their business sector and performance.

In 2020, charges recognized for profit-sharing and bonus plans amounted to €24.2 million.

Over the past five years, the sums assigned were as follows:

(in € millions)	2016	2017	2018	2019	2020
Sum allocated	36,7	37,6	33,6	35,6	24.2
Of which employer's social tax contribution	6,1	6,3	5,6	5,9	4.0

STOCK OPTION AND PERFORMANCE SHARE ALLOCATION POLICY

Groupe SEB operates two types of stock option or performance share plans:

- periodically, an allocation of stock options to members of management, extended to the Group's various entities, according to their individual responsibilities, performance and potential;
- occasionally, a broader allocation aimed at rallying employees around a specific project.

Furthermore, all recipients of stock options and/or performance shares receive an internal directive put out each year for the following annual reporting period, defining the blackout periods in accordance with the recommendations of the AMF in terms of the company's accounting calendar, and particularly the announcement of earnings. The Stock Market Ethics Charter memo also reminds its recipients of the rules regarding the use of information deemed privileged by stock market regulations.

CHARACTERISTICS OF THE PERFORMANCE SHARES AWARDED

The Group started issuing performance shares in 2009.

The shares are awarded to recipients following a three-year vesting period, subject to performance and continued employment requirements. Beneficiaries of the 2016 program must hold the shares for an additional two years. Starting from the 2017 plan, the additional lock-up period has been lifted.

The performance-based criteria are related to the achievement of targets for Revenue and Operating Result from Activity over the vesting period.

CHARACTERISTICS OF STOCK OPTIONS AWARDED

The Group awarded stock options until 2012.

The exercise price is equal to the average of the last 20 stock market prices preceding the date of award by the Board. No discount is proposed on this average price.

The stock options last for eight years. They can only be exercised four years from their award date.

The stock options awarded to the Chief Executive Officer and to the other members of the Executive Committee are subject to performance-based criteria related to targets for Revenue and Operating Result from Activity. Some of these criteria are yearly, while others pertain to a four-year period.

The last stock option allocation plan was definitively closed on 15 June 2020.

HISTORY OF STOCK OPTION AWARDS FOR SHARE PURCHASE

At 31 December 2020	Purchase plan
General Meeting date	10/05/2012
Number of options authorized by the General Meeting	415,000
Duration of the authorization	14 months
Date of Board of Directors' Meeting	15/06/2012
Number of options granted	408,925
of which to the Management Committee	175,500
of which to executive officers	54,000
of which to employee recipients of the largest number of options	49,400
Number of initial recipients	186
Stock option exercise start date	15/06/2016
Expiration date	15/06/2020
PURCHASE PRICE *(in €)*	**54.12**
Average of last 20 prices prior to Board Meeting *(in €)*	54.11
Number of options exercised	390,304
Number of options canceled	18,621
BALANCE OF STOCK OPTIONS NOT YET EXERCISED	**0**

PERFORMANCE SHARES AWARDED TO STAFF

At 31 December 2020

Date of Meeting	19/05/2016	11/05/2017	16/05/2018	22/05/2019	19/05/2020
Number of shares authorized by the General Meeting	171,075	196,000	196,000	234,000	200 000
Duration of the authorization	14 months	14 months	14 months	14 months	14 months
Date of Board of Directors' Meeting	19/05/2016	11/05/2017	16/05/2018	22/05/2019	19/05/2020
Number of shares granted	168,605	193,450	185,330	226,500	193,880
of which to executive officers	27,000	27,000	27,000	29,000	29,000
of which to the Management Committee/Group Executive Committee (excluding executive officers)	47,250	47,250	38,750	48,500	48,500
of which 10 largest amounts awarded to employees (excluding executive officers/Executive Committee/ Management Committee)	16,200	22,650	19,450	16,700	18,800
Number of initial recipients:	199	245	249	473	311
of which to executive officers	2	2	2	2	2
of which to the Management Committee/Group Executive Committee (excluding executive officers)	7	7	6	10	9
of which 10 largest amounts awarded to employees (excluding executive officers/Executive Committee/ Management Committee)	10	11	10	10	13
Award date	19/05/2016	11/05/2017	16/05/2018	22/05/2019	19/05/2020
Vesting date	19/05/2019	11/05/2020	16/05/2021	22/05/2022	19/05/2023
Expiry of lock-up period	19/05/2021	11/05/2020	16/05/2021	22/05/2022	19/05/2023
Number of shares canceled	5,220	7,020	6,580	3,300	0
Number of vested shares	163,385	185,830	0	200	0
BALANCE OF SHARES YET TO BE VESTED	**0**	**0**	**178,750**	**223,000**	**193,880**

STOCK OPTIONS GRANTED IN 2020

Options granted to the ten non-executive officer employees whose number granted is the highest

Total number of options allocated	Weighted average price	Plan in question
Not applicable	N/A	N/A

Share subscription or purchase options exercised by the top ten employees who are not executive officers and who exercised the most options

Date of the plan	15/06/2012
Type of stock options	Purchase
Price of option	€54.12
Quantity of options exercised	11 050

PERFORMANCE SHARES GRANTED IN 2020

Performance shares granted to the ten non-executive officer employees whose number granted is the highest

Total number of shares granted	50 500

PERFORMANCE SHARES VESTED IN 2020

Performance shares vested by the ten non-executive officer employees whose number vested is the highest

Date of the plan	11/05/2017
Quantity	62,900

7.5 Stock market and dividend information

STOCK MARKET

The company's shares are listed on Paris Euronext, compartment A, under ISIN Code FR0000121709. They are included in the Euronext category "Household Equipment and products" (ICB code : 40202025).

STOCK MARKET INFORMATION OVER THREE YEARS

	2020	2019	2018
Stock market capitalization at 31 December *(in €m)*	7,496	6,661	5,659
Highest price mid-session	€153.30	€166.80	€175.90
Lowest price mid-session	€86.35	€107.00	€105.60
Closing price on the last trading day	€149.00	€132.40	€112.80
Average of the last 30 prices for the year	€146.52	€136.94	€116.92
Average of the closing prices for the year	€132.79	€144.13	€149.66
Average daily trading volume (number of shares)	68,839	53,796	56,108

TRANSACTIONS IN 2020 ON NYSE EURONEXT

	Highest price mid-session *(in €)*	Lowest price mid-session *(in €)*	Number of shares traded	Capital traded *(in € thousands)*
			Daily averages	
2020	**153.30**	**86.35**	**68,839**	**8,900**
January	139.80	116.10	81,262	10,470
February	125.80	109.30	94,671	11,142
March	129.70	86.35	125,266	13,748
April	120.40	99.30	53,254	6,037
May	123.40	101.70	64,676	7,296
June	147.50	120.40	92,693	12,412
July	148.60	138.30	61,022	8,783
August	150.60	138.80	45,783	6,673
September	148.40	135.80	59,914	8,470
October	153.30	138.60	47,636	6,958
November	151.50	139.30	58,215	8,496
December	151.00	141.10	41,052	6,000

DIVIDENDS – DIVIDEND SUPPLEMENT

It is SEB S.A.'s policy to ensure that its shareholders are given a fair return on the capital they invest in the Group. The Board of Directors aims to ensure regular and continuous growth in dividend payments.

Meeting on February 23, 2021, the Board of Directors proposed the distribution of a dividend of €2.14 per share in respect of the 2020 financial year.

As a reminder, in February 2020, the dividend initially proposed in respect of full-year 2019 was €2.26 per share. It was then reduced by 33% to €1.43, given the effects of the COVID-19 pandemic and in line with the recommendations of AFEP (Association Française des Entreprises Privées) at the time.

The proposal to return to a more normative level in the dividend is based on the satisfactory 2020 performances thanks to the Consumer business' rebound in the second half of the year, as well as on the Board's trust in the Group's continued profitable growth over the long term.

A 10% dividend supplement, rounded down to the nearest even number of euro cents, will be paid in 2021 to long-term shareholders in respect of shares registered in the same shareholder's name since at least 31 December 2018 and still held on the ex-dividend date of 25 May 2021. No single shareholder will be entitled to the dividend supplement on any shares in excess of 0.5% of the company's share capital.

Payment years	Number of remunerated shares	Ordinary dividend per share *(in €)*
2018 for the 2017 financial year		
Dividend	49,838,609	2
Dividend supplement	18,636,560	0.2
2019 for the 2018 financial year		
Dividend	49,791,592	2.14
Dividend supplement	19,028,534	0.214
2020 for the 2019 financial year		
Dividend	50,143,340	1.43
Dividend supplement	20,266,785	0.143

Based on the 2020 results, a net dividend of €2.14 per share will be proposed at the Annual General Meeting of 20 May 2021.

The ex-dividend date will be 25 May 2021 and the dividend will be paid from 27 May 2021.

8 Annual General Meeting

8.1 Agenda for the Combined Annual General Meeting of 20 May 2021

RESOLUTIONS TO BE SUBMITTED TO THE ORDINARY ANNUAL GENERAL MEETING

1. Approval of the separate financial statements for the year ended 31 December 2020.
2. Approval of the consolidated financial statements for the year ended 31 December 2020.
3. Allocation of the result for the year ended 31 December 2020 and setting of the dividend.
4. Reappointment of Yseulys Costes as a director.
5. Reappointment of PEUGEOT INVEST ASSETS (formerly FFP Invest) as a director.
6. Reappointment of Brigitte Forestier as director representing employee shareholders.
7. Approval of the appointment of the DELOITTE & Associés and KPMG as the company's statutory auditors for a six-year term;
8. Approval of the remuneration policy for corporate executive officers.
9. Approval of the remuneration policy for directors.
10. Approval of all components of remuneration referred to in Article L. 22-10-9 of the French Commercial Code concerning all executive officers for the 2020 financial year.
11. Approval of fixed, variable and exceptional components of the total remuneration and benefits of all kinds, paid or allocated for the 2020 financial year to the Chairman and CEO.
12. Approval of fixed, variable and exceptional components of the total remuneration and benefits of all kinds paid or allocated for the 2020 financial year to the Chief Operating Officer.
13. Authorization to be granted to the Board of Directors for the company to buy back its own shares.

RESOLUTIONS TO BE SUBMITTED TO THE EXTRAORDINARY ANNUAL GENERAL MEETING

14. Authorization to be granted to the Board of Directors enabling the company to cancel its own shares.
15. Delegation of authority granted to the Board of Directors to increase the share capital by issuing ordinary shares and/or share equivalents and/or debt securities, with pre-emption rights.
16. Delegation of authority granted to the Board of Directors to issue ordinary shares and/or share equivalents and/or debt securities, with waiving of pre-emption rights in the course of a public offering.
17. Delegation of authority granted to the Board of Directors to issue ordinary shares and/or share equivalents and/or debt securities, with waiving of pre-emption rights as part of an offering governed by Article L. 411-2 of the French Monetary and Financial Code.
18. Blanket ceiling on financial authorizations.
19. Delegation of authority to be granted to the Board of Directors to increase the share capital by capitalizing retained earnings, profit, premiums or other items that may be capitalized.
20. Authorization to be granted to the Board of Directors to grant performance shares.
21. Authorization to be granted to the Board of Directors to carry out share capital increases restricted to members of a company or Group Savings Scheme and/or sales of reserved shares with waiving of pre-emption rights.
22. Amendment of Article 8 of the Company's bylaws relating to the lowering of the threshold for ownership interests, the crossing of which must be reported to the company.
23. Compliance of the bylaws with the new Articles of the French Commercial Code arising from Order no. 2020-1142 dated 16 September 2020.
24. Powers to carry out formalities.

8.2 Draft resolutions and Board of Directors' report to the Combined Annual General Meeting of 20 May 2021

This Chapter presents the Board of Directors' report on the draft resolutions as well as the full text of the resolutions, finalized by the Board of Directors in its meeting of 23 February 2021, that will be submitted to the Combined Annual General Meeting of SEB S.A.. The shareholders of SEB S.A. are invited to attend the Combined General Meeting (Ordinary and Extraordinary) to be held on Thursday, May 20, 2021, at 3:00 p.m. In the context of the COVID-19 epidemic, in accordance with Order no. 2020-321 of March 25, 2020 and Decree no. 2020-418 of April 10, 2020, as extended by Decree no. 2021-255 of March 9, 2021, the Combined Shareholders' Meeting will be held behind closed doors, without the physical presence of shareholders, at the Company's registered office located at 112 chemin du Moulin Carron, CAMPUS SEB, 69130 Ecully. As of the date of the Shareholders' Meeting, administrative measures restricting or prohibiting travel or collective gatherings for health reasons prevent the physical presence of its members at the Meeting.

The 2021 Shareholders' Meeting of SEB S.A. will be broadcast live in video format on the Company's website, www.groupeseb.com, unless technical reasons make it impossible or seriously disrupt the broadcast. The replay will be available on the Company's website by the end of the fifth business day from May 20, 2021. In view of the uncertainties resulting from the current context related to COVID-19, the Company may be required to modify, subject to legal provisions, the procedures for the holding, participation and voting at the 2021 Combined Shareholders' Meeting of SEB S.A. In light of the current situation regarding the Covid-19 health crisis, the company invites its shareholders to regularly consult the company's website at "http://www.groupeseb.com/en" to keep up to date with the latest news and definitive procedures relating to the 2021 Combined General Meeting of SEB S.A.

The agenda and the draft text of the resolutions of the Combined General Meeting of SEB S.A. of 20 May 2021 were set out in the notice of meeting published in the Bulletin des Annonces Légales Obligatoires. The agenda and the draft text of the resolutions finalized by the Board of Directors at its meeting of 23 February 2021, which will be submitted to the Combined Annual General Meeting of SEB S.A. to be held on 20 May 2021, are set out below:

ORDINARY RESOLUTIONS

RESOLUTIONS 1, 2 AND 3: APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS (SEPARATE AND CONSOLIDATED), ALLOCATION OF THE RESULT FOR 2020 AND SETTING OF THE DIVIDEND

Board of Directors' report

By voting on resolutions **1** and **2**, the Board of Directors invites the shareholders to approve:

- the separate financial statements for the financial year ended 31 December 2020, which show a net profit of €124,593,863, compared with €130,402,297 for 2019;
- the consolidated financial statements for the financial year ended 31 December 2020, which show a net profit attributable to owners of the parent of €300,527,657, compared with €379,716,101 for 2019.

Details of these financial statements appear in the 2020 Annual Financial Report, the main elements of which are contained in the meeting notice relating to the Annual General Meeting of 20 May 2021.

The aim of resolution **3** is to invite the shareholders to allocate the net result for 2020 and to set the dividend amount as follows:

- a net ordinary dividend of €2.14 per share similar to the dividend paid in 2019 for the 2018 financial year. As a reminder, in view of the situation related to the start of the Covid-19 pandemic and on the recommendation of the AFEP, the dividend paid in 2020 in respect of the 2019 financial year had been reduced by one third compared with the dividend paid in 2019;
- a supplementary dividend of 10% or €0,214 per share having a par value of €1.

The supplementary dividend will be paid on shares registered prior to 31 December 2018 and continuing to be registered in the name of the same holder until the ex-dividend date of 25 May 2021. These shares represent 59.54% of the outstanding total. No single shareholder will be entitled to the supplementary dividend on any shares in excess of 0.5% of the company's share capital.

The ex-dividend date will be 25 May 2021. The dividend will be paid as from 27 May 2021.

The dividend and the supplementary dividend qualify for the exemption referred to in Article 158-3.2 of the French General Tax Code.

Resolution 1: Approval of the separate financial statements for the year ended 31 December 2020

The Annual General Meeting, voting in accordance with the quorum and majority voting requirements for Ordinary Annual General Meetings, having considered the report of the Board of Directors and of the statutory auditors on the company's operations and results for the financial year ended 31 December 2020, approves the financial statements as presented, which show a net profit of €124,593,863.

Resolution 2: Approval of the consolidated financial statements for the year ended 31 December 2020

The Annual General Meeting, voting in accordance with the quorum and majority voting requirements for Ordinary Annual General Meetings, having considered the report of the Board of Directors and the statutory auditors, approves the consolidated financial statements for the year ended 31 December 2020, which show a net profit attributable to owners of the parent of €300,527,657.

Resolution 3: Allocation of the result for the year ended 31 December 2020 and setting of the dividend

The Annual General Meeting, voting in accordance with the quorum and majority voting requirements for Ordinary Annual General Meetings, on the proposal of the Board of Directors, resolves to appropriate the net profit for the 2020 financial year of €124,593,863 as follows:

Net profit	€124,593,863
Legal reserve	€344,201
Retained earnings brought forward from prior year	€985,142,551
Dividends on treasury shares credited to retained earnings	€19,260
Profit available for distribution	€1,109,411,473
Dividend	€118,403,569
Dividend supplement	€4,814,416
Retained earnings	€986,193,489

The amount distributed to shareholders represents a dividend of €2.14 per share having a par value of €1.

The ex-dividend date will be 25 May 2021 and the dividend will be paid as from 27 May 2021.

Furthermore, as provided for in Article 46 of the Company's bylaws, a supplementary dividend of 10% of the dividend, amounting to €0.214 per share having a par value of €1, will be paid on shares registered in the name of the same holder throughout the period between 31 December 2018 and the ex-dividend date, 25 May 2021.

However, no single shareholder will be entitled to the supplementary dividend on any shares in excess of 0.5% of the company's capital.

The dividends distributed will qualify for the 40% exemption for natural persons who are tax residents of France, as per Article 158.3-2° of the French General Tax Code.

The Annual General Meeting acknowledges that dividends distributed for the last three years were as follows:

Financial year	Dividend per share	Premium per share	Dividend qualifying for 40% exemption		Dividend not qualifying for 40% exemption
			Dividend	Premium	
2017	2.00	0.200	2.00	0.200	-
2018	2.14	0.214	2.14	0.214	-
2019	1.43	0.143	1.43	0.143	-

RESOLUTIONS 4 TO 6: REAPPOINTMENT OF DIRECTORS

Board of Directors' report

We hereby inform you that your Board of Directors has taken note that the terms of office of three directors expire at the end of your Annual General Meeting.

The Board of Directors, on the recommendation of the Governance and Remuneration Committee, has resolved to submit for your approval the reappointment as directors, for a four-year term, of Yseulys Costes (**Resolution 4**), PEUGEOT INVEST ASSETS (formerly FFP Invest) (**Resolution 5**) and Brigitte Forestier, who was reappointed as candidate by the Supervisory Board of SEB1 FCPE (company investment fund) at its meeting of 27 January 2021, in accordance with the provisions of Article 16 of the Company's bylaws (**Resolution 6**).

Please note that information on directors whose reappointment is proposed can be found in Chapter 2 "Corporate Governance" of the 2020 Universal Registration Document.

The Board, through these reappointment proposals, intends to pursue the expansion policy that the company has developed in recent years, while preserving the factors of balance, diversity and complementarity in the profiles that comprise it.

At its meeting of 23 February 2021, your Board of Directors considered that Yseulys Costes, PEUGEOT INVEST ASSETS and Brigitte Forestier were able to take on the tasks incumbent upon all directors and to make an effective contribution to the work of the Board of Directors.

Resolution 4: Reappointment of Yseulys Costes as a director

The Annual General Meeting, voting in accordance with the quorum and majority voting requirements for Ordinary Annual General Meetings, having considered the report of the Board of Directors, reappoints Yseulys Costes as a director for a period of four years expiring at the close of the Ordinary Annual General Meeting to be held to approve the financial statements for the financial year ended 31 December 2024.

Resolution 5: Reappointment of PEUGEOT INVEST ASSETS (formerly FFP Invest) as a director

The Annual General Meeting, voting in accordance with the quorum and majority voting requirements for Ordinary Annual General Meetings, having considered the report of the Board of Directors, reappoints PEUGEOT INVEST ASSETS as a director for a period of four years expiring at the close of the Ordinary Annual General Meeting to be held to approve the financial statements for the financial year ended 31 December 2024.

Resolution 6: Reappointment of Brigitte Forestier as director representing employee shareholders

The Annual General Meeting, voting in accordance with the quorum and majority voting requirements for Ordinary Annual General Meetings, having considered the report of the Board of Directors, reappoints Brigitte Forestier as director representing employee shareholders for a period of four years expiring at the close of the Ordinary Annual General Meeting to be held to approve the financial statements for the financial year ended 31 December 2024.

RESOLUTION 7: APPOINTMENT OF THE STATUTORY AUDITORS

Board of Directors' report

Given that the terms of office of the statutory auditors, PRICEWATERHOUSECOOPERS AUDIT and MAZARS, were due to expire at the close of the Ordinary Annual General Meeting to be held to approve the financial statements for the financial year ended 31 December 2020, the company's Audit and Compliance Committee launched a tender process to select statutory auditors. This process resulted in the Audit and Compliance Committee submitting a recommendation to the company's Board of Directors comprising its choice of two statutory audit firms, along with the reasons for the Committee's preference. The Board of Directors met and, on the basis of the Audit and Compliance Committee's final report, decided to follow the Audit and Compliance Committee's recommendation to propose that the Annual General Meeting appoint DELOITTE & Associés and KPMG S.A. as the company's statutory auditors.

Consequently, under **Resolution 7,** we submit for your approval the appointment of DELOITTE & Associés and KPMG S.A. as the company's statutory auditors for a six-year term.

Furthermore, on the recommendation of the Audit and Compliance Committee and in accordance with the provisions of part I of Article L. 823-1 of the French Commercial Code, the Board of Directors resolved neither to renew nor replace the substitute statutory auditors and noted, therefore, the expiry of the terms of Jean-Christophe GEORGHIOU and Gilles RAINAUT.

Resolution 7: Approval of the appointment of DELOITTE & Associés and KPMG S.A. as statutory auditors for a six-year term

The Annual General Meeting, voting in accordance with the quorum and majority voting requirements for Ordinary Annual General Meetings, having considered the Corporate Governance report and having noted the expiry of the terms of office of PRICEWATERHOUSECOOPERS AUDIT and MAZARS as statutory auditors, appoints DELOITTE & Associés and KPMG S.A. as the company's statutory auditors for a period of six years expiring at the close of the Annual General Meeting to be held to approve the financial statements for the financial year ended 31 December 2026.

RESOLUTIONS 8 TO 9: APPROVAL OF THE REMUNERATION POLICY FOR ALL EXECUTIVE OFFICERS

Board of Directors' report

Pursuant to Article L. 22-10-8 II of the French Commercial Code, the purpose of **Resolutions 8 and 9** is to submit for your approval the remuneration policy for executive officers. This policy is consistent with the company's corporate interests, contributes to its long-term future and is part of its overall strategy. It describes all the components of fixed and variable remuneration and explains the decision-making process for its determination, revision and implementation.

These principles and criteria are adopted by your Board of Directors on the recommendation of the Governance and Remuneration Committee. All of these items are presented to you in detail in the corporate governance report and more specifically in Chapter 2.5 of the Universal Registration Document 2020.

Resolution 8 concerns the approval of the remuneration policy for corporate executive officers. Resolution 9 concerns the approval of the remuneration policy for directors.

Resolution 8: Approval of the remuneration policy for corporate executive officers

The Annual General Meeting, voting in accordance with the quorum and majority voting requirements for Ordinary General Meetings, having considered the corporate governance report referred to in Article L. 225-37 of the French Commercial Code describing, in particular, the elements of the policy for the remuneration of corporate executive officers, approves, pursuant to Article L. 22-10-32, II of the French Commercial Code, the policy for the remuneration of corporate executive officers as presented in Chapter 2.5 of the Universal Registration Document 2020.

Resolution 9: Approval of the remuneration policy for directors

The Annual General Meeting, voting in accordance with the quorum and majority voting requirements for Ordinary General Meetings, having considered the corporate governance report referred to in Article L. 225-37 of the French Commercial Code describing the elements of the policy for the remuneration of directors, approves, pursuant to part II of Article L. 22-10-32 of the French Commercial Code, the policy for the remuneration of directors as presented in Chapter 2.5 of the Universal Registration Document 2020.

RESOLUTION 10: APPROVAL OF ALL COMPONENTS OF REMUNERATION REFERRED TO IN ARTICLE L. 22-10-9 OF THE FRENCH COMMERCIAL CODE CONCERNING ALL EXECUTIVE OFFICERS FOR THE 2020 FINANCIAL YEAR

Board of Directors' report

Pursuant to part II of Article L. 22-10-34 of the French Commercial Code, the Ordinary General Meeting votes on a draft resolution on the information relating to the remuneration of the executive officers mentioned in part I of Article L. 22-10-9 of the French Commercial Code. These items appear in the Corporate governance report and more specifically in Chapter 2.5 of the 2020 Universal Registration Document.

By way of a reminder, for the sake of solidarity and responsibility towards all stakeholders, and to preserve the Group's resources, corporate executive officers decided to reduce their compensation paid in 2020 according to the recommendation issued by AFEP* on 29 March 2020 (25% reduction, pro rata to the duration of applied short-time working measures in 2020) and the Board of Directors decided to reduce directors' fees to be paid in 2020 by the same proportion. *AFEP: Association Française des Entreprises Privées. The effect of these reductions for 2020 can be seen in Chapter 2.5 of the Universal Registration Document.

Resolution 10: Approval of all components of remuneration referred to in Article L. 22-10-9 of the French Commercial Code concerning all executive officers for the 2020 financial year

The Annual General Meeting, voting in accordance with the quorum and majority voting requirements for Ordinary General Meetings, having considered the corporate governance report referred to in Article L. 225-37 of the French Commercial Code, approves, pursuant to Article L. 22-10-34, I of the French Commercial Code, the information referred to in Article L. 22-10-9, I of the French Commercial Code presented therein, as it appears in Chapter 2.5 of the Universal Registration Document 2020.

RESOLUTIONS 11 AND 12: APPROVAL OF THE FIXED, VARIABLE AND EXCEPTIONAL COMPONENTS OF THE TOTAL REMUNERATION AND BENEFITS OF ALL KINDS PAID OR ALLOCATED FOR THE 2020 FINANCIAL YEAR TO THE CHAIRMAN AND CEO AND TO THE CHIEF OPERATING OFFICER

Board of Directors' report

Pursuant to part II of Article L. 22-10-34 of the French Commercial Code, the fixed, variable and exceptional components of the total remuneration and benefits of all kinds paid during the previous financial year or allocated for the same financial year to the Chairman and CEO and to the Chief Operating Officer must be approved by the Annual General Meeting.

By way of a reminder, for the sake of solidarity and responsibility towards all stakeholders, and to preserve the Group's resources, corporate executive officers decided to reduce their compensation paid in 2020 according to the recommendation issued by AFEP on 29 March 2020 (25% reduction, pro rata to the duration of applied short-time working measures in 2020).

Details of the various remuneration components are provided in the sections of the 2020 Universal Registration Document, Chapter 2 dealing with "Corporate governance" and "Say on Pay – Remuneration components paid or allocated in respect of the financial year ended 31/12/2020".

Resolution 11: Approval of fixed, variable and exceptional components of the total remuneration and benefits of all kinds, paid or allocated for the 2020 financial year to the Chairman and CEO

The Annual General Meeting, voting in accordance with the quorum and majority voting requirements for Ordinary General Meetings, having considered the corporate governance report referred to in Article L. 225-37 of the French Commercial Code, approves, pursuant to Article L. 22-10-34, II of the French Commercial Code, the fixed, variable and exceptional components of the total remuneration and benefits of any kind paid during the 2020 financial year or allocated for the same financial year to the Chairman and CEO as set out in Chapter 2.5 of the Universal Registration Document 2020.

Resolution 12: Approval of fixed, variable and exceptional components of the total remuneration and benefits of all kinds paid or allocated for the 2020 financial year to the Chief Operating Officer

The Annual General Meeting, voting in accordance with the quorum and majority voting requirements for Ordinary General Meetings, having considered the corporate governance report referred to in Article L. 225-37 of the French Commercial Code, approves, pursuant to Article L. 22-10-34, II of the French Commercial Code, the fixed, variable and exceptional components of the total remuneration and benefits of all kinds paid during the 2020 financial year or allocated for the same financial year to the Chief Operating Officer as set out in Chapter 2.5 of the Universal Registration Document 2020.

RESOLUTION 13: AUTHORIZATION TO BE GRANTED TO THE BOARD OF DIRECTORS FOR THE COMPANY TO BUY BACK ITS OWN SHARES

Board of Directors' report

The Annual General Meeting of 19 May 2020 authorized the Board of Directors to trade in the company's shares. In 2020, the company sold 31,017 shares on exercise of stock options at an average price of 54.12 euros, 185,830 free performance shares under the 2017 plan and 200 free performance shares under the 2019 plan (derogatory early definitive allocation) were definitively allocated. In addition, under the liquidity contract, 123,304 shares were acquired at an average price of 123.61 euros and 127,502 shares were sold at an average price of 125.41 euros.

At 31 December 2020, the company held 145,328 treasury shares with a par value of €1 and a gross value of €135.2. These treasury shares represent 0.29% of the company's share capital, including 129,866 under the buyback agreement and 15,462 under the liquidity contract.

These transactions are also described in Chapter 7 of the Universal Registration Document, "Information on the company and its share capital".

Since the existing authorization is due to expire in July 2021, Resolution 13 invites the shareholders to again authorize the Board of Directors, for a period of 14 months, to trade in the company's shares at a maximum price of €240 per share, excluding trading fees.

The authorization would cover a maximum of 10% of the share capital. The company could buy back its own shares with a view to:

- maintaining a liquid market for the company's shares through an investment service provider acting on a fully independent basis;
- allocating shares to eligible employees and executive officers of the company;
- canceling shares in order to increase return on equity and earnings per share or to offset the dilutive impact of any capital increases on existing shareholders' interests;
- delivering or exchanging shares in connection with any future external growth transactions;
- allocating shares on the exercising of rights attached to share equivalents.

In accordance with the law, these shares have been stripped of their voting rights.

Resolution 13: Authorization to be granted to the Board of Directors for the company to buy back its own shares

The Annual General Meeting, voting in accordance with the quorum and majority voting requirements for Ordinary Annual General Meetings, having considered the report of the Board of Directors:

- resolves to terminate the share buyback program authorized by the Combined Annual General Meeting of 19 May 2020;
- resolves to adopt the program described below, and accordingly:
  - to authorize the Board of Directors, or any representative of the Board empowered to act on the Board's behalf, in accordance with Articles L. 22-10-62 et seq. of the French Commercial Code, to buy back shares of the company representing up to 10% of the share capital, subject to the limits set down by law,
  - that the shares may be bought back for the following purposes:

i) to maintain a liquid market for SEB's shares through an independent investment service provider under a liquidity contract that complies with the AMAFI Code of Ethics recognized by the Financial Market Authority,

ii) for allocation to eligible employees and executive officers of the company or the Group in the form of performance shares governed by Articles L. 22-10-59 et seq. of the French Commercial Code, or in payment of statutory employee profit-shares, or in connection with an employee stock ownership or stock saving plan,

iii) for cancellation, in order to increase return on equity and earnings per share and/or to offset the dilutive impact of any capital increase on existing shareholders' interests, provided that such cancellation is authorized by the Extraordinary Annual General Meeting,

iv) for delivery or exchange in connection with any future external growth transactions, up to a limit of 5% of the capital,

v) for allocation on the exercising of rights attached to share equivalents that are convertible, exercisable, redeemable or exchangeable for the assignment of company shares, in accordance with the applicable stock market regulations;

  - that shares may not be bought back under this authorization for more than €240 per share, excluding trading fees,
  - that the Board of Directors may adjust the above price, in the case of any change in the share's par value, by capitalizing reserves, any stock-split or reverse stock-split, any return of capital or capital reduction, any distribution of reserves or assets, or any other corporate action, to take into account the effect thereof on the share price. In this case, the price will be adjusted based on the ratio between the number of shares outstanding before and after the corporate action,
  - that the total amount invested in the share buyback program may not exceed €1,162,093,170,
  - that the shares may be bought back by any appropriate method and accordingly that all or part of the program may be implemented on the market or through block purchases – and, if appropriate, through over-the-counter sales – or by means of public buyback or exchange offers, or through the use of options and derivative instruments. The buybacks may be carried out at any time at the Board's discretion, subject to compliance with the applicable securities regulations. The shares purchased under this authorization may be kept, sold or transferred by any method, including through block sales, at any time including while a public tender offer is in progress,
  - to give full powers to the Board of Directors, including the power of delegation, to:

i) carry out the transactions and set the related terms and conditions,

ii) place all orders on or off the stock market,

iii) adjust the maximum purchase price of the shares to take into account the effect on the share price of any of the corporate actions referred to above,

iv) enter into any and all agreements for the keeping of a register of share purchases and sales or for any other purpose,

v) fulfill any and all reporting obligations with the Autorité des Marchés Financiers and any other bodies,

vi) carry out any and all formalities;

  - that this authorization is given for a period expiring at the end of the Ordinary Annual General Meeting to be called to approve the financial statements for the financial year ended 31 December 2021, or 14 months from the date of this Meeting, whichever is shorter.

EXTRAORDINARY RESOLUTIONS

RESOLUTION 14: AUTHORIZATION TO BE GRANTED TO THE BOARD OF DIRECTORS ENABLING THE COMPANY TO CANCEL ITS OWN SHARES

Board of Directors' report

The Annual General Meeting of 19 May 2020 authorized the Board of Directors to cancel some or all of the shares acquired under the share buyback program, provided the number of shares canceled in any 24-month period does not exceed 10% of the share capital.

As the existing authorization is due to expire in July 2021, **Resolution 14** invites the shareholders to once again authorize the Board of Directors to cancel some or all of its shares, under the same terms and conditions.

This authorization would be given for a period of 14 months from the date of the Annual General Meeting.

Resolution 14: Authorization to be granted to the Board of Directors enabling the company to cancel its own shares

The Annual General Meeting, voting in accordance with the quorum and majority voting requirements for Extraordinary Annual General Meetings, having considered the report of the Board of Directors and the statutory auditors' report:

- authorizes the Board of Directors to cancel, on one or more occasions at its discretion, some or all of the shares currently held or that may be held in the future by the company following share buybacks carried out pursuant to Article L. 22-10-62 of the French Commercial Code, provided the number of shares canceled in any 24-month period does not exceed 10% of the total shares outstanding. The difference between the purchase price of the canceled shares and their par value will be deducted from additional paid-in capital and retained earnings, with an amount corresponding to 10% of the share capital reduction being deducted from the legal reserve;
- authorizes the Board of Directors to place on record the capital reduction(s), amend the bylaws to reflect the new capital and carry out any and all formalities, make all declarations to any organizations and generally undertake whatever is necessary;
- authorizes the Board of Directors to delegate all necessary powers to permit the implementation of its decisions, subject to compliance with the laws and regulations in force when this authorization is used;
- grants this authorization to the Board of Directors for a period of 14 months and consequently decides that this authorization cancels all authorizations given previously for the same purpose.

RESOLUTIONS 15, 16, 17 AND 18: DELEGATION OF AUTHORITY TO BE GIVEN TO THE BOARD OF DIRECTORS TO ISSUE SHARE EQUIVALENTS WITH OR WAIVING PRE-EMPTION RIGHTS IN THE COURSE OF PUBLIC OR RESTRICTED PLACEMENTS; AGGREGATE LIMIT OF TRANSACTIONS UNDER THESE DELEGATIONS SET AT A PAR VALUE OF €11 MILLION, REPRESENTING AROUND 20% OF THE SHARE CAPITAL AT 31 DECEMBER 2020

Board of Directors' report

We ask that shareholders give the Board of Directors the necessary powers to issue share equivalents that give immediate or future access to equity in the company or any company in which it directly or indirectly owns more than half of the share capital, in order to give the freedom to raise the funds the Group needs to grow, as it sees fit and as market opportunities allow.

Shareholders will be asked, by voting on **Resolution 15**, to give the Board of Directors the power to decide to carry out one or more share capital increases, while maintaining pre-emption rights. The maximum par value of share capital increases that may be carried out under this delegation would be set at €5,500,000, or approximately 10% of the share capital at 31 December 2020.

In order to readily take any opportunities that may arise, we would ask shareholders to pass **Resolutions 16** and **17** and thereby delegate authority to the Board of Directors to issue ordinary shares and/or share equivalents and/or debt securities, in the course of public or restricted placements. Pre-emption rights shall be waived for these issues, although the Board of Directors may grant shareholders a preferential right to subscribe for such issues, for the period and in the manner of its choosing.

In accordance with the legal provisions, the issue price is at least equal to the weighted average of the prices of the last three trading sessions preceding the start of the public offer within the meaning of regulation (EU) no. 2017/1129 of 14 June 2017, potentially reduced by a maximum discount of 10%.

Given the potentially dilutive effect of using these delegations for the shareholders, we would point out that the Board of Directors may only use them if the decision is approved by a qualified majority of 14 of the 17 directors. The maximum par value of the share capital increases that may be made under these delegations would be set at €5,500,000, or approximately 10% of the share capital. In addition, the nominal value of debt securities that may be issued may not exceed €1,500 million. All of these delegations of authority would thus be valid for a period of 14 months.

If and when the authorizations are used, the Board of Directors will prepare an additional report describing the final terms of the issue, including the basis for setting the issue price, the impact of the issue on the situation of existing shareholders and the estimated impact on the share price, as required by law.

In its previous delegations, the Annual General Meeting of 19 May 2020 had given the Board of Directors the power to increase the share capital within the same limits as those stated above. These authorizations, given for 14 months, were not used.

Lastly, in **Resolution 18**, we invite shareholders to set at €11 million the maximum par value of the share capital increases that may be carried out by the Board of Directors pursuant to the delegations granted in **Resolutions 15, 16 and 17**.

Resolution 15: Delegation of authority granted to the Board of Directors to increase the share capital by issuing ordinary shares and/or share equivalents and/or debt securities, with pre-emption rights

The Annual General Meeting, voting in accordance with the quorum and majority voting requirements for Extraordinary Annual General Meetings, having considered the report of the Board of Directors and the statutory auditors' special report and in accordance with Articles L. 225-129 to L. 225-129-6, L. 225-132, L. 225-133, L. 225-134 and L. 228-91 et seq. of the French Commercial Code:

- gives the Board of Directors the power to decide by a qualified majority of 14 of the 17 members present or represented, with the option to further delegate in the manner provided for by law and regulations, to issue, on one or more occasions, company shares and securities giving immediate or future access, by any means, to equity in the company or any company in which it directly or indirectly owns more than half of the share capital or equity securities giving entitlement to debt securities, denominated in euros or in foreign currencies, in France or on the international market, and to determine the timing and amounts of said issues;
- resolves that issues of preference shares or securities convertible by any means, immediately or in the future, into preference shares are expressly excluded from this delegation of authority;
- resolves that any shares and securities issued under this delegation may be subscribed for in cash or by offsetting against outstanding receivables;
- resolves that the amount of share capital increases that may be carried out, immediately and/or in the future, under this delegation may not exceed a par value of €5,500,000, not including the par value of any additional shares to be issued to protect the rights of holders of share equivalents in accordance with applicable laws, regulations and, as the case may be, contractual provisions;
- moreover resolves that the nominal value of debt securities issued pursuant to this delegation may not exceed €1,500 million or the equivalent of this amount in the case of issues denominated in foreign currencies;
- resolves that shareholders will, in the manner provided for by law, have pre-emption rights to subscribe pro-rata to their existing interest in the company's capital. In addition, the Board of Directors may grant shareholders a pre-emption right to subscribe any shares and/or share equivalents not taken up by other shareholders. If the issue is oversubscribed, such additional pre-emption right shall also be exercisable pro-rata to the existing interest in the company's capital of the shareholders concerned.

If the issue is not taken up in full by shareholders exercising their pre-emption rights as described above, the Board of Directors may take one or other of the following courses of action, in the order of its choice:

- limit the amount of the issue to the subscriptions received, provided at least three-quarters of the issue is taken up;
- freely allocate some or all of the unsubscribed securities;
- offer some or all of the unsubscribed securities to the public;
- resolves that subscription warrants for the company's shares may be offered for subscription on the above basis, or allocated among holders of existing shares without consideration;
- establishes that this authorization may automatically entail the waiver in favor of holders of securities giving future access to equity in the company that may be issued through conversion, exchange, exercise of a warrant or any other means, by shareholders, of their pre-emption right to subscribe for the shares issued on the basis of those securities;
- resolves that the amount to be received by the company for each share issued immediately or in the future under this delegation shall not represent less than the par value of the shares, after taking account in the case of the issue of stand-alone warrants or other primary securities of the issue price of said warrants or securities;
- resolves that the Board of Directors shall be fully empowered to use this delegation, with the option to further delegate in the manner provided for by law and regulations, to in particular increase the share capital and determine the securities to be issued, determine the dates and terms of the issues, as well as the form and characteristics of the securities to be issued, set the issue price and terms, the amount of each issue, the cum-rights date which may be set retrospectively, the terms of settlement of the subscription price of the shares or other securities issued and, if appropriate, the conditions under which they may be bought back on the open market, the right to suspend the exercise of the rights attached to the securities to be issued for a period of no more than three months, to determine the arrangements for protecting the rights of holders of share equivalents that give future access to equity, pursuant to applicable laws, regulations and, as the case may be, contractual provisions, to write off any and all amounts against the issue premium, including the issuance costs, and to take all necessary or appropriate measures and enter into any and all agreements in connection with the placement of the issues, to place on record the resulting share capital increase(s) and to amend the bylaws to reflect the new capital. In the case of any issue of debt securities, the Board of Directors shall have full powers, including the right to delegate such powers under the conditions set by law and regulations, to decide whether to issue subordinated or unsubordinated debt, to set the interest rate, the life of the securities, the redemption price – which may be fixed or variable and may or may not include a call premium – the terms of early redemption depending on market conditions and the basis on which the debt securities are convertible, exchangeable, redeemable or otherwise exercisable for shares of the company; grants this authorization to the Board of Directors for a period of 14 months and consequently decides that this authorization cancels all authorizations given previously for the same purpose.

Resolution 16: Delegation of authority granted to the Board of Directors to issue ordinary shares and/or share equivalents and/or debt securities, with waiving of pre-emption rights in the course of a public offering

The Annual General Meeting, voting in accordance with the quorum and majority voting requirements for Extraordinary Annual General Meetings, having considered the report of the Board of Directors and the statutory auditors' special report and in accordance with Articles L. 225-129 to L. 225-129-2, L. 22-10-52 and L. 228-91 et seq. of the French Commercial Code:

- gives the Board of Directors the power to decide by a qualified majority of 14 of the 17 members present or represented, with the option to further delegate in the manner provided for by law and regulations, to issue by way of a public offering, on one or more occasions, company shares and any hybrid securities giving immediate or future access by any means to equity in the company or any company in which it directly or indirectly owns more than half of the share capital or equity securities giving entitlement to debt securities, denominated in euros or in foreign currencies, in France or on the international market, and to determine the timing and amounts of said issues;
- resolves that any shares and securities issued under this delegation may be subscribed for in cash or by offsetting against outstanding receivables;
- resolves that the amount of share capital increases that may be carried out, immediately or in the future, under this delegation may not exceed a par value of €5,500,000, not including the par value of any additional shares to be issued to protect the rights of holders of share equivalents in accordance with applicable laws, regulations and, as the case may be, contractual provisions;
- resolves that the nominal value of debt securities issued pursuant to this delegation may not exceed €1,500 million or the equivalent of this amount in the case of issues denominated in foreign currencies;
- resolves that shareholders shall not have a pre-emption right to subscribe for securities issued under this resolution, but that the Board of Directors may grant shareholders a preferential right to subscribe for some or all of the issue, for a period and on terms to be decided in accordance with applicable laws and regulations. Said priority right shall not be transferable but the Board of Directors may allow shareholders to subscribe the issue and any securities not taken up by other shareholders pro-rata to their existing shareholdings;
- resolves that if any issue of the aforementioned securities is not taken up in full by existing shareholders and the public, the Board of Directors may limit the amount of the issue to the value of the subscriptions received, provided at least three-quarters of the issue is taken up, or freely allocate some or all of the unsubscribed securities;
- establishes that this authorization may automatically entail the waiver in favor of holders of securities giving future access to equity in the company that may be issued through conversion, exchange, exercise of a warrant or any other means, by shareholders, of their pre-emption right to subscribe for the shares issued on the basis of those securities;
- establishes that public offerings of shares and/or securities decided under this delegation of authority may be combined, as part of a single issue or multiple issues of shares and/or of securities, with offerings falling within the scope of Article L. 411-2 II of the French Monetary and Financial Code decided pursuant to the delegation of authority in resolution 17 of this Annual General Meeting;
- formally records that, pursuant to Article L. 22-10-52 of the French Commercial Code:
  - the issue price of directly issued shares must be at least equal to the minimum price permitted under applicable laws and regulations on the date of the issue,
  - the issue price of securities giving access or potentially giving access to equity in the company must be such that the sum received immediately by the company plus, as the case may be, any sum it may subsequently receive for each share issued as a result of the issue of these securities is at least equal to the minimum subscription price defined in the above paragraph;
- resolves that the Board of Directors shall be fully empowered to use this delegation, with the option to further delegate in the manner provided for by law and regulations, to in particular determine the dates and terms of the issues, as well as the form and characteristics of the securities to be issued, set the issue price and terms, the amount of each issue, the cum-rights date which may be set retrospectively, the terms of settlement of the subscription price of the shares or other securities issued and, if appropriate, the conditions under which they may be bought back, the right to suspend the exercise of the rights attached to the securities to be issued for a period of no more than three months, determine the arrangements for protecting the rights of holders of share equivalents that give future access to equity, pursuant to applicable laws, regulations and, as the case may be, contractual provisions, to write off any and all amounts against the issue premium, including the issuance costs, and to take all necessary or appropriate measures and enter into any and all agreements in connection with the placement of the issues, to place on record the resulting share capital increase(s) and to amend the bylaws to reflect the new capital.

  The Board of Directors shall be fully empowered, with the option to further delegate in the manner provided for by law and regulations, to decide whether to issue subordinated or unsubordinated debt securities, set the interest rate, maturity, redemption price (which may be fixed or variable and may or may not include a premium), terms of early redemption depending on market conditions and the basis on which these securities give access to company equity;
- grants this authorization to the Board of Directors for a period of 14 months and consequently decides that this authorization cancels all authorizations given previously for the same purpose.

Resolution 17: Delegation of authority granted to the Board of Directors to issue ordinary shares and/or share equivalents and/or debt securities, with waiving of pre-emption rights as part of an offering governed by Article L. 411-2 of the French Monetary and Financial Code

The Annual General Meeting, voting in accordance with the quorum and majority voting requirements for Extraordinary Annual General Meetings, having considered the report of the Board of Directors and the statutory auditors' special report and in accordance with Articles L. 225-129 to L. 225-129-2, L. 22-10-52 and L. 228-91 et seq. of the French Commercial Code:

- gives the Board of Directors the power to decide by a qualified majority of 14 of the 17 members present or represented, with the option to further delegate in the manner provided for by law and regulations, to issue by way of an offering falling within the scope of Article L. 411-2 of the French Monetary and Financial Code, on one or more occasions, company shares and any hybrid securities giving immediate or future access by any means to equity in the company or any company in which it directly or indirectly owns more than half of the share capital or equity securities giving entitlement to debt securities, denominated in euros or in foreign currencies, in France or on the international market, and to determine the timing and amounts of said issues;
- resolves that the amount of share capital increases that shall be carried out, immediately or in the future, under this delegation may not exceed a par value of €5,500,000, not including the par value of any additional shares to be issued to protect the rights of holders of share equivalents in accordance with applicable laws, regulations and, as the case may be, contractual provisions;
- resolves that any shares and securities issued under this delegation may be subscribed for in cash or by offsetting against outstanding receivables;
- resolves that the nominal value of debt securities issued pursuant to this delegation may not exceed €1,500 million or the equivalent of this amount in the case of issues denominated in foreign currencies;
- resolves that shareholders shall not have a pre-emption right to subscribe for securities to be issued pursuant to this resolution;
- resolves that if any issue of the aforementioned securities is not taken up in full, the Board of Directors may limit the amount of the issue to the value of the subscriptions received, provided at least three-quarters of the issue is taken up, or freely allocate some or all of the unsubscribed securities;
- establishes that this authorization may automatically entail the waiver in favor of holders of securities giving future access to equity in the company that may be issued through conversion, exchange, exercise of a warrant or any other means, by shareholders, of their pre-emption right to subscribe for the shares issued on the basis of those securities;
- establishes that the offerings that fall within the scope of Article L. 411-2 of the French Monetary and Financial Code decided under this resolution may be combined, as part of a single issue or multiple issues of shares and/or of securities, with public offerings decided pursuant to the delegation of authority in Resolution 16 of this Annual General Meeting;
- formally records that, pursuant to Article L. 22-10-52 of the French Commercial Code:
  - the issue price of directly issued shares must be at least equal to the minimum price permitted under applicable laws and regulations on the date of the issue,
  - the issue price of securities giving access or potentially giving access to equity in the company must be such that the sum received immediately by the company plus, as the case may be, any sum it may subsequently receive for each share issued as a result of the issue of these securities is at least equal to the minimum subscription price defined in the above paragraph;
- resolves that the Board of Directors shall be fully empowered to use this delegation, with the option to further delegate in the manner provided for by the legal and regulatory provisions, and by the applicable contractual stipulations if these exist, to in particular determine the dates and terms of the issues, as well as the form and characteristics of the securities to be issued, set the issue price and terms, the amount of each issue, the cum-rights date which may be set retrospectively, the terms of settlement of the subscription price of the shares or other securities issued and, if appropriate, the conditions under which they may be bought back, the right to suspend the exercise of the rights attached to the securities to be issued for a period of no more than three months, determine the arrangements for protecting the rights of holders of share equivalents that give future access to equity, pursuant to applicable laws, regulations and, as the case may be, contractual provisions, to write off any and all amounts against the issue premium, including the issuance costs, and to take all necessary or appropriate measures and enter into any and all agreements in connection with the placement of the issues, to place on record the resulting share capital increase(s) and to amend the bylaws to reflect the new capital.

  The Board of Directors shall be fully empowered, with the option to further delegate in the manner provided for by law and regulations, to decide whether to issue subordinated or unsubordinated debt securities, set the interest rate, maturity, redemption price (which may be fixed or variable and may or may not include a premium), terms of early redemption depending on market conditions and the basis on which these securities give access to company equity;
- grants this authorization to the Board of Directors for a period of 14 months and consequently decides that this authorization cancels all authorizations given previously for the same purpose.

Resolution 18: Blanket ceiling on financial authorizations

The Annual General Meeting, voting in accordance with the quorum and majority voting requirements for Extraordinary Annual General Meetings, having considered the report of the Board of Directors, resolves to set at €11 million the maximum par value of immediate and/or future share capital increases that may be carried out pursuant to the authorizations in **Resolutions 15, 16** and **17**, not including the par value of any additional shares to be issued to protect the rights of existing holders of share equivalents, in accordance with laws, regulations and, as the case may be, contractual provisions.

Consequently, the value of each issue carried out under any of the abovementioned resolutions will be deducted from this ceiling.

RESOLUTION 19: DELEGATION OF AUTHORITY TO BE GRANTED TO THE BOARD OF DIRECTORS TO INCREASE THE SHARE CAPITAL BY CAPITALIZING RETAINED EARNINGS, PROFIT, PREMIUMS OR OTHER ITEMS THAT MAY BE CAPITALIZED

Board of Directors' report

The shareholders are asked, by voting on Resolution 19, to enable the Board of Directors to increase the share capital by capitalizing retained earnings, profit, premiums or additional paid-in capital with a view to granting performance shares.

This authorization would enable the Board of Directors to resolve to increase the share capital by a maximum of €11 million and would be valid for a period of 14 months.

The Annual General Meeting of 19 May 2020 had given the Board of Directors the power to increase the share capital by capitalizing reserves under the same conditions as those stated below. This authorization was used in accordance with the decision taken by the Board of Directors on 23 February 2021 to award one performance share for every ten shares held.

This delegation was used in accordance with the decision taken by the Board of Directors on February 23, 2021 to grant bonus shares on the basis of one bonus share for ten shares held. Following this operation, the new share capital of SEB S.A. was increased by 10%, or 5,030,706 shares. 55,337,770 at March 3, 2021, compared with 50,307,064 at December 31, 2020. The transaction carried out in this context is described in chapter 7 of the 2020 Universal Registration Document.

Resolution 19: Delegation of authority granted to the Board of Directors to increase the share capital by capitalizing retained earnings, profit, premiums or other items that may be capitalized

The Annual General Meeting, meeting as an Extraordinary Annual General Meeting but voting in accordance with the quorum and majority voting requirements for Ordinary Annual General Meetings, having considered the report of the Board of Directors, gives the Board the necessary powers to carry out one or more share capital increases by successively or simultaneously capitalizing some or all of the company's retained earnings, profit or additional paid-in capital or any items that may be capitalized under the bylaws or by law, and to issue and award bonus shares and/or raise the par value of existing shares or a combination of both.

The Annual General Meeting resolves that the maximum par value of share capital increases that shall be made under this delegation may not exceed €11 million; it being noted that this ceiling is independent of the ceiling provided for in **Resolution 18**.

The Annual General Meeting resolves that the Board of Directors shall have the power to decide that fractional shares will be non-transferable and that the corresponding shares will be sold, with the proceeds of such sale attributed to the rights holders no later than thirty (30) days following the date on which the whole number of shares allocated to them is recorded in their account.

The Annual General Meeting fully empowers the Board of Directors, with the option to further delegate in the manner provided for by law and regulations, to determine the timing and terms of the issues, set the amounts thereof, take the necessary action to protect the rights of holders of share equivalents that give immediate or future access to equity, deduct any sums necessary to top up the legal reserve and more broadly take all appropriate measures to enable the successful completion and carry out all actions and formalities required to effect the capital increase(s) and accordingly amend the bylaws.

The Annual General Meeting sets this authorization granted to the Board of Directors at a period of 14 months and consequently decides that this authorization cancels all authorizations given previously for the same purpose.

RESOLUTION 20: AUTHORIZATION TO BE GRANTED TO THE BOARD OF DIRECTORS FOR THE GRANTING OF PERFORMANCE SHARES

Board of Directors' report

In order to provide an ongoing incentive to Group employees by offering them an opportunity to share in the Group's growth and results, shareholders will be asked, in **Resolution 20**, to authorize the Board to grant bonus shares representing up to 220,000 shares or 0.39756% of the share capital, comprising existing shares bought back for this purpose by the company. The grants would be made to some or all employees of the company and its subsidiaries, or to certain categories of those employees and/or to the senior managers referred to in Article L. 225-197-1, II of the French Commercial Code.

All performance shares will vest only if certain performance targets for revenue and Operating Result from Activity are met, as set by the Board of Directors each year, based on budgetary objectives assigned to the Group.

The number of shares allocated to the executive officers will be limited to 19,800 shares or 0.03578% of the share capital for Thierry de La Tour d'Artaise, and to 9,900 shares or 0.01789% of the share capital for Stanislas de Gramont. We would ask shareholders to set the operational performance measurement period at three years, following which the shares shall vest for beneficiaries.

The Board of Directors feels that assessing performance criteria over a sufficiently long period, namely three years, is in accordance with the Group's long-term outlook while remaining a source of motivation for beneficiaries.

We would ask shareholders to fully empower the Board of Directors to set the terms and conditions of these grants, including in order to determine the identity of the beneficiaries of the performance share grants.

This authorization would be given for a period of 14 months from the date of the Annual General Meeting.

Resolution 20: Authorization to be granted to the Board of Directors to grant performance shares

The Annual General Meeting, voting in accordance with the quorum and majority voting requirements for Extraordinary Annual General Meetings, having considered the report of the Board of Directors and the statutory auditors' special report:

- authorizes the Board of Directors, in accordance with Articles L. 225-197-1 to L. 225-197-5 of the French Commercial Code, to award existing bonus shares in the company on one or more occasions, to employees of the company or certain categories of employee and/or to the senior managers referred to in Article L. 225-197-1 II of the French Commercial Code, and to employees and senior managers of companies or economic interest groupings affiliated to the company within the meaning of Article L. 225-197-2 of the French Commercial Code;
- resolves that the total number of shares that may be granted may not exceed 220,000 shares or 0.39756% of the company's share capital on the date of this Annual General Meeting, with the understanding that the number of shares granted to executive officers may not exceed the following limits: 19,800 shares or 0.03578% of the company's share capital on the date of this Annual General Meeting for Thierry de La Tour d'Artaise and 9,900 shares or 0.01789% of the company's share capital at the date of this Annual General Meeting for Stanislas de Gramont.

The Annual General Meeting authorizes the Board of Directors to make stock grants, within the limits set out in the preceding paragraph, using shares bought back by the company in accordance with Articles L. 22-10-61 and L. 22-10-62 of the French Commercial Code.

The Annual General Meeting resolves to set a vesting period of three years with effect from the date of grant by the Board of Directors during which period the rights shall not be transferable and at the end of which the rights shall vest to the beneficiaries, provided the performance targets for revenue and Operating Result from Activity, assessed over the three-year vesting period, have been met, in accordance with Article L. 225-197-3 of the French Commercial Code.

The Annual General Meeting fully empowers the Board of Directors, within the limits set out above, to:

- draw up the list of beneficiaries or decide the category/categories of beneficiaries, bearing in mind that no shares may be allocated to employees or executive officers who individually hold over 3% of the share capital and that the bonus shares may not have the effect of raising the interest held by any such person to above the 3% ceiling;
- determine, on one or more occasions, the amounts and timing of the share awards;
- set the criteria and any other conditions of eligibility for share awards, including but not limited to years of service and continued employment by the company or continuation of the corporate mandate throughout the vesting period;

- set the vesting period, within the limits specified above by the Annual General Meeting;
  - if any of the financial transactions governed by Article L. 228-99 I of the French Commercial Code are carried out during the vesting period, take any and all appropriate measures to protect and adjust the rights of grantees, in accordance with the provisions of said Article.

In accordance with Articles L. 225-197-4 and L. 225-197-5 of the French Commercial Code, the Board of Directors shall prepare a special report for each Ordinary Annual General Meeting on the transactions carried out under this authorization.

The Annual General Meeting sets this authorization granted to the Board of Directors at a period of 14 months and consequently decides that this authorization cancels all authorizations given previously for the same purpose.

RESOLUTION 21: SHARE CAPITAL INCREASES RESTRICTED TO MEMBERS OF A COMPANY OR GROUP SAVINGS SCHEME

Board of Directors' report

Pursuant to the provisions of the French Commercial Code, we ask shareholders, by voting for **Resolution 21**, to empower the Board of Directors, with the option to further delegate, to resolve to carry out one or more share capital increases that are restricted to members of a company or Group Savings Scheme, with waiving of pre-emption rights, up to a maximum of €553,377, or 1% of the share capital.

It should be noted that this delegation is not included in the share capital increase ceiling set in **Resolution 18**.

The issue price of these new shares or share equivalents may not be more than 30% below the average quoted SEB share price on the NYSE Euronext Paris regulated market over the 20 trading sessions preceding the date on which the decision is taken setting the opening date of the subscription period, it being noted that this discount may be raised to 40% for members of a savings scheme, the rules of which specify a lock-up period of at least 10 years.

This delegation would be given for a period of 14 months from the date of this Annual General Meeting and would cancel the delegation given in Resolution 21 of the Annual General Meeting of 19 May 2020.

Resolution 21: Authorization to be granted to the Board of Directors to carry out share capital increases restricted to members of a company or Group Savings Scheme and/or sales of reserved shares with waiving of pre-emption rights

The Annual General Meeting, having considered the report of the Board of Directors and the statutory auditors' special report, as required by law and in particular Articles L. 225-129 to L. 225-129-6 and L. 225-138-1 of the French Commercial Code and Articles L. 3332-1 et seq. of the French Labor Code:

- authorizes the Board of Directors, with the option to further delegate in the manner provided for by law and regulations, to resolve to carry out one or more share capital increases as and when it sees fit, by issuing ordinary shares (other than preference shares) or equity securities giving access to future company shares, restricted to members of a company or Group Savings Scheme: eligible executive officers, employees and former employees of the companies and of French and foreign companies affiliated to it within the meaning of Article L. 225-180 of the French Commercial Code and Article L. 3344-1 of the French Labor Code;
- resolves to set at €553,377 the maximum par value of the share capital increases that may be carried out through the issue of shares, it being noted that the ceiling is independent of the ceiling provided for in **Resolution 18**;
- accordingly resolves to waive pre-emption rights in favor of these members of a company or Group Savings Scheme, to the shares and equity securities giving access to shares to be issued pursuant to this resolution, this decision including a waiver by shareholders of the pre-emption rights to any shares to which the equity securities issued under this delegation may give rise;
- resolves that, pursuant to Articles L. 3332-18 et seq. of the French Labor Code, the subscription price may include a 30% discount off the average company share price on Euronext Paris over the 20 trading sessions preceding the date on which the decision is taken setting the opening date of the subscription period, it being noted that this discount may be raised to 40% for members of a savings scheme, the rules of which specify a lock-up period of at least 10 years. Nevertheless, the Annual General Meeting authorizes the Board of Directors to replace some or all of the discount with a grant of bonus shares or equity securities giving access to future company shares, to reduce or not grant this discount, to the extent permitted by law and regulations;

- resolves that the Board of Directors may, within the limits set by Article L. 3332-21 of the French Labor Code, make matching payments in the form of grants of new or existing bonus shares or equity securities giving access to future company shares, where necessary by capitalizing retained earnings, profit or additional paid-in capital;
- sets the period of validity of this authorization at 14 months from the date hereof and cancels the previous delegation with the same purpose;
- fully empowers the Board of Directors, with the power to delegate in the manner provided for by law and regulations, to determine all the terms and conditions for the various operations and in particular:
  - exclude companies eligible for the company or Group Savings Scheme from the scope of the offering,
  - set the terms and conditions of the issues to be carried out under this delegation of authority, in particular deciding the subscription amounts, and setting the issue prices, dates, deadlines, terms and conditions regarding subscription, paying up, settlement and enjoyment of the shares or equity securities giving access to future shares in the company,
  - as it sees fit, following each capital increase, set the costs of the share capital increases against the related premiums and deduct therefrom the sums necessary to raise the legal reserve to one tenth of the new share capital,
  - carry out all actions and formalities required to affect the capital increase(s) carried out under this authorization, and in particular amend the bylaws accordingly and, more generally, do whatever is necessary.

In accordance with applicable legal provisions, the transactions carried out under this resolution may also take the form of sales of shares to members of a company or Group Savings Scheme.

RESOLUTION 22: AMENDMENT OF ARTICLE 8 OF THE COMPANY'S BYLAWS RELATING TO THE LOWERING OF THE THRESHOLD FOR OWNERSHIP INTERESTS, THE CROSSING OF WHICH MUST BE REPORTED TO THE COMPANY

Board of Directors' report

Historically, the Company's bylaws provide that any natural or legal person, acting alone or in concert, who comes to hold, directly or indirectly, as defined by Articles L. 233-7 and L. 233-9 of the French Commercial Code, 2.5% of the share capital or voting rights, or any multiple of that percentage, shall be required to notify the company of the total number of shares they hold within a period of four trading days of crossing one of these thresholds or any other threshold provided for in law.

We ask shareholders, by voting for **Resolution 22**, to lower the crossing notification threshold from 2.5% to 0.5% and each subsequent multiple of 0.5%, to amend the notification process and to strengthen the penalties for non-compliance, in order to be able to monitor more closely any changes in the company's shareholding. For the purpose of determining the thresholds provided for, the shares and voting rights defined in Article L.233-9 of the French Commercial Code and the related provisions of the General Regulations of the Autorité des Marchés Financiers are deemed to be capital and voting rights, including, but not limited to, options on the company's shares, whether exercisable immediately or in the future, and regardless of the level of the share price in relation to the exercise price of the option.

Resolution 22: Amendment of Article 8 of the Company's bylaws relating to the lowering of the threshold for ownership interests, the crossing of which must be reported to the company

The Annual General Meeting, voting in accordance with the quorum and majority voting requirements for Ordinary Annual General Meetings, having considered the report of the Board of Directors, resolves to amend, as follows, the provisions of Article 8 of the Company's bylaws in order to lower the threshold, the crossing of which must be reported to the Company:

Former text	New Text
The share capital shall be set at fifty-five million three hundred and thirty-seven thousand seven hundred and seventy (55,337,770) euros. It shall be divided into fifty-five million three hundred and thirty-seven thousand seven hundred and seventy (55,337,770) shares with a par value of €1. *Any natural or legal person, acting alone or in concert, who comes to hold, directly or indirectly, as defined by Articles L. 233-7 and L. 233-9 of the French Commercial Code, 2.5% of the share capital or voting rights, or any multiple of that percentage, shall be required to notify the company of the total number of shares they hold within a period of four trading days of crossing one of these thresholds or any other threshold provided for in law. Failure to comply with this obligation and upon request, duly recorded in the minutes of the General Meeting, by one or more shareholders holding at least 5% of the share capital or voting rights, the shares in excess of the amount required to be reported shall be stripped of their voting rights until such time as the situation is rectified and for a period of two years after the date on which they are properly reported.* *This duty to report shall apply under the same procedures and within the same timeframes when the number of shares or voting rights falls below the aforementioned thresholds.* *Each member of the Board of Directors shall be required to hold at least one share.*	*The share capital shall be set at fifty-five million three hundred and thirty-seven thousand seven hundred and seventy (55,337,770) euros. It shall be divided into fifty-five million three hundred and thirty-seven thousand seven hundred and seventy (55,337,770) shares with a par value of €1.* ***Without prejudice to the notification requirements set out in Article L. 233-7 of the French Commercial Code,** any natural or legal person, acting alone or in concert, who comes to hold, directly or indirectly, as defined by Articles L. 233-7 and L. 233-9 of the French Commercial Code, **0.5% of the company's** share capital or voting rights, or any multiple of that percentage, shall be required to notify the **Company, by registered letter with acknowledgement of receipt**, of the total number of shares they hold at the latest within a period of four trading days of crossing one of these thresholds or any other threshold provided for in law. **In the event that the legal threshold has been exceeded, the notification must also include all the information that must be provided to the French Financial Markets Authority (Autorité des Marchés Financiers). The abovementioned notification must be repeated each time a further threshold of 0.5% of the share capital or voting rights is crossed, whether upwards or downwards. For the purpose of determining the thresholds referred to in this Article, the share capital and voting rights defined by the provisions of Article L. 233-9 of the French Commercial Code and those defined by the relevant provisions of the General regulation of the French Financial Markets Authority (Autorité des Marchés Financiers) shall be considered to be the share capital and voting rights referred to in the first paragraph.** Failure to comply with the abovementioned duty to report and upon request, **duly recorded in** the minutes of the General Meeting, by one or more shareholders holding at least **0.5%** of the share capital or voting rights, **will result in the shares in excess of the amount that has not been properly reported being stripped of their voting rights until** such time as the situation is rectified and for **any Shareholders' Meetings that may take place** within a period of two years after the date on which they are properly reported.* *This duty to report shall apply under the same procedures and within the same timeframes when the number of shares or voting rights falls below the aforementioned thresholds.* *Each member of the Board of Directors shall be required to hold at least one share.*

RESOLUTION 23: COMPLIANCE OF THE COMPANY'S BYLAWS WITH THE NEW ARTICLES OF THE FRENCH COMMERCIAL CODE ARISING FROM ORDER NO. 2020-1142 DATED 16 SEPTEMBER 2020

Board of Directors' report

The new Articles of the French Commercial Code arising from Order no. 2020-1142 dated 16 September 2020 require harmonization with the Articles referred to in the Company's bylaws. In order to comply with these legislative changes, we propose, by voting for **Resolution 23**, to bring the bylaws into compliance with the new numbering of the French Commercial Code.

Resolution 23: Compliance of the Company's bylaws with the new Articles of the French Commercial Code arising from Order no. 2020-1142 dated 16 September 2020

The Annual General Meeting, voting in accordance with the quorum and majority voting requirements for Extraordinary General Meetings, having considered the Board of Directors' report, resolves to amend the Company's bylaws in order that they comply with the new numbering of the French Commercial Code currently in force.

RESOLUTION 24: POWERS TO CARRY OUT FORMALITIES

Board of Directors' report

Resolution 24 is a customary resolution whose purpose is to submit for shareholder approval the powers given in order to carry out any public announcements and legal formalities that result from the decisions of the meeting.

Resolution 24: Powers to carry out formalities

The Annual General Meeting gives full powers to the bearer of an original, extract or copy of the minutes of this meeting to carry out any and all formalities required by law.

8.3 Statutory auditors' report on regulated agreements

Shareholders' Meeting for the approval of the financial statements as of December 31, 2020

This is a free translation into English of the Statutory auditors' report on regulated agreements issued in French and it is provided solely for the convenience of English-speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders' Meeting of SEB SA,

In our capacity as your company's Statutory auditors, we hereby report to you on regulated agreements.

It is our responsibility to report to the shareholders, based on the information provided to us, on the main terms, conditions and reasons underlying the company's interest of agreements that have been disclosed to us or that we may have identified as part of our engagement, without commenting on their relevance or substance or identifying any undisclosed agreements. Under the provisions of Article R. 225-31 of the French Commercial Code, it is the shareholders' responsibility to determine whether the agreements are appropriate and should be approved.

Where applicable, it is also our responsibility to provide the shareholders with the information required by Article R. 225-31 of the French Commercial Code in relation to the implementation during the year of agreements already approved by the Shareholders' Meeting.

We performed the procedures that we deemed necessary in accordance with the guidance issued by the French Institute of Statutory auditors (Compagnie Nationale des Commissaires aux comptes) for this type of engagement. These procedures consisted in verifying that the information given to us is consistent with the underlying documents.

AGREEMENTS SUBMITTED TO THE APPROVAL OF THE SHAREHOLDERS' MEETING

Agreements authorized and concluded during the financial year

We inform you that we have not been advised of the conclusion and authorisation over the past financial year of any agreement which, in accordance with the provisions of article L.225-38 of the French commercial code, should be put before the shareholders' meeting for approval.

AGREEMENTS PREVIOUSLY APPROVED BY THE SHAREHOLDERS' MEETING.

Agreements approved in previous years which have been pursued during the last year

In accordance with Article R. 225-30 of the French Commercial Code, we have been informed of the following agreements approved in prior years and which remained current during the last year.

With the company Zhejiang Supor Co Ltd

Nature and purpose: “Master Joint Research and Development Agreement” aimed at conducting joint research and development projects on products and technologies of interest to both SEB SA and Zhejiang Supor Co Ltd, so as to pool the experience and know-how of both parties with respect to cookware and electrical cooking appliances.

Terms and conditions: The “Master Joint Research and Development Agreement” covers reciprocal exclusivities in relation with projects jointly developed. Industrial property rights that may be registered will be jointly managed and registered by Zhejiang Supor Co Ltd and SEB SA in their respective territories. For its manufacturing needs, SEB SA will nevertheless be granted a free and permanent license for rights registered in Zhejiang Supor Co Ltd territories.

This agreement was authorized by the Board of Directors on April 13, 2012 and concerns Mr Thierry de LA TOUR D'ARTAISE, Chairman and Chief Executive Officer of your company and Chairman of the Board of Directors of Zhejiang Supor Co Ltd.

For the 2020 financial year, the cooperation agreement resulted in the sharing of resources and employees on three projects in the Home & Personal Care category and seven in the Cookware category. The advancement of the projects was impacted by the health crisis. There is no new project that has begun in 2020.

With Mr Thierry de LA TOUR D'ARTAISE

The agreement previously approved between Mr Thierry de LA TOUR D'ARTAISE and the company, were renewed during (i) the renewal of his term of office as director at the General Meeting of May 19, 2020 (4th resolution), (ii) the approval of the renewal of his agreement by the same General Meeting (9th resolution) and, (iii) the renewal, by the Board of Directors on May 19, 2020, of his office as Chairman and Chief Executive Officer.

1. Nature: Termination benefits and maintenance of stock options stipulated in the employment contract, suspended on March 1st, 2005, of Mr Thierry de LA TOUR D'ARTAISE, CEO of SEB SA.

Terms and conditions:

- In the event the employment contract is terminated at the employer's initiative, except on grounds of serious misconduct or gross negligence, or due to forced departure as a result of a change in the control of Groupe SEB, his overall termination benefits shall be equivalent to two years' compensation, payable subject to the performance criteria described in the agreement below.
- In the event Mr Thierry de LA TOUR D'ARTAISE's employment contract is terminated, except for serious misconduct or gross negligence, he will be entitled to all the share purchase or subscription options granted to him under the same exercise terms and conditions that would have applied had he remained in office. This provision shall also apply in the event Mr Thierry de LA TOUR D'ARTAISE's employment contract is terminated pursuant to a decision from the Group, were such decision to arise from a change in the control of the Group. However, he shall forfeit the options that would have been granted to him over the 18 months prior to the termination of his term of office as corporate officer should he resign at his own initiative.

2. Nature: Determination of the performance criteria governing the payment of termination benefits to the Chairman, as stipulated in his employment contract.

Terms and conditions: The Chairman's termination benefits, equivalent to two years' earned compensation plus bonuses, are adjusted based on actual performance in relation to targets over Mr. Thierry de LA TOUR D'ARTAISE's last four years of service as follows:

- If the average percentage achieved is below 50%, no termination benefits shall be paid;
- If the average percentage achieved is between 50% and 100%, termination benefits shall range from 75% to 100% of the base used for calculation, determined on a straight-line basis;
- If the average percentage achieved is higher than 100%, termination benefits shall equal 100% of the base used for calculation.

The Board of Directors retains the right to reduce such termination benefits, by half at most, if the previous year-end presents a net loss, without such benefits falling below the fixed compensation plus bonuses of the previous year-end, should application of the performance criteria based on the achievement of objectives entitle the payment of termination benefits.

3. Nature and purpose: Individual life insurance plan for Mr Thierry de LA TOUR D'ARTAISE, Chairman of SEB SA.

Terms and conditions: In addition to senior management's Group death, disability and related benefit insurance plan, Mr Thierry de LA TOUR D'ARTAISE is the beneficiary of an individual life insurance policy with a capital totaling €3,652,134. The expense recorded for the year ended December 31, 2020 totals €66,968.

4. Nature and purpose: Supplementary and top-up retirement plan.

Terms and conditions: As with all other members of the Executive and Management Committees, Mr Thierry de LA TOUR D'ARTAISE is entitled to a supplementary and top-up retirement plan.

This scheme complements the statutory schemes and is composed as follows:

- a defined-benefit deferred compensation plan, under which beneficiaries are subject to seniority and presence conditions. The amount of benefits payable under this plan in addition to the applicable statutory schemes represents up to 25% of a reference remuneration calculated on the average of the target remuneration for the past three years;
- a defined-benefit supplementary pension plan, under which under which beneficiaries are also subject to seniority and presence conditions. Entitlements under this plan vest at an annual rate of 0.8% of a reference remuneration calculated on the average of the target remuneration for the past three years and capped at 20 years' seniority.

This dispositive guarantees annuities equivalent to a 41% maximum compensation replacement rate, including the benefits of statutory retirement plans. The reference salary, which is used as the basis for calculating the retirement benefits, is limited to 36 times the French Social Security ceiling prevailing at the date of calculation.

Payment is subject to the following conditions:

- The executive officer must be at least 60 years of age, having definitively stopped working and having settled the basic retirement entitlements of the supplementary and mandatory AGIRC and ARCCO plans.
- The executive officer shall only receive the guaranteed rate upon leaving the Group to claim his retirement benefits. However, he shall be entitled to benefits in the event his employment contract be terminated after he is 55, if he subsequently ceases to exercise a professional activity.
- The executive officer must have sat on the Executive or the Management Committee for eight years. The maximum duration of the vesting period is 20 years.

For senior executives, including Mr. Thierry de LA TOUR D'ARTAISE, present on July 3, 2019, the provisions of Order No. 2019-697 of July 3, 2019 relating to supplementary occupational pension schemes obliged the Group to freeze and close this scheme on December 31, 2019.

Groupe SEB executives became potentially eligible for the defined benefit plans after eight years of service on the Groupe SEB Executive Committee, and subject to completion of their careers within the Group. A new scheme will be set up under the French Pact Law and Ordinance no. 2019-697 for the same population as soon as the conditions for applying the provisions are known (Ministerial Circular from the Social Security Department SD3C currently being drawn up).

With regards to the collective supplementary retirement plans of executive directors, Mr. Thierry de LA TOUR D'ARTAISE has reached the maximum of the rights that he could acquire given his age and seniority.

With Mr Stanislas de GRAMONT

Following his appointment as Deputy Chief Executive Officer as of December 3, 2018, the corporate officer agreement was taken in favor of Mr. Stanislas de GRAMONT:

1. Nature: Termination compensation in the event of revocation of his corporate appointment

Terms and conditions: In the event his duties were terminated, Mr Stanislas de GRAMONT shall receive a severance payment equivalent to two years' compensation (fixed and variable) less any amounts due to be paid as a result of a non-competition clause.

- The remuneration used as a reference for the calculation of the termination compensation is made up of the last two years of fixed and variable remuneration perceived by Mr. Stanislas de Gramont as Deputy CEO.
- Payment of this indemnity is subject to the performance criteria described in the agreement below.

2. Nature: Determination of the performance criteria governing the payment of termination benefits to the Deputy CEO in the event of the revocation of his mandate.

Terms and conditions: The termination benefit, equivalent to two years' compensation will be adjusted based on actual performance in relation to targets over the last four years of service:

- if the average rate is below 50%, no termination compensation shall be paid;
- if the average rate is between 50% and 100%, termination compensation shall range from 75% to 100% of the base used for calculation, determined on a straight-line basis;
- if the average rate is higher than 100%, termination compensation shall equal 100% of the base used for the calculation;

3. Nature: Non-compete compensation in the event of revocation or dismissal.

Terms and conditions: In the event of the interruption of his mandate, by revocation or dismissal, Mr Stanislas de GRAMONT, Deputy CEO, agrees not to practice any form of professional activity for a Groupe Seb competitor engaged in the development, manufacture or commercialization of products which have, are or shall be developed, manufactured or commercialized in the future by Groupe Seb. In return for the fulfillment of this obligation, and for the period for which it is applicable (one year renewable once), Mr Stanislas de GRAMONT will receive a monthly amount of non-compete compensation from the company equal to 50% of the average monthly salary (fi x and variable) paid to him over the last twelve months of his presence within the Group.

The Board of Directors can release Mr Stanislas de GRAMONT from this obligation by waiving the non-competition clause.

4. Nature: Individual life insurance plan in favor of Mr Stanislas de GRAMONT, Deputy CEO of Groupe Seb.

Terms and conditions: In addition to the Group's collective provident device, Mr Stanislas de GRAMONT may benefit from individual death insurance.

5. Nature: Supplementary and top-up retirement plan.

Terms and conditions: As with all other members of the Executive and Management Committees, Mr Stanislas de GRAMONT is entitled to a supplementary and top-up pension plan.

This scheme complements the statutory schemes and is composed as follows:

- a defined-benefit deferred compensation plan, under which beneficiaries are subject to seniority and presence conditions. The amount of benefits payable under this plan in addition to the applicable statutory schemes represents up to 25% of a reference remuneration calculated on the average of the target remuneration for the past three years;
- a defined-benefit supplementary pension plan, under which beneficiaries are also subject to seniority and presence conditions. Entitlements under this plan vest at an annual rate of 0.8% of a reference remuneration calculated on the average of the target remuneration for the past three years and capped at 20 years' seniority.

This dispositive guarantees annuities equivalent to a 41% maximum compensation replacement rate, including the benefits of statutory retirement plans. The reference salary, which is used as the basis for calculating the retirement benefits, is limited to 36 times the French Social Security ceiling prevailing at the date of calculation.

Payment is subject to the following conditions:

- The executive officer must be at least 60 years of age, having definitively stopped working and having settled the basic retirement entitlements of the supplementary and mandatory AGIRC and ARCCO plans.
- The executive officer shall only receive the guaranteed rate upon leaving the Group to claim his retirement benefits. However, he shall be entitled to benefits in the event his employment contract be terminated after he is 55, if he subsequently ceases to exercise a professional activity.
- The executive officer must have sat on the Executive or the Management Committee for eight years. The maximum duration of the vesting period is 20 years.

For senior executives, including Mr Stanislas de GRAMONT, present on July 3, 2019, the provisions of Order No. 2019-697 of July 3, 2019 relating to supplementary occupational pension schemes forced the Group to freeze and close this scheme on December 31, 2019. Groupe SEB executives became potentially eligible for the defined benefit plans after eight years of service on the Groupe SEB Executive Committee, and subject to completion of their career with the Group.

In accordance with the option offered by the reform of supplementary retirement plans resulting from the order of July 3, 2019 taken in application of the Pacte law, Mr Stanislas de GRAMONT has expressed his wish to remain in the previous supplementary retirement plan and has thus renounced to adhere to the new collective supplementary retirement scheme under development.

Consequently, no change has occurred in the content of the regulated agreement concluded with Mr. Stanislas de Gramont as approved by the General Meeting of May 22, 2019.

Lyon and Courbevoie, March 26, 2021

The Statutory auditors

PricewaterhouseCoopers Audit	**Mazars**
Elisabeth L'hermite	Francisco Sanchez

9 Additional information

9.1 Glossary

Performance shares

Bonus shares allocated by the Board of Directors to the executive officers, members of the Executive Committee and directors and managers of the Group, on expiry of a vesting period and subject to the associated performance conditions having been met.

These shares reward the achievement of the Group's long-term objectives, and their allocation is entirely subject to the performance conditions having been fulfilled.

These performance conditions cover revenue and Operating Result from Activity targets and are assessed on an annual basis over a three-year period. The achievement rates are set each year by the Board of Directors on a proposal of the Governance and Remuneration Committee.

Family shareholders

The family shareholding represents all the shareholders from the Group's founding family.

The majority of shareholders from the Founder Group are represented by three family holdings/organizations: VENELLE INVESTISSEMENT, GÉNÉRACTION and FÉDÉRACTIVE.

Their shareholder strategy gives family shareholders influence over company policy and governance. Certain family shareholders operate a concerted voting block through a shareholder agreement: see page 326 of Chapter 7 of the Universal Registration Document: Shareholder agreement - Concerted voting block.

Registered shares

As opposed to bearer shares, registered shares give the company a better understanding of its shareholders and promote direct contact with them.

There are 2 ways registered shares can be held:

- Direct registration: the shares are registered in shareholder's name with the SEB Share Service, where they are held and managed free of charge;
- Administered registration: the shares are held and managed by a financial intermediary. They are also registered with Groupe SEB's Share Service.

Registered securities entitle the holder to certain benefits, including the granting of a dividend supplement equal to 10% of the dividend for all registered shares held for more than 2 years.

Bearer shares

Shares are held in a securities account by the shareholder's financial intermediary. The name of the shareholder is not, therefore, directly known to Groupe SEB. In this case, the purchase and ongoing management of their securities are entrusted to the financial intermediary of their choice.

BtoB

Business to Business: Refers to the range of commercial activities that take place between two companies, as opposed to activities that take place between a company and an individual.

Business Unit (BU)

An organizational unit within the company that focuses on a certain area of business. A BU is managed independently and has its own objectives and resources.

Free cash flow

Free cash flow corresponds to adjusted EBTIDA, after considering changes in operating working capital, recurring capital expenditures (CAPEX), taxes and financial expenses, and other non-operating items.

Code of Ethics

Since 2012, Groupe SEB's Code of Ethics has documented the 18 fundamental ethical principles that the Group wants all its employees to observe, in all circumstances and in all countries. It is available from the following address:
https://www.groupeseb.com/en/our-code-ethics

CIR (crédit d'impôt recherche, research tax credit)

The CIR is a tax incentive which purpose is to promote innovation and competitiveness of french companies. Through this tax credit, companies can incur research and development expenses and receive partial reimbursement for these expenses.

Click & Mortar

Refers to retailers that have added online activities (click) to their traditional models (mortar). This retail model is the opposite of that of pure players, like Amazon in online sales.

Customer/Consumer

Within the Group, whose business model is generally BtoB, the term customer refers to a retailer and the term consumer refers to the ultimate consumer. Where sales are made direct to the consumer, particularly through the Group's retail network, the term customer refers to the consumer.

AFEP-MEDEF Code

Corporate governance standards developed by AFEP and MEDEF since 1995. This Code enables listed companies to improve their operations and management in a very transparent manner and to fulfill the expectations of investors and the general public. Followed by almost all the companies in the SBF 120, it provides a set of recommendations on corporate governance and notably, on the remuneration of their senior executive and non-executive officers. The code was last revised in January 2020.

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. It also includes financial debt from application of the IFRS 16 standard "Leases" in addition to short-term investments with no risk of a substantial change in value but with maturities of over three months.

Duty of Vigilance

The duty of vigilance is an obligation imposed upon principal contractors to anticipate the social, environmental and governance risks associated with their operations, but which may also extend to the activities of their subsidiaries and commercial partners (subcontractors and suppliers).

DPEF déclaration de performance extra-financière, non-financial performance report

The DPEF is current legal and regulatory framework for the publication of sustainable development information for companies in France, as set out in Order No. 2017-1180 of 19 July 2017 on the disclosure of non-financial information by certain large undertakings and groups. It replaces the existing mechanism for the publication of sustainable development information in France (called "Grenelle II" reporting, by reference to Law No. 2010-788 of 12 July 2010 on national commitment for the environment, sometimes called the "Grenelle II" Law).

Double voting rights

Double voting rights are allocated to any fully paid-up share provided that it has been held in registered form in the name of the same shareholder for a period of 5 years. Double voting rights are defined in article 35 of the Group's bylaws. See page 323.

Pre-emption rights

A benefit conferred by Article 225-132 of the French Commercial Code to shareholders of a limited company, that enables them to exercise a preferential right to acquire new shares issued during a share capital increase, within a given timescale and in accordance with the conditions set out by the Extraordinary General Meeting.

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.

Home & Cook

Home & Cook is a Groupe SEB store selling products from its various brands (e.g. Calor, Rowenta, Moulinex, Seb, Tefal, Krups, Lagostina, etc.)

IFRS

International Financial Reporting Standards. Accounting standards with which listed companies are required to comply when preparing their accounts, in order to harmonize the presentation of their financial statements.

IFRS 16

New accounting standard for leases that requires a liability and a right of use to be recognized in the balance sheet for leases meeting certain criteria (term of lease, materiality, etc.)

ISO 14001

ISO 14001 is a standard applied to environmental management systems to address the environmental concerns of consumers. It was created by the International Standards Organization (ISO). It applies to any entity wishing to implement an ecologically-friendly system. The entity will be required to update its environmental policy in order to improve its performance in this area and to ensure it complies with the standard.

Executive officers

These are the Chairman and Chief Executive Officer, the Chief Operating Officer, the Chairman of the Board of Directors and members of the Board of Directors of SEB S.A.

Senior Executive Officers

These are the Chairman and Chief Executive Officer and the Chief Operating Officer.

Growth Drivers

Growth drivers include all the levers, including advertising, marketing and innovation, that a company can put into action to successfully market its product or brand.

MSCI

A ratings and financial and non-financial research agency of international renown that specializes in the analysis of environmental, social and corporate governance factors.

www.msci.com

ORNAE

Bonds with optional reimbursement in cash and/or existing shares (from the French, Obligations à Option de Remboursement en Numéraire et/ou en Actions Existantes).

These bonds were issued on 17 November 2016 (ISIN code FR0013218807) in the amount of €150 million, maturing on 17 November 2021.

This type of convertible bond does not require new shares to be issued as, in the event of the exercise of the share allotment right, holders will receive an amount in cash and, where appropriate, an amount payable in existing shares.

ITO

An Independent Third-party Organization responsible for confirming that the information published in the Group's non-financial performance report is complete and accurate. The Group's independent third-party organization is Mazars, the company's statutory auditor.

SDE

Small Domestic Equipment

SEA

Small Electrical Appliances

Dividend supplement

This is paid for any shares registered before 31 December of any year, which are held in this form for two consecutive financial years in the same shareholder's name, up to a statutory maximum shareholding of 0.5%. The amount of the dividend supplement is equal to 10% of the ordinary dividend, the maximum amount authorized by current legislation.

Loyalty program (LP)

These programs, led by the distribution retailers, consist in promotional offers in a product category to loyal consumers who have made a series of purchases within a short period of time. The promotional programs enable distributors to boost footfall in their stores, and consumers to access our products at discounted prices.

Pure players

A pure player is an actor or company operating exclusively online, as opposed to actors who have a presence several distribution channels.

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.

Profit attributable to owners of the parent

This corresponds to the total consolidated net profit (profits generated by all the companies in the Group), minus the share that belongs to the third-party shareholders of subsidiaries that the Group does not fully own.

SAPIN II

French Law No. 2016-1691 of 9 December 2016 on transparency, the fight against corruption and the modernization of economic life.

SEB

The Société d'Emboutissage de Bourgogne (Burgundy Stamping Company). SEB refers to Groupe SEB, while Seb refers to the Group's product brand (pressure cooker, Actifry, etc.)

Specialist stores

Specialist superstores are large stores, usually located close to hypermarkets, that specialize in the sale of cookware or electrical appliances.

Traditional stores

Traditional stores are conveniance stores in most cases, still very established in emerging countries. Given the limited storage space, the selections on offer are more limited than in large specialist stores or through online commerce. Here, the consumer is primarily looking for proximity, convenience and human contact, which have been maintained despite the rise of new stores.

URD

Universal Registration Document. This new document, arising as a result of the entry into force on 21 July 2019 of Regulation (EU) 2017/1129, known as "Prospectus 3", replaces the registration document. In addition to its new name, this document meets the objective of improving readability for shareholders and investors by adding more detailed information on:

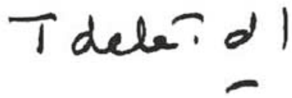
- strategy,
- non-financial information,
- risk factors.

9.2 Declaration by the person responsible for the Universal Registration Document containing the annual report

I hereby declare that the information contained in this Universal 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 and that the elements of the Management Report contained in this document, as specified in the concordance table in section 9.4, present 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.

6 April 2021.



Chairman and CEO

Thierry de La Tour d'Artaise

9.3 Statutory auditors and audit fees

STATUTORY AUDITORS

- **PricewaterhouseCoopers Audit, represented by:**

Elisabeth L'Hermite

Grand Hôtel-Dieu 3 Cour du Midi - 69287 LYON CEDEX 02,

appointed by the Ordinary General Meeting of 12 May 2015.

Term: Ordinary General Meeting of 2021.

- **Mazars, represented by:**

Francisco Sanchez

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)	2020	2019	2020	2019	2020	2019	2020	2019
AUDIT								
Statutory auditor, certification, review of individual and consolidated financial statements	1,876	1,889	89%	85%	2,358	2,260	95%	90%
Other services performed by the networks for fully integrated subsidiaries	**229**	**343**	**11%**	**15%**	**123**	**262**	**5%**	**10%**
TOTAL	**2,105**	**2,232**	**100%**	**100%**	**2,481**	**2,522**	**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			
Objective and exhaustive analysis of developments in the company's and Group's business, performance and financial position	205-224	X	X
Key non-financial performance indicators relevant to the company's specific business activity	123-200		X
Significant stakes acquired during the financial year in companies headquartered in France	219	X	X
Significant events that occurred between the financial year-end and the date on which the report was drawn up	221	-	X
Foreseeable developments regarding the position of the company and the Group	221	X	X*
Dividends distributed over the three preceding financial years and amount of income distributed for these years	338		X
Presentation of the Group			
Description of the main risks and uncertainties faced by the company	46-61	X	X*
The company's use of financial instruments: objectives and policy in relation to financial risk management	270-282	X	X
Company's exposure to price, credit, liquidity or cash flow risks	279-282	X	X
Social and environmental consequences of business (including "Seveso" facilities)	123-200		X
Research and development activities	24-27	X	X
Information on the company and its share capital			
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	65, 86-92		X
Powers of the Board of Directors or Management Board, in particular concerning the issue or buyback of shares	332-333	X	X
Purchases and sales of treasury stock during the financial year	332-333	X	X
Adjustments for share equivalents in the event of share buybacks or financial transactions	-	-	-
Structure of and changes to the company's share capital	328-331	X	X
Statutory limitations on the exercise of voting rights and transfer of shares or clauses in agreements brought to the attention of the company	326-330	X	X
Direct or indirect shareholdings in the company of which the company is aware	324-331	X	X
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	334-335		X
Holders of any securities conferring special control rights and a description of those rights	-		-
Control mechanisms within any employee shareholding system, where control rights are not exercised by the employees	-		-
Agreements between shareholders of which the company is aware and which may give rise to restrictions on share transfers and voting rights	328-330	X	X
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	-		-
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	95-121, 285,		X
Injunctions or fines as a result of anti-competitive practices	-		-

* *The management report was approved by the board of directors on its February 25, 2020 meeting and does not include the elements subsequent to its holding.*

9

	Page numbers	Annual Financial Report	Management report
Financial statements			
Changes in the presentation of the financial statements or in the valuation methods used	285	X	
Profit over the last five financial years	317	X	
Consolidated financial statements	225-299	X	
Company financial statements	301-322	X	
Statutory auditors' reports on the company and Consolidated Financial Statements	293-297, 318-322	X	
Fees paid to the Statutory auditors	368	X	
Corporate governance report			X
Information on the composition, operation and powers of the Board of Directors:			
Reference to a Corporate Governance Code	64		
Composition of the Board of Directors and conditions governing the preparation and organization of meetings	65-93		
Principle of gender balance	65		
List of the offices and positions of each director	67-80		
Agreements signed between a director or a shareholder holding more than 10% of the voting rights and a subsidiary	83		
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			
Conditions governing the exercise of executive powers	64		
Conditions governing shareholder participation in Annual General Meetings	92		
Information on the remuneration of executive officers:	95-121		
Remuneration policy (ex-ante say on pay)			
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			
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			
Conditions for the exercise and retention of stock options by executive officers			
Conditions for the retention of performance shares awarded to executive officers			
Transactions by senior managers and associated persons involving the company's shares			
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			
Information on factors which could affect a takeover bid	326		
Statutory auditors' report on the Corporate governance report	320	X	X
Report by one of the statutory auditors on the consolidated human resources, environmental and social information included in the management report	203-205	X	X
Statutory auditors' report on regulated agreements and commitments	359-362	X	
Declaration by the person responsible for the Annual Financial Report	367	X	

9.5 Cross-reference table for the Universal Registration Document

The following information is incorporated by reference in this Universal Registration Document:

- The Universal Registration Document for the 2019 financial year was filed with the French Financial Markets Authority on 09 April 2020, under number D.20-0282. The Consolidated Financial Statements appear on pages 202 to 269 and the corresponding audit report appears on pages 270 to 274 of this document.
- The Registration Document for the 2018 financial year was filed with the French Financial Markets Authority on 01 April 2019, under number D.19-0236. The Consolidated Financial Statements appear on pages 199 to 267 and the corresponding audit report appears on pages 268 to 271 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: Universal Registration Document	References: Website sustainable development section
SOCIAL PERFORMANCE INDICATORS					
Employment					
Total employees	1.a-1	LA1		page 148	Key figures
Breakdown of employees by gender	1.a-1	LA1/LA13		page 153	
Breakdown of employees by age group	1.a-1	LA13		page 154	
Breakdown of employees by geographical region	1.a-1	LA1		page 148	
Breakdown of employees by type of work		LA1		page 150	
Breakdown of employees by employment contract type		LA1		page 153	
Hires	1.a-2	LA2		page 149	
Redundancies	1.a-2	LA2		page 149	
Remuneration	1.a-3	LA3/LA14		page 162	
Change in remuneration over time	1.a-3	LA3		page 162	
Organization of work					
Organization of working hours	1.b-1			page 165	
Absenteeism	1.b-2	LA7		page 165	
Labor relations					
Organization of employee-management dialog	1.c-1	LA4/LA5	3	page 155	
Collective bargaining agreements	1.c-2	LA4/LA5		page 155	
Health and safety					
Workplace health and safety conditions	1.d-1	LA6/LA8	4-5	pages 157-161	Health/Safety
Agreements signed with trade unions in relation to workplace health and safety	1.d-2	LA9		page 155	
Frequency and severity of workplace accidents	1.d-3	LA7		page 160	
Work-related illness	1.d-3	LA7		page 161	Health/Safety
Training					
Policies in place with regard to training	1.e-1	LA11		pages 163-165	Expertise
Total number of training hours	1.e-2	LA10		page 164	
Number of employees receiving regular performance and career development reviews		LA11		page 163	
Equal opportunity					
Measures taken to promote gender equality	1.f-1	LA14		pages 151-153	Fairness and diversity
Measures taken to promote employment opportunities for and integration of disabled people	1.f-2	LA13		page 153	Fairness and diversity
Anti-discrimination policy	1.f-3	LA13		page 152	Fairness and diversity
Governance					
Composition of corporate governance bodies		LA13		chapitre 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 155	Respect for ethics
Elimination of discrimination in employment and occupation	1.g-2	HR4/LA13/LA14	6	pages 151-153	Fairness and diversity
Elimination of forced or compulsory labor	1.g-3	HR6/HR7		pages 142-143	Respect for ethics
Effective abolition of child labor	1.g-4	HR6	4 - 5	pages 142-143	Respect for ethics

Indicators	Grenelle 2 – Article 225	GRI 3.1	Global Compact	References: Universal Registration Document	References: Website sustainable development section
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 142-143	
Total number of training hours for employees on policies and procedures regarding Human Rights relevant to their job; percentage of employees trained		HR3		page 142	
Evaluation				page 142	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	page 143	
Corrective action					
Number of Human Rights grievances filed, handled and resolved according to a Human Rights grievance management procedure		HR11	1 and 2	page 143	
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 187-189	Shrink our environmental footprint
Employee training and education initiatives taken with regard to safeguarding the environment	2.a-2			page 125	
Resources allocated to prevent environmental risks and pollution	2.a-3	EN30		page 196	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 281	
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 196-197	Eco-manufacturing
Measures to prevent noise pollution and any other form of pollution stemming from operations	2.b-3	EN25		page 196	Eco-manufacturing
Total discharge into water		EN21	7 to 9	page 196	
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 185	Recycling for reuse
Total waste produced		EN22/EN24		page 195	
Measures against food waste				page 178	

Indicators	Grenelle 2 – Article 225	GRI 3.1	Global Compact	References: Universal Registration Document	References: Website sustainable development section
Sustainable use of resources					
Water consumption and supply according to local constraints	2.c-1	EN8/EN9/EN21		page 194	
Consumption of raw materials	2.c-2	EN1		page 194	
Consumption of recycled materials		EN2		pag 184	Eco-design
Measures taken to improve the efficient use of raw materials	2.c-2	EN10		pages 190-191	Eco-design; Eco-manufacturing
Energy consumption	2.c-4	EN1/EN3/EN4		page 194	Eco-design; Eco-manufacturing
Measures taken to improve energy efficiency and use of renewable energy	2.c-4	EN5/EN6/EN7		pages 193-194	Eco-design
Land use	2.c-3		7 to 9	page 196	
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 187-188	Shrink our environmental footprintT
Adaptation to the consequences of climate change	2.d-2	EN18/EC2	7 to 9	pages 187-200	
Biodiversity protection					
Measures taken to preserve or promote biodiversity	2.e-1	EN11 to EN15/ EN25	7 to 9	pages 196	
Products and services					
Initiatives to reduce the environmental impact of products and services; scope of these initiatives		EN26	7 to 9	page 186 et 190-191	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 197-199	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 170	
On neighboring or local populations	3.a-2	EC1/EC6/SO1/ SO9/SO10		page 170	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 136-138	
Corporate partnership or philanthropy actions	3.b-2	EC1		pages 166-170	
Contractors and suppliers					
Inclusion of social and environmental criteria in the procurement policy	3.c-1	EC6/HR2/ HR 5 to 7		pages 144-145	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 144-145	Ethics, Responsible purchasing
Fair business practices					
Actions taken to prevent corruption	3.d-1	SO2 to SO4/SO7/ SO8	10	page 143	Respect for ethics
Measures taken to promote consumer health and safety	3.d-2	PR1/PR2		pages 172-173	Respect of consumers
Anti-competitive practices					
Total number of legal proceedings for anti-competitive practices, violation of anti-trust laws and monopolistic practices and outcomes of these proceedings		SO7		-	

NOTES

Designed & published by LABRADOR INFORMATION DESIGN +33 (0)1 53 06 30 80

This document is printed in compliance with ISO 14001.2018 for an environmental management system.

Thank you!

to our 33,000 employees,
to our customers,
to our consumers and
to our stakeholders
who have supported
and helped us going
through this so special year.

2020

WWW.GROUPESEB.COM

Groupe SEB
Campus SEB – 112, chemin du Moulin-Carron
69130 Ecully – France
Tel: +33 (0)4 72 18 18 18