



better living
2017



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**TO MAKE CONSUMERS'
EVERYDAY LIVES EASIER
AND MORE ENJOYABLE**

**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



Our values



For 160 years, Groupe SEB has been determined and enthusiastic in pursuing its ambition: to be THE world reference in small domestic equipment. To achieve this, it relies on a long-term vision based on its five fundamental values:

GROUP SPIRIT
ENTREPRENEURIAL DRIVE
PASSION FOR INNOVATION
RESPECT FOR PEOPLE
PROFESSIONALISM

Embodying the philosophy of a responsible, inclusive company committed to the public good, these values are shared by all our employees, all around the world. They enable the Group to face the challenges of its environment with peace of mind and make the most of the opportunities of a growing market.



Our strategy



PRIORITISING GROWTH

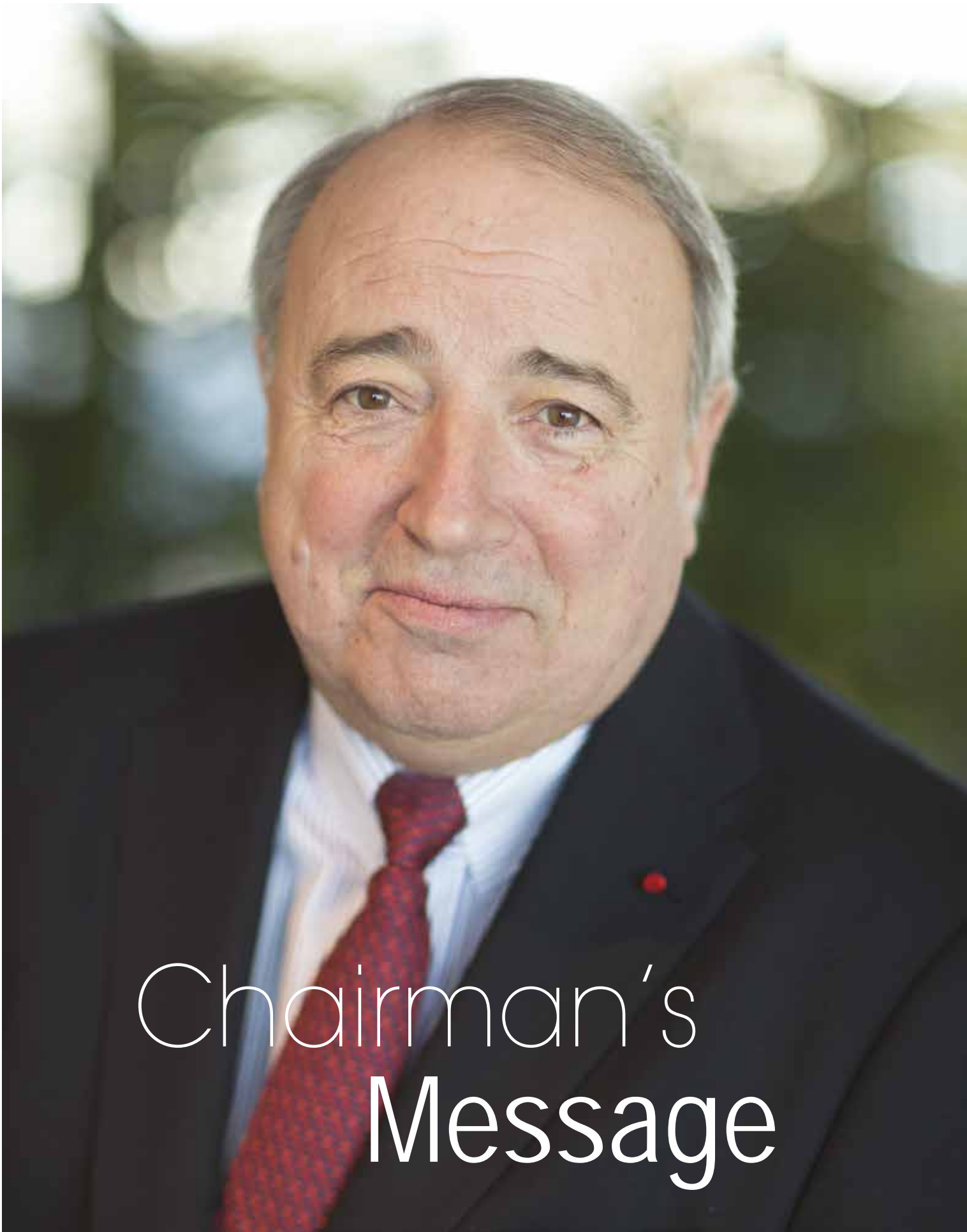
- By resolutely implementing a strong and differentiating innovation policy, enabling us to offer products and services that fit in perfectly with consumer expectations.
- By drawing on the strength and the complementary nature of our brands, which allow us to cover all market segments, from entry level 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 for local leadership.

MONITORING COMPETITIVENESS

- Through the permanent and responsible adaptation of our industrial facilities, 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.

BEING RESPONSIBLE

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



Chairman's Message

“ Our 2017 performance stands as proof of the relevance of our business model, the robustness of our fundamentals, the continuous improvement of our competitiveness and the outstanding commitment of all our employees. ”

2017: ANOTHER GREAT YEAR

Groupe SEB once again posted an excellent year in 2017. Sales amounted to nearly €6.5 billion, up 30%, with a €1.15 billion contribution to Group revenue from WMF in its first year of consolidation. Our organic growth, at +9.2%, was vigorous and driven by all our geographic regions and product families.

Our Operating Result from Activity rose by more than 30%, our net income by 45%, and we ended the year with a net debt/adjusted EBITDA ratio of 2.4. WMF's performance was consistent with our expectations, generating an accretion of 22% on net earnings per share. The ambitious objectives we had set for ourselves in 2017 have thus been exceeded. These results should, furthermore, be viewed in the light of high comparatives, as 2015 and 2016 were already excellent years. They stand as proof of the relevance of our business model, the robustness of our fundamentals, the continuous improvement of our competitiveness and the outstanding commitment of all our employees, whom I would like to thank at this point.

PROMISING START OF WMF WITHIN THE GROUP

2017 was also a year of transformation for the Group with the integration of WMF. Substantial work was already carried out to implement new organizations - now operational -, harmonize processes, pool certain central functions and start unlocking synergies in purchasing, the supply chain and manufacturing. Value accretive projects were launched, with the first concrete initiatives aimed at developing the Consumer business - including in particular a strengthened strategy in the high-end segment - and activating the acceleration program in Professional Coffee. We are aligned with our roadmap and all the teams, on both sides, are mobilized in a spirit of constructive cooperation, to seize the many opportunities arising from this exciting project.

Obviously, considerable work still remains to be done, and some projects will take time to deliver their full potential. But, as with Supor 10 years ago, we are confident in our ability to take best advantage of this transformative acquisition.

STEPPING UP IN 2018

In a probably more challenging general environment, and bearing in mind the demanding comparison basis set by the Group, including WMF, we have begun 2018 with great determination and a two-fold objective.

Firstly, in a Small Domestic Equipment market that we believe should remain buoyant, we aim to continue the Group's profitable growth within its former scope by leveraging our main strategic pillars: innovation, the power of our brands, a multi-channel distribution, global presence and our competitiveness.

Secondly, we will continue to integrate WMF, by intensifying the projects initiated in 2017 and, in particular, by implementing the investment and acceleration plans in the professional coffee business while at the same time taking actions to boost profitability in Small Domestic Equipment. This will enable us to start generating tangible synergies in line with our objectives for 2020.

Against this backdrop, Groupe SEB in 2018 aims to achieve further organic sales growth, improve its Operating Result from Activity and continue to reduce its indebtedness.



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

// **2017:** an excellent vintage and a year of transformation for the Group with the integration of WMF.

//



Thierry DE LA TOUR D'ARTAISE
Chairman and CEO

Words from the Executive Committee

Groupe SEB is ingrained in the everyday lives of consumers all over the world. It maintains a close interaction with them through direct sales, e-commerce, communities, social networks and connected products. This proximity enables us to collect, analyse and exploit increasingly relevant data, so that we can optimise our innovation and communication policy, including towards WMF's professional customers.



Bertrand NEUSCHWANDER
Chief Operating Officer



Vincent LÉONARD
Senior Executive Vice-President
Finance



Harry TOURET
Senior Executive Vice-President
Human Resources

2017 was to a very large extent devoted to "anchoring" WMF within Groupe SEB, including harmonising accounting principles, quickly introducing performance management tools and centralising corporate functions such as treasury and financing, taxation, internal auditing and legal affairs. Our priorities now are to leverage synergies and continue to reduce the Group's debt.

2017 was a year marked by the integration of WMF, initiated through many projects involving functions and business units. Cross-cultural training was organised gathering Groupe SEB and WMF senior management to improve mutual understanding and accelerate structural integration. All Human Resources processes are now in place at WMF and cooperation between the teams has progressed significantly.



Stéphane LAFLECHE
Executive Vice-President
Industrial Operations

Groupe SEB proudly claims its status as a responsible manufacturer, combining its powerful and flexible industrial tool, its specific technological skills, its global performance management, its ability to capitalise on human added value, the priority given to health and safety in the workplace... Building on these initiatives, which are now also being rolled out at WMF sites, the Group has enhanced its competitiveness and laid the foundations for the "factory of the future".



Philippe CREVOISIER
Executive Vice-President
Products and Innovation

The small domestic equipment market is undergoing rapid development and transformation. To keep abreast of these changes, we must look at consumers' lifestyles, which are now permanently connected, and gain a deeper understanding of their needs and aspirations. This will allow us to further accelerate our global innovation process, incorporating WMF, while maintaining the pioneering spirit that has driven the Group from the very start.



Cyril BUXTORF
Executive Vice-President
EMEA

The arrival of WMF within the Group in 2017 resulted, amongst other things, in the takeover of the small domestic equipment business by SEB subsidiaries in all markets except Germany, Austria and Switzerland. This strengthens our position and opens up bright prospects in the high-end segment. Anchoring its presence in this promising sector, the Group now has *Premium brand* teams dedicated to the All-Clad, Lagostina, WMF and Silit brands in key markets.



Luc GAUDEMARD
Executive Vice-President
Americas

New types of purchasing behaviour and the blurring of boundaries between brick-and-mortar retail and e-commerce have led us to rethink our interaction with consumers over the past few years, in order to improve, or even magnify, their purchasing experience. This ambitious objective requires impeccable execution, both in stores (increasingly connected and intelligent) and on line, with outstanding, customized products and services.



Frédéric VERWAERDE
Executive Vice-President
Asia

Asia represents the largest growth potential for the Group and our current organisation allows us to pursue our profitable growth and market share gains in China, accelerate our progress in South-East Asia and fully exploit the potential of our two mature cornerstones, Japan and Korea. I was lucky enough to be entrusted with developing this promising zone and the adventure has turned out to be an exciting one. Now I am happy and proud to pass over to Vincent Tai.



Vincent TAI
Executive Vice-President
Asia
*Replaces Frédéric
Verwaerde*

Supor has had a decade of outstanding performance within Groupe SEB and has considerably strengthened its positions in the Chinese market. And the story continues. It's up to us to seize the amazing opportunities generated by Supor's expertise in innovation in order to enrich our product offer by adapting it to the lifestyles of Asian consumers. This will allow us to intensify our presence and gain access to the full potential of other Asian markets.

Board of Directors

The SEB S.A. Board of Directors is a collective body that represents all shareholders; its activities are guided by the best interests of the company and the Group. It determines strategic orientation and makes decisions about Group management structures and acquisitions. It also carries out any audits or verifications it considers necessary. At its meetings, it is informed about business operations and the performance of the Group, as well as any developments in the market and the competitive landscape.

As of the end of 2017, when various changes were introduced, the Board is made up of 14 members with 4-year mandates: the Chairman and Chief Executive Officer, Thierry de La Tour d'Artaise, 7 board members representing the Founder group, 4 independent board members (in compliance with the AFEP-MEDEF corporate governance regulations) and 2 employee board members, both nominated in 2017. The percentage of female representation on the Board is 46%.

Thanks to their diversity and the complementary nature of their profiles (specialists in retail, communication, finance, managers of French and international companies, Group employees), members can draw on their respective skills to bring a broader vision to the Board.

The Board of Directors met 6 times in 2017.

Tribute to Emmanuel LESCURE



Our Honorary Chairman, Emmanuel Lescure, passed away on 1 April 2017 in Selongey. He was 87 years old and he had devoted his entire career to Groupe SEB.

Having graduated from the HEC business school, he started working for Seb as a representative in 1951 and went on to play an important role in the history of the company as a key player in the success of the flagship Super Cocotte pressure cooker, launched in 1953. He managed the Group's development, including the acquisitions of Tefal and Calor, and contributed towards its globalisation with the takeover of Rowenta.

Chairman of the Group from 1976 until 1990 when he retired, he worked towards its extraordinary expansion and remained dedicated to maintaining its continuity throughout his life. A marketing man who was passionate about the Group, Emmanuel Lescure was a very caring manager focus on guaranteeing that the values initiated by the Group's founders were respected.

He was a knight of the French Légion d'honneur.

The Group pays tribute not only to a great captain of industry and a visionary, but also to an exceptional man with strong convictions and values.

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 faced by the Group are applied correctly and keeps the Board of Directors informed. It participates in the appointment of statutory auditors and ensures their independence. It met on 3 occasions in 2017.

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. It held 3 meetings in 2017.



1

1 THIERRY DE LA TOUR D'ARTAISE

Member of the Founder group.
Chairman and Chief Executive Officer of SEB S.A. Aged 63.

FAMILY SHAREHOLDERS



2

2 FÉDÉRATIVE*

Member of the Founder group, shareholder investment holding company, represented by Sarah CHAULEUR. Aged 46.
Member of the NRC, represented by Pascal GIRARDOT. Aged 63.



3

3 DELPHINE BERTRAND*

Member of the Founder group, member of FÉDÉRATIVE.
Aged 53.



4

4 HUBERT FÈVRE

Member of the Founder group, member of FÉDÉRATIVE.
Member of the Audit Committee. Aged 53.



5

5 CÉDRIC LESCURE

Member of the Founder group, member of FÉDÉRATIVE.
Aged 50.

4
INDEPENDENT
BOARD MEMBERS



6

6 VENELLE INVESTISSEMENT

Member of the Founder group, a family holding company, represented by Damarys BRAÏDA.
Member of the NRC. Aged 50.

6
WOMEN
6
MEETINGS EN 2017



7

7 WILLIAM GAIRARD

Member of the Founder group, member of VENELLE INVESTISSEMENT.
Aged 37.



8

8 JÉRÔME LESCURE

Member of the Founder group, member of VENELLE INVESTISSEMENT.
Member of the Audit Committee. Aged 57.

INDEPENDENT SHAREHOLDERS



9

9 YSEULYS COSTES

Independent Director.
Member of the Audit Committee.
Aged 45.



10

10 FFP - INVEST

A holding company listed on the Paris stock exchange and majority-held by the Peugeot family group, represented by Bertrand FINET.
Independent Director.
Member of the NRC. Aged 52.



11

11 FONDS STRATÉGIQUE DE PARTICIPATIONS

Represented by Catherine POURRE.
Independent Director.
President of the Audit Committee. Aged 61.



12

12 JEAN-NOËL LABROUE*

Independent Director.
President of the NRC. Aged 70.



13

13 LAURENT HENRY

Employee board member. Aged 51.



14

14 BRIGITTE FORESTIER

Employee shareholder board member. Aged 47.

* Renewal proposed at the AGM of 16 May 2018

Groupe SEB's multi-brand strategy enables it to operate in global and local markets over the long term, while remaining as close as possible to consumers. It has the widest portfolio of brands in the Small Domestic Equipment industry, enriched in 2016 by the acquisition of WMF, which boosts its presence in the premium segment and opens the doors to the professional market. The Group's 29 brands are the pillars of its growth strategy and are now organised into three main subsets.

An unrivalled brand portfolio

CORE BRANDS, with a strong reputation in their regional or global markets, offer products that support consumers' everyday lives. Complementing each other and fulfilling specific needs, they each have well-defined identities and values, which are expressed through the range, features, product design and communications.

PREMIUM BRANDS are aimed at the most demanding consumers, with well-adapted positioning, designs and marketing methods.

PROFESSIONAL BRANDS have a global vocation and focus on the professional coffee and hotel and catering sector.

CORE BRANDS

WORLDWIDE

Tefal T-fal

KRUPS

Rowenta

Moulinex

LOCAL

SUPOR

SEB

ARNO

calor

IMUSA

emfa

























PREMIUM BRANDS









PROFESSIONAL BRANDS









Increasingly digital brands

Groupe SEB's digitalisation strategy not only concerns connected products and an increase in online sales; it also supports brand positioning and communication. The platforms, websites and social networks of the four core global brands have therefore been reviewed. Launched in 2015, this project has now been completed and the new brand platforms are operational.



Creation of a Premium sales force

The acquisition of WMF at the end of 2016 allowed the Group to significantly strengthen its presence in the premium segment, with total sales of some €600 million. With our All-Clad, Lagostina, Silit and WMF brands, we target the most demanding consumers by offering them very high-quality products, guaranteeing the ultimate culinary experience.

This new approach to the high-end segment is served by the creation of premium sales teams in all the major markets or by the reinforcement of existing teams, particularly in France, Italy, Spain, Central Europe and China.



A close-up, artistic photograph of a professional espresso machine. The machine is made of polished metal, likely stainless steel, and features several circular gauges or pressure indicators. A red handle is visible on the left side. The lighting is dramatic, with a warm, golden glow from a light source in the background, creating strong highlights and deep shadows. The overall aesthetic is clean, industrial, and professional.

Professional coffee, a new market



With the acquisition of WMF in 2016, Groupe SEB enriched its portfolio with two very appealing brands, WMF and Schaefer, and became the world leader in the fast-developing market for professional coffee machines.

PROVEN EXPERIENCE

Since its first model was launched in 1927, WMF has built up 90 years of expertise in professional coffee machines. 1969 marked the start of a new phase, with the design and launch of the world's first automatic coffee machine. The era of speciality coffees began in the 1980s and WMF contributed its technological expertise by offering machines with exceptional functions that could prepare a variety of superior quality coffees (cappuccino, macchiato, latte etc.). With coffee consumption outside the home growing steadily, the professional coffee market underwent rapid expansion all over

the world. This led WMF to adapt its machines and equip them with numerous functions to offer a personalised response to multiple consumer demands.

A DUAL OBJECTIVE: COFFEE QUALITY, MACHINE RELIABILITY

This demanding market requires machines capable of preparing 150 to 1000 cups of coffee a day,



depending on their size. This means the products play a key role in customers' profitability: any downtime or faults have a big impact on their business and must be avoided or dealt with rapidly. Going beyond the excellence of its machines, WMF proposes dedicated after-sales service, with 600 highly qualified technicians in Europe ready to provide training, maintenance and repairs within the shortest possible time frames.

AN ECLECTIC CUSTOMER PORTFOLIO

Germany is the leading, historic market for WMF, with further expansion into the rest of the world (Austria, Japan, China, USA, United Kingdom, etc.). Over the past 10 years, the company has been



broadening its field of activity, which was initially centred on traditional catering outside the home (restaurants, hotels, etc.), to include new formats such as local shops (bakers, convenience stores, etc.), service stations, airports and well-known fast food chains. Cruise companies are another important market, with many luxury American cruise liners equipped by WMF. Finally, more and more companies offer coffee machines for employees' use in their relaxation areas.



INNOVATIVE FUNCTIONS AND SERVICES

WMF has two factories, one in Geislingen in Germany, which manufactures WMF coffee machines, and the other in Zuchwil in Switzerland, where machines are produced under the Schaerer brand. Research and development takes place at both sites, right alongside the production facilities. This proximity between innovation and industrialisation has allowed the company

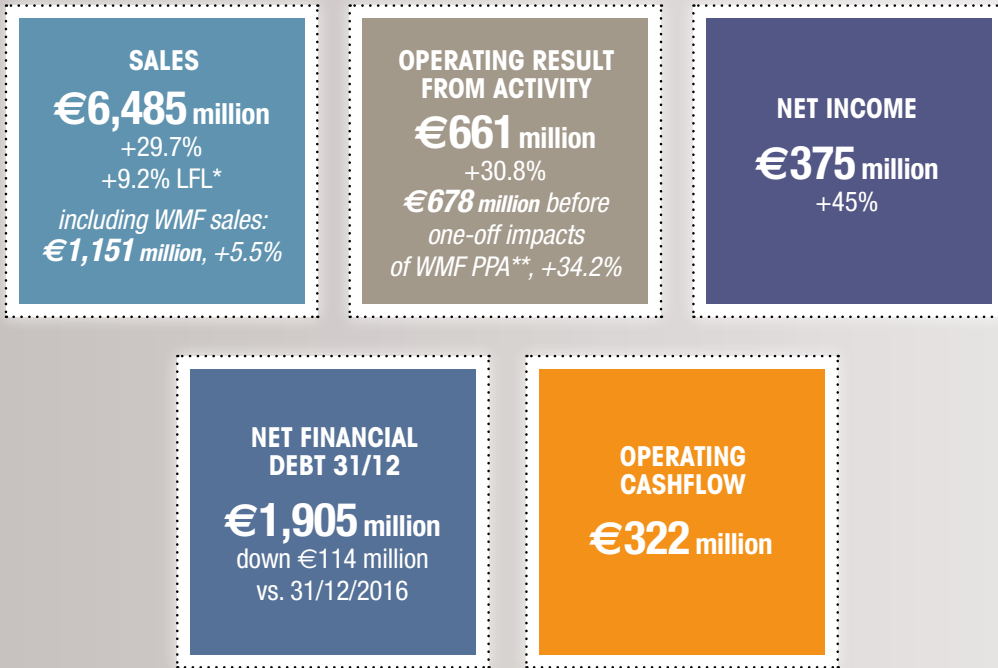
to develop models such as Presto, the best-selling professional coffee machine in the world, and Espresso Concept, launched in 2016, which is the first hybrid coffee machine combining automatic functions with classic Italian filter holders. Groupe SEB not only intends to maintain WMF's strong approach to innovation; it also aims to roll it out more widely to guarantee the international development of the Professional Coffee business.

AN ENTRY POINT INTO CATERING EQUIPMENT

The second line of business for WMF in the professional market involves supplying the catering industry with cutlery, tableware and buffet items under the WMF and Hepp brands, both of which benefit from a strong reputation among target customers. Germany is currently the main market for this business sector, with luxury hotels as its key target customer base.

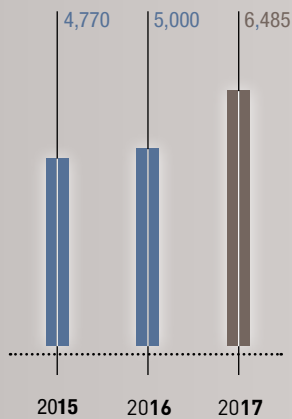
In 2017, this business achieved sales of €72 million.



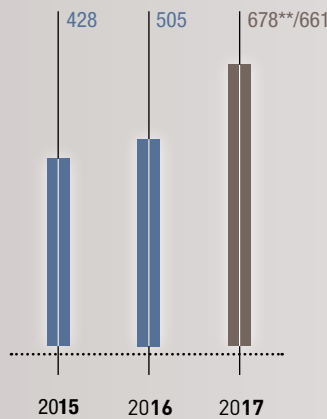


2017 in figures

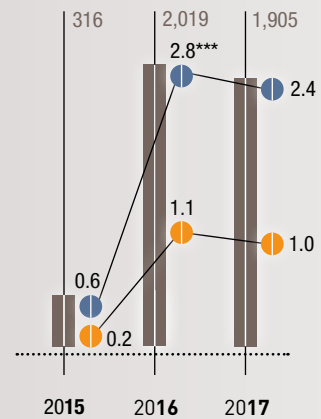
CHANGE IN SALES IN € MILLIONS



CHANGE IN OPERATING RESULT FROM ACTIVITY IN € MILLIONS



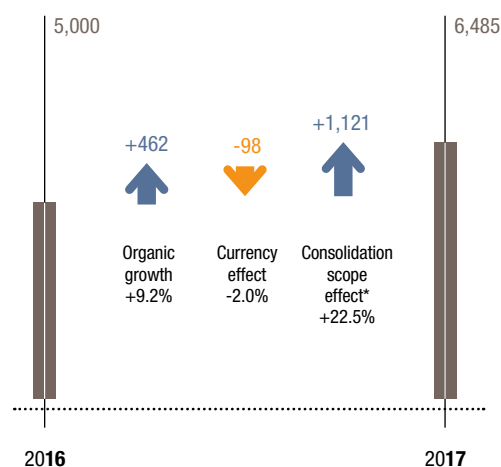
CHANGE IN NET DEBT AND DEBT RATIOS IN € MILLIONS AT 31/12



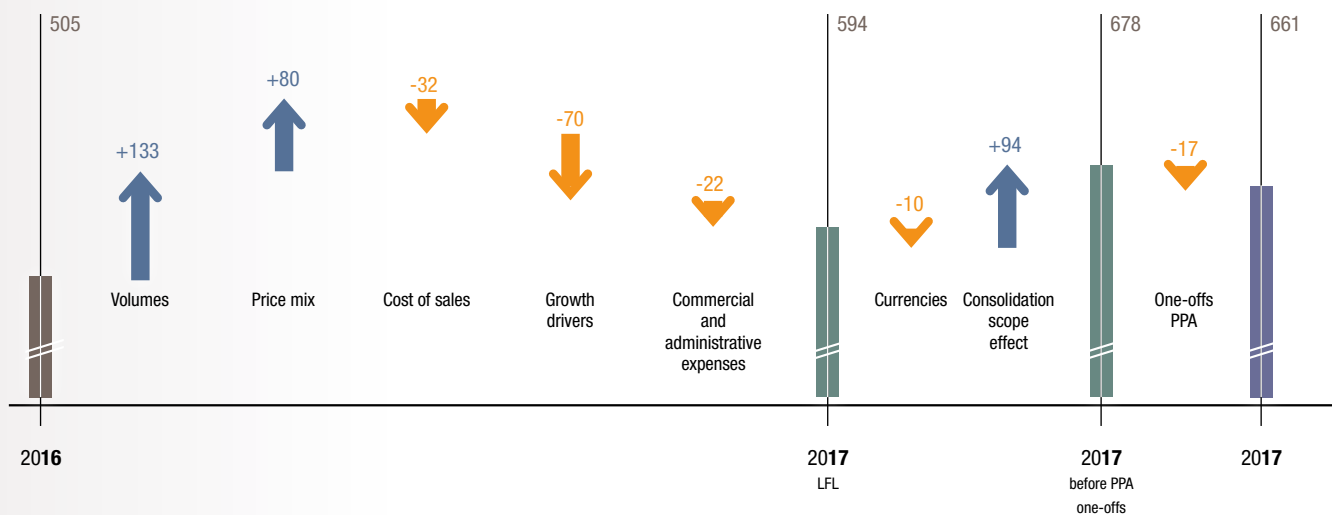
● Net debt / adjusted EBITDA
 ● Net debt / equity

*LFL = like-for-like (constant exchange and consolidation scope)
 **Excluding one-off impacts of WMF's purchase price allocation
 ***Net debt/Proforma adjusted EBITDA (with WMF)

BREAKDOWN OF THE GROUP'S SALES BY GEOGRAPHICAL ZONE

CHANGE IN SALES 2016 / 2017
IN € MILLIONS

*Excluding SUPOR reclassification of -€74 million

CONSTRUCTION OF OPERATING RESULT FROM ACTIVITY
IN € MILLIONS

WORDS FROM VINCENT LÉONARD

“ In 2017, Groupe SEB combined renewed improvement in its performance over its former scope with a promising start for WMF, consolidated since 1 January 2017.

The **9.2%** organic revenue growth should be seen in the perspective of a demanding historical base, whilst the contribution of €1,151 million from WMF represents an increase of **more than 5%** thanks to strong momentum in professional coffee.

The Operating Result from Activity (ORfA) for 2017 was **€661 million**, up **31%**. This included Groupe SEB's Operating result from activity (excluding WMF) of **€583 million**, up **15%**, and WMF's ORfA of **€95 million**, a **12%** improvement, excluding the non-recurring impacts of the PPA amounting to **- €17 million**. Excluding these effects, the Group's Operating Result from Activity is therefore **€678 million**. Excluding WMF, our operating margin reached almost **11%**, reflecting the significant gains made over the past few years.

This progress is reflected in the net profit of **€375 million**, an increase of **45%**.

Helped by strong generation of operating cash at **€322 million**, the Group has initiated the process of debt reduction it has set itself and ended 2017 with a net debt / adjusted EBITDA ratio of **2.36**.



Vincent LÉONARD
Senior Executive Vice-President, Finance

2017 ⁱⁿ facts



Innovation Prize at the 2017 Digital Transformation awards

At the second Digital Transformation awards, Groupe SEB won one of four "Innovation Prizes". Organised by the French professional journal *Solutions Numériques*, these trophies reward companies that have used digital solutions to reinvent or transform their organisation, products or business model, leading to internal progress, accelerated growth and advantages for customers.



Opening of Itatiaia

The new Itatiaia site is a project that was launched in 2016 in a modern industrial park in the state of Rio de Janeiro in Brazil. It is the new base for industrial and logistics activities, which used to be located around São Paulo.



Club des Trente prize for the best financial transaction

In May, the *Club des Trente*, which brings together Financial Directors from the largest French groups, awarded its 2016 prize for the best financial transaction in the mergers & acquisitions category to Thierry de La Tour d'Artaise. The award recognises Groupe SEB for its acquisition of WMF in Germany.

With this prize, the *Club des Trente* aims to demonstrate how finance and financial markets can help ambitious industrial strategies, which are compatible with sustainable development objectives.

Trophy for Best Investor Relations by a CEO

At Forum IR, the annual French meeting of investor relations professionals held last December, Thierry de La Tour d'Artaise received the trophy for Best Investor Relations by a CEO. This is the seventh time in nine award ceremonies that the Group's Financial Communications and Investor Relations have received an award at Forum IR.

Successful new bond issue

In May 2017, Groupe SEB successfully issued bonds worth 500 million euros, maturing in 7 years and bearing interest at a rate of 1.5%. This allows Groupe SEB to further reinforce its debt architecture.

Groupe SEB returns to the Maison & Objet exhibition

Benefiting from the expansion of our premium portfolio of brands and the introduction of a dedicated sales team, Groupe SEB's return to the Maison & Objet exhibition in Paris in September, for the first time since 2010, was a great success. A 200m² stand in the exhibition's Cook&Share section, offering product demonstrations and workshops with chefs, enabled us to show off four of our brands: Lagostina, WMF, Emsa and Kaiser. A biannual professional trade show welcoming 65,000 visitors, Maison & Objet was an opportunity for Groupe SEB to make close and privileged contact with retailers and, of course, take orders.



Schaefer celebrates its 125th anniversary

Groupe SEB's professional coffee brand, originally from Switzerland and a member of the WMF Group since 2006, celebrated its 125th anniversary last August with two days of festivities dedicated to its partners, customers and its 250 employees and their families. The programme for the celebrations included a factory visit at the company headquarters in Zuchwil, workshops on water quality and digital solutions and a preview of the limited edition Schaefer Coffee Art Plus machine.



Acquisition of Swizz Prozzz

In June, Groupe SEB pursued its development in kitchenware by acquiring the Swiss company Swizz Prozzz, which specialises in mini hand choppers with high-performance multi-blade systems. Simple, easy to use, affordable and complementing the Group's existing ranges, Swizz Prozzz products have been sold until now under

licence through various kitchenware brands and have achieved great success; business represents pro forma annual revenue of around €10 million.



EMSA,
centre of
expertise for
kitchenware

With the acquisition of EMSA in 2016, Groupe SEB gained a powerful portfolio of brands in two kitchenware segments, in which it previously had little or no presence: food storage and vacuum flasks. Initially concentrated in Germany, Europe and the Middle East, EMSA is starting to expand worldwide, selling its products under the Tefal brand. At the same time, Groupe SEB is benefiting from the expertise and strong growth potential of EMSA, which has become its kitchenware centre of expertise for all its brands.







Innovation

to make a **difference**

Innovation is at the heart of Groupe SEB's strategy. Creating value for its retail clients, it is a source of progress and satisfaction for consumers. It **generates profitable growth for the Group**, allowing it to reinvest in innovation programmes and therefore generate a virtuous circle.

PRODUCTS AND SERVICES

Current lifestyles require a strong pace for innovation, in line with the Group's policy. With this in mind, we aim to provide progress and better living through a dynamic approach to products and innovative solutions. Here are a few examples...



NEW MOMENTUM IN IRONING

In the steam generator market segment, Groupe SEB innovates across all types of product, from entry level to premium. Versions without boilers are enjoying great success. Fasteo and Liberty from Tefal and Easy Steam from Rowenta: these affordable products are particularly popular with consumers who like a traditional iron and are looking for the efficiency of a steam generator in a compact appliance. High-end, the Pro Express Ultimate model has been extremely well received, thanks to its new design, power and exclusive limescale collector, which is ten times better than the competition.

A FULL RANGE OF BLENDERS TO MEET GLOBAL DEMAND

Shortage of time, combined with the popularity of healthy, tasty food with plenty of fruit and vegetables, is boosting the Group's sales in the blenders sector. The Group is ensuring it can achieve its ambitions by developing a full range, which is both well adapted to market demand and suitable for worldwide deployment. In 2017, the Group launched its Ultra Blend high-performance blenders: two high-speed blenders, a cooking one and one which is self-cleaning. The extremely high



rotation speed of the blades and Triplax Pro geometry pulverise the cells of fruit and vegetables into particles that are twice as small as those produced by traditional blenders. Another new launch worth mentioning: the Moulinex Personal blender is compact and practical, allowing preparations to be blended in a transportable bottle on the go. This travelling blender leads to inroads for further innovative technological applications designed to meet new uses.

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RECOGNITION FOR VACUUM CLEANER PERFORMANCE

Well-known for offering the best balance between eco-performance and silence, Groupe SEB goes beyond the requirements of the new European Union energy labelling for cylinder vacuum cleaners, which stipulates a maximum of 900 watts and a noise level restricted to 80 decibels. The leader in cylinder vacuum cleaners, Rowenta stands



out once again this year with the launch of the Silence Force Cyclonic AAAA, the quietest bagless vacuum cleaner, rated A in all four performance criteria. The brand is also launching the new Airforce 360 versatile stick vacuum cleaner, as well as robot vacuum cleaners.

The new launches have amassed some prestigious awards in 2017: Stiwa "GUT" in Germany for the Xtrem Power Cyclonic 4A bagless cylinder vacuum cleaner; "Sehr GUT" in ETM magazine in Germany for the Air Force 360, which also achieved the best score (5 stars) in the lesnumeriques.com test in France.

COMPANION, THE VERSATILE COOKING FOOD PROCESSOR

The range was enhanced in 2017 with Companion XL, featuring a three-litre bowl, the largest available on the market! The i-Companion and i-Companion XL ranges have been updated with voice commands and an audio recipe feature on the app... very convenient when you have your hands full or covered in flour! The entire Companion universe is expanding, with a wide offer of accessories: after the addition of a second bowl in 2015, 2017 saw the launch of a large external steam

basket, a mincer and a mini-reservoir. A cake-making kit will be introduced in 2018.

TEFAL RIDES THE WAVE OF INDUCTION

Always on the lookout for new trends, Groupe SEB reaps the rewards of its multi-material approach (stainless steel, aluminium etc.), which has helped to reinforce its global leadership. Tefal has achieved a record year with more than 45 million parts made in Rumilly, reflecting the industrial power of the Group. This growth is predominantly driven by the induction market, in which the brand is performing extremely well, with the leading Expertise range and the

launch of more accessible products such as Chef. The acceleration in sales is particularly strong in South-East Asia, South-Korea and Japan. Of particular note this year is a strong surge in stone and copper effect induction products, to which the Group is responding with the launch of new ranges.



BODY PARTNER, CONNECTED SCALES WHICH MONITOR BODY SHAPE

With its unique shape sensor connected to a fun body shape monitoring application, Body Partner allows users to precisely measure the evolution of their body shape.

The device, launched in France and Turkey under the Tefal brand, is the only one to include a system for measuring different parts of the body (arms, waist, hips, thighs and calves). Associated with diagnostic scales, to analyse and monitor body composition, and a mobile application, Body Partner allows users to set themselves objectives and monitor their progress on a daily basis.



AT THE INTERSECTION OF SKILLS

Part of the Group's DNA for a long time, innovation is everyone's business and it relies in particular on a rich community of 1,300 employees focussing on benefits for the consumer.



A SPIRIT OF SHARING AND OPENNESS

Innovation is part of Groupe SEB's DNA. It is the result of multidisciplinary work involving Strategic Marketing teams, whose role is to ensure a good understanding of markets; R&D teams, which develop

core technologies, solutions and products, and Design teams, which specialise in aesthetics and ergonomics. Going beyond this internal organisation, the Group also relies on partnerships with major companies, start-ups, research centres and universities. This openness to external expertise allows the Group to benefit from skills that have not been developed internally to nurture its approach to innovation.

SEB LAB, A BOOST TO INNOVATION

In 2014, Groupe SEB launched its own SEB Lab. This company fab lab, based at the Ecully headquarters since 2016, allows innovation teams to organise working sessions on projects, ranging from the initial idea for the product/service to the creation of a prototype and user tests, and to develop projects that are still in the early stages of maturity or outside the Group's usual activities.

PROTECTING AND DEFENDING PROPERTY

Industrial property, a true guardian of innovation, plays a major role in terms of protection and defence. It interferes with all R&D players, validating the innovative nature of their work and protecting innovations, from the design stages to commercial exploitation. In 2017, its scope was extended to include EMSA, and the team is also working with industrial property experts at WMF.

UNDERSTANDING EXPECTATIONS

The development of a well-adapted range of products essentially relies on considering markets at an early stage, guaranteeing a good understanding of consumers, wherever they may be in the world. In view of this, Groupe SEB has a selection of strategic marketing tools that it rolls out. Each year, 50 or so exploratory studies relating to 30 to 40 products are carried out, in order to gain a better understanding of consumer expectations and the market. These studies deliver a better perception of current major trends, a definitive view of how domestic equipment is used and an analysis of brand performance and penetration by category and product. Together, they lead to the identification of needs that have not yet been addressed, opening up new ground. They are supplemented by studies throughout the entire product development process and subsequent testing once the product has been launched on the market.

2017 INVESTMENTS: **€225 MILLION**
542 PATENTS REGISTERED WORLDWIDE
€10 MILLION INVESTED IN INTELLECTUAL PROPERTY
 GROUPE SEB IN **THE TOP 20**
 FILERS OF PATENTS IN FRANCE



As a complement to these studies, social listening was increased significantly in 2017. This practice consists in a constant watch and “listening to” conversations on social networks, in order to harvest and analyse data supplied by users. The objective is to take consumer requirements into account based on what they express spontaneously, so

that we can serve them better in the future. This approach is very useful in countries where it is difficult to go and meet consumers. It was used, for example, to help develop the new brand identity for Rowenta: two years of online conversations were analysed in order to understand consumers’ habits and their perception of the brand.

In France, the SEB&YOU community of consumers, set up in December 2015, now includes 3,300 people working together with the Group on innovation and product development issues and helping to arbitrate between various proposals for designs, colours, names etc. Given the success of this system, there are plans to roll it out gradually to other countries worldwide.

DESIGN, CREATING EXPRESSION FOR THE BRAND

“Design is a key element of innovation; it helps to crystallise and structure Research and Development work on solutions that are attractive and appealing to consumers and users, while maintaining the coherent expression of our brands, which is crucial to preserve their strength and recognition.

Designers work on both products and services, including digital applications for our growing number of connected solutions, such as recommending a recipe based on a user’s profile and preferences. Their approach is based on and fuelled by an in-depth analysis of needs and trends in terms of usage, ergonomics and human-machine interaction, as well as colours, materials, shapes, looks... in order to come up with suitable propositions for tomorrow’s world.”



Kim Helmbold
 Design Director

AN OPEN INNOVATION POLICY

The innovation process at Groupe SEB focuses heavily on collaborative approaches, both external and internal.

MORE THAN 1,500 PROJECTS RECEIVED IN 2017

44 COMPANIES FINANCED SINCE 2011

SEB ALLIANCE

ENRICHING PARTNERSHIPS WITH START-UPS

Through SEB Alliance, its investment fund, Groupe SEB supports innovative companies by forging R&D partnerships with them. The targeted companies are start-ups with strong technological content in three key areas: the connected world, well-being and sustainable development. In France in 2017, SEB Alliance acquired holdings in Feel-green, a specialist in connected cosmetics, and the Cathay Innovation investment fund.

At the same time, the Group relies on the expertise of start-ups developing innovative processes. For example, in 2017 it worked along-

side Plume Labs, a specialist in processing exterior air quality data, to develop the Intense Pur Air Connected by Rowenta. This air purifier, which is connected to an application, will be able to warn users 5-6 hours in advance of the air quality forecast in their area so that it can be activated remotely if required.



FOODLE, A COLLABORATIVE PLATFORM FROM SEB AND ORANGE

The collaborative platform Foodle is the first concrete development resulting from a shared investment in a kitchen ecosystem. Aiming to maintain its focus on small kitchen equipment and recipes, the Group began a partnership with Orange to develop and deploy the technical part of the platform. Foodle allows each user to receive automatic recipe suggestions from partner chefs or bloggers, by entering their preferences and their Groupe SEB products.

INNOVATE WITH GROUPE SEB

Always on the look-out for new ideas, in 2013 the Group set up a portal dedicated to collecting innovative suggestions from outside the Group. Innovate with Groupe SEB is open to all inventors of products, services or technologies with the potential to change consumers'

lives significantly. The approach can either be spontaneous, or it could be a response to an invitation to tender launched by the Group's innovation teams for specific requirements that have been identified.

OPENNESS WITHIN THE GROUP AS WELL!

In September 2017, SEB Lab launched the first edition of its ALL Innovators Challenge for employees at the Group's headquarters. This participatory approach to innovation aims to get employees involved in its dynamic product strategy. Out of the 63 ideas received, 6 were selected by employees and a special jury. They have now been developed and prototyped before being put forward to a new jury in April 2018.



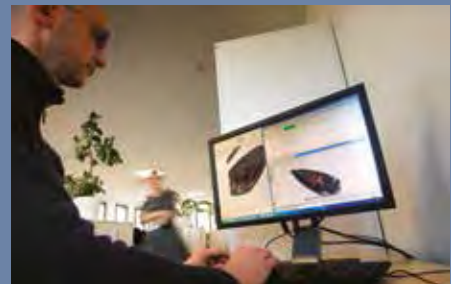
CREATION OF A GLOBAL INNOVATION CENTRE

In 2018, 230 research, marketing and design employees work alongside one another at the global innovation centre for small electrical appliances in Ecully. Until mid-2017, they were distributed across three different sites: two in the Lyon region for personal care and home care and the third in Selongey, specialising in kitchen electrics.

Bringing all the expertise, skills and tools from the entire innovation chain together at one site allows the Group to optimise its innovation process and become more effective and agile, so that it can always stay in line with the goal of value creation.



Effective





International market, local expertise

Present in more than 150 countries worldwide,
Groupe SEB combines local expertise
with an international approach. Brands, products and
services respond consistently to the demands of
their markets, adapting to suit consumer expectations.

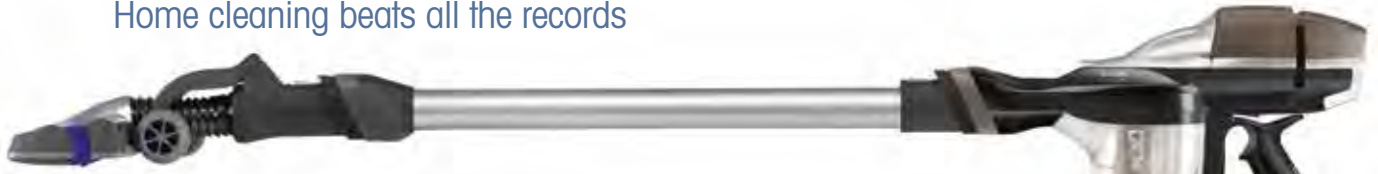


International
EMEA



EUROPE

Home cleaning beats all the records



Outstanding performance in the home cleaning category means that 2017 will go down in the record books. With its full range of vacuum cleaners – from cylinders with bags to cyclonics and newly launched addition to the range, the versatile Air Force 360 – **Groupe SEB has consolidated its leading position in several countries** and is gaining market share in Europe.



In addition to successful introductions in Hungary and Russia, the Group achieved strong growth of more than 30% in Turkey. The Group is ensuring it has the means to sustain this kind of success in Europe, made possible by strong investments in marketing and 360° advertising campaigns. Launched during the first quarter of 2018 in Europe, the Smart Force range of robot vacuum cleaners will provide the Group with new opportunities for growth and further enrich its home cleaning range.

MORE THAN 1 MILLION VACUUM CLEANERS PRODUCED AT THE VERNON SITE IN 2017

ROMANIA

TEFAL, pancake factory



Tefal reinforced its presence in Romania by launching its “Fabrica de clătiti” campaign last March. The brand’s pancake pans and frying pans were celebrated with a comprehensive special operation focusing on a popular dish synonymous with conviviality in Romania – pancakes. Beyond a major poster campaign and promotions with retailers, Tefal also deployed a high-impact digital communications approach. Drawing on partnerships with well-known brand ambassador bloggers and a strengthened presence on social networks, the campaign reached more than two million people. **This large-scale operation demonstrates the sustained activation dynamic in the Romanian market, which has enabled the Group to increase its cookware sales by 30% over the past three years.**

TURKEY

INGENIO reorganises Turkish kitchens

In a highly competitive market, the launch of the Ingenio range is opening up new perspectives in Turkey. Backed by a multichannel advertising campaign, it has made quite an entrance. The removable handle, which can be used for frying pans and saucepans, makes cookware items easy to store and more versatile (hob, oven, fridge, table, etc.). A genuine growth driver for the Group, Ingenio is experiencing rapid success in the Turkish market.



GERMANY

COOK 4 ME, backed by a chef



The Krups range of small electrical appliances has chosen its brand ambassador: Steffen Henssler. This famous German chef with a crowd-pleasing sense of humour, who presents a number of TV cookery shows, has demonstrated Krups products in 24 German towns and cities with a spectacular show. This was a great PR campaign, resulting in very strong growth in sales for Cook 4 Me.



EGYPT



Groupe SEB strengthens its position

Groupe SEB has signed with its long-standing partner in Egypt, the Zahran family, an agreement on the merger of small electrical appliances and cookware businesses with a view to reinforcing its local manufacturing base in Egypt to serve the local and export markets.

Founded in 1967, Zahran Group is the leading cookware manufacturer in Egypt. It has **two industrial sites and 11 Zahran-branded stores and employs over 700 people**. Since 1973, it has been manufacturing and marketing cookware under the Tefal and Zahran brands in Egypt.

With a view to strengthening the current collaboration, Groupe SEB and the Zahran family decided to form a new entity, Groupe SEB Egypt Zahran. This new company aims at stepping up sales growth in Egypt and taking full advantage of the strong potential of the domestic market; by capitalising on the relationship of trust built over many years with Zahran.

BELGIUM - FRANCE

CALOR celebrates its 100th birthday!

During September and October, Groupe SEB Belgium and Groupe SEB France celebrated Calor's centenary with a number of consumer campaigns. As well as achieving strong visibility for the brand at points of sale, Calor has launched an editorial platform called "Le Style c'est vous", with Karine Ferri as ambassador and co-editor of the website. The platform offers beauty tips and advice and a series of articles by Karine Ferri, providing a look back over 100 years of style. A highlight of these anniversary celebrations was Calor's invitation to its most loyal end-consumers to BHV Marais (Paris) for an exceptional day out including various events: fashion show, make-up and hair styling workshops, round table discussions and a photo studio with top celebrities!



SWEDEN



**OBH,
a very masculine attraction**

Having made its name thanks to the quality of its haircare products, OBH Nordica has entered a new personal care category: male beauty. Supported by six influential Swedish bloggers, the full range of hair trimmers has benefited from a major digital communications strategy. An immediate success for the brand.

EUROPE



26 MILLION

That's the number of Dolce Gusto coffee machines sold under the Krups brand since their launch in 2007. An international success story for the Group in partnership with Nestlé, the various models have taken pride of place in the kitchens of coffee lovers.

UNITED KINGDOM

Having turned toast into a work of art, **Tefal is developing a new kind of breakfast, this time paying tribute to historic British monuments. To promote the Avanti Classic**



collection and its unique design, Tefal toasts Stonehenge, Blackpool Tower and the iconic telephone box.

WMF joins the Group's subsidiaries

2017 was the first year of consolidation for WMF, with in particular the gradual takeover of the operational management of the WMF Consumer business by Groupe SEB market companies. This allows Groupe SEB and WMF teams to pool their knowledge of local markets and their expertise in the premium market, so that the WMF brand can be developed with the level of discipline required by its positioning and in accordance with its communications platform.

Only the sales office for the Germany-Austria-Switzerland region remains in the hands of teams working under WMF management in Geislingen, in order to maintain the existing expertise in this key territory, guarantee continuity of service for WMF customers and strengthen the many long-term relationships.

Mass retail, specialist shops, traditional networks, e-commerce, small shops, teleshopping... the Group's strategy targets all relevant distribution channels to reach a wide range of consumers, with a sales policy adapted to the specific requirements of each channel. The network of own-brand stores, which are both a showcase and a special opportunity for close contact with customers, is another brick in an organisation flexibly adapted from one country to another.

1,200
STORES

7%
OF GROUP SALES

50 MILLION VISITORS A YEAR,
WITH 15% MAKING A PURCHASE



Consumer
-friendly



A NETWORK PROMOTING IMAGE AND SALES

Over the years, thanks to its acquisitions, Groupe SEB has constructed a vast store network worldwide. The Group's own stores provide a showcase, boosting its image and providing consumers with access to its products and brands. Above all, however, they are about much more than just sales, offering a genuine opportunity for direct contact with consumers, helping us to understand sales trends and identify consumers' expectations and desires.

AGILE MANAGEMENT TO BOOST EFFICIENCY

This network is adapted to suit market requirements and benefits from a flexible management approach: store openings to seize opportunities, closing shops that are not profitable enough, relocating where necessary and optimising the range. Particular attention is paid to the visual appeal and ergonomics of sales outlets, which are regularly renovated and modernised. In Turkey, for example, where the Group has a network of 146 Tefal Home & Cook stores, interior fittings and decor are redesigned to satisfy customers as much as possible and maximise performance.

WMF, A POWERFUL NETWORK

Own brand stores are WMF's primary distribution channel and represent 25% of consumer sales in Germany, Austria and Switzerland. Most of the 193 stores are in Germany and Austria. They stand out thanks to their parquet flooring and light wooden furniture and they use a black and white colour scheme to highlight the premium positioning.



International Americas



BRAZIL

Colourful ROCHEDO

A successful launch for the colourful Viva Rochedo range! Saucepans and serving dishes with a design inspired by street art transform every meal into a masterpiece. Rochedo promotes healthy and tasty home cooking with its products, inspiring people to travel with its simple slogan: **Eat well, live well, travel always... Viva Rochedo!**



COLOMBIA



Dream workshops by Imusa

The brands Imusa and Samurai support the social integration of poor communities with sustainable programmes and projects, enhancing personal development and encouraging healthy eating. The “Taller de Sueños” foundation, set up in February, has introduced cookery workshops open to everyone, with thirty or so people making simple meals using local ingredients. Since better living also involves opportunities for learning, the institution has committed itself to providing lessons for coffee professionals and partnerships with local companies to interact with schools. Some of the Group’s employees have volunteered to get involved in this project, which helps **to improve the everyday lives of struggling Colombians.**



MasterChef

MEXICO

Become a chef with T-FAL

T-Fal is the exclusive partner of the most popular cookery programme in Mexico: Masterchef. Throughout the 19 weeks of the competition, candidates cooked using the Group’s products, giving themselves the best chances of success. Supplemented by TV ads presented by Chef Betty, the presenter of the show and a local star, as well as by products stamped with the show’s logo, the campaign has provided the brand with incredible visibility, reaching more than 20 million television viewers and the same number of internet users. An exceptional partnership, leading to exceptional sales...



BLENDER SALES UP 70%!

USA

New from KRUPS

Last February, Krups announced the extension of its presence to include mass retail (Walmart, Target etc.), brick-and-mortar and e-commerce. To mark this event, employees at one of the big name stores were invited to test the new Krups range of kitchen electrics (coffee makers, coffee grinders, kettles, toasters, waffle makers, fryers, electric beaters etc.) and to give their opinions on the retailer's e-commerce site, playing the role of brand ambassadors.



USA



All-Clad takes a road-trip

All-Clad accompanied chef **Hugh Acheson** on his road trip to mark the launch of his new book, "The Chef & The Slow Cooker". In 25 cities from the East to the West Coast of the United States, the chef promoted All-Clad slow cookers with demonstrations and sales of the dishes he prepared.



NORTH AMERICA

WMF at Tim Hortons

In the war between the big names in take-away coffee, it's always worth having the best on your side. That's why Tim Hortons decided on an association with WMF. The Canadian restaurant chain, which specialises in coffee and doughnuts, decided to equip its outlets in Canada with the latest WMF professional coffee machines. This means it can offer its customers a wide range of exceptionally high-quality drinks, from espresso to cappuccino.



International
Asia



KOREA



An everyday ideal home

To mark the 20th anniversary of its presence in Korea, Tefal launched a website set up like an ideal home, in which consumers can discover the brand’s products and their features in each room. Short, original videos bring to life the vacuum cleaner in the living room and the hairdryer in the bathroom. In May, Groupe SEB Korea went even further by building **its ideal home in the centre of Seoul**. More than 700 professionals, journalists and retail specialists were invited to explore this temporary structure and discover the vast portfolio of innovative Tefal products, which make everyday lives easier.



AUSTRALIA



Trend laboratory

To introduce new product categories to the Australian market and test their potential for success, Groupe SEB chose an original distribution channel, which has proved its worth: teleshopping. In association with the famous Australian TV channel TVSN, or Television Shopping Network, Tefal has been able to demonstrate the ingenuity of its linen care and cookware products to local customers. Choosing the teleshopping route is about testing the temperature of the market before launching sales through more traditional distribution channels.



SOUTH-EAST ASIA

Upswing in online sales

Groupe SEB has gradually tightened its ties with Lazada, the leader in online sales in South-East Asia. Thanks to their local partnership, online sales have grown rapidly in Malaysia and Thailand. As Asian consumers prefer to buy their products on the net, Groupe SEB completed its distribution network in these markets, whilst maintaining its historic partnerships with traditional customers.

CHINA

Supor 2008-2017: a decade of outstanding performance

2017 was the year in which Supor celebrated its 10th anniversary as part of Groupe SEB and the decade has been an outstanding one.

Supor's total sales are now close to €1.9 billion, including more than €1.2 billion from its domestic market, China, where very strong growth has been a major driver. The best-known kitchen brand in China, Supor has significantly reinforced its positions over the past 10 years, consolidating its leadership in Cookware and achieving second place in Kitchen Electrics.

This remarkable performance can be attributed to two major factors: on one hand, a product strategy boosted by a heavy-weight innovation policy and expansion of the range; on the other hand, an outstanding presence throughout the territory thanks to a vast, multichannel distribution system, including a network of almost 700 exclusive Supor Lifestores and the tremendous



expansion of online sales, which now represent more than 35% of Supor's revenue in China.

Finally, Supor represents a powerful and competitive industrial base, serving both the Chinese market and the Group's exports. This success is reflected in the growth of sales, results and Supor's share price, which build a solid base for the future.



JAPAN

Freemove mini

Ironing has been one of the mainstays of the Group's growth in Japan for several years now and the market is highly concentrated on cordless irons, particularly the compact models. In 2017, T-Fal, which is the major international brand in the linen care segment, competing with great Japanese players, launched the Freemove mini, a light yet powerful iron. It has been a huge success, leading to accelerated growth and gains in market share.







Over 160 years, Groupe SEB has developed advanced industrial expertise and technological skills that enable it to guarantee its competitiveness. With the aim of continuously optimising the industrial performance of its 40 or so sites worldwide, the Group is also **committed to improving its methods and experimenting with innovative technologies** to prepare for the Factory of the Future.

A
highly performing
industry

POWERFUL, VERSATILE AND RESPONSIVE INDUSTRIAL FACILITIES

With a view to continuously improving its competitiveness, Groupe SEB has always nurtured agility, relying on a powerful industrial organisation structured at the international level but also able to respond to developments in the market. This ability to adapt, along with a specialisation in key skills and the integration of new technologies, are driven forward by committed and motivated teams willing to achieve operational excellence.



A GLOBAL ORGANISATION

An international company, Groupe SEB organises its production policy on the basis of three cornerstones: manufacturing in Europe for products in which the Group holds

leading positions or has developed strong technological barriers; factories in emerging countries to better serve local markets or to keep in-house control of products aimed at the international markets; and,

finally, an option to outsource production where and when required. This organisation relies on the versatility and complementary nature of our industrial sites, which are capable of fulfilling the demand for universal as well as local products.

MORE THAN 100 MILLION
COOKWARE ITEMS PRODUCED
PER YEAR

**ABOUT 2/3 OF PRODUCTS
MANUFACTURED IN-HOUSE
AT 40 INDUSTRIAL SITES**

**FLEXIBLE INDUSTRIAL FOOTPRINT
AND PROCESSES**

The flexibility and adaptability of our industrial facilities are strong catalysts allowing the best match between market realities and worldwide demand. In addition to higher automation, necessary fluidity of production and shortened decision-making processes, flexibility criteria have been intro-

duced right at the start of product development. As such, components are increasingly shared between different types of products, simplifying the manufacturing process and generating cost synergies. Production lines themselves benefit from this as they become more versatile, leading to a more efficient use of manufacturing capacities.



**DEVELOPMENT OF TECHNICAL
PLATFORMS**

At the same time, there is an enhanced focus on achieving greater product commonality across markets and better definition of ranges. This approach allows later product differentiation and therefore reduces development time, as well as production costs. Combined with better management of flows between output and delivery, this leads to considerable savings, whilst also guaranteeing quality and reliability. Specific products are reserved for special cases, which genuinely require adaptation to the local market. This is the case, for example, for cordless irons, which are emblematic in the Japanese market.

RUMILLY, THE CENTRE OF EXPERTISE FOR COOKWARE

With more than 45 million units produced in 2017, close to the historic record, the Rumilly factory (Haute-Savoie, France) can assert its place as the Group's benchmark site for cookware. With the creation of a dedicated R&D laboratory, all activities dedicated to studying coatings, materials, processes and new cookware products will be brought together during the course of 2018. This investment confirms the role of Rumilly as a global centre of expertise for the Group's cookware business unit.



INDUSTRIAL KNOW-HOW GENERATING COMPETITIVENESS

The Group's industrial strategy is based on the quest for excellence and the continuous improvement of operational performance, guaranteeing competitiveness in the markets. Today we face a new challenge: rolling out processes for optimising productivity in the newly acquired entities.



ENLARGEMENT OF THE OPS PROGRAMME

The OPS (Operation Performance SEB) programme is one of the key links in the chain when it comes to improving performance. It capitalises on good practice and skills to create a reference system of methods and tools shared by all industrial teams, across all the Group's sites. During the fifth OPS Challenge in February 2017, the extension of the programme to production support services was presented. Going beyond industry and maintenance, it now also covers logistics, human resources, control and purchasing. This program relies on team involvement and empowerment across all areas of the HSQCDIE value chain: health and safety, quality, costs, delivery, involvement and environment. For each function, maturity grids have been developed, with five levels by process, and tested in

2017. They will be deployed across all sites in 2018 with a triple objective: reaching the required level of maturity for all functions by the end of 2019 to move towards the Factory of the Future, standardising measurement approaches and improving performance.

Since its development in 2010, the OPS programme has enabled the Group to guarantee a high level of quality for both its processes and its products. The commitment of the Group's newly acquired sites to taking on these principles is essential. In China, this has contributed towards the ramp up of the Supor Shaoxing site, the Group's largest

factory producing small electrical appliances. In 2017, the OPS programme was presented to the 11 EMSA and WMF production sites, with a view to deployment in 2018.

The PCO (Product Cost Optimisation) programme, which has the objective of improving cost prices and enhancing the perceived value of products, has also been rolled out across all sites. Some PCO projects have cut production costs considerably: the cost price of automatic espresso machines, for example, was reduced by 6 to 8% in 2017, depending on the model. An analysis of labour costs has led to a full review of assembly





processes, combining research into the best working conditions with the prevention of muscular strain injury. In China, PCO projects have been carried out for high-volume products, such as the Optigrill in Hangzhou and Cookeo in Shaoxing. This has resulted in a 5 to 8% reduction in production costs and a significant improvement in working conditions for employees.

ITATIAIA, NEW PRODUCTION SITE IN BRAZIL

In 2017, Groupe SEB brought together the manufacturing operations of its Mooca and São Bernardo do Campo sites in Brazil at the new Itatiaia industrial site, in the state of Rio de Janeiro. The transfer of small electrical appliance lines from Mooca was completed by the end of August and this was followed, during a second phase, by cookware lines

from São Bernardo. Close attention has been paid to employee safety and quality of life at the site.

This transfer of industrial and logistics activities brings us closer to the main consumer areas. The objective is to create synergies, enhance our competitiveness in Brazil, serve our customers and consumers better, regain market share and improve profitability.

ALUMINIUM AND STAINLESS STEEL, TWO COMPLEMENTARY SKILLS

“ Groupe SEB has a great deal of expertise in aluminium. In France, cookware items are manufactured at the Rumilly site, which is highly automated and undergoing rapid expansion. In China, production is distributed across various sites according to destination: Wuhan specialises in the domestic market; Yuhuan produces mid-range products for the export market; the Vietnam facility also focuses mainly on export and is continuing to expand with more entry-level products.

As far as stainless steel products are concerned, volumes have also been growing due to strong business momentum and synergies with WMF. Groupe SEB is increasing its volumes in China at the Yuhuan site, thanks to the partial transfer of production that WMF had previously outsourced. At the same time, it continues to strengthen its industrial capacity in Vietnam.

Finally, a new innovative platform was launched in Selongey in 2017 to produce pressure cookers (more than 15 patents filed), which are more ergonomic, more competitive and benefit from a highly automated production process. This new platform, divided into stainless steel and aluminium, is currently being extended to cover Europe, South Korea, Japan and South America.”



François Muller
Director of Industrial Operations, Cookware

SUPPLY CHAIN, A STRONG LINK

With demanding retail clients to contend with, the supply chain has become a crucial factor. For several years now, the Group has been committed to optimising it through industrial flexibility, clever management of finished goods stocks and high-quality forecasting in order to continuously improve customer service.



OPTIMISING THE QUALITY OF FORECASTS

Sales forecasts are fundamental for adapting manufacturing and stock management as efficiently as possible. A new organisational structure was introduced in 2017, with the creation of demand planning teams for EMEA and Asia, which will gradually incorporate logistics teams. The objective is to strengthen our processes, boost the expertise of supply chain teams, as well as optimise supplies by consolidating the management of local stocks at continental level. These teams cooperate with the business units,

so that they can adjust the management of industrial capacities according to demand.

ACTION THROUGHOUT THE ENTIRE PRODUCT LIFE CYCLE

Logistics teams now intervene at a very early stage of the manufacturing process, right from the product design phase. The aim is to ensure the flexibility of technical production platforms and guarantee compatibility between launch dates, forecast quantities and commercial requirements. Their role is also to coordinate the end of the products' life cycle with new launches, taking the consumption of stocks of components and the discontinuation date into account.

LESS STOCK, BETTER QUALITY

Thanks to a more responsive industrial organisation, which is capable of adapting to variations in demand, the order processing time has been reduced over the past two years from 4 to 2 weeks within the Group

and from 7 to 4 weeks at Supor. In this context, factories are now working more and more closely with external suppliers so that they can also reduce their order times.

Loyalty programmes, which bring visibility to brands and generate large production volumes, contribute towards a better absorption of structural costs and the improvement of stock quality.



At the same time, the reduction in the number of SKUs over the past few years has brought greater clarity to our brands across the various markets in which they are sold and generated productivity gains thanks to the savings achieved. Efforts were initially concentrated on products at the end of their life cycle, and then on active products. The results are noticeable: at the end of 2017, Groupe SEB, excluding WMF, had 20,000 SKUs, compared with 33,000 in 2012.

A HIGH-PERFORMANCE SUPPLY CHAIN

“The objective of the supply chain is to enhance customer satisfaction, whilst implementing optimised methods for reducing costs and stock levels in order to generate gains in responsiveness and competitiveness. The logistics chain, managed at a global level, is a key factor in the Group's organisation. It intervenes at every stage of the product's life cycle, from the design phase through to launch, maturity and the end of the product's life cycle, including the planning of demand and production capacities, as well as organising storage and transport.”



Renaud de Butler
Supply Chain Director

In 2016, Groupe SEB committed to a visionary scheme called “Factory of the Future”. Its aim is to accelerate the digital transformation of industrial operations. The scheme’s sphere of activity covers 10 areas affecting digitalisation, sustainable development and people management. Using clearly identified innovation components, working groups come up with possible solutions and carry out experiments in the form of mini-projects or proofs of concept (POC). In 2018, the priority will be to set up an MES (Manufacturing Execution System) to ensure communication between all equipment, including product definition and production management software.

The factory of tomorrow, + intelligent



BIG DATA, THE ADVENT OF PREDICTION

The use of Big data is about being able to capture and exploit large volumes of available data from the manufacturing process in order to forecast breakdowns or deviations in quality. For example, sensors placed on production machines will enable any malfunctions to be anticipated. This is an effective way of moving from a curative to a predictive approach.

3D PRINTING, THE FUTURE IS HERE ALREADY

3D printing, which has already been tested in the manufacture of spare parts for our 10-Year Repairability Guarantee, is expanding. Around 40 printers are now being used for two types of application: the manufacture of small moulds for producing several hundred parts for the after-sales market and the manufacture of parts used in production.


AUGMENTED REALITY, HIGHLY ENHANCED CAPACITIES

Digital simulation allows us to act with a great deal of precision right from the start of the design process, avoiding the need to make changes later. The use of 3D glasses also offers very interesting prospects for simulating actions at the workstation or for training operators.

3 POCs have been launched in this field in certain plants, including Rumilly and Selongey. In addition to the use of 20 or so cobots (robots assisting human beings), the Group is exploring the benefits of intelligent clothing and exoskeletons.





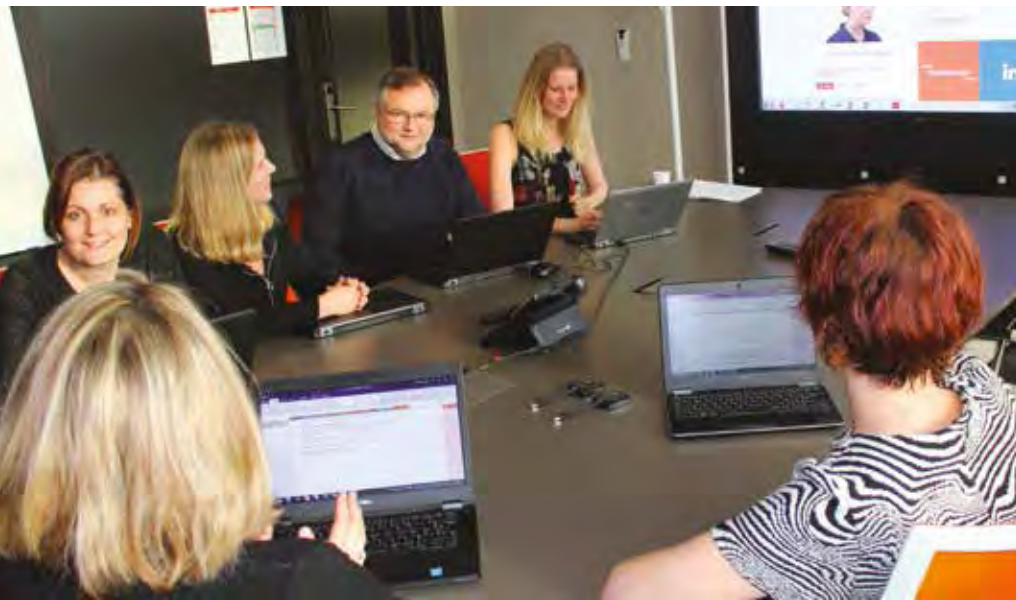
A close-up, slightly blurred photograph of a person's arm and hand. The person is wearing a light green, ribbed, short-sleeved sweater. The background is a bright, out-of-focus white wall. The overall mood is clean and modern.

Groupe SEB is committed to innovating in the quest for a more circular economy; aligning itself to an environmental strategy **to combat climate change**; and providing its employees with a fair employment policy, whilst also developing actions that have a positive impact on society.

A
responsible
and inclusive
Group

DRIVING FORWARD A COLLECTIVE APPROACH

To ensure sustainable development is firmly rooted at the core of its business activity, the Group involves all the various sectors of the company and listens to its external stakeholders. An action plan keeps the teams on track.



were asked for their contributions to define priorities for local actions. Finally, the field was opened up and all the Group's connected employees were invited to express their "Ideas for a better future" during Sustainable Development week in June. All these contributions have allowed the Group to expand its strategic directions and prepare a sustainable development action plan, which will then be implemented at local level across all sectors.

A PARTICIPATORY APPROACH

The Sustainable Development department takes a participatory approach, particularly when it comes to defining the Group's future sustainable development policy.

In 2017, the department carried out a broad internal consultation process in several stages. First, representatives from the various business units were involved in developing the outlines of the future strategy, and then teams from ten or so countries

DIALOGUE WITH STAKEHOLDERS

The new strategic priorities and the corresponding action plan were presented to a panel of the Group's stakeholders for constructive consultation at the beginning of 2018. This meeting was organised

JOINT DEVELOPMENT OF THE SUSTAINABLE DEVELOPMENT STRATEGY

“More than just a simple consultation, it was a genuine joint development of the future sustainable development strategy that was organised with staff at our subsidiaries. Multidisciplinary working groups were set up so that each business unit could contribute to the local action plan for its country or cluster. This was an excellent way of ensuring the new strategic cornerstones are widely adopted. All the countries in our Eurasia zone are a driving force, but 54 employees in particular were involved in India, Russia, Turkey, Egypt and Poland. Their ideas resulted in a wide diversity of projects, which were both innovative and adapted to the local context. I was impressed by the richness of existing initiatives and by the enthusiasm of teams to help develop this very significant project for the Group.”



Raphaël Marcy
Human Resources Director,
Eurasia

THE FIVE SUSTAINABLE DEVELOPMENT CHALLENGES FACING GROUPE SEB

- ENSURING THE GROUP'S ETHICAL PRINCIPLES ARE RESPECTED
- PURSUING A RESPONSIBLE EMPLOYMENT POLICY
- DEVELOPING TERRITORIES AND COMMUNITY COMMITMENT
- CREATING SUSTAINABLE INNOVATIONS TO MEET CUSTOMER EXPECTATIONS
- REDUCING THE ENVIRONMENTAL IMPACT

as part of the regular discussions that take place between the Sustainable Development department and this panel. It is made up of external international experts: environmental NGOs, a sociologist specialising in alternative consumption, experts in eco-design and responsible eating, etc.

RECOGNITION FOR OUR CSR POLICY

Several non-financial rating agencies evaluate Groupe SEB's ESG (Environment, Social, Governance) performance. This performance is increasingly recognised, as demonstrated by the improvement in its rating by the CDP (Carbon Disclosure Project) agency, which manages the world's largest database of environmental data. In 2017, the Group

improved its score from C to A- in the CDP's "climate change" category and from C- to B- in the "supply chain" category. The Group's commitments and actions are also evaluated every two years by Vigeo-Eiris, the leading agency in Europe. Its 2018 score, an improvement on 2016, makes Groupe SEB the leader in its sector. The Group is also on the study panel for Gaïa Rating, Sustainalytics and Oekom, which awarded it "prime" status. The SEB share is also included in various SRI (Socially Responsible Investment) indices. The Group retains its position in the Vigeo-Eiris Europe 120 and Eurozone 120 indices, which list the companies with the best scores in more than 330 indicators.

Groupe SEB has also confirmed its place in the FTSE4Good international index, a global benchmark in this area, with a score of 83/100. It is listed under the Personal & Household Goods category. The share is also present in the Forum Ethibel Excellence Europe index.



SUSTAINABLE DEVELOPMENT WEEK

A wealth of activities took place at the Group's sites as part of Sustainable Development week, which was organised on a worldwide scale in June. A few examples: involvement in a reforestation scheme in Mexico, development of a shared garden in Millville (United States), organisation of a recycling workshop in Selongey (France), promotion of energy "eco-gestures" in South America and Malaysia, etc.



SHARING THE SAME ETHICAL STANDARDS

Groupe SEB bases its growth on strong values, defined by its Code of Ethics. It ensures that its ethical, social and environmental requirements are fulfilled in all countries, by both its own teams and suppliers, thanks to harmonised information and control procedures.



A DYNAMIC CODE OF ETHICS

The Group's Code of Ethics formalises individual and collective codes of conduct in great detail under 18 key themes, from not using child labour to fighting corruption

via non-discrimination, protecting the environment and preventing conflicts of interest. Subsidiaries regularly organise sessions to raise awareness and provide training in these areas. In 2017, this was particularly the case in Colombia, where 100% of the workforce were involved, and in Egypt. The Group has also developed a specific e-learning programme for the Code of Ethics. Using quizzes, practical cases and examples of ethical dilemmas, the objective of this programme is to provide an interactive and fun way of learning the principles of the Code.

SUPPLIERS: 300 CHECK POINTS

To ensure its ethical, social and environmental standards are respected by its suppliers, the Group has introduced a policy of specific audits carried out by the independent consultancy Intertek. This audit uses the WCA (Workplace Condition

Assessment) grid and its 300 check points. In 2017, 177 audits were carried out in Asia, South America and Europe. One of the suppliers, for which a "zero tolerance" type non-compliance had been detected, refused to implement a corrective action plan. In accordance with the Group's procedures, this supplier was immediately excluded. About a quarter of the panel of suppliers of raw materials, components and finished products is audited each year.

AT GROUP SITES AS WELL...

The Group applies the same social, ethical and environmental audit procedures to its own industrial and logistics sites situated in high-risk areas¹ as for its suppliers, with the same specialist agency and the same check list. In 2017, seven sites were audited in Russia, China, Colombia and Vietnam. No "zero tolerance" type non-compliance was

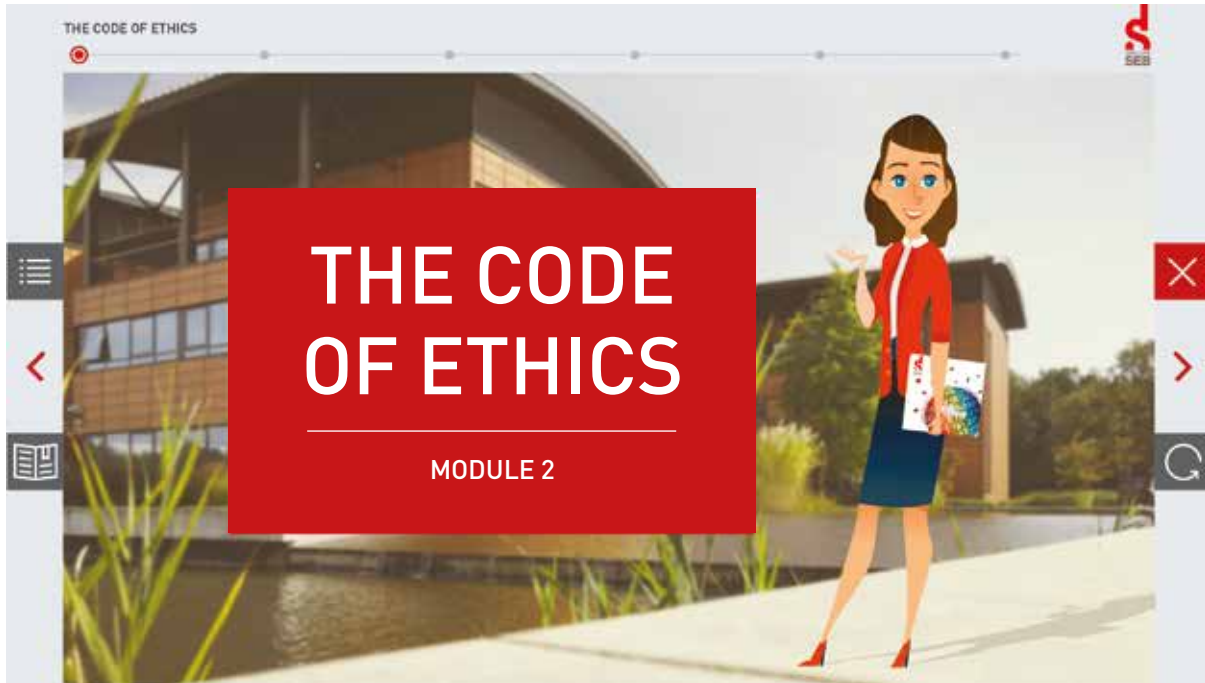
HELPING SUPPLIERS TO MAKE PROGRESS

“To help our suppliers make progress in social, ethical and environmental matters, we offer them training sessions each year. On these occasions, we remind them of the key points of our Responsible Purchasing charter. We focus in particular on the procedure for social audits and the various check points, including aspects concerning health, safety, salaries, working hours and the environment. The idea is to be as concrete as possible, providing examples of non-compliance with corrective action plans and discussing good practices. In 2017, we organised four sessions – three in China and one in Vietnam. These sessions were attended by 101 suppliers, along with the Group buyers who are in charge of monitoring them.”



Sheran CHAN
Social compliance manager

THE E-LEARNING PROGRAMME FOR THE CODE OF ETHICS IS BEING ROLLED OUT FROM 2018.



detected and all these sites have undertaken improvement measures. Four sites received the Achievement Award (AA) allocated by Intertek, with a compliance score of over 90% without any major non-compliance: Vostok in Russia, Yuhuan and Wuhan in China and Rionegro in Colombia.

DISABILITY AND INCLUSION

To boost the sustainable development component of its purchasing, Groupe SEB includes social and environmental clauses in its invitations to tender in France. These aim to prioritise suppliers committed to the professional integration of people in difficulty or offering environmentally-friendly solutions. Across all French sites, for example,

subcontracting using the services of the disability and inclusion sector in France represented €3.7 million in 2017, which is the equivalent of 171 full-time equivalent staff.



177 SUPPLIERS² AUDITED

CODE OF ETHICS AVAILABLE IN 11 LANGUAGES

€3.7 MILLION ALLOCATED TO SUBCONTRACTING USING THE SERVICES OF THE SOCIAL AND SOLIDARITY ECONOMY IN FRANCE

¹ High-risk areas as defined by Maplecroft in its Human Rights Risk Index

² Raw materials / components and finished products

DEVELOPING ALL TALENTS

Groupe SEB's teams include almost 33,000 employees working in around 150 countries. To ensure they stay dynamic and motivated, the Group focuses on developing their skills and encouraging performance and quality of life in the workplace, in a spirit of fairness and dialogue with staff.



For the fourth consecutive year, Groupe SEB has been awarded the Happy Trainees (France) logo, recognising the Group's outstanding commitment to offering internships or apprenticeships to students (300 per year on average). It is ranked eleventh in its category, up five places compared with 2016.

DYNAMIC CAREER PATHS

Internal promotion is a reality at Groupe SEB: in 2017, 60% of managers' positions in France were filled by Group employees. To take this further, the Group launched

a mentoring programme in 2017. The principle behind this is for an experienced manager to support and advise an employee "with potential" for a year to help them succeed in their career with the Group. The pairings respect equality between women and men, for both mentors and mentees. 20 pairs have been set up in France and the programme will be expanded worldwide in 2018.

A REFERENCE SYSTEM FOR PROFESSIONAL SKILLS

Having introduced the Management Skills Manual in 2016, Groupe SEB mapped the technical skills linked with the various sectors of the company (marketing, sales, finance, purchasing, industry etc.) in 2017. This reference system of professional skills and the jobs they are associated with was developed with experts from each sector, who will



Employees at Campus SEB in Ecully came up with 63 product innovation ideas for the All Innovators challenge. Six of these will be studied in depth in partnership with SEB Lab (Groupe SEB's fab lab).

BENEFITING FROM THE MENTORING EXPERIENCE

“Mentoring involves more than just discussions; it allows us to advance our personal and professional development projects thanks to ongoing supervision. By relying on the expertise and experience of my mentor, André Dot, CEO of Groupe SEB France, I was able to challenge myself and bring one of my ideas to fruition: to establish a five-year progress plan at the Vernon industrial site. On his advice, I got the three workshop managers in my team involved in this project, so that they could develop their own action plans. I then carried out consolidation and prioritisation work, which led to a solid progress plan. We built up a genuinely trusting relationship through our regular discussions. I now have a more global vision of the way the company works and a more precise understanding of its business units.”



Guillaume Hanoteau
Manager of the Autonomous Production Unit
at Vernon (France)

26,000 APPLICATIONS VIA THE GROUP'S
E-RECRUITMENT PLATFORM

84% OF EMPLOYEES HAVE TAKEN
AT LEAST ONE TRAINING COURSE THIS YEAR



also help to keep it up to date. It is currently being integrated into the Annual Appraisal Interview for all positions, providing an objective basis for assessing proficiency.

E-LEARNING STEAMS AHEAD

iGrow@SEB, the Human Resources digital platform, hosts all the Group's e-learning programmes, which are undergoing continuous expansion. New additions include the Compliance programme, which

is currently being developed and will include modules on the Code of Ethics, IT security, the protection of personal data, internal monitoring and anti-competitive practices.

In time, every connected employee worldwide will have access to e-learning training programmes, regardless of their job sector and position in the hierarchy.

WELCOME TO THE WMF TEAMS

The integration of WMF was one of Groupe SEB's major projects for 2017. 22 integration workshops involved almost 300 Groupe SEB and WMF managers at corporate level across all the continents. WMF was integrated into the Group's Human Resources systems in September and the deployment of the following processes has been launched: HR annual review, Annual Appraisal Interviews, remuneration policy, management of mobility etc.

THE DIGITAL WORKPLACE BECOMES A REALITY

The digitalisation of the Group also affects the working environment of our employees: the global roll-out of the digital workplace, based on Microsoft Office 365, was completed in 2017 with an extensive training programme involving more than 4,500 employees.



DIVERSITY: CONCRETE MEASURES

The Group wants to enhance the diversity of its internship and apprenticeship profiles. To increase the percentage of young people from deprived communities, the Group has begun working with the recruitment agency Mozaïk RH in France, resulting in about ten recruitments in 2017. Human Resources teams in France have also received training in stereotypes, diversity and equality between men and women. A training programme on “Recruiting and managing without discrimination or harassment” has also been introduced.



EQUALITY BETWEEN MEN AND WOMEN

The proportion of women in management positions worldwide is gradually increasing: in 2017, women represented 37% of managers (29% in 2007) and 30% of expatriated managers. In addition, to help women move towards technical positions traditionally held by men, all French sites offer women training schemes leading to qualifications, accompanied by suggestions for alternative jobs. This helps production operators become line supervisors, machinists, welders etc.

AN INTERNATIONAL EMPLOYMENT BAROMETER

To improve its employees' quality of life in the workplace, the Group has relied since 2012 on a survey developed by the Great Place to Work institute, which evaluates staff perceptions of working conditions. This employment barometer has now been rolled out to forty or so countries, where the survey is carried out every other year.

A TRAVELLING EXHIBITION
“ALL PROFESSIONS ARE MIXED”,
 SUPPORTED BY GROUPE SEB, IS VISITING
 FRENCH SECONDARY SCHOOLS.

**97% OF FACTORIES
AND LOGISTICS ENTITIES
ARE OHSAS 18001 CERTIFIED**

**37% OF MANAGERS
ARE WOMEN
AT GLOBAL LEVEL**

SOCIAL SECURITY: A GLOBAL PLATFORM

At the end of 2017, Groupe SEB formalised the three cornerstones of its global social security policy, which will gradually be introduced between now and 2020 for all employees, across all status levels and in all countries: life insurance; coverage of major medical risks (hospitalisation) and the introduction of regular medical check-ups; maternity or paternity pay. The pilot phase of this programme was launched in the Eurasia region in 2017.

In 2017, the countries carrying out the survey for a second time improved their overall score by an average of three points. The clear winner is the Iberian subsidiary (Spain and Portugal), which improved its score by 16 points (see below).

HEALTH AND SAFETY: AMBITIOUS OBJECTIVES

Groupe SEB's Health & Safety action plan for 2020 aims to cut the number of accidents by half, including those involving temporary staff. It focuses mainly on increasing the involvement of employees. In factories, for example, safety is one of the points reviewed daily by production teams. In terms of health, ergo-

mics are a priority: each industrial site has the objective of improving

the ergonomics of its workstations by 20% each year.



GETTING EMPLOYEES INVOLVED IN QUALITY OF LIFE IN THE WORKPLACE

“89% of employees in Spain and Portugal say that Groupe SEB is a good company to work for. This is demonstrated by the results of the Great Place To Work 2017 survey. Two years before, only 73% had the same opinion. This improvement reflects the positive impact of campaigns carried out between the two surveys, with strong involvement from the teams in defining progress plans. 155 employees helped to develop the plans, almost three quarters of the workforce! The campaigns include a project to facilitate cross-departmental collaboration (Synergy B), individual reviews to improve work-life balance, health insurance and a pension plan for all employees. And of course the introduction of social occasions such as team breakfasts on Friday mornings.”



Thierry Villalongue
CEO, Groupe SEB Iberia

FIGHTING EXCLUSION TOGETHER

Combating social exclusion in all its forms is at the heart of Groupe SEB's corporate philanthropy policy. This is widely supported by our employees. They are involved in campaigns launched by our subsidiaries, projects supported by the Fonds Groupe SEB and their own initiatives with the Group's support.



A GLOBAL CHARITY WEEK

Each year, *Charity Week* unites teams from all four corners of the world as they carry out community service. In 2017, employees from

28 countries were involved in a wide variety of initiatives on the "Food and Solidarity" theme. In Turkey, for example, they financed 300 packed meals, which were handed out to

the homeless in Istanbul. In Colombia, volunteers delivered parcels of groceries to 320 families living in poverty in Medellin. The Japanese subsidiary established a vegetable garden, which provides part-time work for people with physical or mental disabilities.

LASTING PARTNERSHIPS

In many countries, teams undertake long-term actions. In China, for example, Supor has been leading a school-building programme in isolated areas since 2006: 20 schools have already opened, including three new schools in 2017. In the United States, the partnership with the Habitat for Humanity association is ongoing: fifteen or so employees were involved in two days of voluntary work in June 2017 to help renovate or build housing for families in difficulty. In the Nordic countries (Sweden, Denmark, Norway, Finland),



A FEW DAYS AT A SUPOR SCHOOL

“For Charity Week, I spent a few days as a volunteer at one of the schools supported by Supor. I cooked some traditional dishes from my home town for the children, played basketball with them... I also took a lesson in which they were asked to write about their dreams for the future. Quite a lot of them wanted to be doctors, police officers or teachers so that they could help others. I was moved by their simple lives and by the teachers' dedication. This experience made me realise that there is an obvious divergence between rural areas and the cities on the coast. We should pay more attention to that. I am proud of working for a company that looks after other people.”



Weng Yukai
Performance manager
at Supor

€2.68 MILLION ALLOCATED TO CORPORATE PHILANTHROPY BY GROUPE SEB (THE FONDS AND SUBSIDIARIES)

48 SITES INVOLVED IN CHARITY WEEK

169 FRENCH EMPLOYEES TOOK PART IN THE TEAM SOLIDARITY CHALLENGES

ALMOST 400 PROJECTS SUPPORTED BY THE FONDS GROUPE SEB IN **TEN YEARS**



OBH teams have been supporting the Star of Hope association, which provides assistance with education, healthcare and food, for over ten years now. The four subsidiaries are currently sponsoring 30 children in the Philippines and will continue to support them through to adulthood.

TEAM SOLIDARITY CHALLENGES

The Fonds Groupe SEB supports projects combating social exclusion, particularly in France. It also leads initiatives to encourage its employees to get involved, such as the Team Solidarity Challenges launched in 2017. For a full or half day paid by the company, employees

volunteer to share their experience in aid of an association. The first session in the spring involved 94 employees at five sites, who took part in eleven challenges (participation in the Emmaüs Bric à Brac campaign, creating a vegetable garden, painting work with the Fondation des

Apprentis d'Auteuil, helping secondary school students discover the world of business etc.). The operation was repeated at the end of the year at the Ecully campus, with 75 participants. Group subsidiaries outside France are also invited to suggest solidarity challenges to their teams.



Each salaried employee can devote one working day per year to help a project linked with combating social exclusion.

A YOUNG AFGHAN ON AN APPRENTICESHIP AT WMF

Mohammad Amini, who started his apprenticeship at WMF on 1 September 2017, has a profile that stands out from the rest. He arrived in Germany as a refugee in 2015, having fled Afghanistan with



his wife and young daughter. "It was when I was taking German lessons that I found out about the internship at WMF," he explains. "The hardest part was getting authorisation from the relevant authorities. As my internship went well, WMF then took me on as an apprentice to continue my programme. I really appreciate the opportunity I've had to be able to develop my IT and technology skills whilst working for the company. In Afghanistan it's extremely difficult, sometimes even impossible, to study. I would never have been able to follow such a career path over there."

SUSTAINABLE INNOVATION FOR CONSUMERS

By progressing towards the circular economy and a healthier diet for everyone, Groupe SEB is responding to the expectations of consumers, who are increasingly aware of the need to act responsibly.

ALMOST 93% OF PRODUCTS ARE REPAIRABLE

Repairability, an essential component of the circular economy, has been a priority for Groupe SEB for almost ten years now and the Group

sets the benchmark in this field. In 2017, almost 93% of the electrical products sold by the Groupe worldwide were repairable. To make it easier to repair products, the Group has a worldwide network of

6,500 certified repair centres, to which it guarantees the availability of 40,000 parts at the lowest possible price. This price was cut by 30% in 2012 and has never been increased since.



IN FRANCE, GROUPE SEB WAS ONCE AGAIN VOTED THE WINNER OF THE **“CUSTOMER SERVICE OF THE YEAR”** AWARD IN 2017 FOR ITS RESPONSIVENESS AND THE QUALITY OF ITS CONSUMER RELATIONS ACROSS ALL CHANNELS: TELEPHONE, EMAIL, SOCIAL NETWORKS AND BRAND WEBSITES.

GROUPE SEB AT THE CUTTING EDGE OF REPAIRABILITY

“ We have been working on Groupe SEB products for 20 years. In 2017, we repaired 1,100 products, an increase of almost 25% compared with 2015. These days, consumers see repairability as a sign of quality. Especially if an effort is made to offer the lowest prices possible, which is the case for us. Of all the manufacturers we work with, Groupe SEB is the most advanced in terms of repairability. I’m thinking of its “Product repairable for 10 years” commitment, of course, but also our everyday working partnership: a dedicated IT system to simplify the way cases are followed up, speed of delivery of spare parts, management of guarantees etc. The Group’s approach helps our business to grow and I think that other manufacturers will follow its lead.”



Fabio Alberti
certified repair technician
in Milan (Italy)



PRODUCT REPAIRABLE FOR 10 YEARS

THIS LOGO APPEARS ON MORE THAN **90% OF NEW ELECTRICAL PRODUCTS** SOLD IN EUROPE, ASIA, THE MIDDLE EAST AND AFRICA FOR THE FOUR BRANDS TEFAL, ROWENTA, MOULINEX AND KRUPS (AND FOR SEB AND CALOR IN FRANCE AND BELGIUM).

3D PRINTING, SELF-REPAIR...

The Group is also exploring new ground, such as 3D printing for replacement parts to extend their availability almost infinitely. And to help consumers who want to repair their products themselves, the Group has been testing online video tutorials for simple repairs since summer 2017.

A SECOND LIFE FOR PRODUCTS

The majority of products under guarantee collected by retailers' after-sales services as part of an exchange have hardly or never been used. Instead of channelling them towards decommissioning and recycling, Groupe SEB aims to give

them a second life. In France in 2017, the Group began offering them to the social integration company Envie Anjou, which collects them, dismantles them and repairs them before reselling them at a low price with a one-year guarantee.

In the United States, All-Clad offers its restaurant customers second-hand frying pans, which have been reconditioned at the Canonsburg factory. The pans collected from chefs are dismantled, cleaned, reconditioned, brushed and polished. They are resold at half the price of a brand new pan with average energy savings of 95%.



RECYCLING: FRYING PANS AND SAUCEPANS AS WELL...



Frying pans, saucepans and casseroles do not yet have their own specific recycling programme, unlike small electrical appliances, but Groupe SEB is working on it. In France, for example,

the Group works with a recycling firm and major retailers: consumers bring their used products back to the shop, where they exchange them for a discount voucher for a new item. The collected products are sorted and the main materials (aluminium, stainless steel, plastic) are recycled to make new products, including Tefal items. 1,500 shops took part in this programme in 2017. Other countries are carrying out similar campaigns, such as the Netherlands, where two of these types of operation are running for the fourth consecutive year.

ALMOST **93%** OF ELECTRICAL PRODUCTS SOLD ARE REPAIRABLE

82% OF PRODUCTS UNDER GUARANTEE ARE REPAIRED RATHER THAN EXCHANGED IN EUROPE

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

THE RETURN RATE FOR PRODUCTS UNDER GUARANTEE HAS BEEN CUT BY MORE THAN **HALF IN EIGHT YEARS**



CUTTING-EDGE RESEARCH IN NUTRITION

As a sign of the importance it attributes to healthy eating, Groupe SEB has carried out a number of research projects in this field. In 2017, it took part in a major research project on rice, supported by the European Union, as part of the EIT Food programme. This looks into new cooking processes enabling the glycaemic index of rice to be reduced, thus preventing diabetes and obesity. Another food group attracting growing interest, with a

view to controlling the consumption of animal proteins, is pulses. In this field, Groupe SEB is a stakeholder in the PROVEGGAS research project, supported by French public funds. This project aims to make pulses more appealing by improving their cooking (making it faster), digestibility and organoleptic qualities.

IMPROVING INFANT NUTRITION

In France, the *Malin* programme helps families struggling to improve the diet of their children aged three and under. Groupe SEB is involved in

this initiative through its Seb, Tefal and Moulinex brands – and has defined a joint strategy with the *Malin* programme for family meals and home cooking. This programme, which involves a large number of public and private partners, was able to monitor 6,500 families in 2017 across five pilot sites and the initial results, recording changes in the families' habits, have been encouraging. The contribution from the Group's three brands addresses two priorities: advice for families to encourage them to cook (recipes, educating their palates etc.) and access to products at very attractive prices to make it easier for them to cook at home. The objective is to offer useful products for families in the *Malin* programme, whilst also developing a durable economic model, which is a prerequisite for long-term work and deployment at national level.

COMBINING AN ECONOMIC PROJECT WITH SOCIAL VALUE

Exploring new business models with social value is the idea behind the new programme launched in 2017 by Groupe SEB called BiiS or "Booster l'innovation à impact Sociétal" ("Boosting innovation with a social impact"). This allows multidisciplinary teams of six to eight volunteer employees to experiment with social intrapreneurship missions: starting with an idea that meets a social need, they develop a project with the potential to lead to a durable economic model. Several projects from BiiS teams are now undergoing in-depth studies.



Tefal and Rowenta committed at a very early stage to priorities for sustainable development campaigns: healthy and responsible food for Tefal and environmental performance for Rowenta. Other Groupe SEB brands have now joined the movement.



Commitment from brands



EFFICIENT, QUIET AND ENERGY-SAVING

This Rowenta Silence Force vacuum cleaner offers maximum dust pick-up performance (class A) with minimal 550 watt power (energy efficiency rating A+) and very low noise levels (66 dB, class A).



JUST ONE SPOONFUL OF OIL ... AND NUTRITIONAL COACHING

Actifyr (Tefal / Seb) can prepare healthy and tasty meals using just one spoonful of oil and the My Actifyr app provides a number of services including nutritional coaching to help users eat a balanced diet all year round.



VIVA VEGETABLE PROTEIN!

Multicook & grains (Moulinex / Tefal) offers 22 cooking programmes for cereals and pulses with undeniable nutritional benefits: they are rich in vegetable protein, fibre, minerals, vitamins and an alternative to animal protein.



RECYCLED MATERIALS

The Krups Expresseria says "yes" to recycled materials: its first part made of recycled plastic (ABS) was introduced in 2017.



A ZERO WASTE SOLUTION

EMSA vacuum mugs, in stainless steel or plastic, are a clever, green alternative to disposable cups.



EFFIWATTS, THE CLUE IS IN THE NAME

The new generation of Studio Dry (Calor/Rowenta) hairdryers have benefited from Effiwatts technology since 2017. These models consume 20% less energy than reference models (1,700 watts instead of 2,100 watts), whilst maintaining the same level of performance.



FOLLOW THE GUIDE!

The Groupe SEB Innovation community follows the eco-design guide to develop products that respect the environment. The main priorities are energy efficiency, recyclability, repairability, the use of recycled materials etc.

RESPECT FOR THE ENVIRONMENT

At each stage of the product life cycle, Groupe SEB takes action to limit its products' impact on the environment: from the design stage through the manufacturing process, transport and use to the end of their life. These actions are part of a structured approach and lead to measurable progress.



INDUSTRIAL SITES SHARE GOOD PRACTICES

Each year, the Group's industrial and logistics sites are invited to present at least one "eco-innovative" project aiming to reduce their impact on the environment. 43 projects were reviewed in 2017, 60% of which were linked to energy. The Is-sur-Tille site, for example, is the first in the Group to have installed a solar-powered air conditioning

system in an assembly workshop, where temperatures were very high in summer. Solar panels supply the energy for the air conditioning system and, when it's not in operation, this energy is used elsewhere on the site. This initiative has improved working conditions on site using a carbon-neutral solution.

ALTERNATIVES TO ROAD TRANSPORT

To reduce CO₂ emissions linked with the transport of products and components, the Group prioritises alternatives to road transport, such as rail and river transport. In Europe, non-road transport is rising significantly, reaching 46% in 2017. In Germany, for example, 100% of container traffic between the arrival port and the Duisburg platform has switched from road to rail. The result: 98% reduction in CO₂ emissions and costs cut by 41%.



THE FOUR WMF SITES IN GERMANY ARE ISO 50001 CERTIFIED FOR THEIR ENERGY MANAGEMENT SYSTEMS.

In 2017, Groupe SEB joined the Fret 21 initiative, launched by the French Environment and Energy Management Agency (ADEME) and the French Freight Transport Association (AUTF) to help companies take the impact of transport into account when developing their sustainable development strategies. This commitment focuses on four main priorities: increasing the load rate of transport units, reducing the distances covered, alternatives to road transport and the involvement of transporters.

YUHUAN SITE INVOLVED IN THE ENERGY ISSUE

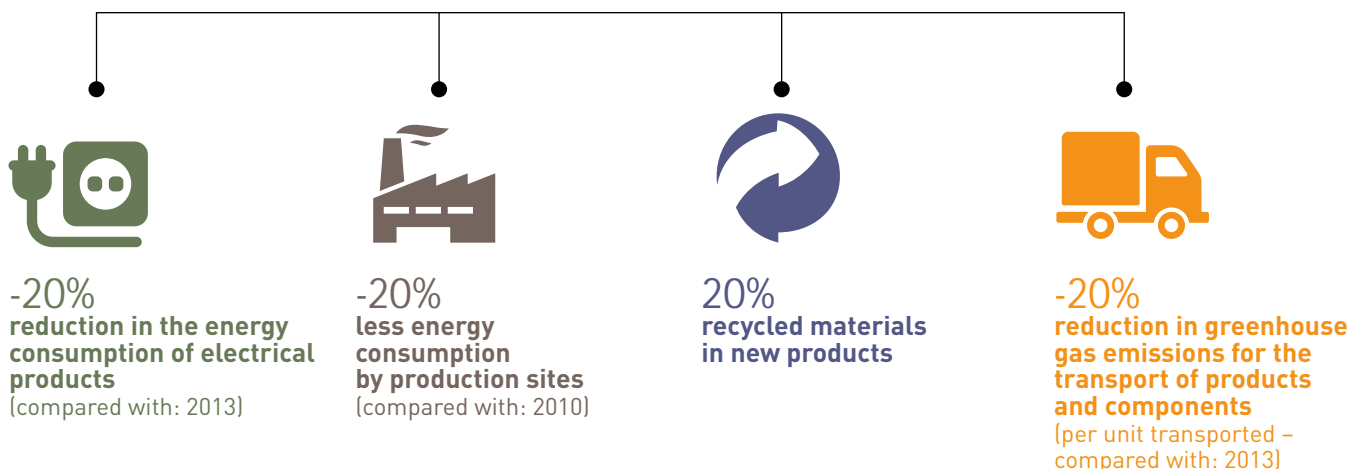
“At the Supor site in Yuhuan (China), we have reduced our energy consumption per finished product by 35% in four years. This is the result of progress plans we set up each year with a dual objective: cutting our costs and reducing our impact on the environment. For example, we have converted various items of electrical equipment to gas, such as the furnaces for coating cookware items and the boilers. All the workshops have also been converted to LED lighting. Across all our production lines, meters now measure energy consumption. This gives us a detailed monthly overview of our consumption, which allows us to establish specific targets and measure the progress we have made.”



Lisong Wu
Equipment Department Manager,
in charge of Yuhuan's environmental
performance

2020 target

For the 2013-2020 period, Groupe SEB has set four targets for reducing its carbon footprint.



2020 TARGET

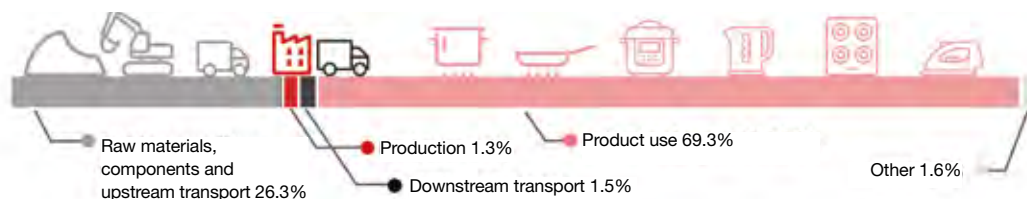
Two out of four targets have already been achieved, with 35% recycled materials in new products and a 25% reduction in greenhouse gas emissions for the transport of products and components. The Group is getting closer to achieving its energy target, with a 19% reduction in energy consumption on production sites, and it has identified the product families with the highest impact in terms of energy consumption and defined precise methods for measuring their consumption and energy efficiency.

LIMIT GLOBAL WARMING TO TWO DEGREES

Groupe SEB joined the Science Based Targets¹ initiative in 2016. This means it is committed to keeping its targets for reducing greenhouse gas emissions in line with the recommendations of the international scientific community for maintaining the average increase in global temperature below 2°C. With this in mind, the Group started by producing a report on greenhouse gas emissions across its entire value chain in 2017. This is the breakdown of these emissions:

BREAKDOWN OF GROUPE SEB'S ANNUAL GREENHOUSE GAS EMISSIONS

Based on this breakdown, the Group is working on defining targets for reducing greenhouse gas emissions linked with its industrial sites and product life cycles for 2025 and 2050. These will be published in 2018.



- 43** ECO-INNOVATION PROJECTS AT INDUSTRIAL AND LOGISTICS SITES
- 97%** OF FACTORIES AND LOGISTICS ENTITIES ARE ISO 14001 CERTIFIED
- 70%** REDUCTION IN ENERGY CONSUMPTION FOR VACUUM CLEANERS IN THREE YEARS
- 83%** POTENTIAL RECYCLABILITY OF ELECTRICAL PRODUCTS

¹ Global initiative launched in 2015 by the WWF, Global Compact (UN), the WRI (World Resources Institute) and the CDP (Carbon Disclosure Project).



Overview
of
stakeholders

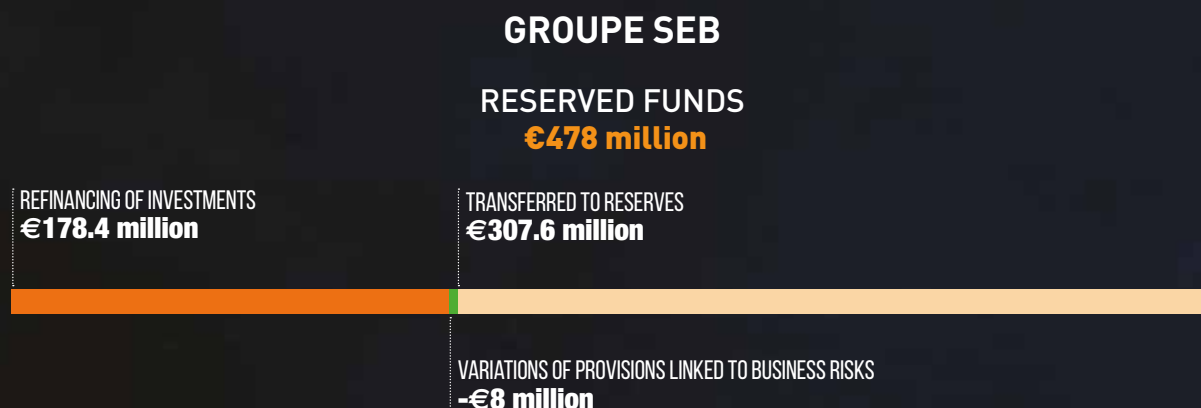
Groupe SEB's economic and financial performance has an impact on stakeholders all over the world: employees, suppliers, public authorities, local communities and shareholders.

The Group makes strategic choices when it comes to sharing the value it has created, allowing it to support company objectives and prepare for the future responsibly. The diagram below shows the main cash flows recorded in 2017 between Groupe SEB and its various stakeholders.



"Sourced" products represent 32% of sales, including WMF.

*Excluding WMF



BREAKDOWN BY STAKEHOLDER

<p>SUPPLIERS €4,430.6 million</p> <p>2,074 suppliers* of raw materials, components and finished products, including a panel of 535 suppliers that represent more than 75% of these purchases of raw materials, components and finished products.</p>	<p>NGOS €2.7 million</p> <p>Donations to associations and NGOs via the Fonds Groupe SEB and/or international subsidiaries as part of the Group's corporate philanthropy policy.</p>	<p>STATE AND LOCAL AUTHORITIES €179.4 million</p> <p>Corporation tax: € €99.3 million Local taxes: € €80.1 million</p>	<p>SHAREHOLDERS €101 million</p> <p>Paid out in 2017 for the 2016 financial year.</p>	<p>EMPLOYEES €1,221.3 million</p> <p>Paid out to 32,144 employees, 79% gross salary and 21% social charges Bonuses and profit-sharing of €37.6 million to be paid out in 2017.</p>	<p>BANKS AND BONDHOLDERS €71.7 million</p> <p>Mainly financial charges linked to interest on bank loans.</p>
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PROFIL

STOCK MARKET

Euronext Paris, Compartiment A

SHARE CODE

FR0000121709

DATE OF INTRODUCTION

27 may 1975

STOCK MARKET INDICES

CAC® Mid 60 – SBF® 120 – CAC® Mid & Small CAC® All-Tradable – STOX® Europe 600 – MSCI Global – FTSE4Good

OTHER INFORMATION

IAS index – Eligible for SRD

NUMBER OF OUTSTANDING SHARES

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

TICKERS

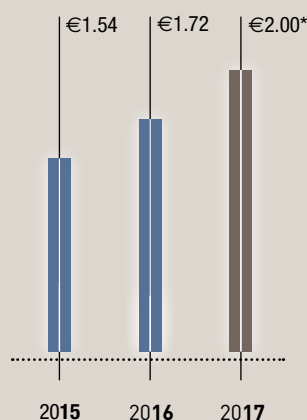
Reuters: SEBF.PA

Bloomberg: SK.FP

DIVIDEND

During the meeting held on 27 February 2018, the Board of Directors proposed to distribute a dividend of €2.00 per share for the 2017 financial year, a rise of 16.3%.

The date for detaching the share coupon is set for 21 May and the dividend payment date for 23 May 2018.



* Proposed at the AGM of 16 May 2018.

2017 PERFORMANCE

Closing price on 29/12/2017: **€154.45**

Stock market capitalisation on 29/12/2017: **€7,749 million**

Highest (during the session): **€169.90**

Lowest (during the session): **€115.70**

Average price for the year (closing price): **€145.896**

Average of the last 30 closing prices of 2017 ... **€154.185**

Average daily transactions in shares: **53,452**

2017 in shares

BREAKDOWN OF SHARE CAPITAL AND VOTING RIGHTS ON 31/12/2017

Treasury stock **1.1%**

Employees **3.8%**

FFP Invest **5.0%**

FSP **5.3%**

Individual shareholders

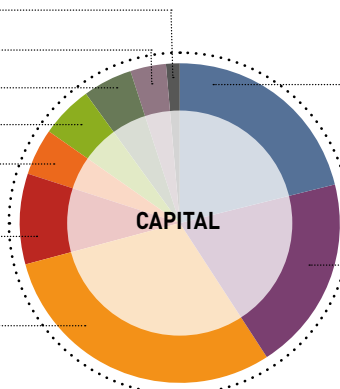
4.6%

French investors

10.3%

Non-French shareholders

29.2%



FÉDÉRATIVE
and associates* **21.2%**

VENELLE
INVESTISSEMENT*
and associates* **19.6%**

*Founder Group: 40.8%

Employees **4.1%**

FFP Invest **6.8%**

FSP **3.6%**

Individual shareholders

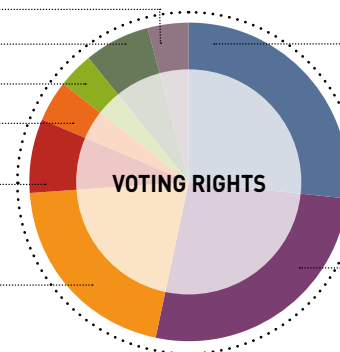
4.3%

French investors

7.4%

Non-French shareholders

20.5%

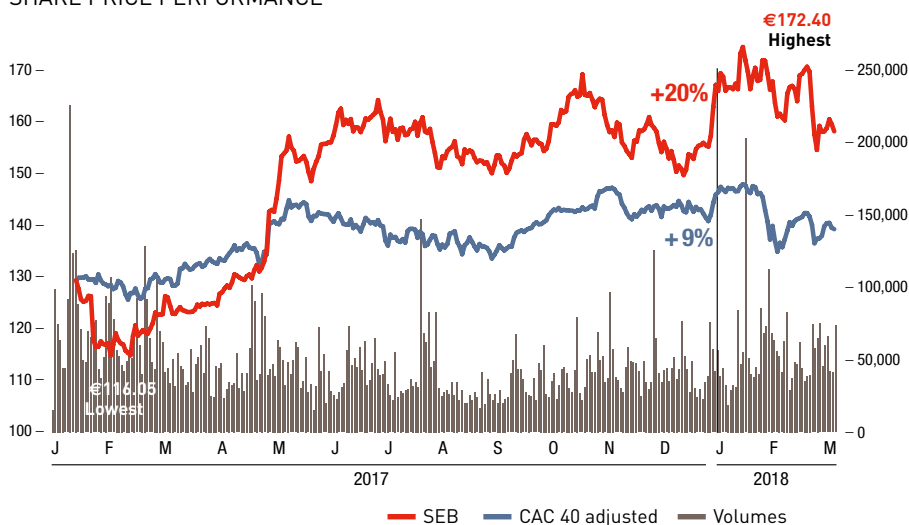


FÉDÉRATIVE
and associates* **26.8%**

VENELLE
INVESTISSEMENT*
and associates* **26.5%**

*Founder Group: 53.3%

SHARE PRICE PERFORMANCE



— SEB — CAC 40 adjusted — Volumes



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