



**better living**  
**2016**



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TO MAKE CONSUMERS' EVERYDAY LIVES  
EASIER AND MORE ENJOYABLE AND  
TO CONTRIBUTE TO **BETTER LIVING**,  
ALL AROUND THE WORLD

- By creating new products and services to make consumers' domestic lives more pleasant, harmonious and fulfilling;
- By offering solutions to meet their existing needs and anticipate their personal expectations and desires.

**Our mission**







Groupe SEB's strategy is based on a long-term vision that consists of finding **just the right balance between growth and competitiveness** in order to create value for all its stakeholders by positioning itself as **THE reference in Small Domestic Equipment**

Thanks to its sound fundamentals and passionate, motivated teams, the Group can get through troubled times calmly and with agility, harness all opportunities for growth and focus on achieving excellence, whilst also reinforcing its competitiveness and performance.

Preserving major fundamentals also relies on a company philosophy based on a sense of responsibility, solidarity and commitment.

Groupe SEB has a set of **strong values**, handed down from its founders, which have shaped and nourished its spirit since the very beginning.

**GROUP SPIRIT  
ENTREPRENEURIAL DRIVE  
PASSION FOR INNOVATION  
RESPECT FOR PEOPLE  
PROFESSIONALISM**

**Our vision**

## PRIORITISING GROWTH

By resolutely implementing a strong and differentiating innovation policy, enabling us to offer products and services that fit in perfectly with consumer expectations.

By drawing on the strength and the complementary nature of our brands, which allow us to cover all market segments, from entry level to premium products.

By managing a clear sales approach, well segmented by distribution channel, by brand and by country, and by developing trust-based relationship with our retailers.

By pursuing a unique international growth strategy, in mature countries as well as in emerging markets, aiming at local leadership.

## MONITORING COMPETITIVENESS

Through the permanent and responsible adaptation of our industrial tool, by developing best practices and implementing a rigorous quality control system at a very early stage in the process.

Through the strict daily management of our organisation, infrastructure and costs.

Through the constant optimisation of our supply chain.



An aerial photograph of a modern building's roof, showing a person sitting on the edge. The roof is light-colored with dark metal flashing. The building is surrounded by a lush green landscape with tall grasses and a body of water.

## BEING RESPONSIBLE

- By ensuring the Group's ethical principles are respected.
- By pursuing a responsible employment policy.
- By developing territories and communities commitment.
- By creating sustainable innovations to meet consumer needs.
- By reducing our environmental impact.

our **strategy**





“

We remain firmly convinced that our well-balanced business model, combining profitable growth and a resolutely responsible approach, creates value for everyone and is fully consistent with our contribution to **better living** in households around the world.

”

### 2016: a great year for the Group!

The Group achieved record performances in 2016. We reached the threshold of **€5 billion in sales**, exceeded the mark of **€500m** in operating result from activity, and generated 26% growth in net income and **over €450m** in operating cash flow. We owe these excellent results to highly robust business activity, driven by strong innovation momentum, by the power of our brands, firmly rooted in the everyday lives of consumers, by new inroads in several major markets, and by increased investments in advertising (digital in particular) and operational marketing. These results were also fueled by rapid and ongoing development in e-commerce, which today accounts for a full **20% of our sales**. They can also be attributed to our industrial performance and continuous improvement in our competitiveness. And once again, they reflect the solidity of our business model, which enables us to stay our course regardless of shifts in the economic environment.

### A year of strategic and structuring acquisitions

In addition to the progress made by the Group in its business activity and its increased stake in Supor, the acquisitions of WMF and EMSA give the Group a **new dimension**. WMF makes us the **world leader** in the high-potential and profitable market of professional coffee machines, significantly strengthens our position in the business in Germany – which becomes our **number-three sales country** – and reinforces our **global leadership in small domestic equipment**, particularly in **cookware**, with a premium positioning. EMSA brings us its special know-how and high-profile presence in Germany in thermoware

and food storage containers, underpinned by excellent brand awareness. Together, WMF and EMSA open up new distribution networks to the Group and bring it considerable weight in the global market of kitchen tools and accessories. In its new configuration, Groupe SEB represents **more than €6bn** in sales and **€600m** in operating result from activity.

I would like to thank all those who in 2016 worked to achieve these record Group performances and to succeed in the acquisitions and in their rapid financing at highly attractive conditions. Their professionalism and full-supportive commitment were crucial to our success. I would also like to warmly welcome the employees of EMSA and WMF who joined the Group in 2016.

### Ambitious objectives for 2017

Enthusiastic and confident in the potential of the “new” Groupe SEB, we are approaching 2017 as a **year of transformation**, with the integration of WMF starting on January 1<sup>st</sup>. We need to swiftly bring WMF on board in the Group and start unlocking synergies. I know that I can count on the support and commitment of all the teams in this exciting project.

In 2017, the Group will also continue to fuel its growth momentum through innovation, continued development in the markets, the heightened digitization of its business and improved competitiveness. Hence, the Group is aiming for **further organic sales growth and an increase in operating result from activity**, both in its 2016 scope and its new configuration.

Thierry DE LA TOUR D'ARTAISE  
Chairman and CEO

*T de la Tour d'Artaise*

# 2016 a record year

Thierry DE LA TOUR D'ARTAISE  
Chairman and CEO



“ 2016 - A RECORD YEAR DRIVEN BY  
HISTORICAL PERFORMANCES  
AND STRATEGIC AND STRUCTURING ACQUISITIONS ”

Cyril BUXTORF  
Executive Vice-President EMEA



“ The new organisation introduced at the end of 2015 has brought us closer to our consumers. It has improved our ability to manage a **global offer** fulfilling universal requirements, whilst at the same time supplying a range of **products adapted to local lifestyles and customs**. We have reinforced our understanding of consumers, particularly those in emerging and non-European markets, and are more capable of taking our retailers' requirements into account.

Frédéric VERWAERDE  
Executive Vice-President Asia



“ The Group's broad global presence and its **balanced exposure** to both mature and emerging markets make it more resilient and able to seize all specific market growth opportunities replacing equipment or buying it for the first time, ground-breaking innovations, upgrades, adapting to trends, new categories, development of pure players, etc. It is this diversity that creates the Group's richness and potential.

Luc GAUDEMARD  
Executive Vice-President Americas



“ The last few years have demonstrated the Group's ability to adapt to a highly changeable political environment and to an often sluggish economic situation. This capacity to rise above crises and constantly project ourselves into the future relies on regularly calling our structures and operating methods into question so that we can **improve our competitiveness** in our markets, **supply our customers with the best service** and continue our international development.

Words of **Executive**



Bertrand NEUSCHWANDER  
Chief Executive Officer



“The Group’s **digital transformation** continued in 2016 with major progress made in all areas: connected products, application development, increased investment in online media, direct and personalised relations with end consumers, strong growth in online sales and increased market share, collaborative systems, training, etc. This transformation is mobilising our energy and is essential for **strengthening our leadership**.”

Harry TOURET  
Senior Executive Vice-President Human Resources



“Our Group is constantly expanding and recent acquisitions have brought with them another **new dimension**, which we shall need to integrate at every level. This **change management** will have to rely on an increasingly efficient organisation, the skills of each person within that organisation and a stimulating work environment, all of which form the cornerstones of the company’s strategy, objectives and values.”

Vincent LÉONARD  
Senior Executive Vice-President Finance



“2016 enabled the Group to confirm its status as a **consolidator in the Small Domestic Equipment market** with two promising strategic acquisitions. The financing of these acquisitions, which was achieved quickly using diversified instruments and at particularly favourable financial conditions, confirms the **Group’s quality and credibility in the financial markets**.”

Stéphane LAFLÈCHE  
Executive Vice-President Industrial Operations



“Groupe SEB operates a long-term strategy based on a **unique industrial and technological expertise**, which has been boosted by the acquisitions of WMF and EMSA. Our success is also due to our employees’ skills and to their ongoing commitment to our operational excellence programme. The Group is therefore in the best position to **face the challenges of the future**.”

Philippe CREVOISIER  
Executive Vice-President Products and Innovation



“Our strength is in our ability to accelerate our development and to extend and enrich our offer in a world that is moving ahead more and more rapidly. Faced with demanding consumers who are most aware of new technologies, we must be agile, perform well and, above all, innovate. It is our desire to **fulfil everyone’s needs**, all over the world, and to go beyond the product itself to supply **a genuine service to our consumers**.”

# Committee

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 organisation 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 organisation and operation that enable it to carry out its mission in the best possible manner"*.

Based on these recommendations the company set up 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.

During the 2016 financial year, the Board of Directors was made up of 15 members, five of whom are independent.

### **THIERRY DE LA TOUR D'ARTAISE**

Member of the Founder group, aged 62.

Chairman and Chief Executive Officer of SEB S.A.

### **BRUNO BICH<sup>(1)</sup>**

Independent Director, aged 70.

Member of the NRC.

### **TRISTAN BOITEUX<sup>(2)</sup>**

Member of the Founder group, member of FÉDÉRACTIVE, aged 54.

### **SARAH CHAULEUR<sup>(3)</sup>**

Member of the Founder group, member of FÉDÉRACTIVE, aged 45.

### **YSEULYS COSTES<sup>(4)</sup>**

Independent Director, aged 44.

### **FÉDÉRACTIVE**

Member of the Founder group, shareholder investment holding company, represented by its Chairman, Pascal GIRARDOT<sup>(5)</sup>, aged 62. Member of the NRC.

### **HUBERT FÈVRE**

Member of the Founder group, member of FÉDÉRACTIVE, aged 52. Member of the Audit Committee.

### **FFP – INVEST<sup>(6)</sup>**

Holding company listed on the Paris stock exchange and majority-held by the Peugeot family group, represented by Christian PEUGEOT, aged 63. Member of the Audit Committee.

### **FONDS STRATÉGIQUE DE PARTICIPATIONS**

Independent Director.

Represented by Catherine POURRE, aged 60.

President of the Audit Committee.

### **WILLIAM GAIRARD**

Member of the Founder group, member of VENELLE INVESTISSEMENT, aged 36.

### **JEAN-NOËL LABROUE**

Independent Director, aged 69.

President of the NRC.

### **CÉDRIC LESCURE**

Member of the Founder group, member of FÉDÉRACTIVE, aged 49.

### **JÉRÔME LESCURE**

Member of the Founder group, member of VENELLE INVESTISSEMENT, aged 56. Member of the Audit Committee.

### **LAURE THOMAS<sup>(3)</sup>**

Member of the Founder group, member of VENELLE INVESTISSEMENT, aged 45.

### **VENELLE INVESTISSEMENT**

Member of the Founder group, family holding company, represented by Damarys BRAIDA, aged 49. Member of the NRC.

(1) Early mandate termination with effect on 11 May 2017

(2) Replaced by Delphine BERTRAND whose co-optation will take place before 11 May 2017

(3) Not renewed at the AGM of 11 May 2017

(4) Renewal proposed at the AGM of 11 May 2017

(5) FÉDÉRACTIVE represented by Sarah CHAULEUR as from 11 May 2017

(6) Renewal proposed at the AGM of 11 May 2017.

FFP represented by Bertrand FINET.

**THE AUDIT COMMITTEE** is in charge of examining the company's annual and half-year accounts. It ensures that the procedures for identifying, evaluating and dealing with the main risks threatening the Group are applied correctly and keeps the Board of Directors informed. It participates in the appointment of statutory auditors and ensures their independence.

**THE NOMINATIONS AND REMUNERATION COMMITTEE (NRC)** makes recommendations on the composition of the Board and is involved in the preparation of succession planning. It proposes the policy for the remuneration of executive officers and the introduction of performance share plans. It makes recommendations on questions of governance and ethics, examines the Group's sustainable development policy and keeps the Board informed.

In order to take into account the application of provisions relating to employee representation and gender balance and after hearing the recommendation of the Nomination and Remuneration Committee, the Board of Directors decided during its meeting of 16 December 2016 to reduce its size. The reduction, which fosters the integration of two new employee board members, also takes into account the need to maintain the proportion of independent board members at a third and women at 40%.

In 2017, the Board of Directors will therefore include two employee directors:

- One employee shareholder board member, whose nomination will be proposed to shareholders at the Annual General Meeting of 11 May 2017;
- One employee board member, whose nomination will be announced within 6 months following the Annual General Meeting of 11 May 2017, according to the statutory requirements proposed to shareholders.



**5**  
INDEPENDENT  
BOARD MEMBERS

**4** WOMEN

**9** MEETINGS IN 2016



**Board of Directors**



# Tefal 1956 – 2016

## Tefal celebrates its 60<sup>th</sup> anniversary



60 years of innovation, 60 years of delicacies, 60 years of shared pleasure, leading to better living in the home on a daily basis! A major campaign was introduced for a fitting celebration of this important anniversary – starting in store with some exceptional operations, as well as on the internet, on social networks and internally to honour the commitment of the men and women in the Group.



### Best Investor Relations Trophy

Thierry de La Tour d'Artaise received the **Trophy for Best Investor Relations** by a CEO at the IR Forum, the annual French meeting of Investor Relations professionals, organised under the sponsorship of Euronext, the SFAF, the AFG, CLIFF, Middennext and the IFA. This is the sixth time in nine years that the Groupe SEB Financial Communications and Investor Relations department has been awarded one of these trophies, after the Gold received in 2009 and 2015 and Silver in 2010, 2012 and 2013.

### ESSEC prize

The Group's CSR (Corporate Social Responsibility) approach was singled out at the beginning of 2017 by the Grand Prize for Responsible Consumption Industries, awarded by the ESSEC Business School in partnership with the French Ministry for the Economy, Industry and the Digital Sector. It had already won the same prize in 2015.



### New head office, a future-oriented site

The Group's rapid development since the start of the millennium has led Senior Management to set up Campus SEB, fulfilling the increasing requirements for collaboration between teams and modernising our infrastructure.

**25,000 m<sup>2</sup>** (6-ACRE)  
 MORE THAN  
**1,000**  
 EMPLOYEES  
**ISO 14001 AND**  
**OHSAS 18001**  
 CERTIFIED



Covering a six-hectare (15-acre) site, Campus SEB is organised around a group of modern and innovative service buildings, which have been designed to enhance the professional efficiency of employees and to improve their quality of life. Major work has therefore been carried out to develop the site and the ergonomics of work stations, with the creation of open-plan offices, collaborative work areas and concentration zones. The site also includes SEB Lab, an experimental zone inspired by Fab Labs

and dedicated to creativity and implementation, and a Digital Room devoted to the Group's digital acceleration. A space for employees to live and interact, the Campus includes a lecture theatre, several catering facilities, a concierge service and a sports hall....all set in pleasant landscaped surroundings. Campus SEB is naturally in keeping with the Group's approach to corporate responsibility, fulfilling a number of strict criteria for

respecting the environment and providing social support right from the very start of construction: choice of materials, reduced energy consumption, improved thermal performance, respect for biodiversity, local partnerships, social integration clauses etc.

#### Tertiary factory





## Acquisition of EMSA, accelerating the kitchen utensils and accessories strategy

In May 2016, Groupe SEB acquired the German company EMSA.

Founded in 1949, EMSA, which is headquartered in Emsdetten (North Rhine-Westphalia), specialises in the design, manufacture and sale of kitchen products and accessories.

Its core business focuses on three categories: vacuum jugs and flasks, kitchen utensils and food storage containers. EMSA's product range is based on an innovation and quality approach that combines functionality with design.

A very well-known brand in German-speaking countries, EMSA essentially covers the mid-range segment and holds a very strong position in Germany in vacuum flasks and food storage products, where it has forged the position of clear leader. EMSA is also present in the rest of Europe and the Middle East.

The acquisition of EMSA is of key strategic interest to the Group, allowing it to pursue its growth in the highly promising market of kitchen utensils and accessories.

From the second half of 2016, the first synergies were quickly put in place, leading to the creation of the Group's kitchenware centre of expertise at EMSA, the involvement of EMSA teams in Group product committees, the marketing of about forty products under the Tefal brand, the integration of an EMSA range in the Group's retail network and initial work to market the EMSA ranges internationally.



STAFF:  
**800**  
EMPLOYEES,  
50% OF THEM IN GERMANY

**3 industrial sites**

EMSDETTEN (GERMANY);  
TAICANG (CHINA);  
HO CHI MINH CITY (VIETNAM)

2016 SALES  
**€85 million**

# 2016 in facts

# WMF, a key acquisition

In 2016, Groupe SEB completed the acquisition of the German group WMF, world leader in automatic professional coffee machines and German leader in cookware. This acquisition represents a new building block in Groupe SEB’s development. It allows the Group to strengthen its position significantly in small domestic equipment, particularly in Germany. It is also an excellent opportunity to enter the highly attractive professional coffee machine market.



## A FLAGSHIP OF GERMAN INDUSTRY

Established in 1853, the WMF (Württembergische Metallwaren Fabrik) Group developed around three activities: professional coffee machines, small domestic equipment and equipment for the catering industry. Over the years, it has forged strong positions for itself:

- In professional coffee machines, it is the undisputed leader – with a 28% market share, it is well ahead of the number two.
- In cookware, WMF is the clear

leader in Germany with a 20% market share.

In 2016, WMF achieved sales of EUR 1.1 billion, of which 70% were in Europe (48% in Germany), a steady increase supported by an extensive product offer, exceptional design, perfect features and superior quality. WMF also relies on a multichannel distribution strategy including a strong network of 200 own-brand stores and 800 shop-in-shops in Germany, Austria and Switzerland, which successfully promote the brand image and sales.

## EXCEPTIONAL PRODUCTS AND EXPERT BRANDS

**PROFESSIONAL COFFEE**  
38% of sales



Automatic coffee machines for hotels, restaurants, cafés, bakeries, convenience stores etc.

**CONSUMER**  
55% of sales



Cookware, kitchen utensils and accessories, small kitchen electrics.

**HOTEL EQUIPMENT**  
7% of sales



Premium tableware and accessories for hotels, restaurants and cruise ships.





SALES  
**€1,100m + 4.2%**

**8 production sites**

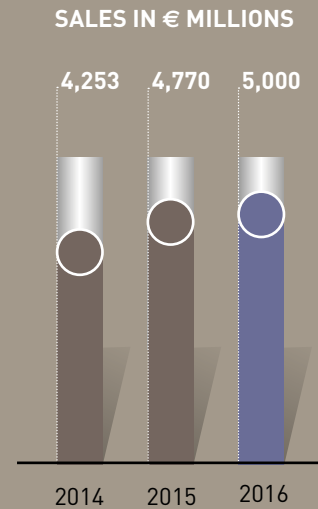
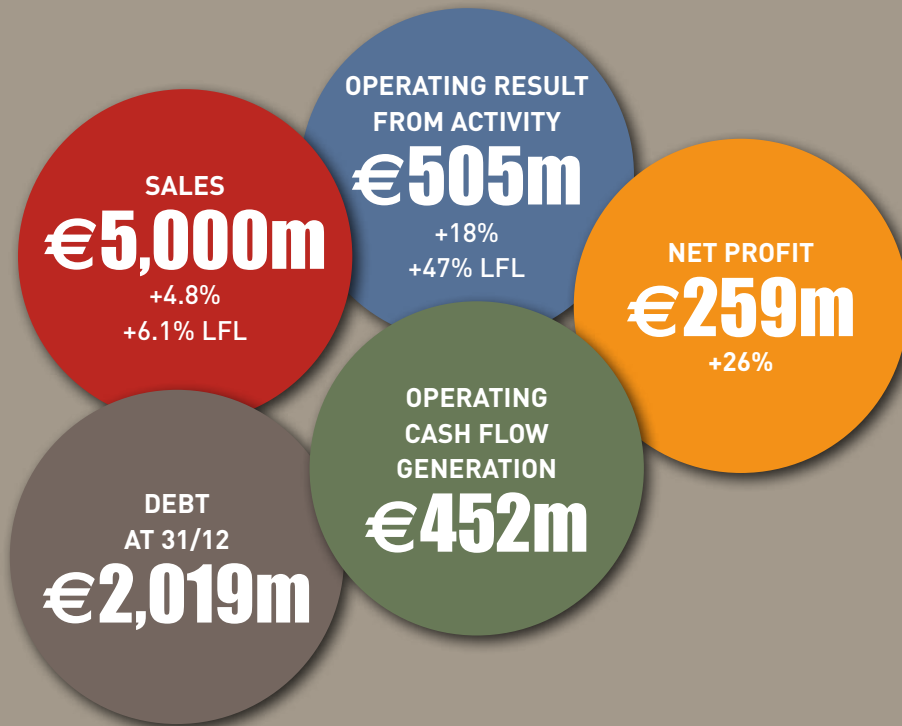
4 IN GERMANY,  
1 IN SWITZERLAND,  
1 IN THE CZECH REPUBLIC,  
1 IN CHINA AND 1 IN INDIA

**5 brands**

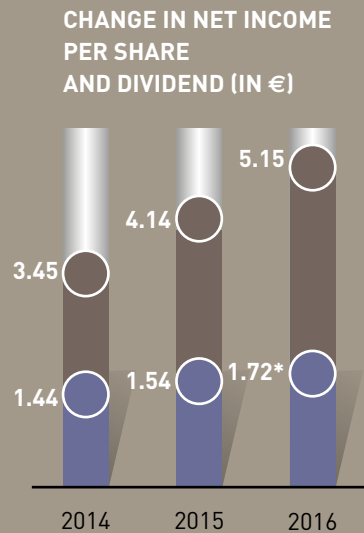
**5,700**  
EMPLOYEES, 3,300  
OF THEM IN GERMANY

**200 stores**

**2016 was a great year for Groupe SEB.** It ended with record performances and the Group achieved historic highs, in terms of both sales and Operating Result from Activity. 2016 was also a year marked by transformational strategic acquisitions, financed at particularly favourable conditions for the Group.

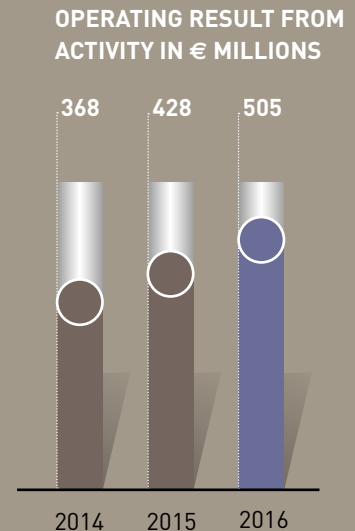


\*LFL = like-for-like



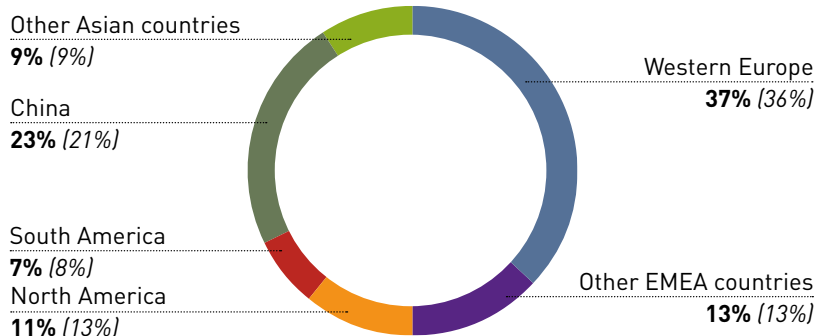
● Net income per share  
 ● Dividend

\*To be proposed at the AGM on 11 May 2017



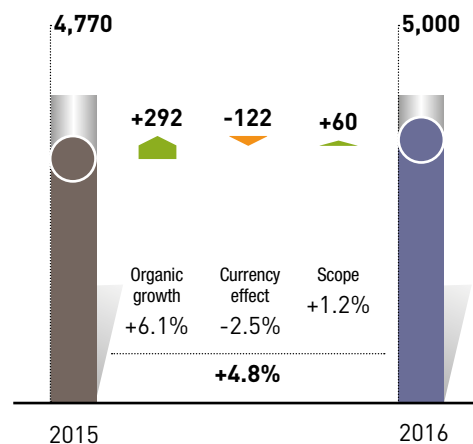
# 2016

**BREAKDOWN OF SALES BY GEOGRAPHICAL ZONE**

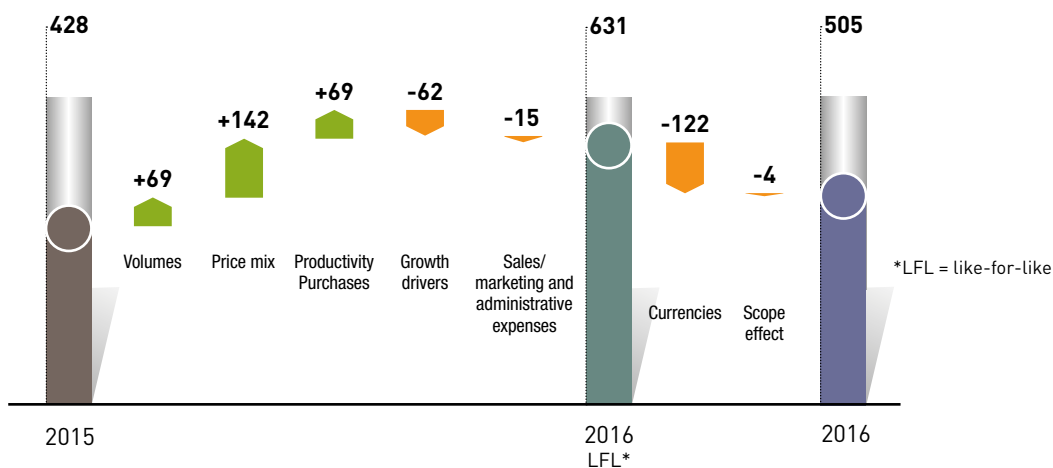


(2015 sales)

**CHANGE IN SALES 2015-2016 IN € MILLIONS**



**BREAKDOWN OF OPERATING RESULT FROM ACTIVITY IN € MILLIONS**



**NEW INCREASE IN OWNERSHIP OF SUPOR**

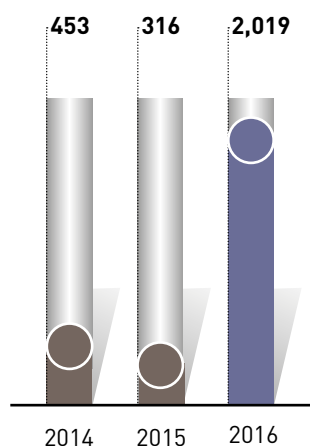
STRENGTHENING

**+7.9%**

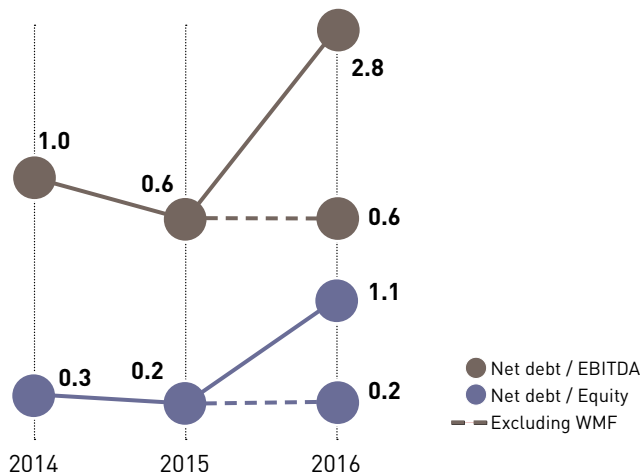
**81%** OF CAPITAL OWNED BY GROUPE SEB

**CNY 17** COST PRICE OF A SUPOR SHARE

**CHANGE IN NET DEBT IN € MILLIONS AT 31/12**



**DEBT RATIOS**



**in figures**





Analyst Day on the new Campus SEB dedicated to "Innovation for better living".

The €800 million has been split into 4 tranches, of 3, 5, 7 and 10 years to optimize the Group's debt profile. The highly attractive financing cost will be significantly lower than 1.5%.

**SUCCESSFUL ISSUE OF ORNAE**

Groupe SEB realized with success, the issuance of bonds redeemable in cash and/or existing shares (ORNAEs) due November 2021 for a nominal amount of approximately €150 million.



GROWTH DRIVERS  
INNOVATION

**€179m** +7% LFL

ADVERTISING AND MARKETING

**€435m** +13% LFL

INDUSTRIAL INVESTMENTS

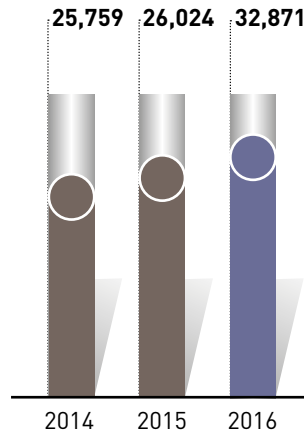
**€181m**

**ISSUE OF A NEW SCHULDSCHEIN**

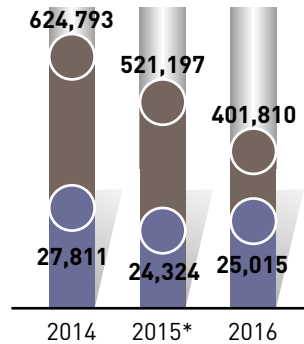
As part of its programme to re-finance the acquisition of WMF, Groupe SEB announced in December 2016 the successful issue of a new Schuldschein (private placement regulated by German law).

From an amount initially targeted at between €300 and €500 million, the placement was increased to €800 million due to very high over-subscription.

**CHANGE IN WORKFORCE AT 31/12**



**TRAINING (world perimeter)**



● Number of training hours  
● Number of people trained  
\*Excluding Groupe SEB Korea



95.4% of the electrical products sold in 2016 are mostly repairable.

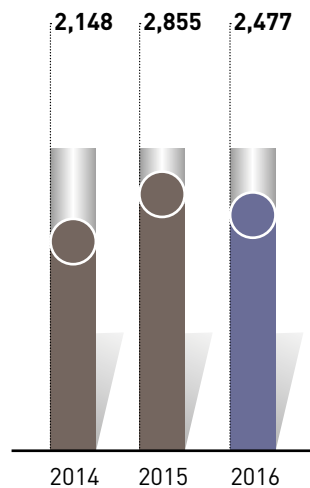


## FTSE4Good

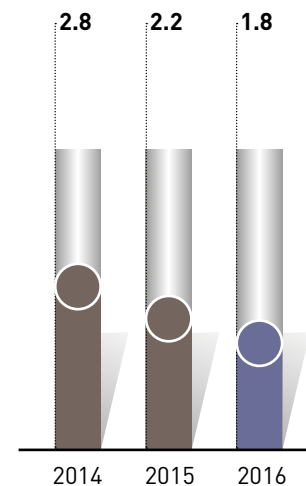
### SEB SHARE JOINS THE FTSE4GOOD INDEX

FTSE4Good recognises, on a global level, the companies with the best performance in terms of their Sustainable Development policy. The FTSE Advisory Board made its decision based on an assessment of the Group's commitments to environmental, social and governance practices. The inclusion in this index, which represents a global standard, marks a new phase for Groupe SEB, following on from its inclusion in the Vigeo-Eiris indices (Europe 120 and Eurozone 120) and Ethibel (Pioneer and Excellence registers) indices.

### SPONSORSHIP EXPENSES IN € MILLIONS



### HEALTH / SECURITY WORLD LTIR (Lost Time Injury Rate)



Meeting with SRI (Socially Responsible Investment) analysts and investors at Is-sur-Tille around the theme of "Sustainable performance and well-being at work".



INTERNATIONAL  
MANAGER MOBILITY

**x2** BETWEEN 2015 AND 2016

**153** SUPPLIERS SUBMIT  
TO ETHICAL, SOCIAL AND  
ENVIRONMENTAL AUDITS (2016)

**94%** OF FACTORIES  
AND LOGISTICS ENTITIES ARE  
**ISO 14001** CERTIFIED





The spirit of Colombian cuisine extends beyond its borders.



**Unrivalled technological performance, sophisticated design and excellent ease of use.**

Rowenta's mission is to ensure the everyday well-being of its consumers thanks to intelligent solutions



Groupe SEB operates a multi-brand strategy, allowing it to achieve wide coverage of local and global markets, as well as a precise segmentation of its product offer and distribution, in order to provide the best response to multiple consumer expectations.

This unique portfolio, consisting of world-famous brands and leading local brands, has been built up over the years through targeted acquisitions and today represents a major strategic advantage, allowing the Group to differentiate itself and ensure long-term growth.

Each brand cultivates its own identity and consistent positioning, both geographically and over time, thanks to clearly defined platforms that enable local variation and values that are easy for everyone to understand.



# KRUPS

**Precision, performance and meticulous design.**  
Krups targets the most demanding consumers, connoisseurs who appreciate professional products and are looking for exceptional results.

Iconic in China, a leader in cookware and no. 2 in small electrical appliances.



**Simple and intuitive products.**  
Moulinex innovates, invents and reinvents to make life easier with products adapted to all the situations of everyday life.







**For great chefs and demanding amateur cooks.**  
Authentic, high-quality products for gourmets looking for exceptional culinary performance.

In our business, the values of proximity and transmission are essential and provide **local brands with a very strong legitimacy** and a high level of commitment from consumers, on which we can capitalise.

**Europe and EMEA**



**Americas**



**Asia**



In 2016, our portfolio was further enriched by key strong brands.



Il piacere italiano di fare buona cucina.

**The art and pleasure of great cooking.**

Lagostina and its elegant, high-performance products with an Italian flair make cooking a real pleasure to be shared with others.

**Innovative solutions to improve everyday life.**

With Tefal, the home becomes a place for sharing moments of conviviality and healthy living between family and friends.



For French families, Seb is a flagship brand that is constantly reinventing itself.

# Iconic brands



24

35

44

45

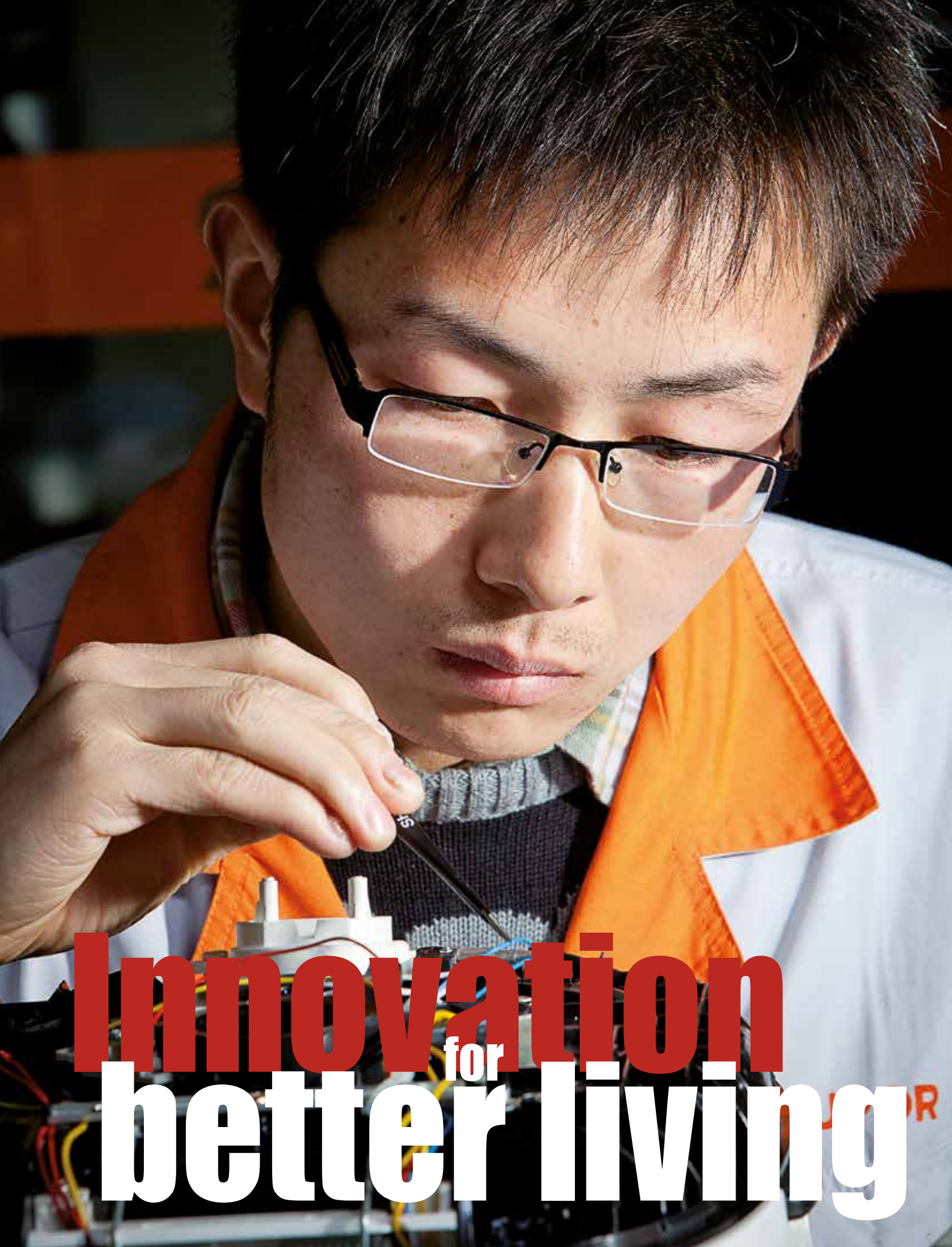
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**Innovation** for **better living**



# An innovative pioneer

Innovation has always been part of Groupe SEB's DNA and is one of its fundamental values, driving competitive growth.



## INNOVATION – A VALUE, A DRIVER

The history of Groupe SEB has always been about growth: external growth through targeted acquisitions, complementary in terms of products or geography and fueling differentiation from competition; internal growth, by reinventing consumers' everyday lives through an innovative product range that is constantly being renewed. To achieve this, the Group draws on a structured product innovation process, which is part of a virtuous circle of value creation and which relies on the involvement of a diversified community made up of strategic marketing, design and R&D teams, supported by Group-wide corporate functions.

## ACTIVE PROGRESS

In a market for small domestic equipment that has been evolving very quickly, particularly over the past ten years with the emergence of digital technologies, Groupe SEB responds to consumer requirements and to new uses. To keep up with faster lifestyles and constantly

changing technologies, the Group has reviewed its innovation process, implementing new methods to reduce the time product development and break new ground.

Going beyond the "classic" product development process, which is essential for the establishment of a sustainable product offer, the Group has introduced tools, for some projects, to encourage resolutely ground-breaking operational methods that stimulate innovation. The creation of SEB Lab three years ago has enabled the Group to test, approve or abandon new product concepts at a very early stage of the process, whilst also boosting team spirit and encouraging communication within the innovation community.

## CROSS-FERTILISATION

The Group also draws on strong partnerships with research institutes, universities and international research programmes, which supply it with complementary skills to enrich its product offer. It also calls regularly upon external inventors through its dedicated website *Innovate with Groupe SEB*. At the same time, the SEB Alliance investment fund supports new businesses and start-ups, which bring to the Group new expertises, breakthrough technologies or innovative business models.

This open approach to innovation, which gets the best out of the skills

of all those involved, offers a high level of responsiveness in a fast-moving world.

## A MANUFACTURER'S VISION

The Innovation community also works very closely with teams based at the Group's industrial sites. These teams are involved at a very early stage of the innovation process, bringing an understanding of the constraints and technical answers thereby ensuring the quickest, smoothest development of products through to their market launch.

In 2016 for example, this cross-departmental approach resulted as for cookware in France in the launch of a new Clipso Minute pressure cooker platform (Selongey) and the introduction of intelligent cookware ranges equipped with temperature sensors (Rumilly).



INNOVATION COMMUNITY

**1,300** PEOPLE

GROWTH DRIVERS **€179m**

**122** PATENTS REGISTERED  
IN 2016

**19<sup>e</sup>** FRENCH DEPOSITOR

**I-COMPANION,  
A DAILY SERVICE**

The latest addition to the Companion range, the i-Companion is the connected version of the now famous cooking food processor. A genuine kitchen assistant, it allows finely-tuned, personalised remote control and offers a range of innovative services, including recipes, menus, shopping lists, etc.

- More than 300,000 units in 3 years



**TWEENY 2 IN 1,  
REINVENTING IRONING**

In a rapidly expanding garment steamer market, Groupe SEB has broken the mould by launching the Tweeny 2 in 1, an innovative concept that allows both high-performance horizontal ironing on an ironing board and a vertical position for last-minute uncreasing removal on the hanger.

**Innovative + points**

**SILENCE AND PERFORMANCE**

Reducing noise levels without impacting on performance has been the challenge faced by innovation teams for more than ten years now, both in home and personal care. In the home cleaning sector, following the introduction of European energy labelling at the end of 2015, the Group once again confirmed its expertise in silence in 2016 thanks to the success of the Silence Force 4A range of vacuum cleaners.



**COOKEO: CULT OBJECT**

With their futuristic design and unique technology, the standard Cookeo and the Cookeo Connect continued their adventure in 2016.

- More than 1 million units since its launch



**STEAMPOD, THE COMBINATION OF 2 EXPERTS**

A revolution in hair care, Steampod offers perfect hair straightening results by combining the power of steam, drawing on the Group's expertise in this field, with the repairing action of conditioning products from L'Oréal, the global benchmark in cosmetics and professional hair care.

- 8 patents



**INTENSE PURE AIR NANO  
CAPTUR – BREATHE!**

Groupe SEB addresses interior air pollution with a wide range of air purifiers featuring the exclusive Nano Captur technology, which is the result of 10 years of research in the most advanced centres in France (CNRS & CEA) and has led to the registration of five international patents.

**Successful launch in Asia**

- Almost 30,000 purifiers sold in China in 2016
- 12,500 purifiers in Singapore schools

# Creating solutions

Going beyond the product itself, innovation must now also take into account a wide range of consumer practices and expectations and provide them with the right support in their daily lives. To achieve this, the Group has adopted a new organisation, bringing it closer to its markets and enhancing its understanding of local requirements.



These are based on four key priorities:

- Market studies, analysing qualitative and quantitative data and taking trends into account;
- Continuous monitoring of social networks and of the digital ecosystem in the wider sense;
- Listening to consumers and communicating with them thanks to dedicated communities;
- Testing concepts and their advantages as early as possible in the innovation process through specific studies (ethnography, uses and attitudes, observations, etc.).

The aim of these studies is to support the drive for innovation and enable the Group to refine its product approach, open up to new product categories, pursue its geographical expansion and detect potential for external growth.

## PLACING THE CONSUMER AT THE HEART OF THE INNOVATION APPROACH

Understanding consumers and their expectations is a key element of the Group's innovation process, which is

based on a system focussing on listening to its end customers to help understand their needs. The Group has therefore introduced a range of innovative methodologies to get as close as possible to consumers' real lives.

## MAKING THE CONSUMER PART OF THE INNOVATION PROCESS

Launched in December 2015, SEB&You is a community of consumers set up and managed by the Group's Consumer & Market Intelligence department alongside marketing teams. This system allows us to communicate directly with a panel of consumers/users and ask them to test new concepts or vectors of innovation. With more than 2,300 members, 750 tested products and 88 questionnaires after just one year, the community is an indisputable success. SEB&You is above all an exceptional forum for exchange, which gives us access to the very heart of our consumers' everyday lives by making them a part of our adventure.



Mathilde ANTRAS, in charge of SEB&You and Valérie SATRE, Consumer & Market Intelligence Manager.





**150**  
RESEARCH PROJECTS EVERY  
YEAR IN 40 COUNTRIES

**8**  
DEDICATED EXPERTS

**THOUSANDS**  
OF CONSUMERS  
INTERVIEWED EVERY YEAR

**INTEGRATING MARKET EXPECTATIONS**

In order to ensure the relevance of future products, the innovation teams draw on the Group’s sales subsidiaries all over the world, asking for their upstream contribution in the creation process. This means that local marketing teams discover new concepts at an early stage of development, including in virtual form through the use of 3D animations. This way, Groupe SEB ensures that its offer is adapted to its target markets and local uses, whilst making commercial opportunities part of its decision-making process.

**ANTICIPATING AND EXPLORING NEW TECHNOLOGIES**

Thanks to its long history and development, Groupe SEB has acquired solid expertise in key areas such as materials (metals, plastics, etc.), electricity (heating elements, electronics, motors, etc.) and physics (heat, mechanics, air flows, etc.), which it aims to maintain and consolidate. Recent technological evolution and the search for increasingly advanced innovations have also led to the Group expanding its field of activity to cover ever more sophisticated fields, such as nanotechnologies, sensors, cooking processes and human/machine

**CREATING A GLOBAL ECOSYSTEM**

Under Groupe SEB’s leadership, the FoodTech network was set up in the Burgundy-Franche-Comté and Rhône-Alpes regions of France and in three other French towns. Xavier Boidevezi, Vice-President of Groupe SEB digital factory, has been elected national secretary of the network. FoodTech is an ecosystem of experts, investors, designers and various public organisations, which has been accredited by the French Minister for the Economy. It has set itself the objective of creating new approaches to entrepreneurship, innovation and international appeal, based on issues relating to health, the environment and well-being (taste and pleasure) linked with food.



India – Maharaja Whiteline is redesigning its user experience thanks to easily accessible recipe videos

interfaces. Always seeking to push the boundaries in the mission it has set itself, Groupe SEB never stops exploring complementary lines of action, enabling it to project itself beyond the product and incorporate genuine solutions for everyday life – such as the Internet of Things, robotics, personalisation etc.

**TARGETING RESULTS**

In a highly competitive small domestic equipment market, the choices made by consumers are no longer just about the product itself but about the promise of a result that meets their expectations: speed, simplicity, versatility, quality, nutrition, health, pleasure.... the product becomes a facilitator for everyday life. Cookeo, Cuisine Companion and Actifry, for example, have marked this new chapter by breaking the mould and helping consumers



step by step with recipes, new functions, comprehensive and intuitive interfaces and an open attitude towards new uses. The same goes for linen care and home cleaning, with successful examples like silent vacuum cleaners and vertical garment steamers.

More than 40 Tefal cookery tips broadcast on the internet.

# Connecting everyday lives

In an increasingly connected world, Groupe SEB embarked several years ago on a digital transformation, enabling the Group to react rapidly to new growth opportunities.



## OPENING UP TO CONNECTED PRODUCTS

Connecting products via a smartphone or tablet introduces advanced potential for personalisation, which represents a brand new dimension for electrical appliances. Particularly when it comes to cooking, the Group's product range has been developed around providing support and services to consumers as they open up to new experiences – controlling settings, operating remotely, adding to and adapting recipes, etc.

Following on from Cookeo and Actifry, it's now the turn of the Cuisine Companion cooking food processor to evolve into a connected version, with a simple promise: spend more time doing what you love! Groupe SEB is taking its approach even further by offering straightforward, low-cost connectivity to people who already have the classic version of the

**COOKEO.**  
*Innovation of the year in Belgium.*



**Cookeo app,**  
almost 250,000  
downloads.

Companion. This unique market offer was made possible thanks to innovation teams anticipating the potential digital evolution of the product even before its initial launch.



## PROVIDING A HIGH LEVEL OF SERVICE

If you're talking about connected products, you're talking about mobile applications. Groupe SEB's IT teams have been working over the past few years to fulfil the technological requirements of these ground-breaking products and to ensure the ongoing reliability of systems and data, as well as their effectiveness. The quality of mobile applications guarantees security and ease of use for consumers, generates visibility and customer loyalty and paves the way for recruiting new users.



Jean-Michel ANDRÉ,  
Vice-President Information Systems.



Home&Cook.tv, top award-winning brand community in Turkey.



Viral video for Supor's Efficient pressure cooker, 8 million + views.



Tefal digital activity particularly strong in the UK.

**INCREASING MEDIA EFFICIENCY**

In addition to being a useful tool, the internet is also an excellent means of communication and activation, perfectly complementing traditional media. The digital approach has therefore become an essential element of marketing campaigns and supports brands at every stage of the product launch process.

Brand websites, oriented towards the user experience, represent unique interfaces with actual or prospective consumers, thanks to content that is constantly being enriched: product information, advice on use or maintenance, recipes, tips or video tutorials, newsletters, after-sales service, sale of accessories, directing towards retailers, etc. In 2016, 20 new websites were launched worldwide, based on shared standards. In addition, social networks such as Facebook, Twitter, Instagram and YouTube are valuable forums for exchange with Internet users/consumers and have therefore become an integral part of our brand strategies.

The Group has also increased its large-scale digital campaigns to support product launches and specific sales operations. These

campaigns, which are always very creative and sometimes even quite quirky – like the Supor campaign for the launch of its pressure cookers in China – generate traffic on websites, create a buzz on social networks and help to boost sales.

Finally, the brands operate an active policy of establishing relations with web influencers through special operations or themed days. This is particularly the case in the cooking and beauty/hair care sectors, in which bloggers are extremely active. Worth noting, for example, is the success of Tefal's "Let's eat" initiatives in Thailand, "Magic Style Brush" with OBH Nordica in Sweden and Calor's Elite Model Look range in France.

**BOOSTING ONLINE SALES**

The Group supports its consumers throughout the entire process by directing them to online stores via its brand websites, so that they can make an immediate purchase. In 2016, almost 20% of the Group's turnover (compared with 15% in 2015) came from online sales, and this trend is accelerating. However, the specific nature of the e-commerce channel requires

particular attention to be paid to the product offer, activation, organisation and tools. The Group has organised itself to respond to these demanding customers and has set itself up with high-performance systems. It has relied in particular on the SEB&Share international platform, which gathers all useful product information and content, optimised to suit retailers' requirements, and is aimed at markets to support them with their plans for multi-channel product launches.











# The world as market

# Italy CLEAN & STEAM — NEW CONCEPT, NEW COMMUNICATIONS

Rowenta is continuing to extend its home cleaning product range with

a 2-in-1 device, Clean & Steam. The perfect combination of a bagless upright vacuum cleaner and a steam cleaner, Clean & Steam ensures optimal cleaning of hard floors in half the time.

Launched in Italy in 2016, Clean & Steam met with immediate success,

thanks, in particular, to an original advertising campaign aimed, with humour, at informing and educating consumers about this new concept. It has also benefited from wide-scale marketing support, both at the point of sale and on the internet.



## France

### ▲ SEB C'EST BIEN !

2016 marked the return of Seb's historic slogan "Seb, c'est bien!", which has stayed firmly anchored in French consumers' memories: 42% quote the phrase spontaneously when Seb is mentioned. The revival of this slogan reflects the Group's desire to capitalise on strong French attachment to the brand, which is proud of its origins and synonymous with quality, tradition and enjoyable experiences shared in the kitchen and with the family.

## Europe



## THE YEAR OF THE COMPANION

The Cuisine Companion needs no introduction anymore. It minces, mixes, kneads, crushes, beats, cooks, simmers, browns, all in the same bowl... but the Cuisine Companion is also about a community of bloggers and consumers, communicating and helping one another with a great mindset that just kept on growing in 2016.

The gradual roll-out in Germany, southern Europe, Poland and Australia, as well as the launch of the i-Companion connected version in France, Italy and Spain, are confirmation of the success of this all-in-one cooking food processor, as well as that of the marketing strategy aimed at democratising the concept and satisfying consumer requirements.

## UK



Even a simple piece of toast can turn into a masterpiece with the right equipment.

## THE ART OF BREAKFAST

Breakfast is often the time of day we have the least time to prepare a meal... so why not let Tefal turn your toast into a piece of art? The Maison range, by influential industrial designer Dick Powell, takes breakfast off the beaten track. Give free rein to your creativity and reinvent your breakfast.



## Europe



## ROWENTA BREAKS THE ICE

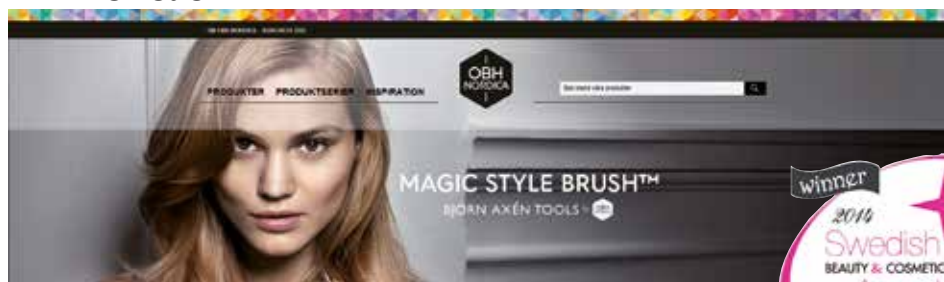
To mark the release of the third Ice Age film in cinemas and then on DVD, Rowenta and FOX studios have worked closely together to bring

the Silence Force Multi-Cyclonic to the screen paired with the Ice Age character Scrat. A major campaign was rolled out in France, Germany,

Portugal, Turkey, Italy, Spain, Ukraine and Czech Republic: TV ad, digital campaign, game contest, catalogue inserts and dynamic store displays, leading to an immediate boost in vacuum cleaner sales.

Going beyond this specific type of support, the Home Cleaning business had a very successful year in Europe in 2016, benefiting from both a strong product strategy and the excellent positioning of Rowenta appliances within the context of the new energy labelling. This played a key role in the brand gaining significant market share, particularly in Germany, Italy, Spain, Eastern Europe and Turkey.

## Sweden



## EVERY DAY IS MAGIC!

The Magic Style Brush, launched in Sweden in 2014, has enjoyed an incredible journey. It is the country's best-selling styling brush and has won prizes in the *Swedish Beauty & Cosmetic Awards*. In 2016, OBH Nordica decided to relaunch this legendary appliance with a wide-scale digital campaign, benefiting from the fame and influence of well-known bloggers in the market. Once again, a great success!

## Germany

## KRUPS, A YEAR BOOSTED BY COFFEE

In a dynamic get highly competitive German market for automatic espresso machines, Groupe SEB is continuing to make its mark. Targeting demanding connoisseurs with an eye for detail and quality, Krups had an excellent year in 2016 – product promotions and powerful marketing and advertising support led to healthy growth in sales and the

strengthening of market positions. With the Latte Smart Quattro, the new connected automatic espresso/cappuccino machine, Krups has further enhanced the coffee experience, offering personalisation, fine-tuning of settings, recipes, tips and services to ensure even more pleasure and flavour.



**Egypt**



**A SUCCESSFUL ANNIVERSARY**

For the third year in succession, Groupe SEB Egypt – a subsidiary set up in 2013 – played an active role in the Carrefour anniversary event at the beginning of 2016 (10 hypermarkets nationwide). This event has become unmissable for Egyptian consumers. During the Anniversary month alone, more than 8,500 SuperGliss irons, 10,000 Genuine blenders, 3,300 MasterChef food processors and 2,900 Actifyry were sold... a record!



**Russia**



**WINNING LAUNCH OF OPTIGRILL**

After two difficult years, the Group had a very good year in Russia, in terms of both sales and gaining market share. All product families contributed, as well as a dynamic sales strategy in the field and increased marketing support. OptiGrill, a recent launch in this market, was a particularly good example of this success. The chef Konstatin Ivlev played a key supporting role in the on and off-line publicity campaign, helping consumers step by step with advice, adapted recipes and video tutorials. A dedicated website and promotional campaigns in Eldorado and MediaMarkt stores rounded off this comprehensive approach.

**Turkey**

**"MADE-TO-MEASURE" PRODUCTS**

With a view to fulfilling the specific requirements of consumers worldwide, Tefal has launched Expert, a range adapted to Turkish consumer habits. The range comprises 8 products, including the Coffee Expert, with various settings for the perfect Turkish coffee, and the Tea Expert, a 2-in-1 appliance combining a kettle with a thermal glass or porcelain teapot for serving. This approach was made possible thanks to the introduction of a local innovation project team, which worked with the full collaboration of head office teams to design and develop a competitive response tailored to the Turkish market.



**India**

**EASY LOCK SECURITY, A SIMPLE SOLUTION FROM MAHARAJA WHITELINE**

Capitalising on Groupe SEB's historic Easy Lock technology developed for its food processors – a lid locking system using simple pressure – Maharaja Whiteline has developed a brand new Mixer Grinder range, the flagship product in Indian cooking. Guaranteeing reliability and quality, the Easy Lock system provides users with unique safety and ease of use, bringing more and more simplicity to everyday lives.



**DYNAMIC ACROSS ALL FIELDS**

Hypermarkets, department stores, specialists, traditional stores, TV shopping, e-commerce.... the Group's business activity in 2016 relied on brisk commercial expansion throughout all channels and all over the world, thanks to displays, specific sales campaigns, demonstrations and promotions, all of which had a positive effect on sales.



# + Closer to our markets

Faced with extremely varied distribution, in terms of both format and specific geographical features, the Group's response is a very pragmatic and finely-tuned commercial policy, focused on customer and shopper satisfaction and based on a clearly defined offer and complementary brands.

**PERFECT STORE, GUARANTEED EXECUTION**

Since 70% of buying decisions are made in stores and the battle is therefore won on the field, providing product support right up until the products reach the shelves is a key driver of sales. The Perfect Store programme formalises best practices and the right reflexes in store for the benefit of sales staff, so that they can help consumers make a better choice: price, positioning, range, availability, packaging, display, product information etc.

**LOYALTY PROGRAMMES FOR ENHANCED VISIBILITY**

Loyalty programmes, organised with our retailers, have been a market reality for many years now. The principle behind these programmes is simple: buyers collect points at each check-out and then benefit from price reductions on a selection of products. Loyalty programmes are beneficial to brands, which gain visibility thanks to strong marketing support implemented by retailers. This year they have contributed to growth in sales representing some €100 million.



1,200 + stores worldwide. 3 store openings in Japan.

**CONTINUOUS IMPROVEMENT FOR GROUP RETAIL**

The Group's network of own-brand stores represents an excellent showcase for our products and brands and contributes to a closer relationship with consumers, particularly in emerging markets. The network is therefore an additional driver of sales. With various formats from stock clearance to more premium stores, these outlets fulfil strict requirements in terms of ranges and merchandising and are constantly reassessed to improve competitiveness. In 2016, retail represented more than 4% of Group sales and recorded growth above 6%.



**South America**

Blender: 40% of the Mexican kitchen electrics market

27% market share in Colombia



**INFINY FORCE BLENDER, POWER AND PRECISION**

The blender is an essential piece of equipment in South American homes and Groupe SEB has a real ace up its sleeve – the Infiny Force range. A clever and ultra-efficient product with 16 rotation speeds, available at a very attractive price, the Infiny Force blender has enjoyed rapid success in the Colombian and Mexican markets, boosted by a widespread on and off-line campaign and highly successful in-store operations, leading to substantial gains in market share in this sector.

**Brazil**



**SHEEP ON THE OFFENSIVE!**

Following an effective and very humorous advertising campaign in 2015 to support the launch of its Silence Force fan, Arno is continuing the sheep saga and is off to fight mosquitoes! The brand new Silence Force Repelente Líquido fan features a unique liquid repellent system to deter insects for up to 70 nights! This has been a genuine marketing and sales success in a country where dealing with mosquitoes has become a real public health issue.

**Colombia**



**B2B CAMPAIGN WITH TERPEL**

In 2016, Imusa successfully renewed its partnership with Terpel filling stations. For every fuel purchase, customers could benefit from exceptional special offers on Kiper food storage boxes. More than 200,000 products were sold during this campaign.

**Colombia**



**SAFETY FOR BETTER TASTE**

Whilst the Colombians are well aware of the key qualities of the pressure cooker – speed, practicality and flavour preservation – safety is a key factor when buying this type of utensil. Imusa’s response to this concern is Security Plus, an even better safety system allowing users to

**USA****A LITTLE ITALIAN FLAIR**

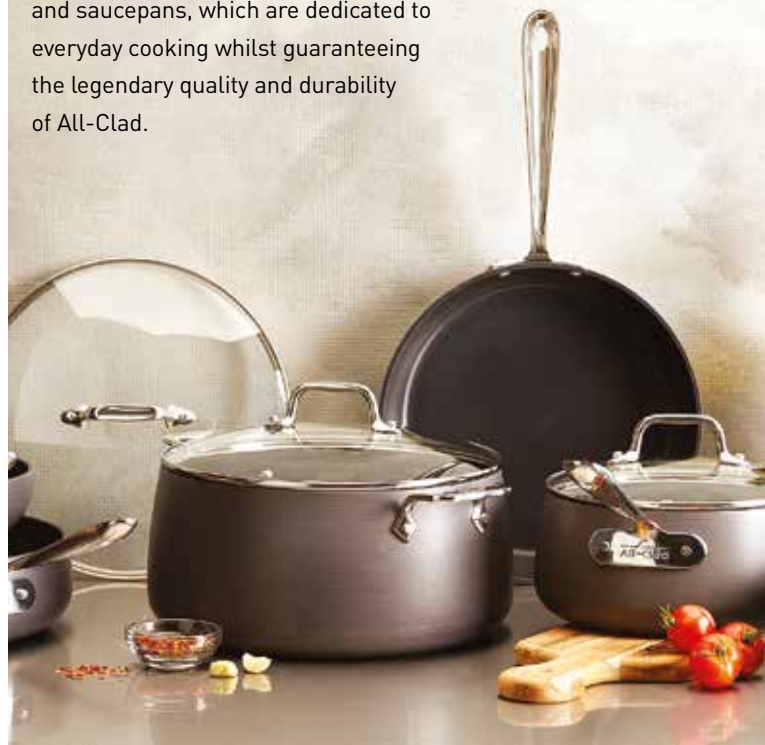
Successful launch for Lagostina in the United States! With the support of a selective distribution network, including Bed Bath and Beyond, Macy's, Sur la Table and William Sonoma, the Italian cookware brand has rapidly made great progress.



open the lid with complete peace of mind. The new, patented two-position Abresecur valve indicates when the pressure cooker is pressurised and when it can be opened. Supported by a 360° communications strategy aiming to inform and reassure users, Secury Plus has rapidly gained consumers' trust.

**USA****ALL-CLAD, A FOR AMAZING!**

All-Clad is launching its brand new H1 range made of anodised aluminium for an exceptional everyday cooking experience. Versatility and simplicity are the key words for this range of non-stick frying pans and saucepans, which are dedicated to everyday cooking whilst guaranteeing the legendary quality and durability of All-Clad.

**AMERICAS****USA****STRONG VISIBILITY FOR ROWENTA**

In an ironing market faced with the increasing loss of interest from young generations in this household task, Rowenta has developed a wide ranging plan for the roll-out of its new irons in stores such as Macy's and Bed Bath and Beyond, including dedicated corners, the showcasing of product ranges and consumer support, promoting new SKUs, etc.

At the same time, Rowenta has pursued its growth strategy in the garment steamer market, with an expanded range of products adapted to suit new user habits – rapid refreshment of an item of clothing, new fabrics, reduction of constraints, etc.



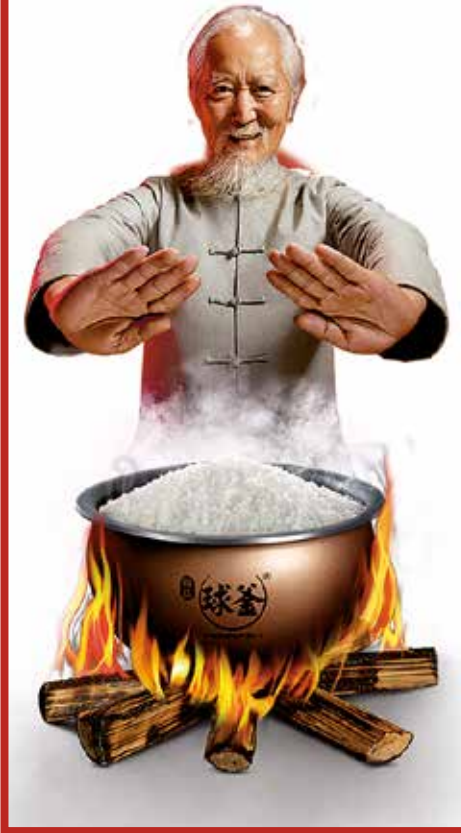


China



NEW THERMOSPOT WOK, ONE SPOT IS ALL IT TAKES!

How to cook delicious stir-fried dishes without smoking out the kitchen? Supor has the answer with its brand new generation of woks featuring Thermospot and Titanium coating. The thermospot to precisely indicate the correct cooking oil temperature and Titanium to guarantee great, tasty results. Supported by an ambitious advertising campaign in the traditional media and on social networks, Supor has once again confirmed its undisputed position as cookware leader in the Chinese market.



China

STAR SUPPORT

New launch, new communication strategy for Supor's latest range of thermo mugs and jugs. Huang Xuan, the famous Chinese actor, has endorsed the brand in a unique advertising campaign, promoted on a large scale on social networks. The result: an immediate success for the products!



17 million views on the internet.

China

HIGH-SPEED BLENDER

The new range of Supor blenders met with great success in 2016, fulfilling the varied requirements of Chinese cuisine thanks to innovative features, including an extremely powerful motor with up to 10 speeds, 30,000 revolutions per minute, glass bowl, warning system, 6 stainless steel blades, etc. Soups, sauces, cereal-based foods, smoothies, etc. are uniformly blended for tasty results, whilst preserving the nutritional qualities of the food.

极养  
加善型破壁料理机



瞬间破壁  
汲其营养

观看广告





## China TAOBAO 11.11, THE EVENT OF THE YEAR

For Taobao, the e-commerce leader in China, 11 November is THE day for internet purchases. This year, the store recorded sales in excess of RMB 120 billion (approx. €16 billion) on just that one day in November. With exceptional offers and unrivalled visibility, this day is also a key event for brands. Supor achieved outstanding performance with almost €65 million, which is more than 50% higher than the figure achieved on the same day in 2015, with rice cookers, electric pressure cookers, kettles, slow cookers and steam cookers leading the way.

## Japan CONTINUED DEVELOPMENT OF THE T-FAL STORE NETWORK

It was another very busy year for the Group's network of proprietary stores in Japan. With 3 new store openings in 2016, the roll-out strategy for T-fal stores has been a great success. It also strengthens our close relationship with consumers through direct contact, enabling a better understanding of consumers' expectations.

## Japan DORAEMON AND COOK4ME, THE WINNING PAIR

Who better than Doraemon, the robotic cat from the future created by cartoonist Fujiko Fujio, to launch Cook4Me, the futuristic multicooker from T-fal? A genuine manga phenomenon in Japan, Doraemon has become the ally of choice for the brand's new advertising campaign. Taking place on television and in store, this multi-channel global communications campaign has created a genuine sense of desire around Cook4Me.



ASIA

## South-East Asia



## TEFAL, THE TASTE OF EXCELLENCE EVERYDAY

Since quality must be time-resistant, the new Tefal frying pans and saucepans have been given an exclusive new Titanium Excellence coating, which combines the best non-stick performance with a patented ultra-resistant hard base. These innovative ranges guarantee successful cooking day after day for 12 years, even with intensive use. Success has been immediate in Thailand, Singapore, Taiwan, Malaysia and Hong Kong, thanks to considerable sales and advertising support reaffirming the brand's leadership and capitalising on Tefal's 60 years of expertise in cookware.



## Korea 360° VISIBILITY FOR TEFAL BEAUTY

With the brand change implemented last year, Tefal's reputation in the Korean beauty sector has not stopped growing, boosted by a powerful viral campaign, the support of local celebrities and a comprehensive promotional strategy to customers (stores and e-commerce).









**Industry,**  
the cornerstone of our  
**competitiveness**



# Operational excellence

With a 160 years history, Groupe SEB is an exceptional manufacturer in the global landscape of small domestic equipment: 29 industrial sites produce 71% of products sold, plus 11 new sites in 2016 following recent acquisitions. Operational excellence and performance are therefore essential parts of the Group's strategy, which is focused on customer satisfaction.



**20**  
OPS SPECIALISTS  
WORLDWIDE

## OPS, AN ACTIVE PROGRAMME

The OPS programme (Operation Performance SEB) aims to improve overall performance to achieve excellence by getting teams involved and making them responsible across the entire value chain, including security, quality, costs, resources (stocks, investments), health, environment, customer service and consumer satisfaction.

Operational at all Group sites worldwide, OPS capitalises on best practices and existing expertise, organising them on a Group scale to construct a reference system of methods and tools shared by all

industrial teams. The success of OPS at an industrial level has led the Group to roll out the approach to other sectors, such as logistics, accounting and marketing, under the leadership of the corporate OPS team. In 2017, this programme will be extended to the 11 recently integrated EMSA and WMF sites.

Introduced in 2010, the OPS programme has now reached a level of maturity that allows the Group to calmly get ready to face the upcoming challenges and to guarantee a high level of quality for its processes and its products.

## COST OPTIMISATION, ACCELERATION AND EXPANSION

In parallel, the Group is also working on its PCO (Product Cost Optimisation) programme, which outlines and formalises all productivity and value creation actions. Made up of buyers, project/development managers and marketing specialists, the PCO community is driven by a dual objective: to enhance cost price and perceived value, by integrating the

respective constraints of the various parties involved. To achieve this, PCO supervisors implement a method for analysing competitors' products, listening to consumers and involving experts in multidisciplinary groups to challenge existing solutions and invent new ones, aiming for a significant improvement in performance and cost price optimisation.

With the integration of new companies, and in the interests of maintaining the same spirit of collaborative work on cost optimisation, the Group's purchasing teams are now focussing on the selection of suppliers in Asia. The objective is to guarantee competitiveness and a high level of service by relying on exchange between teams at head office and the local teams and suppliers concerned.



## NEW ORGANISATION TO BOOST PERFORMANCE

Following the announcement of the new Group organisation at the end of 2015, the Products and Innovation department has set up an Industrial Operations department covering all small electrical appliance product families, with the objective of accelerating the transformation of our industry. This Group-wide vision allows the Group to adopt a platform-based approach to increase flexibility and economies of scale and control the balance of production worldwide.

PRODUCTIVITY AND PURCHASING GAINS:

**€69m**

SOURCING OF FINISHED GOODS:

**29%**

RETURN RATE UNDER WARRANTY

**÷ 2** IN 7 YEARS

## ONGOING AUTOMATION FOR COOKWARE

With 11 sites worldwide dedicated to the production of 110 million cookware items\*, the Group deploys a specific approach following two main priorities: introducing manufacturing processes offering the best performance – in other words, using the most suitable technologies – and implementing everyday operational management and control based on defined standards. This results in the increased automation of processes, allowing us to guarantee a high level of competitiveness whilst reducing or eliminating tasks with no added value, such as handling, and all the risks associated with safety and working conditions. By the end of 2016, the Group had more than 260 industrial robots in its cookware factories, a critical factor when it comes to staying at the cutting edge of the product innovation process.

*\*Excluding WMF*



## SUSTAINABLE PERFORMANCE

A system for the continuous improvement of performance has been gradually introduced at the Is-sur-Tille site by applying appropriate working methods: shortening the chain of command; SIM – Short Interval Management – to encourage dialogue and the quality of the information (bottom-up and top-down); the 5S method for organising workstations and clarifying instructions, Gemba Walk to systematise daily site rounds, self-maintenance rounds, etc. At the same time, the Group encourages its employees to improve their skills and versatility through training courses and support. This means that the site has efficient multidisciplinary teams, ready at any time to increase flexibility and productivity when faced with variations in workload.



Christian POULIN, Manager of the Is-sur-Tille industrial site.



# Permanent evolution

Groupe SEB manages its industrial policy to ensure that the geographical distribution of production means the Group can provide its markets with the best service, taking numerous criteria into account: existing sites, development skills, new markets, logistics, customs duties, exchange rates, etc. In this context, agility and permanent evolution are key performance factors.

## **COPING WITH A CHANGING WORLD**

The Group's industrial facilities worldwide are organised to respond to the specific features of the markets they serve. There is a finely-tuned balance between manufacturing in Europe for products in which the Group holds leading positions or has developed strong technological barriers; production in emerging markets to

cover local requirements or international products for which the Group wants to maintain internal control; and, finally, cooperation with suppliers of finished goods.

In order to secure and optimise the competitiveness of its manufacturing base, the Group continuously adapts its factories, taking the economic reality of the markets into account – adjusting production volumes or



rescaling capacity, transferring activity, redeveloping factories, maintaining strict control over costs, etc.

## **INDUSTRIAL FLEXIBILITY TO BENEFIT CUSTOMERS**

The Group's operational performance also relies on its capacity to respond to the specific requirements of its retailers all over the world, whatever their format. To achieve this, the Group has been working hard for several years on improving the flexibility of processes by reducing supply times for parts and components, including flexibility requirements right from the start of product development and ensuring the improved management of logistical flows from the order to the delivery of the product by the factory.

Reducing the number of SKUs and increasing the use of shared technical designs and components, combined with delayed differentiation have been key contributors to competitiveness gains. These strengths have allowed a reduction in the time it product development time, whilst







LEAD TIME FROM ORDER TO DELIVERY  
**= 2 weeks** AT THE END OF 2016

NUMBER OF SKUs  
**- 7%** IN 2016

still guaranteeing quality and reliability, a massive reduction in costs and improved use of production capacity.

#### IMPROVING THE RELIABILITY OF SALES FORECASTS

Beyond industrial flexibility, reliable sales forecasts are also crucial when it comes to optimising customer service. The Group is therefore reinforcing the skills of its teams in the various markets and introducing high-performance analysis systems. It is also pursuing ongoing logistics projects, optimising flows, the network of warehouses (cluster approach) and stocks (quantity and quality).



## MAJOR CHANGES IN LATIN AMERICA

The Group has introduced a major industrial restructuring project in Latin America to improve its competitiveness and ensure a solid basis for future development.

**In Colombia**, it has closed the Copacabana site and consolidated all cookware and plastic production at the Rionegro site. This transfer took place in stages, with the modernisation of the current site and the construction of a new logistics warehouse to improve customer service.

**In Brazil**, Groupe SEB has embarked upon the transfer of its industrial and logistics business for small electrical appliances from Mooca/São Paulo, an ageing site in an urban environment, to a newly-built site 350 km (220 miles) away in Itatiaia, in the state of Rio de Janeiro. The new factory covers 60,000 m<sup>2</sup> (15 acres) and there is also a logistics centre covering more than 56,000 m<sup>2</sup> (14 acres). The objective is to improve the Group's competitiveness in Brazil and regain market share. Particular attention has been paid to the safety and quality of life of the site's employees. The logistics unit started operating in July 2016 and the first production lines for irons and blenders started up at the end of 2016.

The Itatiaia site will continue to ramp up, with a second phase introducing the production of cookware, which will be transferred from the São Bernardo factory (near São Paulo).

This large-scale project will lead to closer links with the market's main consumer areas, improvements in customer service and the recovery of activity and profitability.



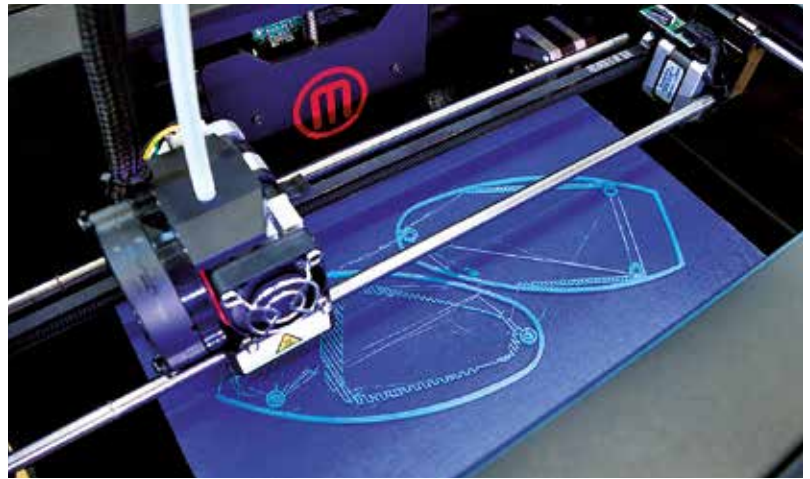


## EGYPT, PROXIMITY AND AGILITY

Groupe SEB has had a new production site in Egypt since November 2016, aiming to better serve the Middle East markets, where the current situation has had a strong impact on imports (customs duties, cumbersome procedures etc.). Located to the south of Alexandria, in the Borg el Arab region, the 10,000 m<sup>2</sup> (2.5-acre) factory is dedicated to the injection of plastic parts and assembles small electrical appliances such as blenders, mincers, irons, vacuum cleaners and kettles for local markets and Turkey.

### CANONSBURG, EXCELLENCE AND PERFORMANCE

The production site for all the All-Clad ranges in the United States, Canonsburg has unique expertise in high-end cookware, with particular skills in bonding processes (assembly of different metals with complementary properties in successive layers). Business activity and profitability increased significantly in 2016, in line with demand.



### REPAIRABILITY GUARANTEE, THE RIGHT ORGANISATION

In 2015, Groupe SEB announced the introduction of the "Repairable for 10 years" guarantee for its products, with a gradual roll-out to cover all brands in all countries. This is a binding pledge for which the Group has been preparing for many years. In 2008, it converted one of its old factories at Faucogney-et-la-Mer (in the Franche-Comté region of France) into a nerve centre for its reparability policy. Since May 2016, the Group has gained a further lead over the competition

by offering the first repairs with spare parts printed on demand using 3D printers.



**15,000 m<sup>2</sup>**  
(4-ACRE) WAREHOUSE

**5.7** MILLION SPARE PARTS

**1,500** PARCELS PER DAY

IN **60** COUNTRIES



**Canonsburg:**  
17,000 m<sup>2</sup>,  
(4-ACRE),  
250 employees,  
production:  
+14% in 2016

### PREPARING FOR THE FUTURE

Groupe SEB has implemented a forward-looking programme named "Factory of the Future", aiming to accelerate the digital transformation of the Group's industrial operations. This project has an ambitious scope, covering areas ranging from the digitalisation of operations (use of big data, robots, 3D printing) to sustainable development (coming up with neutral or positive energy solutions) and including people management (training, organisation of workload, positive feedback, support). The project is based on identified innovation bricks, for which teams will analyse the current state-of-the-art, come up with potential solutions and rapidly implement trials with a view to possible applications on a Group-wide scale.



The Supor Shaoxing site in China is the Group's largest production plant for small electrical appliances. Manufacturing kettles, electric pressure cookers, induction hobs, deep fryers, food processors, soya milk makers and coffee makers, the Shaoxing site exceeding the mark of 25 million items manufactured. Showing healthy growth compared with 2015, volumes benefit from Supor's strong momentum in the Chinese market and the gradual integration over the years of the manufacture of some

Factory: 125,000m<sup>2</sup> (31-ACRE)  
Warehouse > 40,000m<sup>2</sup> (10-ACRE)



# Powerful

> 10 million kettles in 2016  
In 5 years, volumes of fryers  
have doubled, cost price -20%.

of the Group's products, including kettles, traditional fryers and filter coffee machines.

The site's expansion since it was first set up in 2009 draws of course on increased volumes, but it has also been supported by the improved skills of its teams. This growth has taken place as part of an approach

to excellence and continuous performance improvement through strong commitment to the OPS programme, in terms of both methods and people. Shaoxing is therefore a strong and profitable industrial base for the Group and a major asset for its continued development.

## MARCH 2016 – 2015 BUSINESS AWARDS IN THE PAOJING DISTRICT OF SHAOXING.

The site won seven awards in three different categories:

- Performance of an industrial enterprise.
- Excellence in five areas: growth, investment, export, innovation, taxation.
- Quality: the Shaoxing site was one of the four winners in this category.

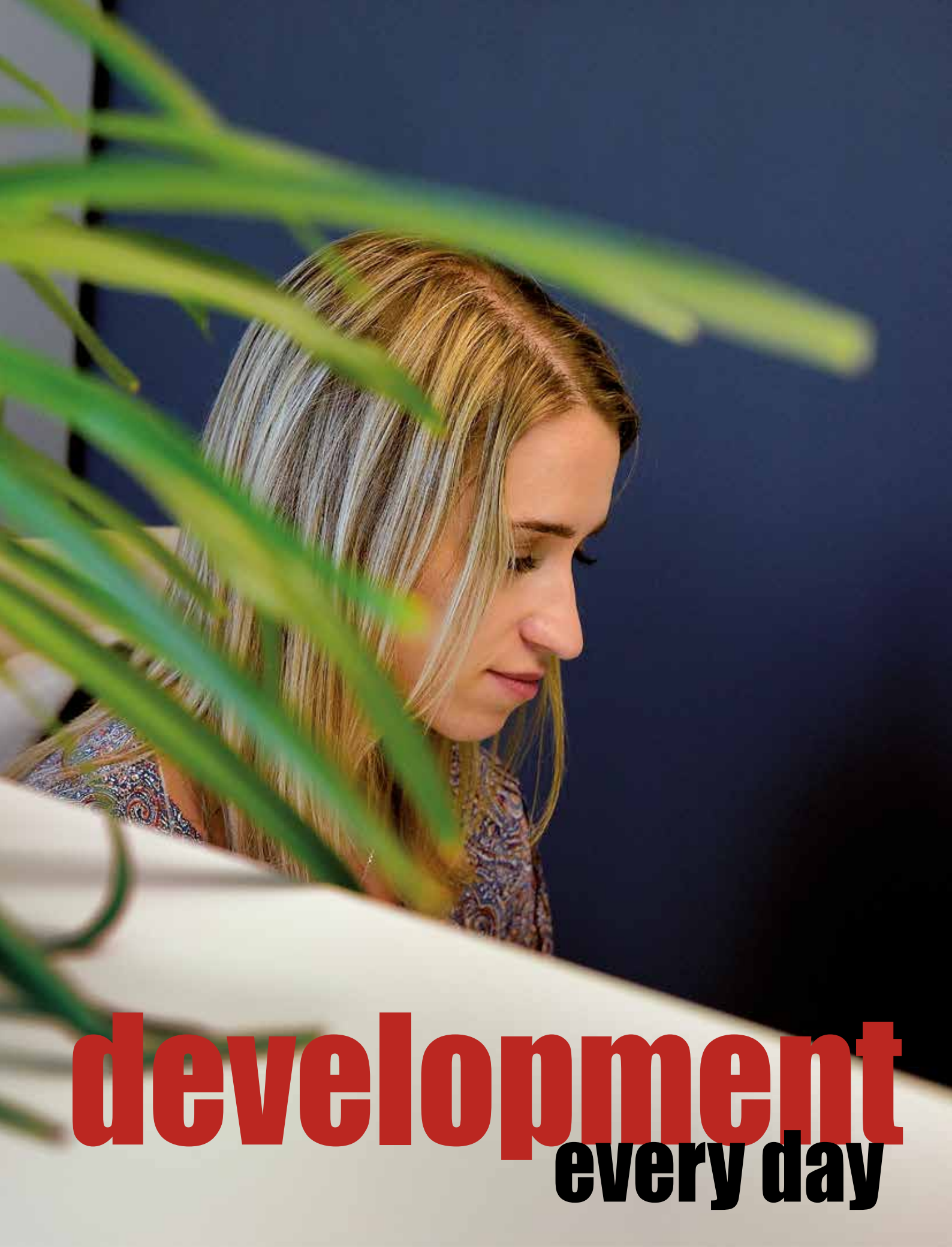


> 25 million units produced in 2016,  
+25% vs 2015





**Sustainable**



**development**  
**every day**



# A participative approach and an open mind

Year after year, sustainable development is becoming even more embedded in Groupe SEB's activities, under the leadership of a dedicated department coordinating a participative approach. This approach is based on five main areas covered by long-term action plans.

## LISTENING TO OUR STAKEHOLDERS

Open to its ecosystem, the Group maintains a regular flow of communication with a panel of stakeholders, enabling it to collect their opinions and suggestions on its sustainable development policy. This panel is made up of seven external international experts (a sociologist specialising in alternative consumerism, a member of an environmental NGO, a teacher of innovation governance, an eco-design expert, etc.), an employee representative and the secretary of the Group European Committee. The panel's April 2016 meeting addressed two subjects: how to increase the impact of circular



economy projects already introduced by the Group; and which approach to adopt to fulfil the requirements of consumers on a low income (Bottom of the Pyramid). The meeting welcomed three guests represen-

ting the consumers, customers and commercial partners concerned. Discussions led to the establishment of several constructive strategies to allow the Group to progress in both of these areas.

“

## PROOF OF AN OPEN MIND

I took part in a Groupe SEB stakeholder panel meeting to represent consumers. I appreciated this proof of an open mind, illustrated by the diversity of the people present at the meeting. I was particularly impressed by the discussions on the circular economy. By committing to repair its products for ten years, Groupe SEB has come up with a great initiative, which takes the opposite path to planned obsolescence. When I buy an appliance, it's important for me to know that it will be repairable if there is a problem. The Group's reasoning on this subject is interesting. It believes that it's a winning approach because it boosts consumer loyalty, whereas others would just see it as losing sales.

”



Anna MIQUEL, food blogger.  
www.annikapanika.com

### RAISING EMPLOYEE AWARENESS

Every year, sustainable development week represents an excellent opportunity for raising awareness amongst employees in all countries. The 2016 edition was based on the 17 global sustainable development objectives adopted by the UN at the end of 2015. Several subsidiaries organised participatory events such as collecting clothes or kitchen equipment, workshops on cooking with leftovers, photo competitions on biodiversity etc. In the Czech Republic, for example, the focus was on combating food waste and our teams in Prague were able to taste pesto made with radish tops, which very often end up in the bin. Spain and Portugal promoted good eating habits, including eating fruit and vegetables (workshop with a nutritionist, availability of fruit baskets in company premises etc.).

### RECOGNISED FOR ITS NON-FINANCIAL PERFORMANCE

Several non-financial rating agencies evaluate Groupe SEB's CSR performance and have included the Group in their SRI (Socially Res-



### ESSEC prize

The Group's CSR (Corporate Social Responsibility) approach was singled out at the beginning of 2017 by the Grand Prize for Responsible Consumption Industries, awarded by the ESSEC Business School in partnership with the French Ministry for the Economy, Industry and the Digital Sector. It had already won the same prize in 2015.

ponsible Investment) indices. This performance is increasingly recognised, as shown by its inclusion in 2016 in the FTSE4Good international index, a global benchmark in this area. Groupe SEB is listed under the "Personal & household goods" category, which features only 65 companies, five of which are French. The Group's commitments and actions are also evaluated every two years by Vigeo-Eiris, the leading agency in Europe. Its 2016 score,

an improvement on the previous year, makes Groupe SEB one of the leaders in its sector. Its approach has been praised in particular for its Human Resources, its market behaviour (including its responsible purchasing policy) and its respect for human rights. The Group is included in the Vigeo-Eiris Europe 120 and Eurozone 120 indices.

## The five sustainable development challenges facing Groupe SEB

- Ensuring the Group's ethical principles are respected
- Pursuing a responsible employment policy
- Developing territories and communities commitment
- Creating sustainable innovations to meet customer expectations
- Reducing the environmental impact





# The same requirements for everyone

The Group ensures that its ethical, social and environmental requirements are respected, both internally and by its suppliers. To do this, it relies on harmonised procedures, including regular audits combined with improvement plans.

## 153 SUPPLIERS AUDITED IN 2016

Every year, the Group audits about a quarter of its panel of suppliers of raw materials, components and finished products to investigate ethical, social and environmental aspects. This amounted to 153 audits carried out in 2016 in Asia, South America,

Europe and Turkey. These are carried out by Intertek, a specialist consultancy which reviews 300 points on its WCA (Workplace Conditions Assessment) list and indicates any areas of non-compliance, automatically leading to the implementation of corrective action plans.

working with an Asian equipment supplier that refused to be audited.



**153** SUPPLIERS AUDITED

**25%** OF THE ASSESSMENT SCORE OF NEW SUPPLIERS LINKED TO SOCIAL AND ENVIRONMENTAL CRITERIA

**€3.8m** ALLOCATED TO SUBCONTRACTORS USING THE SERVICES OF DISABILITY AND SOCIAL INTEGRATION SECTOR IN FRANCE

## SYSTEMATIC ACTION PLANS

In the event of non-compliance covered by the zero tolerance policy, such as breaches of working hours regulations, the Group issues the supplier with a formal demand to correct the situation within two weeks, with verification by a follow-up audit after a month, otherwise the collaboration is terminated. The 2016 audits identified seven of these cases, all of which were dealt with. However, the Group stopped

## INFORMATION AND RAISING AWARENESS

For Groupe SEB, it is not enough just to monitor its suppliers. It also supports them by raising their awareness in a variety of ways: sending them the Group's responsible purchasing charter, which sets out its demands in terms of sustainable development; passing on the charter of ethical, social and environmental audits indicating the procedure and the points that are evaluated during audits; training courses in this area etc. Five training sessions were organised in 2016 for 83 Asian suppliers, attended by Group buyers who are in charge of monitoring them.

## SAME APPROACH FOR THE GROUP'S SITES

Groupe SEB now applies the same system it uses for checking that its ethical, social and environmental requirements are respected by its suppliers to its own industrial and logistics sites located in high-risk areas\* (same check list, same specialist consultancy). In 2016, five sites were audited in Colombia, China (SSEAC) and Vietnam and no zero-tolerance type non-compliance was detected. All of these sites have undertaken improvement measures. The two Colombian sites (Cajica and Rionegro) received the Achievement

Award (AA) allocated by Intertek, with a score of over 90% without any major non-compliance.

## SOCIAL CLAUSES IN CALL FOR TENDER

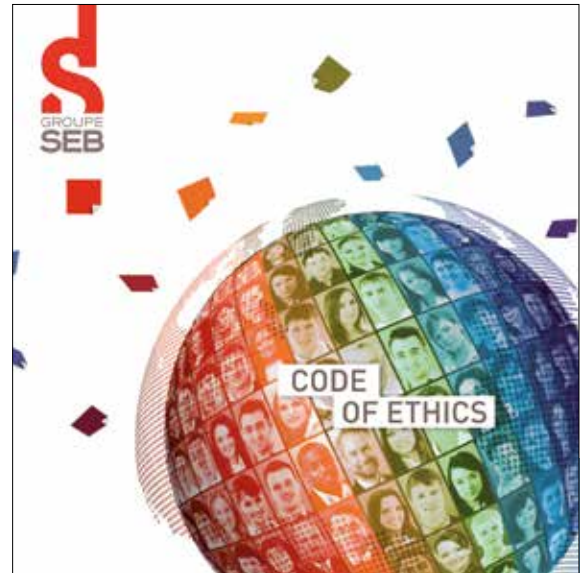
In addition to requiring compliance, the Group is committed to reinforcing the sustainable development component of its purchasing policy. It has, for example, inserted social and environmental clauses in call for tender. These aim to prioritise suppliers committed to the professional integration of people in difficulty or offering environmentally-friendly solutions.

The Group's new head office, opened in 2016, is a good illustration of this: five companies from the protected sector (companies adapted for disabilities and support services and establishments helping people with disabilities find work) are involved in catering, cleaning, telephone reception services and outdoor maintenance work.

*\* High-risk areas as defined by Maplecroft in its Human Rights Risk Index.*



Code of Ethics training in Brazil.



**The Group's Code of Ethics:** a reference framework outlining the individual and collective rules of conduct to guide the actions of all employees worldwide. Translated into 11 languages, it is explained to all new employees.

## AUDITS AS A MEANS OF MAKING PROGRESS

We were one of the first Groupe SEB sites to be subjected to an ethical, social and environmental audit. This was carried out by the Intertek consultancy in August 2016. The audit report was extremely detailed and very clearly pointed out the subjects that required improvement – these mainly involved exceeding overtime hours. To remedy the situation, we have modified our shift rotations from 2 x 10 hours to 3 x 8 hours. We have also rectified a few shortcomings, such as the wearing of personal protection equipment at several workstations. Aside from the corrective measures that have been introduced, this audit was also very beneficial in terms of boosting the vigilance of our teams, managers included, in terms of the various topics that were covered. It's an efficient way of making progress.

Naisheng WANG, Managing Director of the Supor Binh Duong (Vietnam) site.



# A positive dynamic

Groupe SEB has more than doubled in size in ten years and now has more than 30,000 employees worldwide, including EMSA and WMF. This growth is supported by a Human Resources policy that focuses on developing skills and consolidating a shared culture.



who had come from the Group’s own teams. The Group relies in particular on a very active mobility policy, which allows people to enrich their career paths. Internal job offers are published on the [imove@SEB](mailto:imove@SEB) site, which is accessible on the intranet, and employees can also post their applications. This mobility is increasing all the time: the number of managers moving to a new position increased by 38% in 2016 and the number changing countries has more than doubled.

## **GROUPE SEB WAY OF MANAGEMENT**

In 2016, the Group rolled out its Managerial Skills Model to all countries. Based on the Group’s values and written in terms that everyone can understand, this reference document defines the key skills that are expected of a manager. It has been the subject of an extensive

training plan for 2,600 managers, supported by e-learning software. Since the beginning of 2017, it has been part of the Annual Appraisal Interview check list.

## **MOBILITY BOOSTS CAREER PATHS**

Internal promotion is a priority for Groupe SEB: in 2016, 90% of its key positions were occupied by people

## **YOUNG TALENTS ARE WELCOME**

To attract young talents, the Group relies on its partnerships with prestigious higher education institutions, including the CEMS Alliance (30 management schools, 65 nationalities). It also organises an International Masterclass programme, a 12-month course within the Group offered to students from the best universities. In addition, the Group offers 300



## **SOFT SKILLS AS A CORNERSTONE OF EXCELLENCE**

I tried out the Group’s new Managerial Skills Model on my team during the annual staff review. The model provides a clear overview of expected behaviour, irrespective of the country in which we work. This is very important because soft skills are a cornerstone of excellence and competitiveness. This model makes the Group’s values more tangible and brings out hidden talents for everyone to see. We also assessed non-managerial staff with the potential to evolve towards a management position: four of them have entered a specific programme with training sessions.



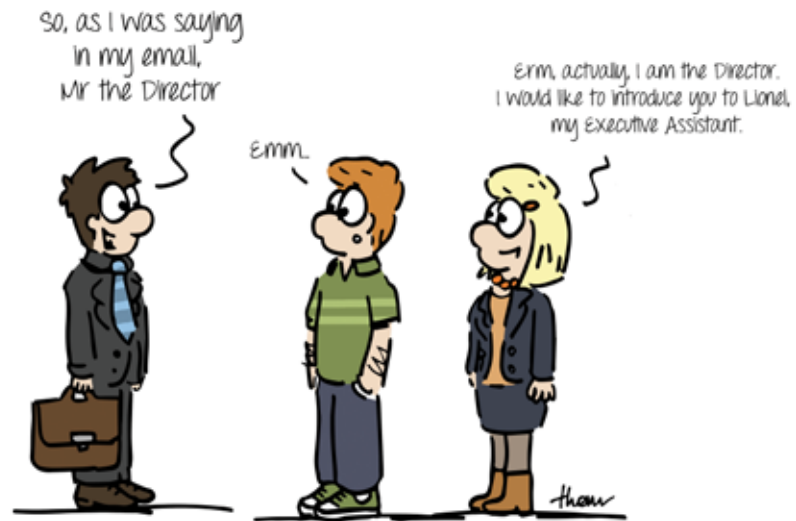
Hanane BADRA, , Managing Director of Groupe SEB Egypt.



internships and apprenticeships each year, not forgetting the young international volunteer placements (VIE). Combined, these form a pool of talents from which the Group hires 80% of its young graduates.

### WOMEN AND MEN ON AN EQUAL FOOTING

The Group promotes professional equality between men and women in its teams. It organised a forum on this subject in France in 2016, bringing together 150 employees (a third of whom were men). Some of the proposals to come out of the forum have already been implemented: the short list of candidates for key positions includes at least one woman and a mentoring programme has been in its test phase since February 2017. Other ideas have been included in the collective agreement on Quality of life at work, such as teleworking and introducing methods to encourage a better work/life



balance. In 2016, women made up 38% of managers (27% in 2006) and 47% of recruitments in this category. They also represented a third of expatriated managers and 50% of the population of "young talents".

### GRUPE SEB UNIVERSITY (UGS) CELEBRATES ITS 25TH ANNIVERSARY

UGS has been providing high-level training courses to employees in France and other countries for

25 years now. One of its flagship programmes, the Digital Academy, continued to expand in 2016: a large-scale e-learning programme was rolled out to 2,450 managers in the Group to develop their digital skills, with very positive feedback from the participants. Two e-learning modules were also launched on the subject of e-commerce and a new programme was introduced on integrated marketing communications.

### Diversity

In France, the "Equality and Diversity" study and action group has reviewed religion in the workplace, three years after Groupe SEB published its first internal guide on the subject (updated in 2015). The group has produced an evaluation grid to go with the guide, helping managers and HR managers deal with various types of cases.







**2/3** OF MANAGEMENT POSITIONS ARE FILLED INTERNALLY

**80%** OF YOUNG GRADUATE RECRUITMENTS COME FROM A POOL OF INTERNS AND APPRENTICES

THE INTERNATIONAL MOBILITY OF MANAGERS **doubled** BETWEEN 2015 AND 2016

**Mentoring**

First steps in mentoring: experienced managers support and advise young talents for a year to help them succeed in their future career within the Group. The pairings respect strict equality between women and men, for both mentors and mentees.

**BEHAVIOUR, A KEY SAFETY FACTOR**

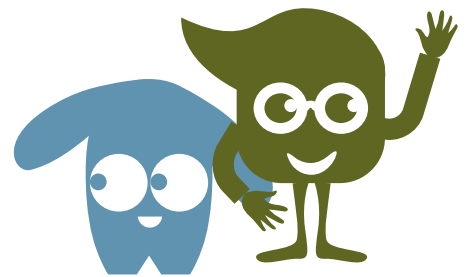
The safety of its employees is a priority for the Group. In the knowledge that 80% of accidents could be avoided by improving conduct, the behaviour-based safety visit (VCS) plays a key role in the Group’s safety standards, which formalise its minimum requirements in this area. Its objective is to eliminate dangerous practices and conditions through dialogue between the “visited” employee and

a manager. Each employee working at an industrial or logistics site is visited on average twice a year in high-risk sectors. In 2016, training programmes for carrying out VCS inspections continued to take place, including in Italy, Russia, China etc. In China, the Supor sites were extremely active in this area, making more than 1,900 visits.

**CONNECTED TEAMS**

Digital technology is becoming increasingly widespread in the daily lives of the Group’s teams: 2016 saw the start of the worldwide launch of the Digital Workplace, based on Microsoft Office 365. All connected employees in the Group will soon be able to access their workplace via the internet, irrespective of where they are working and which device they are using. They will also benefit from increased data storage

capacity, new collaborative services and an internal social network. This massive operation is being supported by a publicity campaign in 15 languages. Many other actions also support the Group’s digitalisation, including the creation of the “Digital Chronicles” on the intranet, the organisation of a Digital Forum and the creation of a Digital Room at the head office in Ecully.



**Instagram**

International success for the competition organised at the end of 2016 on the Group’s new Instagram account – in two months, employees posted more than 500 photos of their everyday lives in the company accompanied by the hashtag #InsideGroupeSEB ... and they are continuing to do so.



**PROGRESS FOR THE SAFETY CULTURE AT SUPOR**

In 2016, the number of work accidents with absence was cut by 30% at Supor sites (China and Vietnam) and the proportion of causes linked with conduct was cut in half. This is the result of the strengthening of our safety policy since 2015, supported by the highest level of management. Aside from applying the Group’s safety standards, we have also carried out training programmes at all sites. And every month, I lead a video conference that brings together the five Health, Safety and Environment representatives at Supor (one for each site). This is an opportunity for us to share best practices and feedback and it helps us to make progress towards achieving our objective of reducing the number of accidents by 50% between 2016 and 2019.



Caiyuan ZHAO, Health, Safety and Environment Coordinator at Supor.

**GREAT  
PLACE  
TO  
WORK®**

#### A GREAT COMPANY TO WORK FOR

The Group uses the Great Place To Work (GPTW) survey to see what makes its employees tick. The survey was carried out for the first time in France in 2012 and has been gradually rolled out internationally: nine other countries introduced the survey in 2015 (Europe and Turkey), joined in 2016 by eight new countries across three continents (China, Colombia, Germany, Austria, Switzerland, USA, Mexico and Canada). In these eight countries, the participation rate reached 76% (on average) with 79% of employees saying that Groupe SEB is a great place to work. This survey is carried out every other year, and each subsidiary adopts a plan of action for improving its weak points.

Groupe SEB pays a great deal of attention to its employees' quality of life at work and it has a social barometer to help understand their expectations and introduce improvement measures. This initiative is also spreading to other countries.



#### TURKEY: HIGHLY INVOLVED EMPLOYEES

Groupe SEB Istanbul took a participatory approach to establishing its plan of action following the GPTW survey. A group of 20 people (employees and managers) looked at the results together and came up with five strategic priorities – internal communications, management performance, pay, job descriptions, training and career plans. The projects were launched at the end of 2015 and are being monitored, once again, by voluntary groups of workers.

# Quality of life in the workplace

#### FRANCE: WORK/LIFE BALANCE

The collective agreement introduced in June 2016 on Quality of Life at work includes several measures to help achieve a good work/life balance. Examples include an on-site social support service to help employees with personal problems; the availability of places in inter-company childcare centres; a telephone support service for people looking after a family member (illness, old age etc.) and the development of concierge services.

#### USA: A WELL-BEING COMMITTEE FOR EVERY SITE

For several years now, Groupe SEB USA has been operating a programme to encourage its workers to adopt a healthy lifestyle. Each site has its own well-being committee, which ensures that this policy is implemented locally. Events are organised throughout the year, including monthly online seminars (nutrition, stress management, etc.), sports activities on site, "healthy cooking" workshops, help with giving up smoking, fruit deliveries, etc.

#### JAPAN: COMMUNICATIONS ARE PAYING OFF

In 2015, an internal survey highlighted weaknesses in communications and collaboration. To put this situation right, the new management team came up with some innovative ideas – monthly team meetings, chats over coffee with the Managing Director, original training sessions on communications (on a curling sheet), an award system (employee of the month, recognition of seniority, etc.). The result has been a clear improvement in levels of satisfaction recorded in the 2016 survey and a reduction in the staff turnover rate from 30% to 8%.





# Solidarity in actions



In all countries, Groupe SEB encourages its employees to get involved in communities initiatives through campaigns managed by subsidiaries or projects supported by the Fonds Groupe SEB. Combating social exclusion is at the heart of the Group's corporate philanthropy policy.

## GLOBAL INVOLVEMENT IN CHARITY WEEK

Employees from 37 sites worldwide were involved in a wide variety of initiatives on the "Food and Solidarity" theme for Charity Week 2016. In Brazil, they helped to restore a community garden in São Paulo managed by Cities Without Hunger. This association develops organic urban agriculture, which creates jobs and improves the nutrition of people on low incomes. In Chile, volunteers from the Groupe SEB subsidiary helped a school in a deprived neighbourhood, where they led a cookery workshop based on fruit and vegetables to raise awareness of healthy eating. In another example,

the Parsippany site in the USA involved its teams in a challenge based on nutrition, donating the Group's kitchen equipment to associations supporting people in need. In many countries, teams were involved in food collections, including in Russia, where the food went to an association supporting homeless people.



## CROWDFUNDING AND SOCIAL INTRAPRENEURSHIP

During Charity Week in France, employees were invited to participate in a crowdfunding campaign to finance the opening of new "Petites Cantines" in Lyon. It was a Groupe SEB employee who originally came up with this idea of opening neighbourhood canteens, which operate thanks to free contributions made by guests. The objective is to bring local people together to forge social ties over a meal. The Group has supported this initiative right from the start. It provides food for thought on social intrapreneurship, enabling Group employees to get involved in an economically viable community project. The crowdfunding initiative has been topped up by the Fonds Groupe SEB and a total of EUR 37,800 has been raised.

## LIFE PROJECT 4 YOUTH: VIETNAM TO INDIA

The Fonds Groupe SEB supports a number of projects aiming to fight exclusion, mainly in France, alongside associations such as Emmaüs Défi, the Association Nationale de Développement des Epiceries Solidaires



(ANDES, a national association for setting up low-cost community food shops), the Agence du Don en Nature (ADN, an agency supporting donations in kind), Énergie Jeunes, Institut Télémaque, etc. In other countries, it supports the Life Project 4 Youth association, which develops professional training centres to help excluded young people build a future for themselves. The Fonds is supporting one

of these centres in Ho Chi Minh City (Vietnam), near the Asia Fan site. Since 2016, it has been supporting the development of two new centres in New Delhi (India). One of them makes and sells healthy snacks near the station and the other, which is not far from the Groupe SEB India offices, specialises in carpentry and electricity. Their objective is to train 90 to 100 young adults in three years.

**LE RECHO**  
refuge chaleur optimisme

The Fonds Groupe SEB supports the work of Recho ("Refuge Chaleur Optimisme") in European refugee camps. The association's food truck organises cookery workshops and delivers meals to improve living standards, forge social ties and encourage integration.



Ericka COGNE, Managing Director of Institut Télémaque.

## SUPPORTING EQUAL OPPORTUNITIES IN EDUCATION

Institut Télémaque supports deserving and ambitious young people from modest backgrounds throughout their secondary education. Each student is supported by an adult contact in their school and by a company mentor. Their role is to expand the students' horizons and help them make choices as they make plans for the future. Groupe SEB has been supporting us since 2011 with five voluntary mentors and it became even more involved in 2015 when Thierry de La Tour d'Artaise took over the presidency of the Auvergne-Rhône-Alpes section. In five years, the number of Groupe SEB mentors has tripled, along with the number of partner companies in the region (30) and the number of young people supported, which reached 140 in the Lyon and Grenoble areas in 2016. And it's working! The pass rate for the baccalauréat exams is 97% for the young people who benefit from this support, compared with the national average of 77%.



**€2.5m** ALLOCATED TO CORPORATE PHILANTHROPY WORK BY GROUPE SEB (FONDS AND SUBSIDIARIES)

**37** SITES WERE INVOLVED IN CHARITY WEEK, AN ANNUAL HIGHLIGHT OF THE GROUP'S COMMUNITY WORK

**18** SUPOR SCHOOLS UP AND RUNNING AND **2** MORE UNDER CONSTRUCTION

In August 2016, Thierry de La Tour d'Artaise visited a school in Zigong (Sichuan), one of 18 schools built since 2007 by Supor in disadvantaged rural areas.







# More responsible consumption

Respect for the environment, combating waste, healthy eating... More and more people feel the need to change their consumer behaviour. Groupe SEB is innovating in this area, laying a path towards the circular economy.

## A PIONEER IN REPAIRABILITY

Committed since 2008 to a voluntary approach to the repairability of its products, Groupe SEB is now leading the way in this field: more than 95% of the electrical products it sold in 2016 being mostly repairable. This has all the ingredients for a recipe for success. The products are designed to be easy to dismantle, spare parts

are available (40,000 different items) at an affordable price, there are more than 6,500 approved repair centres worldwide and a centralised IT platform manages the repairs. Groupe SEB has initiated a pilot scheme for the 3D printing of spare parts, allowing them to be manufactured on demand and increasing their availability almost to infinity.

## A GLOBAL POLICY

Following a test phase in 2015 in France, the Group extended its repairability commitment for the Tefal, Rowenta, Moulinex and Krups brands to Europe, Asia and Africa and to France and Belgium for Seb and Calor. Starting last September, new product ranges are now sold with the "Product repairable for 10 years" logo on the packaging. At the same time, the Group has intensified its publicity campaigns to raise awareness amongst consumers, first in France and then in Germany, Belgium, Italy, etc. Even before this campaign began, the number of repaired products had already increased in approved centres. In Europe, for example, the figure for products under warranty increased from 72% in 2013 to more than 80% in 2015 and the number of products repaired out-of-warranty increased by 24% in three years.

## NEW FOOD TRENDS

Groupe SEB introduced the Nutritious & Delicious range to fulfil the requirements of consumers who are increasingly aware of the quality of the food they eat. This range is enriched by connected products,



**GRUPE SEB'S REPAIRABILITY POLICY WAS RECOGNISED WITH SEVERAL AWARDS IN FRANCE IN 2016:** the Circular Economy trophy at the Pollutec trade fair, the ESSEC prize in the "End of life processing" category, Top/Com HEC for Marketing Audacity and the Press Relations and Public Relations prize (Communication & Enterprise).

### Awareness of responsible consumption


In France, Groupe SEB supports the Unis-Cité association, which raises awareness of responsible consumption in deprived communities. Young volunteers support families over several months with activities and personalised advice. In 2016, they raise awareness among 1,200 people and supported 72 families.



with mobile applications offering a number of services, including nutritional advice. The Group has also come up with a number of appliances to make home cooking easier and to encourage a more balanced diet. These include the Multicook & Grains (Moulinex), which has been specially designed to prepare and cook cereals and pulses. These foods are becoming increasingly popular, because they are a rich source of vegetable proteins and their production has a lower impact on the environment than the production of animal proteins.


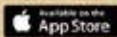

#### NO TO TECHNOLOGICAL OBSOLESCENCE

Innovation is not just about coming up with new products, it also involves



**REGISTER YOUR COMPLAINT HASSLE FREE!**  
**MAHARAJA SERVICE APP**

SEARCH MAHARAJA SERVICE ON

Home repairs being very widespread in India, Groupe SEB has developed a smartphone app allowing users to book an appointment with one of the 243 repair centres.

consumer services. Moulinex is offering owners of the Cuisine Companion food processor the chance to enhance it with the functions of the i-Companion, the connected version of the appliance launched in 2016. The cost of this is limited to the difference in price between the two products.



**95.4%** OF ELECTRICAL PRODUCTS SOLD ARE REPAIRABLE

MORE THAN **6,500** APPROVED REPAIR CENTRES WORLDWIDE

**6 million** SPARE PARTS IN THE CENTRAL WAREHOUSE



### HEALTHY EATING FOR BETTER LIVING

Groupe SEB is an active member of EIT Health, a European research consortium. This is one of the biggest global initiatives in the health and well-being sector, bringing together more than 130 leading players (companies, laboratories, universities, etc.). Groupe SEB is behind the Cook2Health project, which was launched in 2016 with the support of doctors, nutritionists and the digital community, with Groupe SEB as the project leader. The project involves measuring the impact on health of the regular use of connected cooking appliances by conducting a major clinical trial in Europe involving about 200 people. The objective is to demonstrate the benefits of personalised support in developing healthier everyday eating habits.

Sylvie BOVE, Managing Director of EIT Health.



# Commitment and progress

Within Groupe SEB, Innovation Community teams are well aware of the need to respect the environment, and they work on reducing the environmental impact of the Group's products at every stage of their life cycle. Their efforts result in definite, and measurable progress.

## ECO-DESIGN AND ENVIRONMENTAL PROFILES

In 2016, the Group began to establish an environmental profile for each product family, with worksheets responding to three important questions: Which stage of the product's life cycle has the most impact on climate change? What resources are required to manufacture the product and make it work? Which factors need to be acted on to reduce the impact on climate and resources? These worksheets



represent a means of raising awareness amongst R&D and marketing teams, as well as an aid for targeting areas in which eco-design work is required. Five of these worksheets have already been published with the support of an e-learning module (French/English) and are now available on the intranet.

## PRODUCTS USING LESS ENERGY

Throughout the entire life cycle of small electrical appliances\*, three

quarters of the energy impact comes from the electricity they consume in use, considerably more than during their manufacture. Groupe SEB is making a number of efforts to reduce this figure: in less than three years, R&D teams have managed to reduce the energy consumption of cylinder vacuum cleaners almost threefold, without compromising on dust pick-up performance or noise levels and staying a step ahead of current regulations.

\* Excluding battery-operated products.

## THE ECO-DESIGN GUIDE

Fully revised in 2013, this guide is used by the Group's entire Innovation community, including marketing teams, R&D, Design, as well as Purchasing, Quality Control, Legal, etc. Additional training sessions are organised regularly for development teams, including on measuring the environmental performance of products.



To boost the teams' commitment to reducing the environmental footprint of the company and its products, in 2013 Groupe SEB set itself 4 ambitious targets to achieve by 2020.

## 20% reduction in the energy consumption of electrical products

[compared with: 2013]

**End of 2016:** The Group has identified the product families with the biggest impact in terms of energy consumption. For each of them, it has defined a method for the precise measurement of consumption and energy efficiency, as well as one or two reference products for measuring progress.

**Example:** The *Moveling* hairdryer (Rowenta/Cator), launched in 2016, consumes 20% less energy than the reference model, whilst maintaining the same level of performance: 1,700 watts instead of 2,100 watts.

## 20% recycled materials in new products

**End of 2016:** Products manufactured in the Group's factories contain on average 37% recycled materials.

**Example:** Following the launch in 2015 of the first product to contain recycled polypropylene (a steam generator), a raclette grill with a base also using recycled polypropylene was launched in 2016. This plastic comes from recycling electrical and electronic appliances, thanks to a circular economy system set up by the Group in France with Veolia and Ecosystèmes.

## 20% less energy consumption for production sites

[compared with: 2010]

**End of 2016:** The Group has cut the like-for-like energy consumption of its sites by 13%.

**Example:** *Lighting is one of the main consumers of energy at the sites. That's why existing systems are gradually being replaced by LED systems that consume between 50% and 75% less electricity. Skylights and natural ventilation systems have also been added during building renovations or construction work (Rionegro in Colombia, Itatiaia in Brazil) to limit the use of lighting and air conditioning.*

## 20% reduction in greenhouse gas emissions for the transport of products

[per sold product - compared with: 2013]

**End of 2016:** 24% reduction in emissions.

**Example:** *In Germany, the overhaul of the system for transporting containers from the port to the Duisburg platform has enabled us to transfer 100% of traffic from road to rail. Instead of arriving in Hamburg and then travelling to Duisburg by road (330 km), the containers now arrive in Rotterdam and are transported to the platform by rail (120 km). Summary: 73% reduction in CO2 emissions.*







### THE HUNT FOR WASTE IS ON!

Reducing waste at source is one of the main areas of work for production sites. This has led, for example, to some of the component packaging being sent back to suppliers,

who then reuse it for subsequent deliveries. This is the case in Erbach (Germany) for the cardboard sheets that protect the soleplates of irons (6.4 tonnes of waste prevented each year) and in Selongey (France) for



the containers of pressure cooker modules and handles. Other eco-production initiatives involve manufacturing processes. In Rionegro (Colombia), optimising the casting of aluminium has allowed the quantity of materials required for manufacturing a caldero (casserole) to be halved and energy consumption per unit produced has been cut by almost 10%.

### MORE RECYCLABILITY

In 2016, the recyclability rate of Groupe SEB's families of electrical products designed this year reached almost 80%.

Cookware is made up of around 80% potentially recyclable materials, mainly metals (aluminium and steel).

### LESS EMPTY SPACE IN PACKAGING

To reduce its greenhouse gas emissions linked with transport, the Group prioritises the use of alternatives to road haulage (rail, rivers, etc.) and is continuing to work on the load rate of transport units. Having optimised the dimensions of packaging to fit the dimensions of pallets, it is aiming to reduce the empty space in packaging as much as possible. In 2016, a system was devised for measuring



Benjamin de PONCHEVILLE,  
Partnership Manager at WWF France.

## COMPANIES ARE A STRONG CATALYST FOR CHANGE

Our mission is to work towards ensuring that, in the near future, human progress takes place in harmony with nature. This will not be possible without the commitment of companies, which are a strong catalyst for change. That's why we are helping them to develop their practices and come up with innovative solutions for reducing their ecological footprint. Our partnership with the Rowenta brand is clearly in line with this approach. Rowenta is already committed to a sensible environmental approach, involving new products that consume less energy, the use of recycled materials and product repairability. Together, we shall go one step further by working towards getting everyone involved to encourage awareness of sustainable consumption.



empty space and this is now taken into account during the product design phase. After all, transporting less empty space means lower CO<sub>2</sub> emissions and reduced costs. Three training sessions were organised to present the new system to the concerned teams (R&D, design, quality, etc.) with the help of an e-learning module.

### GRUPE SEB'S PARTNERSHIP WITH WWF FRANCE

The Rowenta brand is a flagship for Groupe SEB's commitment to reducing the environmental impact of its products. In 2016, it committed to a partnership with WWF France, one of the leading independent organisations dedicated to protecting nature. This partnership, introduced for a three-year period, targets three main areas: energy efficiency, product reparability and the use of recycled materials. WWF will provide its support in technical areas as well as for communications to consumers.



In 2016, Groupe SEB joined the Science Based Targets initiative launched in 2015 by the WWF, Global Compact (UN), the WRI (World Resources Institute) and the CDP (Carbon Disclosure Project). This encourages major international companies to bring their greenhouse gas reduction targets into line with the recommendations of the international community for keeping the average increase in temperature worldwide below 2 °C.



Three industrial sites obtained ISO 50001 certification in 2016 for their energy management system: Erbach (Germany), Rumilly and Tournus (France).

### CULTIVATING BIODIVERSITY

The Group's new head office has a 300 m<sup>2</sup> conservatory garden created in partnership with the Vavilov Institute (St. Petersburg), the world's oldest seed bank. A celebration of biodiversity, the conservatory is open to everyone who visits the site.



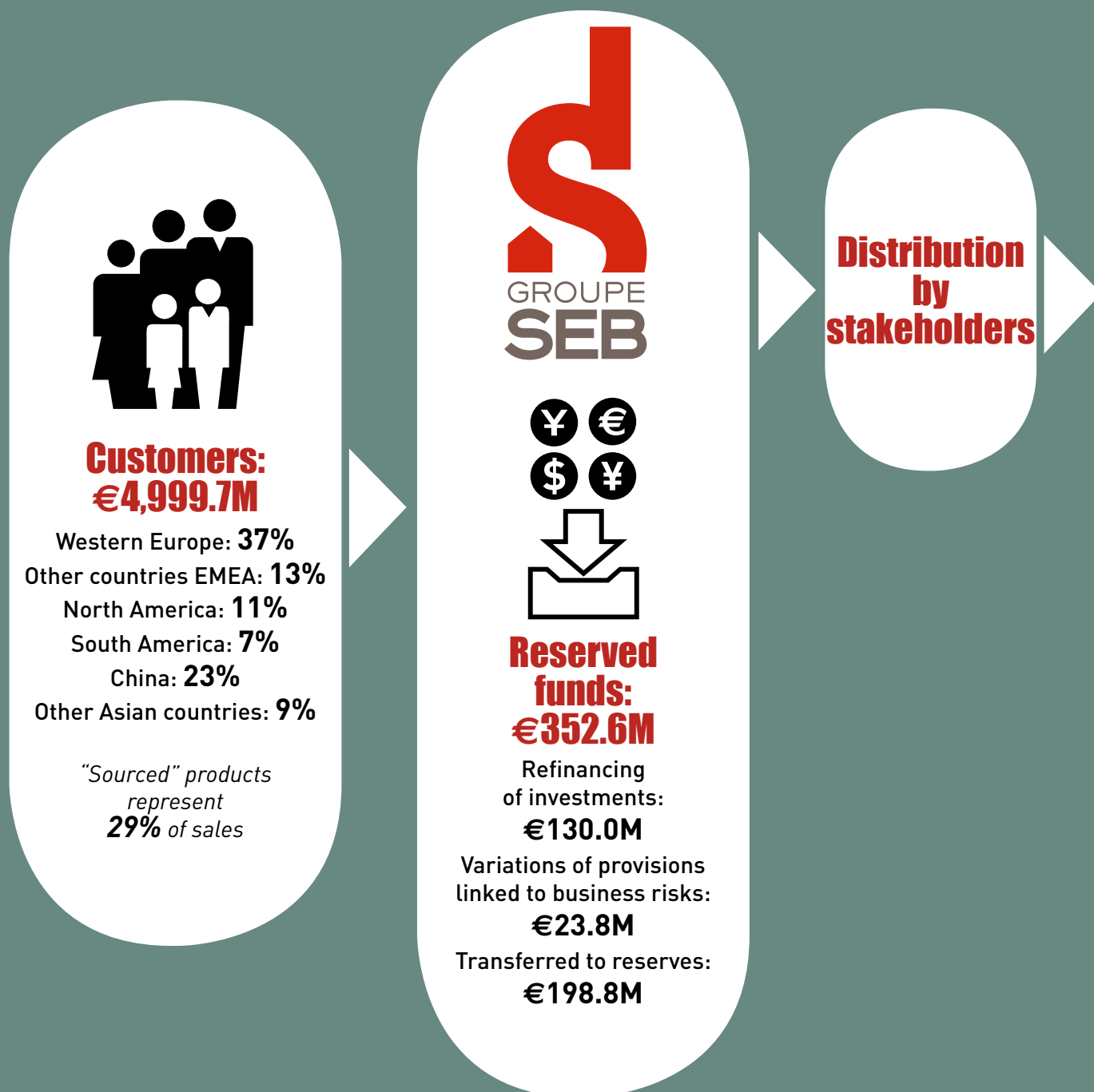
**95%** OF THE GROUP'S PRODUCT FAMILIES HAVE BEEN SUBJECTED TO A LIFE CYCLE ANALYSIS

**94%** OF FACTORIES AND LOGISTICS ENTITIES ARE **ISO 14001** CERTIFIED

IN 2016, FRENCH CONSUMERS HANDED IN ALMOST **300,000** USED COOKWARE ITEMS AS PART OF A RECYCLING PROJECT INTRODUCED BY THE TEFAL BRAND.



Groupe SEB's economic and financial performance has repercussions for stakeholders all over the world: employees, suppliers, public authorities, local communities and shareholders. The Group makes strategic choices as to how to share the value created, helping it to achieve corporate objectives and prepare for the future in a responsible way. The diagram below shows the main cash flows recorded in 2016 between Groupe SEB and its various parties. It explains how the Group's revenues are used and redistributed.





### SUPPLIERS: €3,531.6M

13,822 suppliers (raw materials, components, finished products and indirect), including a panel of 1,464 suppliers. More than 80% of purchases for raw materials, components and finished products are realized by the panel.



### EMPLOYEES: €819.4M

26,825 employees at 31/12/2016  
76% total salary  
24% social charges  
Profit-sharing and legal profit-sharing €30.6 million to be paid in 2016



### STATE AND LOCAL AUTHORITIES: €151.6M

Corporation tax: €77.7M  
Local tax: €73.9M



### SHAREHOLDERS: €92.0M

Paid in 2016 for the 2015 financial year.



### BANKS AND BONDHOLDERS: €50.1M

Mainly financial charges linked to interest on bank loans.



### ASSOCIATIONS: €2.5M

Donation to associations via the Fonds and/or international subsidiaries as part of the Group's relations with local communities and civil society.

# Stakeholders

overview





**THE GROUP RECEIVES THE BRONZE AWARD FOR THE BEST SHAREHOLDERS' MEETING IN THE SBF 120**

Groupe SEB won the Bronze Award for the best shareholders' meeting amongst SBF 120 companies at the Best Investor Relations Awards organised by the weekly review, Le Revenu. This prize once again recognises the quality of the Group's financial communications and of its investor relations.

**Profil**

**Stock market**

Euronext Paris, Compartment A

**Share code**

FR000121709

**Date of introduction**

27 May 1975

**Stock market indices**

CAC® Mid 60 – SBF® 120 – CAC® Mid & Small  
CAC® All-Tradable – CAC® All-Share

**Other information**

IAS index – Eligible for SRD

**Number of outstanding shares**

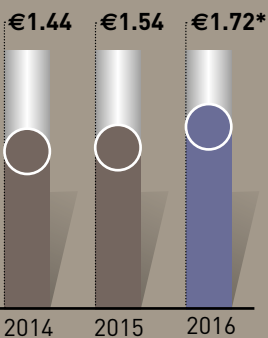
50,169,049 shares with a nominal value of €1

**Tickers**

Reuters : SEBF.PA  
Bloomberg : SK.FP

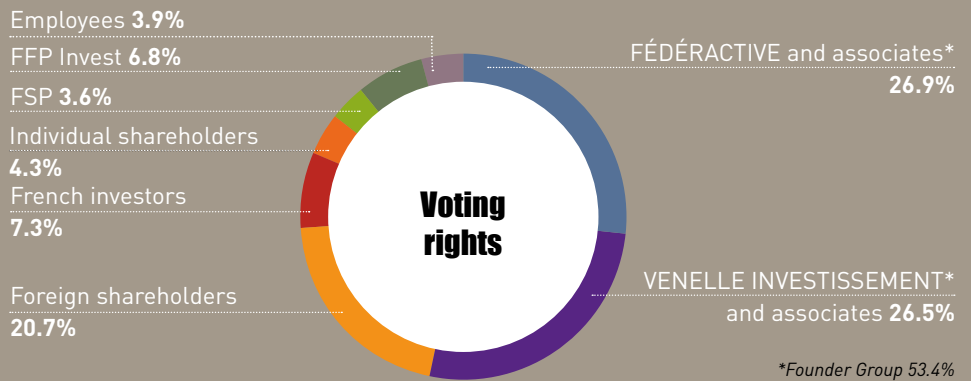
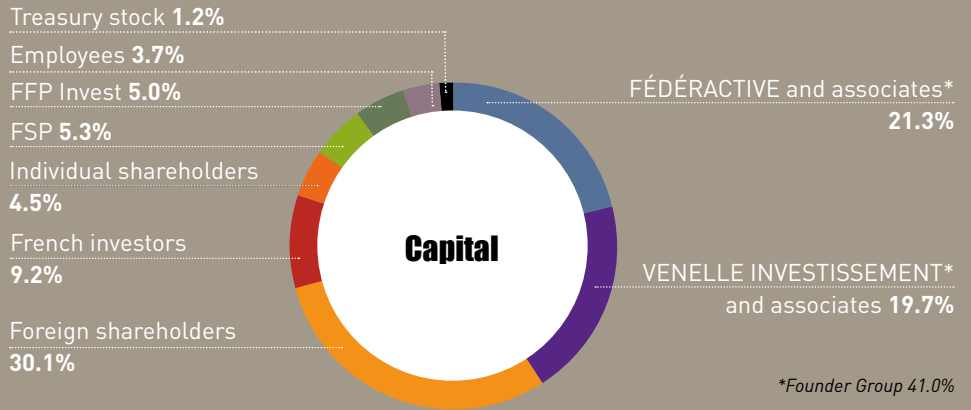
**Dividend**

At its meeting on 17 February 2017, the Board of Directors proposed to distribute for fiscal year 2016 a dividend of €1.72 per share, an increase of 11.7% over the previous year. The shares will be quoted ex-dividend from 16 May 2017 and the dividend will be paid as from 18 May 2017.

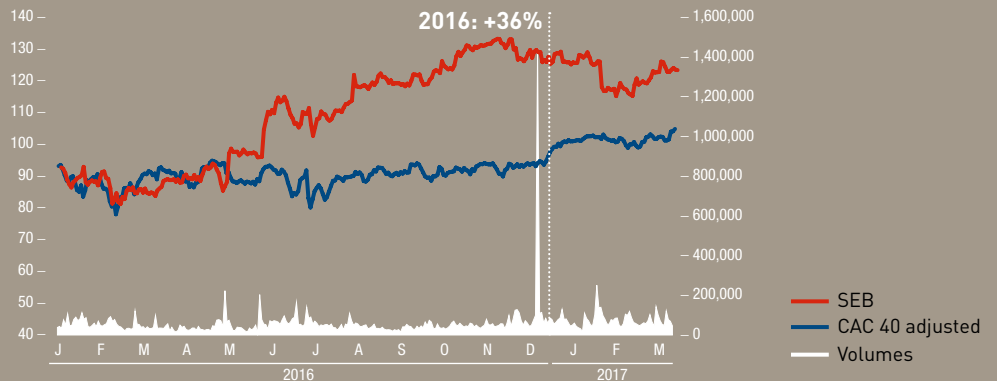


\*To be proposed at the AGM on May 11, 2017.

**Breakdown of capital and voting rights at 31/12/2016**



**Share Price Performance**



**2016 performance**

Closing price on 31/12/2016	128.75 €
Stock market capitalisation	6,459 M€
Highest price	136.00€
Lowest price	79.90€
Average price for the year	109.63€
Average of daily share transactions	60,252





**[www.groupeseb.com](http://www.groupeseb.com)**

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**BUSINESS AND SUSTAINABLE DEVELOPMENT REPORT**

**2016**

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