

better living 2018



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Our mission

OUR BRANDS

Core brands

Worldwide

KRUPS

Moulinex
Rowenta

Tefal

Local

ARNO

ASIA

calor

clock

emja

esteras

IMUSA

ORIGINAL
KAISER

MAHARAJA
WHITELINE

MIRRO

OBH

PANEX

Rochedo

samurai

SEB

SUPOR

T-fal

umco

WearEver

Premium brands

All-Clad
METALCRAFTERS LLC

Lagostina

Silit

W
Mf

Professional brands

Curtis

*Acquisition January 2019

HELP

schaerer

W
Mf



TO MAKE CONSUMERS'
EVERYDAY LIVES **EASIER AND
MORE ENJOYABLE**
ALL AROUND
THE WORLD



TO CONTRIBUTE TOWARDS
BETTER LIVING

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

Sharing the same values

Driven by deep-seated values passed down by its founders that place people at the heart of its strategy, the Group aims to respect a company philosophy based **on modernity, a sense of responsibility, solidarity and commitment.**



ENTREPRENEURIAL
DRIVE



PASSION FOR
INNOVATION



PROFESSIONALISM



RESPECT
FOR PEOPLE



GROUP SPIRIT





Developing territories and
**COMMUNITY
COMMITMENT**



Pursuing a
**RESPONSIBLE
EMPLOYMENT
POLICY**



Ensuring the Group's
**ETHICAL
PRINCIPLES**
are respected



Acting now for a better future



CREATING SUSTAINABLE INNOVATIONS

to meet consumer
needs



Reducing our
**ENVIRONMENTAL
IMPACT**



Chairman's Message



2018: SOLID PERFORMANCES

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

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

// **In a tense environment, overall, we must act effectively, always better target our actions and seize all the levers for profitable growth.**

//

A LONG-TERM STRATEGY

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

STRATEGIC ACQUISITIONS

The Group also made several strategic acquisitions in 2018.

On the international side, we signed with our long-standing partner in Egypt, the Zahran family, an agreement on the merger of small electrical appliances and cookware businesses with a view to strengthening our local manufacturing base in the market. More recently, the acquisition of

Wilbur Curtis, the second largest American manufacturer of professional coffee equipment, confirms following the acquisition of WMF in 2016, our ambition to become a leader in the professional coffee business in the United States. Groupe SEB also reinforced its digital expertise with the acquisition of 750g International, provider of websites and culinary services.

These acquisitions, complementary to those made in recent years, will allow us to pursue our dynamic sales operations, enhance our expertise and will offer us new international opportunities.

OUTLOOK FOR 2019

2019 has started with an environment that remains uncertain. More specifically, the Group is expecting a continued penalizing impact of commodities and currencies, but to a lesser extent than in 2018. The Group is well prepared and aims in 2019 to achieve further organic sales growth and improve Operating Result from Activity.



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

Executive Committee

Groupe SEB's strategy rises to the twin challenges of profitable growth and competitiveness:

Internal growth by drawing on our power of innovation, a range of products and services tailored to consumers' needs all over the world, an unrivalled brand portfolio and a clear sales approach, well segmented by distribution channel and by country.

External growth by managing an acquisition policy targeting businesses that complement one another in terms of sector and geographical presence.

Competitiveness by managing an agile, flexible industrial policy, backed by a unique and powerful industrial system, which is close to our markets.

The Group's approach is firmly committed to a long-term strategy of progress and responsibility, guaranteeing value creation for all our stakeholders. To ensure the success of this strategy, the Group's Executive Committee sets objectives, oversees group-wide projects and optimizes the resources in place.

The year 2019 began with the arrival of Stanislas de Gramont as Chief Operating Officer, with primary responsibility for continents. The Executive Committee also welcomed Alain Leroy as Executive Vice-President Industrial Operations, a key position for an industrial group such as ours.

// The Group's approach is firmly committed to a long-term strategy of progress and responsibility. //



From left to right:

Cyril BUXTORF, EXECUTIVE VICE-PRESIDENT EMEA **Vincent TAI**, EXECUTIVE VICE-PRESIDENT ASIA

Luc GAUDEMARD, EXECUTIVE VICE-PRESIDENT AMERICAS **Stanislas DE GRAMONT**, CHIEF OPERATING OFFICER

Thierry DE LA TOUR D'ARTEISE, CHAIRMAN AND CEO **Vincent LÉONARD**, SENIOR EXECUTIVE VICE-PRESIDENT FINANCE

Alain LEROY, EXECUTIVE VICE-PRESIDENT INDUSTRIAL OPERATIONS **Harry TOURET**, SENIOR EXECUTIVE VICE-PRESIDENT HUMAN RESOURCES

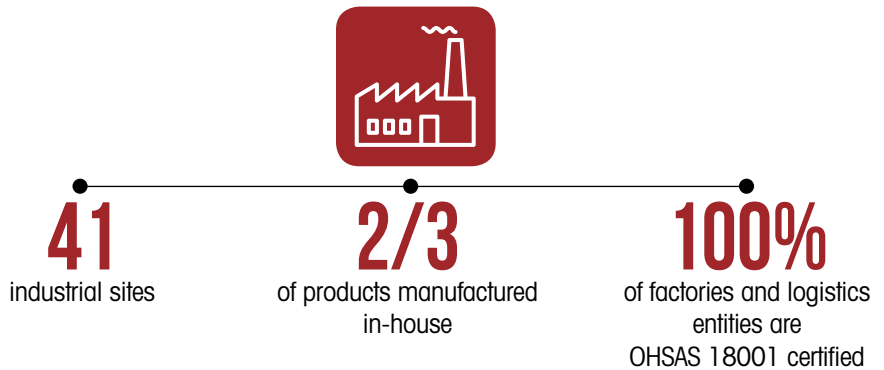
Philippe CREVOISIER, EXECUTIVE VICE-PRESIDENT PRODUCTS AND INNOVATION

2018



2018 in Brief

Despite an increasingly tough macroeconomic environment, organic growth continued at a steady rate and, for the fourth year in succession, remains above 6%. This is a result of positive business trends in the great majority of our markets, reflecting the breadth of our offer and the strength of our brand portfolio.





More than **1,300**
own retail stores



6,200
approved repair centres



ACQUISITION OF WILBUR CURTIS: GROUPE SEB BECOMES A LEADER IN PROFESSIONAL COFFEE IN THE UNITED STATES

In February 2019, following regulatory approval, the Group finalized the acquisition of Wilbur Curtis, the second largest American company in professional filter coffee.

Founded in 1941, Wilbur Curtis manufactures and markets equipment for the preparation of hot and cold beverages, mainly filter coffee and cappuccino machines. Sustained investment and a continuous commitment to innovation have enabled Wilbur Curtis to offer many of the US market's best-in-class product offerings. Wilbur Curtis' sales have been increasing steadily, amounting to more than \$90M, primarily in the US. Major customers include coffee roasters, specialty coffee retailers, convenience stores, fast-food chains, hotels and restaurants. Wilbur Curtis has built and maintains a long-term relationship with its customers, leveraging its professional salesforce and ensuring extensive national coverage. Its high-performance production facility located in Montebello, California, employs 300 people.



A BOOST TO DIGITAL EXPERTISE WITH THE ACQUISITION OF 750G INTERNATIONAL

750g International is a provider of websites and culinary services in Germany, Spain, Italy, Portugal, Brazil, USA and the UK. It provides its services in four key areas: technologies for publishing digital content, a portfolio of 90,000 recipes in five languages, services (printed recipe books and content creation on digital platforms) and a community of 10 million Facebook fans, 450,000 members and 5,000 bloggers.

With this acquisition, the Group aims to accelerate its growth in the culinary digital sector and to make even more progress in providing innovative services for cookery fans.



CREATION OF A JOINT VENTURE IN EGYPT WITH OUR HISTORIC PARTNER ZAHRAN

Groupe SEB 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.

Leader in cookware and food preparation ;

Two industrial sites ;

Over two million products produced annually ;

860 employees.

Better anticipation





BETTER ANTICIPATION OF CONSUMER DEMAND IS ABOUT DETECTING TRENDS, INTERPRETING USER BEHAVIOR AND IDENTIFYING THE SMALL DOMESTIC EQUIPMENT OF THE FUTURE.

SUPOR

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水果沙冰

葡萄汁

坚果奶

搅拌

真空保鲜

清洗

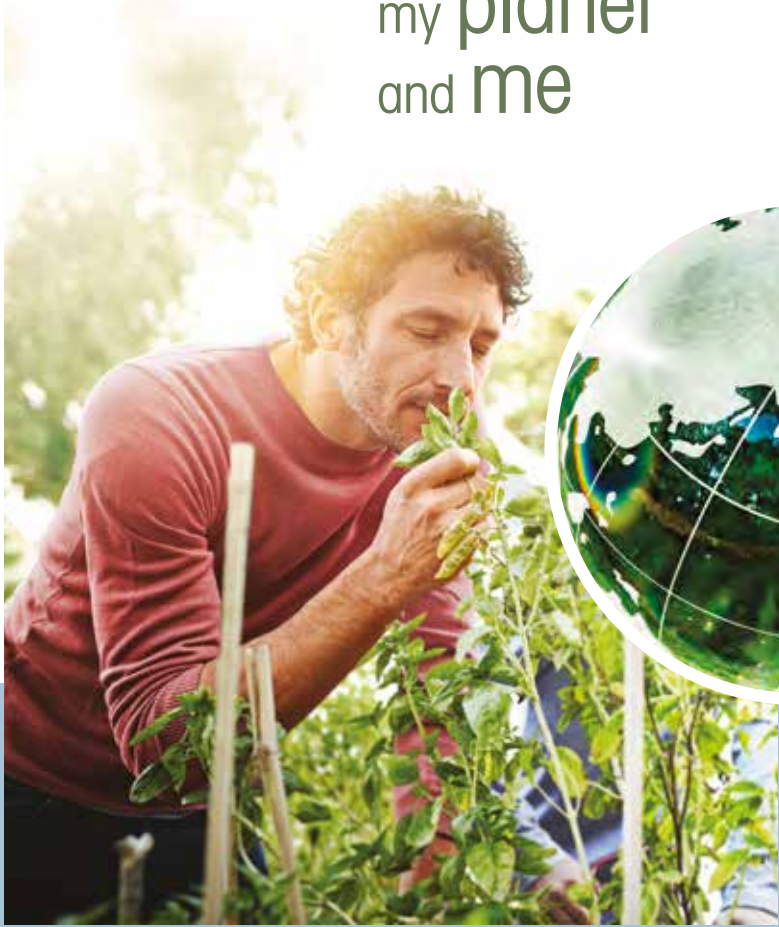
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+

开始取消

WELL-BEING

My family,
my planet
and me



Looking after the health of their families and theirs, the quality of their home environment and respecting natural resources have become priorities for many consumers.

People are looking to **live better** and age better and that means finding the right balance between physical and mental wellbeing and reconnecting with nature. Nutrition and being in control of what they eat have therefore become key elements in achieving this balance, in response to a mistrust of processed and potentially unhealthy foods and a desire for more authentic food, full of flavor and benefits. ■

Beautiful, tasty
and healthy

TREND
book

DAILY LIFE

Fluidity

is the watchword

In a world that is moving ever faster, consumers are trying to adapt and expressing a genuine need to break free of their constraints and simplify their everyday lives. To achieve this, they are looking for intelligent, intuitive appliances to help them enjoy an enhanced experience, from choosing a personalized menu to creating a shopping list and preparing meals. ■



New small appliances facilitate the daily meals preparation.

Simplicity through
technology



The craze for digital technologies is also found in the kitchen!

TECHNOLOGY

The digital age

The omnipresence of social networks, the explosion of e-commerce, the Internet of Things, artificial intelligence... Our world is now ultra-connected and is revolutionizing the way we think about distance and time. This new digital age builds bridges between cultures and between people. But it is also paradoxical: communities, influencers and opinions have never been so powerful, and yet each individual asserts their own individuality, identity and life choices. ■

CONSUMERS

Towards meaningful BRANDS



At a time when lifestyles and ways of thinking are constantly being challenged, one trend is a constant and is even growing stronger: enjoyment. Consumers' everyday lives are not always easy and they want to feel a new spark of delight, laugh and enjoy the moment. This new hedonism is a source of inspiration for brands.

Consumers have to adapt to an endless increase in pace, and this also generates a need to give meaning to things and to everyday actions. People are therefore looking for committed, responsible brands, which say what they do and do what they say. These brands have strong values. Consumers, can identify with them as they act in accordance with their own values. ■

OBSERVING USER BEHAVIOR

In recent years, Groupe SEB has adapted its structure to put the consumer at the heart of its priorities and its business. Beyond products, Groupe SEB has become a provider of moments, of experiences ... and so brings meaning to consumerism.

Truly understanding consumers, wherever they may be in the world, is the key to developing an offer that meets their needs. Beyond the major underlying trends, which form the basis of our reflection, the Group – through its Consumer Insight & Market Intelligence center – also focuses on consumer behavior and the way small domestic equipment is used. This “consumer intelligence” allows us to identify existing needs, both global and local, and anticipate those that haven’t yet been met.



In the kitchen, culinary assistants guide the cooks step by step, the products are connected to propose recipe ideas or establish a shopping list.

150+
research projects a year
in 30 countries

OFFLOADING CHORES AS YOU PLEASE

We all dream of being freed up from domestic chores to concentrate on doing what we most enjoy! Consumers expect new electrical products to ensure high-quality

results and help save time, so that they can do something else or concentrate on the most rewarding and fulfilling tasks: kitchen assistants, autonomous vacuum cleaners, remote control...



The Group aims to respond to each of these requirements by offering a full range of high-performance blenders.

FIVE FRUITS AND VEGETABLES A DAY

The recommendations are clear, the benefits are evident and yet people are finding it genuinely hard to follow public health advice. In the midst of this everyday dilemma, one device stands out: the blender, which makes it easy to prepare juices, smoothies and soups. An international product *par excellence*, it still manages to suit a wide range of local customs: in Brazil, it’s used to prepare a nutritious breakfast for children; in Europe, it’s popular for its nutritional benefits and in Asia it can be used to make soya milk or fish soup...





A LINEN CARE REVOLUTION

When it comes to linen care, habits are changing and textiles have evolved. Social conventions are moving on and ironing clothes has become less important. Washing machines and tumble dryers prepare the clothes, so long ironing sessions are gradually giving way

to quick crease removal in the morning and the garment steamer market is in full boom. With a full range of products in this segment – hand-held, vertical and all-in-one – the Group is fully in line with this progression, in the United States, Europe and in Asia.

A HEALTHY HOME

Taking care of yourself and your family also means taking care of your home. The quality of indoor air is a growing concern for consumers, particularly the most vulnerable, such as children, the elderly and those suffering from allergies or asthma.



9 in 10 people

breathe polluted air

ON THE GO

It is possible to keep control of the quality of what we drink and eat, even when we're not at home. Mugs, water bottles, food storage boxes, lunch and snack boxes - there are all sorts of solutions on the shelves, and above all in offices, schools and cars! As well as the "homemade" trend, these new utensils also help reduce food waste and the use of disposable containers.



Homemade and quality wherever you are.

COFFEE, A GLOBAL PHENOMENON



Coffee is an international drink *par excellence*. Traditionally consumed in Europe and North America, genuine enthusiasm for this new black gold is emerging in Asia, and China in particular.



Over **180 billion liters** of coffee consumed per year

- **An increase in consumer demand for quality coffee**, preferably beans, and the development of a real “barista” culture;
- **Demand focused on a variety of drinks based on coffee and fresh milk**: latte, macchiato, cappuccino etc.;
- **A craze among young professionals**, who are embracing coffee as a fashion trend: latte art, lessons, competitions, sharing on social networks etc.;
- **Consumption on the go**, often in urban centers.

In this buoyant context, Groupe SEB is confirming its determination to continue its expansion in the professional coffee sector with fully automatic, filter and hybrid machines. It is also continuing to diversify its range of individual coffee makers, with a strong focus on espresso machines.

Whether enjoyed at home, at a restaurant or on the go, major trends are developing and affecting both the professional coffee market and the mass market:

- **Very rapid growth in coffee consumption in China;**
- **A boom in specialist coffee shops**, which require machines that are easy to use, productive and offer consistent quality;

EVIDENCE, ALL ABOUT TASTE

Coffee lovers have become increasingly demanding when it comes to quality and the result in the cup.

A coffee expert since 1846, Krups continues to expand its range with the launch of the Evidence. Designed for the ultimate homemade coffee experience, this automatic espresso machine makes the perfect coffee right down to the last detail, thanks to 15 different presets to suit every preference. And in the connected version, the experience is even better!



Groupe SEB pursues its reinforcement in the professional coffee sector with the acquisition by Wilbur Curtis in the United States.

+10% per year
Market for individual coffee machines with integrated grinder

Groupe SEB is Nescafé Dolce Gusto's exclusive partner in France.

On the right, the new Infinissima machine.



WMF, BEYOND PRODUCT

WMF has launched a digital revolution to connect its machines all over the world. To achieve this, it has introduced a central digital platform, which means all its professional coffee machines can be connected and customers can receive the information they need to improve their technical and sales performance.

This service, known as WMF Coffee Connect or Schaerer Coffee Link, will allow each customer to monitor consumer behavior and optimize their fleet of machines and their offer with a view to increasing sales and directly managing their after-sales service. This win-win situation will guarantee greater reliability for users and closer customer relations for the Group.

**NESTLÉ AND KRUPS:
A HISTORIC PARTNERSHIP**

Krups' partnership with Nespresso began in 1991 and with Nescafé Dolce Gusto in 2006. The longevity of this success story is thanks to close collaboration and a mutual understanding of the objectives of both partners: Nestlé provides its understanding of consumers when it comes to coffee, whilst the Group contributes its expertise in small electrical appliances and the understanding of its retail clients. The positive synergies between the two companies have resulted in a strong partnership and continued business growth.

COFFEE TO GO: DELICIOUS COFFEE THAT RESPECTS THE PLANET

The success of Emsa travel mugs – made available worldwide in 2018 under the Tefal brand and through its network – reflects a trend towards drinking coffee on the go, at any time of day. Thermos mugs are also an ecological alternative to disposable cups.

USA: 45%
of coffee orders are coffee to go.



A better response



PROVIDING A **BETTER RESPONSE** TO THE DESIRES AND EXPECTATIONS OF OUR CONSUMERS ACROSS THE WORLD MEANS OFFERING THEM RELEVANT, USEFUL AND HIGH-QUALITY PRODUCTS AND SERVICES. IT ALSO MEANS WE NEED TO ADAPT OUR DISTRIBUTION CHANNELS TO DEVELOP A TRUSTING RELATIONSHIP WITH OUR CUSTOMERS.





OVERCOMING RESTRICTIONS

I-COMPANION, THE SUCCESS STORY CONTINUES

The connected version of the **Companion** can handle the entire meal for you, from choosing the menu to every stage of preparation, and you can even choose to be guided by voice commands. 650+ recipes are already available in the

application and cooking settings can be automatically uploaded from a smartphone. Since December, French consumers have been able to chat with Google to help them find and prepare a Companion or Cookeo recipe. The voice assistant is available with the Google Home device or the Google Assistant app.

Inspiring Generous Community Intuitive

ULTIMATE PURE IRON, PERFORMANCE AND DURABILITY

Ultimate Pure has a wealth of innovative features to combat limescale. The brand-new patented micro-calc filter removes limescale

particles by filtering them out as the steam is released. The purified steam protects the iron's soleplate, as well as the clothes being ironed, and means the iron lasts longer.



Innovation 2 in 1: the cartridge filters limestone and purifies steam.



IXEO
ALL-IN-ONE SOLUTION

IXEO, THE NEW ALL-IN-ONE SOLUTION

Groupe SEB is revolutionizing linen care with **IXEO**, launched in 2018. **IXEO** is the pioneer in a new product category, combining ironing and crease removal with an adjustable ironing board and travel function. **IXEO** appeals to consumers in a hurry who iron their clothes at the last minute, and to those like things to look good and don't want to clutter their homes with an ironing board, but aren't prepared to compromise on results.

At the same time, it is styled like a piece of furniture or a decorative item, with a pure design and new colors that break the linen care mold. This new category primarily targets fans of technology and design, who are mainly young, modern, urban professionals.

The product launch focused on digital media, with YouTube videos, blogger reviews and Instagram and Facebook stories to complement demonstrations and elegant presentation in stores.

EFFICIENCY: Turbo Steam technology with 5 bar pump;
CONVENIENCE: compact and ready to use in 45 seconds;
ERGONOMICS: tilting board and extremely lightweight iron.

● **Design that breaks the linen care mold.**

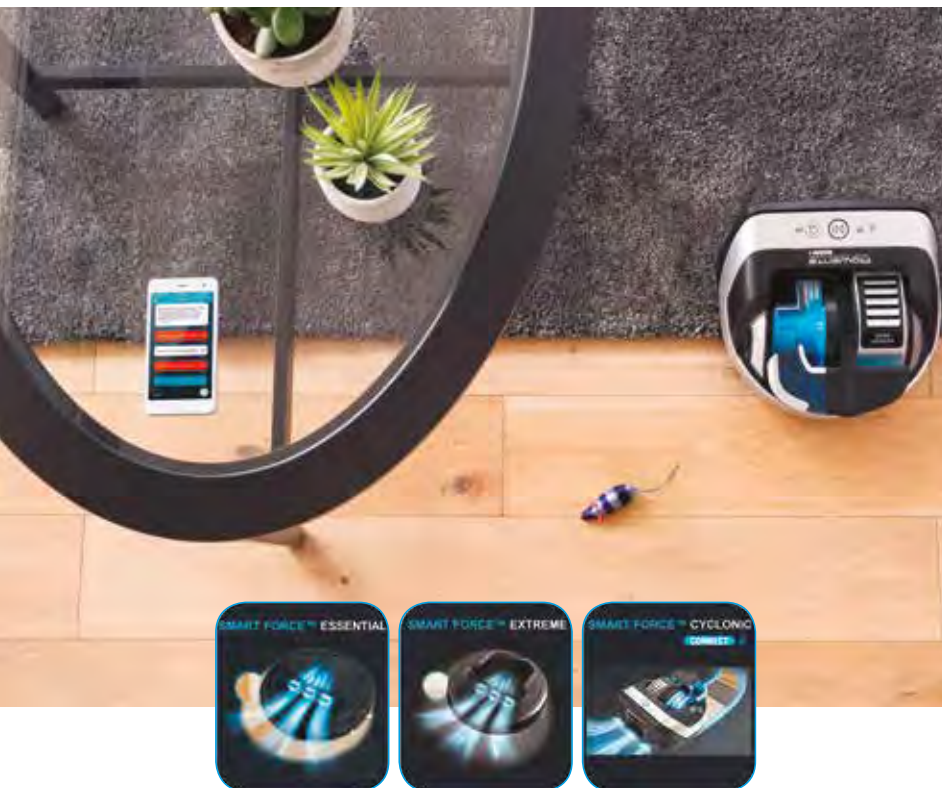
CLEVER ACCESSORIES FOR KITCHEN MACHINES

Moulinex has introduced three new exclusive accessories for its kitchen machines:

- **Delica'Tool** gently incorporates beaten egg white into mixes;
- **The three-in-one silicone bowl** means there's less need to manoeuvre and clean the stainless steel bowl repeatedly, goes in the microwave and takes up minimum storage space;



- **The flex whisk**, featuring exclusive technology, easily reaches the bottom of the bowl to achieve the perfect mix.



SMART FORCE, THE SMART, HIGH-PERFORMANCE ROBOT VACUUM CLEANER

Rowenta is a leading name in vacuum cleaners and has now added brand new robot vacuum cleaners to its range. Combining performance with an attractive price, the **Smart Force** range was developed with the help of Rowenta's center of expertise in Vernon.

Launched in Europe and supported by an educational program based mainly on digital media – because 51% of robot vacuum cleaners are purchased online – Smart Force has enjoyed rapid success, particularly in Spain, leading to substantial gains in market share despite well-established historical competitors. This success has allowed Rowenta to accelerate the introduction of new models and expand its range.

CLIPSO BREAKS THE MOLD AND CONQUERS BRAZIL

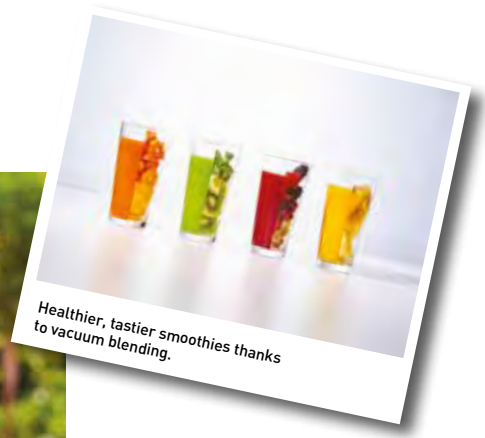
In a Brazilian market traditionally dominated by pressure cookers with an insert lid, Rochedo has broken the mold by launching the innovative Clipso, the first pressure cooker with an easy-opening system. With Clipso, the emphasis is on ease of use and safety, a major concern for pressure cooker users. So, in addition to its iconic handle,

Clipso also features five exclusive safety systems. The launch was supported by a large-scale

marketing campaign and by the immediate support of a number of influencers on social networks.



RESPONDING TO NEEDS



Healthier, tastier smoothies thanks to vacuum blending.

FRESHBOOST, YOUR PARTNER IN GOOD HEALTH

Launched in Europe, the new **Freshboost** blender has an innovative vacuum function, which preserves the vitamins in fresh fruit and vegetables by reducing oxidation. In Germany, TESTMAGAZIN has confirmed that smoothies prepared using the Freshboost vacuum function have a considerably higher vitamin content than those prepared in normal blending mode. Their colors also stay brighter and more intense.



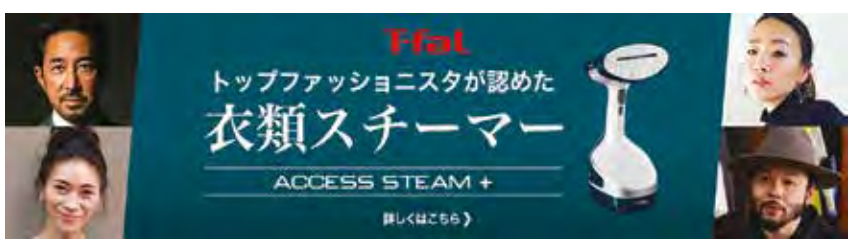
ACCESS STEAM, SUCCESSFUL ROLLOUT IN ASIA AND THE UNITED STATES

Looking good has never been so easy thanks to the **Access Steam** hand-held steamer, which is compact and quick to use.

Fashionistas in Japan agree and T-fal has the select support of ambassadors such as Yoshimasa Hoshiba,

Editor-in-chief of FORZA STYLE, fashion director Miho Nojiri, Kumiko Obitnata, a personal stylist,

and Motofumi Kogi, aka POGGY, Managing Director of United Arrows and Sons.





SUPOR, SILENT BLENDERS

In China, blenders need to be powerful and versatile for a wide variety of local recipes: cereals, vegetables, fish, etc. But high-speed blenders are often noisy. Supor has decided to solve this problem by launching its first ever silent high-speed blender, supported by a major off- and online advertising campaign. The blender is a new addition to its existing highly diverse range of vacuum and heating blenders.



With its flattering lines and innovative technology, the Supor Vacuum Nutrition Plus blender was one of the winners of the 2018 Red Dot Design Award.



Body Partner continues its travels
Launched in France in 2017, rollout of the connected Body Partner scales has continued in Italy, Belgium and, more recently, Russia.



AROUND AND ABOUT WITH CLIP AND CLOSE

A direct result of Emsa's expertise in food preservation, **Clip & Close** boxes are enjoying increasing success all over the world, thanks in large part to the support of the Tefal brand and its international network. In Taiwan in particular, the Group has made a remarkable entry into the food preservation market, supported by an extensive

viral digital marketing campaign and by major supply agreements at Carrefour and RT Mart stores.



ARDA TÜRKMEN, INGENIO'S AMBASSADOR IN TURKEY

2018 saw a further boost to the worldwide rollout of **Ingenio** products. While France and Japan are still the main markets for Tefal's removable-handle ranges, newcomers such as Korea, Italy (Lagostina), the UK and Russia have made great progress. In Turkey, Ingenio has had high-profile support for its launch thanks to popular local chef Arda Türkmen.





RESPONDING TO DESIRES

PANCAKE DAY CAMPAIGNS, SWEET TREATS

In France, Tefal never stops innovating when it comes to celebrating Pancake Day. This popular day, celebrated in France at Candlemas on 2 February, brings together young as well as old and lends itself to new products and promotions each year. In 2018, Tefal joined forces with Nutella to offer a creative pancake pan, the collectable Nutella-

branded **Crêp'Party** pancake maker, spreaders etc. Consumers could also win a year's supply of surprise boxes with the purchase of a Tefal product or pot of Nutella. And the tradition also exists in many other countries: Pancake Day in the UK, French Crêpe Day in Japan, Pannen koek dag in the Netherlands. Other countries worldwide are also joining in: Romania, Belgium, Scandinavia, Russia, Ukraine etc. So there are plenty of markets for Tefal to offer the ideal companion for creative, tasty cooking!



Eight out of ten households in France now celebrate **Pancake Day**

ULTIMATE EXPERIENCE, THE NEW BEAUTY EXPERIENCE

Rowenta **Ultimate Experience** straighteners glide smoothly thanks to a new coating, with perfect precision and heat distribution for even results from root to tip,

a perfect hairstyle and incredibly soft and shiny hair. With the support of a high-profile ambassador, top model Helen Lindes, and a major advertising and promotional campaign, particularly at El Corte Inglés, Ultimate Experience soon saw success in Spain, where it was launched at the end of the year. The range will be gradually expanded to include other hairstyling appliances and rolled out across Europe.



A perfect result for a sublime style.



CREATIVE COOKING WITH THE FIVE-SECOND CHOPPER

Driven by the growing health and wellbeing trend, salad is becoming more creative, colorful, appetizing and simple... as long as you have

the right utensils! With this in mind, the Group offers small easy-to-use manual devices, that brighten up the plate, like the **Ingenio Spiralizer** for making vegetable spaghetti.

The compact manual five-second chopper, meanwhile, chops and grinds in no time at all. Available under the Tefal, Emsa and Imusa brands, the range will soon be expanded to include new features. It was a big hit in Dubai in 2018, thanks to its adaptability to local cuisine – making taboulés and houmous – and strong in-store support with demonstrations.

CAKE FACTORY, FOR PERFECT CAKE RESULTS!

Tefal is launching the first appliance that guarantees perfect results for homemade cakes: **Cake Factory**. No need to worry about oven temperatures, check on baking progress or turn the cakes, Cake Factory does it all for you in one click thanks to five smart automatic programs. Whether you want to bake soft-center chocolate cakes, cupcakes or meringues, Cake Factory can do anything, whether you're an expert baker or not! So it's ideal for baking as a family, making it fun for everyone and for all occasions.

The result of three years of research and development, Cake Factory is a concentration of technology, using onboard intelligence to calculate the perfect cooking curve for each recipe, all specially designed for small portions.

Cake Factory also comes with an app containing over 200 recipes and a unique Facebook community created by Tefal, which attracted more than **24,000 members** in six months to exchange recipes, tips, experiences, photos etc.

**INFINITE CREATIVITY**

with the wide range of compatible Proflex silicone molds, which are easy to use and wash and are non-stick for easy removal.

Cake Factory

won the 2018 LSA Innovation Trophy in the small electrical appliances category

**REAL ITALIAN PIZZA WITH LAGOSTINA**

True to the tradition of Italian cooking, Lagostina has added a pizza stone to its **Patrimonio range**. Combining modernity with elegance,

it is made of a Sicilian lava stone slab and has a mirror-effect, polished stainless steel base.

It can be used on gas burners or in the oven and guarantees perfect heat diffusion and crispy cooking results.



Lagostina pizza stone: the Italian pleasure of fine cooking.

TAKING ACTION TOGETHER FOR NUTRITION AND WELLBEING

To convince consumers that cooking good, healthy meals is not complicated or time-consuming, the Group offers products and services that make daily tasks easier and more pleasant and help them improve their wellbeing at home.

Experts unanimously agree that reducing our consumption of processed food and eating home-made meals, using fresh ingredients where possible, contributes to a more balanced diet and therefore better health. Groupe SEB never stops innovating in this area, coming up with new solutions that combine products and digital services.

PRODUCT/APP: AN EFFECTIVE PARTNERSHIP

Combined with the ActiFry fryer, which prepares healthy and tasty meals using just one spoonful of oil, the **My ActiFry** app is a real kitchen assistant: not only does it provide “step-by-step” support for making easy meals, it also offers hundreds of recipes for varied meals and a healthy, balanced diet.

It encourages users to eat fresh produce, especially fruit and vegetables. In 2019, **My ActiFry** will go a step further with its new personalized nutritional coaching service. In many countries, ActiFry is at the heart of campaigns to raise awareness of a healthier lifestyle and a better diet.



HEALTHY FOOD THAT TASTES GOOD

While everyone agrees on the nutritional benefits of steam cooking, most consumers think it is “bland” and only for “single ingredients”. Groupe SEB has decided to meet the challenge and commit to intensifying its research on reinventing steam cooking. The objective is to make steam cooking more appealing for recipes that are both healthy and tasty.



The Preserve frying pan (Tefal) is designed for cooking at low temperatures, preserving up to 30% more vitamin C compared with cooking at a high temperature.

NUTRITIONAL INFORMATION FROM COOKEO HEALTHY

At the start of 2019, the Cookeo multicooker acquired a new app, **Cookeo Healthy**, which provides detailed nutritional information about the recipes made with the appliance. The app organizes recipes by food type – vegetables, animal protein or carbohydrates, for example – and indicates the number of daily servings covered. The aim is to help consumers know whether their diet covers their daily requirements. This service is already available for **400 existing Cookeo recipes** and the range of recipes will soon be extended with a stronger emphasis on vegetables.



ACCESS TO A BETTER DIET FOR VULNERABLE GROUPS

Since a healthy diet from a very young age helps to reduce illnesses such as diabetes and obesity, in 2018 Groupe SEB pledged its support to Malin, a French program to help struggling families to improve the diets of their children aged zero to three years. Under the framework of this program, itself a part of the French government's Poverty Plan, the Group offers these families discounts of 30 to 60% on cookware and electrical appliances.

It also supports families with tips, ideas and advice on healthier eating. By the end of 2018, the Malin program had supported **more than 12,000 families since its launch and plans to propose the Programme to the 480,000 eligible families throughout France with the aim of reaching at least 160,000.**



BETTER INTERIOR AIR QUALITY

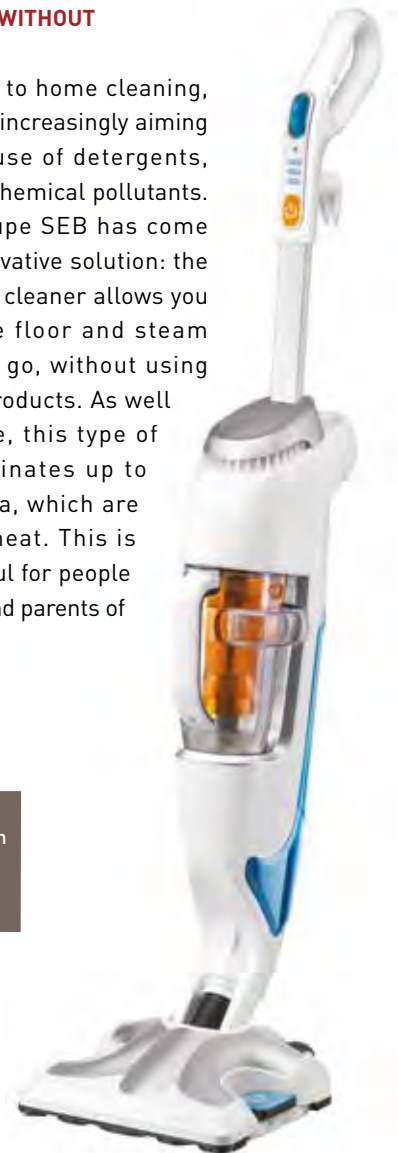


Our diets play a key role in better health, so too does air quality. The quality of indoor air is affected by multiple sources of pollution:

animal hair, dust and pollen cause respiratory allergies and formaldehyde is known to be the most dangerous pollutant in the home. The Group helps meet this need for air purification with the **Intense Pure Air**, fitted with four filters. These include the Allergy+ filter for allergens and a filter featuring the exclusive NanoCaptur™ technology, which permanently destroys formaldehyde. The device starts up automatically as soon as it detects any pollution. It can also be connected to an app, which displays the quality of indoor air and allows the device to be controlled remotely.

CLEAN FLOORS WITHOUT DETERGENT

When it comes to home cleaning, consumers are increasingly aiming to limit their use of detergents, which contain chemical pollutants. Here too, Groupe SEB has come up with an innovative solution: the **Clean & Steam** cleaner allows you to vacuum the floor and steam clean it in one go, without using any cleaning products. As well as saving time, this type of cleaning eliminates up to 99% of bacteria, which are destroyed by heat. This is especially useful for people with allergies and parents of young children.



In Korea, the Group runs a "home cooking" competition in partnership with chefs. 378 teams entered the contest in 2018.

SATISFYING OUR CUSTOMERS

Groupe SEB aims to build a lasting relationship with its retailers, based on the strong reputation of its brands and a coherent, well-segmented product range. The Group also offers genuine partnerships with stores: shelf displays, stock management or even designing specially adapted ranges...

E-COMMERCE SHAKES UP BUSINESS MODELS

The continued rapid acceleration of online sales has had a major impact on consumer shopping habits, as well as on the way manufacturers operate.

The challenge for Groupe SEB is to continue its growth across traditional networks and support its strategic partners as they adapt to the change, while capturing the benefits of the e-commerce boom, on both clicks & mortar and pure player platforms.

The Group has introduced a major plan of action involving dedicated sales teams, the development of an e-commerce community for sharing good practice and the introduction of golden rules for structured

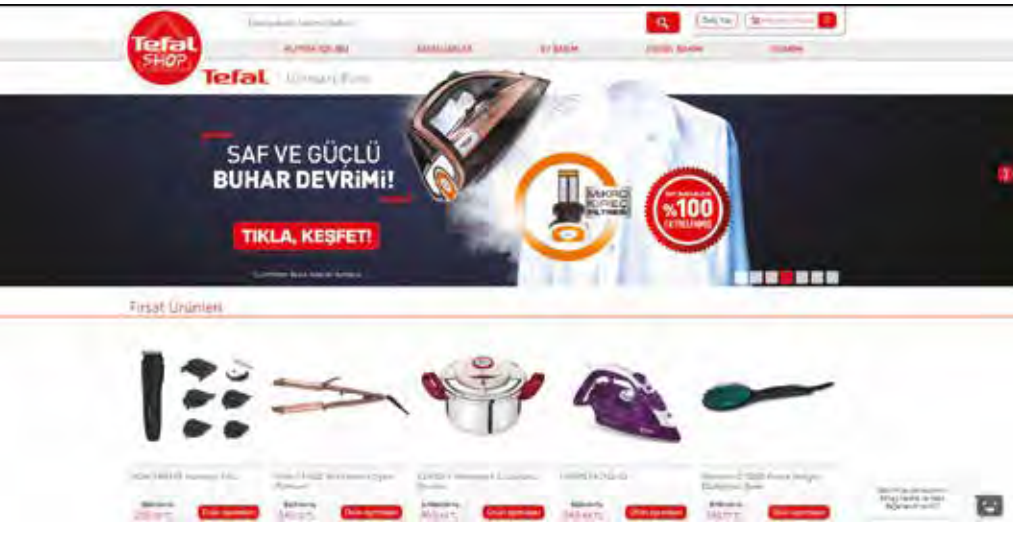
e-commerce acceleration. The plan also involves fine tuning our product range and supply chain so that we can offer a flexible and appropriate response to all parties involved.

The Group also needs to support consumers across all internet touchpoints – sales websites, brand websites and communities – by producing dedicated content and online promotional campaigns. This extends well beyond the purchase of a product, offering services, tips, assistance and so on to build customer loyalty.

Share of sales from e-commerce
Close to 25%

LOYALTY SCHEME AT JUMBO

This year has again seen a high number of loyalty programmes in retail stores. This includes Tefal products at Jumbo stores in the Netherlands. The idea remains the same – customers collect loyalty points with each purchase, allowing them to buy products at discounted prices when they have collected all their points. This is an excellent showcase for the brand, as well as boosting sales.



Groupe SEB Turkey has a successful multi-channel approach: direct sales to consumers, pure players, marketplaces, click & mortar



CONTINUED SUCCESS FOR GROUP STORES

In 2018, Groupe SEB's network of own-brand stores continued to expand worldwide, supported both by organic growth in sales and by new store openings, as well as the development of innovative formats such as pop-up shops. At the same time, the integration of the WMF store network continues.



Close to **1,300**
stores worldwide

REVEALING OUR INDUSTRIAL OPERATIONS TO RETAILERS

To give retailers a better understanding of the Group, Business Development teams regularly organize industrial site visits for customers.

For the first time, the Rumilly site hosted El Corte Inglés, Spain's

biggest department store chain, which is also present in Portugal. The visitors discovered the Group's extensive range of cookware, and new products, with a special focus on Ingenio products and utensils. The visit was an opportunity to consolidate relationships and shed new light on the Group's strategy.



PROFESSIONAL SALES, DEMANDING CUSTOMERS



With the acquisition of WMF in 2016, the Group expanded its range of products for professional use. This type of customer can be particularly demanding, with a wide variety of requirements and very tight timelines.

In 2018, the WMF sites in Geislingen and Zuchwil in Germany pulled off a record request from Dunkin Donuts – **supplying over 7,000 customized machines in just six months!**

The sites rose to the challenge thanks to the involvement of all employees, from development to logistics, planning, purchasing, supply, production and quality control. The challenge also involves supporting the delivery and installation of the machines at sales outlets and guaranteeing the best possible after-sales service.

Better innovation



BETTER INNOVATION MEANS BEING AT THE FOREFRONT OF OUR SECTOR, CONSTANTLY ENRICHING OUR SCIENTIFIC, TECHNOLOGICAL AND SOCIAL EXPERTISE AND CONTINUALLY RETHINKING OUR WORK METHODS WITH THE SUPPORT OF RECOGNIZED PARTNERS.



INNOVATION, PART OF THE GROUP'S DNA

The cornerstone of Groupe SEB's strategy, innovation is firmly rooted in our culture and permeates our entire organization. For example, it is one of the Group's five key values and contributes to our goal of making consumers' everyday lives easier and helping to ensure their wellbeing.

GROUP-WIDE INNOVATION TO ENSURE THE BEST RESPONSE

The product innovation process involves multidisciplinary teams in three areas of activity: research and development, marketing and design. Complementing each other, these teams provide an overall vision of the entire product life cycle, from identifying trends, to everyday use and beyond, right through to managing the end of their life.

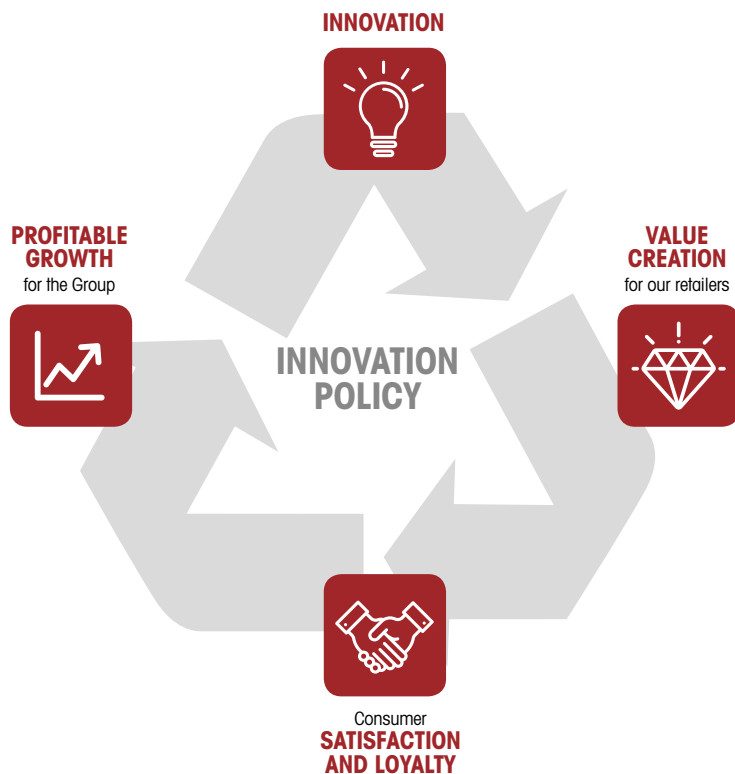
Strategic marketing, organized by Business Unit – small electrical appliances, cookware and professional – is at the heart of innovation. Strategic Marketing teams identify key topics on the market, analyze consumer expectations and major trends in society and then define and implement product policy. This upstream approach



ensures consumer needs are fully understood, wherever they may be in the world, and is essential to developing a pertinent product portfolio. The Consumer Insight & Market Intelligence department is also closely involved in this approach at all stages of the product creation process: trend studies, ethnographic interviews in the home, usage and

attitude testing, concept testing, design testing, advertising, researching and testing product names, etc. Social listening has also increased considerably in recent years.

Research teams contribute to the Group's Innovation process by developing innovative concepts that are always user-focused



ADDING VALUE
A real growth driver, innovation is part of a virtuous circle. A source of progress and consumer satisfaction, it **creates value** for retail clients and generates the profitable growth that is essential for investment in new innovations.



and using technology bricks to enhance performance or user experience. Drawing on this internal expertise and an external research network, applying an open and collaborative approach to innovation, the Research department provides a finetuned scientific and technological response to the requirements expressed by marketing teams and guarantees the feasibility of projects and processes. It also keeps a close eye on developments in new technologies and scientific progress and identifies those that could be applied to small domestic equipment. This allows it to come up with proposals for marketing teams. **Development**, meanwhile, manages the constraints of implementing the product range.

OBSERVING AND LISTENING FOR INSPIRATION

Social networks have become a valuable source of information for the Group, since they reflect consumers' daily lives. Social listening has increased considerably in recent years. Constantly monitoring exchanges on social networks, marketing teams can collect information by analyzing the data provided by users, observing the way they use their products and getting positive or negative feedback, allowing them to detect ways of innovating or improving the product range or communications.

2018 investment in innovation:

€247 m

Innovation Community

More than 1,400 people

SHARING BEST PRACTICES

Every year, a major event is held in France to present the Group's innovations and latest projects to marketing teams and discuss the go-to-market strategy and good practices. This key event for all marketing and sales teams was extended to Hong Kong for the first time this year, making it accessible to more employees. This local approach has also allowed us to target the specific characteristics of Asian markets, highlighting rice cookers, food preparation products, linen care appliances and kettles.

DESIGN, INVENTING TOMORROW'S DOMESTIC WORLD



One of the Design department's main missions is to contribute to the Group's innovation process.

The strength of the Design teams lies in its creativity and ability to detect style trends at an early stage, decipher user behavior, shake up habits and push the boundaries of the status quo. Divergent thinking – in other words, completely rethinking the way products are used – makes it possible to offer a completely new concept.

The first stage of the design process, triggered by a brief from Marketing, involves exploration and questioning. This is followed by the development of several concepts: sketches, 3D models, "white" mock-ups. The team then defines the product architecture, works

on ergonomics depending on the way the product is used and only then starts going into detail: colors, materials, finishings, pictograms, etc. Throughout the entire process, designers interact with Marketing, Research, Engineering and IT teams.



Groupe SEB Design teams are based in France, China, Germany, India and Hong Kong.

AT THE FOREFRONT OF TECHNOLOGY

Everyday life is an infinite source of inspiration. Connected products, new types of consumer behavior, nutrition, wellbeing, respect for the environment... the fields of action are constantly expanding. The challenge for Groupe SEB is to stay at the forefront of technology so that we can be where consumers need us.



COOKING, AT THE HEART OF RESEARCH

Nutrition and cooking are naturally among the Group's major areas of study and research. At the beginning of 2016, the Research Department acquired a new Food Science division. Its main missions are to study food matrices, understand the physical and chemical factors that allow them to be transformed and so create new culinary processes and evaluate their nutritional and sensory qualities. This Research team plays a cross-departmental role in the development of new functions for digital services, such as apps, online shopping lists and nutritional coaching content. The Food Science researchers focus on four main areas: health and nutrition; engineering and food transformation; the physical chemistry of foods and psychophysics (taste and sensory preferences).

This new center of expertise, with strong links to external research ecosystems, provides a detailed knowledge of cooking in the broad sense and sheds scientific light on the Group's entire approach to innovation.



EXPERT IN ALL KINDS OF MATERIALS

The global Cookware innovation center acquired a new innovation tool this year when it opened the shared Research Laboratory created in partnership with Claude Bernard Lyon 1 University and the CNRS. This **ASCI (Academic Standards for the Cookware Industry) laboratory** consolidates a ten-year partnership with the Laboratory of Multimaterials and Interfaces (LMI), a member of the Ingénierie@Lyon Institut Carnot and a leading materials science laboratory. Its aim is to strengthen Groupe SEB's research and innovation capacity in the areas of coatings and materials, which are key parts of its innovation strategy.

Operational since July 2018 for a period of four years, the joint ASCI laboratory is located at the heart of the Lyon-Tech-la Doua campus in Villeurbanne, in the new Axel'One Campus premises designed for fundamental research and collaborative projects in the fields of materials and innovative processes.

The LMI is currently made up of five research groups, with a total of **85 researchers, 27 of whom are already involved in this project. Groupe SEB has mobilized eight members of its own Research team.**





SEB LAB EMSA, A NEW INNOVATION TOOL

Since joining the Group, Emsa has been Groupe SEB's center of Cookware expertise for food preservation (storage boxes), drinkware (vacuum mugs, jugs) and gardening. To support the innovation process for this fast-growing business unit, a new dedicated SEB Lab opened at the Emsdetten (Germany) production site. The first concept to emerge outside the Ecully headquarters, the EMSA SEB Lab is equipped with the latest machinery and technologies, ideal for stimulating creativity and designing initial product ideas before moving on to the prototyping stage.



SEB Lab Emsa: a lever of creativity, innovation and business dynamism.

"10% INSPIRATION", 100% OPENNESS

Launched in 2012 by eight Innovation Project Managers with complementary technical backgrounds, the **10% inspiration** project was extended this year to include the Group's community of 150 researchers. The main idea behind the project is to free up 10% of people's work time so that it can be spent on finding inspiration and technical creativity outside project work. This could involve attending scientific conferences, for example, or immersion in related industrial fields, with the possibility of proposing investigations into new technical and scientific areas. Over the past five years, more than a hundred ideas have been generated as a result of this project, and thirty or so have already become part of project portfolios.

IMPROVING CONSUMER EXPERIENCE ON GROUP APPS

The development of dedicated apps for Group products (connected or not) has increased significantly over the past few years, creating

a need to review the entire digital ecosystem for products, capitalize on developments and find synergies. This has now been achieved thanks to the launch of the **CookEat** platform: all apps share the same technical platform, which is therefore only developed once. The apps also share a whole range of functions. The objective of this convergence is to improve the consumer experience of apps in the Groupe SEB cookery universe, while making them quicker and cheaper to launch.



Groupe SEB receives the 2018 "Innovation Team Best Practices" award from the Club de Paris des Directeurs de l'Innovation and the Paris 1 Panthéon-Sorbonne university for its "10% inspiration" program.

OPEN TO GOING EVER FURTHER

With the aim of extending its expertise across a wide range of technologies, the Group embarked on a proactive Open Innovation strategy several years ago and has become a recognized player.

Open innovation is fundamental to Groupe SEB's innovation strategy. In a connected world experiencing major technological change, this helps to structure internal research and development activities. In early 2016, the Research Department opened a new "Research Financing and Networks" division, which

is mainly tasked with identifying external knowledge and expertise networks and supporting the Group's Research teams in setting up partnerships with institutions involved in these networks, such as leading colleges and universities in France and abroad. The Group's Research teams also work with

external networks led by clusters, such as French competitive clusters (Vitagora, Axelera, Cap Digital, Cosmetic Valley etc.) and European innovation clusters (European Institutes of Innovation and Technology).

To support its open innovation strategy, Groupe SEB has set up various entry points for its future innovation partners.



SEB ALLIANCE

Group investment fund for identifying emerging businesses with a strong technological content and integrating them into the Group's innovation ecosystem through investment and/or partnerships.



RESEARCH COOPERATION

Group SEB constantly builds new partnerships and expertise to extend its knowledge and renew its portfolio of innovative products/services for the benefit of its users.



EXTERNAL INVENTIONS

The Group supports inventors in launching products, services or technologies that could significantly change consumers' lives.



Involving employees in the innovation process



The All Innovators challenge continued in 2018:

476 applications filed
63 were preselected
5 winners were able to bring their projects to fruition



FEELIGREEN, INSTRUMENTAL COSMETICS FOR BEAUTY

Feeligreen is a technology start-up founded in 2012 and positioned at the crossroads between electronics, medical services and cosmetics. It develops micro-current devices for distributing active ingredients via the skin safely and effectively. Partnering with the Group through SEB Alliance, Feeligreen and its breakthrough approach to cosmetics is opening up new areas for future developments in personal care, beauty and product innovation.

WHAT'S FOR DINNER TONIGHT?

In its digital factory, Groupe SEB develops innovative digital services focusing on cooking and recipes.

OPEN FOOD SYSTEM FOR PROFESSIONALS

Following on from the Open Food System introduced in 2013, the Group has launched a platform with the same name, which offers digital culinary solutions for B2B customers. This is one of the first developments to emerge from the alliance between the Group and Orange, its telecommunications partner. Open Food System offers enriched smart recipes, with visuals and personalized information for professionals from the food and retail industries. For example, a retailer could develop a promotional campaign for a specific product including recipes, or a chef working in a school canteen could use it for inspiration to create weekly menus in line with specific nutritional criteria.

FOODLE, THE KITCHEN ASSISTANT FOR CONSUMERS

The Foodle culinary ecosystem – available via a dedicated app – allows consumers to find daily inspiration in the kitchen. Consumers can consult

recommendations and decide which meals to cook according to their tastes and/or dietary restrictions, as well as the small electrical appliances they own.

Foodle



CLICK & GROW SMART GARDEN

Growing herbs at home, without the use of GMOs or pesticides, is a growing trend, especially in the city. Indoor kitchen gardens have made

a remarkable entry in the small electrical appliances market in the United States, Europe and Asia. In 2018, SEB Alliance invested in the company **Click & Grow**, the first

producer of smart indoor gardens, supporting its future development thanks to co-branding with Emsa and Groupe SEB's global presence.



ACTING NOW FOR A BETTER QUALITY OF LIFE

Consumers are evolving towards more responsible consumption and now aspire to a healthier diet and a better quality of life. For the Group, the convergence of its innovation strategy and sustainable development is becoming a reality.



LARGE-SCALE RESEARCH INTO FOOD

To stay a step ahead in diet and nutrition, Groupe SEB is involved in several major multi-partner research projects. It is part of the “hard core” of the European *InnoLife* consortium (over 130 companies, research organizations and leading universities) selected by the European Union to lead the *EIT Health* programme on “Healthy living and active ageing”. Within this framework, the Group manages the *Cook2Health* project, working alongside doctors, nutritionists and the digital community.

The Group is also involved in the French research program *Proveggas* (gastronomic vegetable proteins), which aims to develop solutions to encourage consumers to eat more vegetable proteins, particularly from pulses. The Group’s work is focused more specifically on reducing preparation and cooking times and improving digestibility and organoleptic qualities.

COOK2HEALTH: COOKING APPLIANCES AND HEALTH

The European Cook2Health project, which we are leading, is the world’s largest study on cooking. Launched in 2016, it measures the health impact of regularly using connected cooking appliances by carrying out extensive clinical trials. Doctors analyze 30 health parameters in 160 volunteers (in France and Wales), who are monitored as they prepare everyday meals at home. Half of them make up a control group and the other half use Cookeo and Actify to cook. The aim is to verify the benefits of personalized support in developing healthier eating habits, with a view to preventing illness. The latest trials were completed in October 2018 and the results will be published in 2019.”



MARIETTE SICARD,
Innovation Food Science
group leader



Intense Pure Air divides the risk of allergic reactions by ten, a level of effectiveness proven by a clinical trial.

AIR PURIFIERS: PROVEN EFFICIENCY AGAINST ALLERGIES

Clinical trials are not just taking place in the food sector. In 2018, the Alyatec research center, based in the new hospital in Strasbourg, achieved a world first in partnership with Groupe SEB: a clinical trial aiming to prove the effectiveness of Rowenta Intense Pure Air purifiers for respiratory allergies. Tests were carried out on 24 patients suffering from allergic asthma, who had been exposed to air containing extremely fine particles of cat allergens. These tests demonstrated that using Intense Pure Air purifiers divided the risk of allergic reactions by ten. The results were presented at the European Academy of Allergy and Clinical Immunology (EAACI) Congress in Munich in May 2018. They will also be published in 2019 in the *Journal of Allergy and Clinical Immunology*, a key publication from the American Academy of Allergy, Asthma and Immunology.



BOOSTING INNOVATION WITH A SOCIAL IMPACT

As part of its approach to innovation and research, the Group sees

social issues as an opportunity to explore new business models with social value. With this in mind, it launched the BiiS programme (Boosting innovation with a Social impact), supported by the Research and Sustainable Development departments. This allows multidisciplinary teams of six to eight volunteer employees to develop an idea that meets a social need and has the potential to result in a durable business model. They work on their project for two to four hours a week for three months. Several projects initiated by these BiiS teams are now undergoing in-depth studies, such as solutions making it easier for people to stay in their homes and a set of breakfast products designed for people with special needs (people with disabilities, senior citizens, etc.).

AGILE METHODS

In addition to the social value of the subjects covered, the BiiS programme also helps cultivate agile, start-up style methods: multidisciplinary team, an approach that is user-focused (design thinking), pragmatic (effectuation, test & learn), iterative with regular checks (scrum) etc. These tools and methods have proven to be **accelerators of innovation** and their implementation is spreading within the Group's Research teams.



THE CIRCULAR ECONOMY, DRIVING INNOVATION

The Group is innovating to embed its products and services in the circular economy. The aim is to save the planet's resources by using more recycled materials, extending product life cycles and reusing products, encouraging recycling and experimenting with product-as-a-service. This approach is good for the environment, boosts efficiency and generates new models.



END-OF-LIFE RECYCLING

Tefal organises regular campaigns for recycling used skillets in partnership with retailers and recycling companies in France, the

Netherlands, Norway, Turkey and other countries. The collection and processing of electrical products is managed in Europe by national environmental organizations. **Since 2012, it has collected more than 1 million cookware items in France.**



RECYCLING



EXTENDING PRODUCT LIFESPAN

Groupe SEB is a pioneer in reparability: 93% of the electrical products it sells worldwide are mainly repairable and 75% are totally repairable. Always looking for ways to be more inventive, it launched a repair service for Rowenta products in France in 2018, with a fixed price for each product category.

6,200 certified repair technicians, 40,000 spare parts, 3D printing tests (parts) under way.



REPAIR



GIVING PRODUCTS A SECOND LIFE

- **All-Clad** offers its restaurant customers second-hand frying pans, which have been reconditioned at its Canonsburg factory in the USA. ENCORE range skillets are dismantled, reconditioned, brushed and polished. They are as good as new but half the price and have required 95% less energy.
- Products returned as part of the after-sales service in France are collected by the social integration association **ENVIE Anjou**, instead of being discarded. The association dismantles and repairs them before selling them with a one-year guarantee to people on low incomes. **5,098 products were processed in this way in 2018.**



RE-EMPLOYMENT

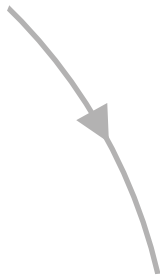


DESIGNING RECYCLABLE PRODUCTS

When designing a product, the Group prioritizes the use of materials that can be recycled (metal components, certain plastics such as polypropylene) and aims to reduce the number of different materials used to make it easier to sort them for recycling. It also aims to make them quick and easy to disassemble. **In 2018, the average potential recyclability of electrical product families designed that year was 85%.**



ECO-DESIGN



ECO PRODUCTION



FUNCTIONAL ECONOMY



USE OF RECYCLED MATERIALS

- The base of the Rowenta Silence Force Compact vacuum cleaners, produced in Vernon (France), is made of recycled polypropylene. **Environmental impact: up to 70% less CO₂ compared with plastic derived from oil.**
- The Group has committed to **doubling its use of recycled plastics every year** in France by 2025 (starting from 2017).
- The Resource range of frying pans (Tefal) is made of **100% recycled aluminum.**
- The Group's target is to use **at least 90% recycled fibers in all its packaging by 2023 and to abolish the use of expanded polystyrene by the same date.**



MANUFACTURING ACCORDING TO ECO-PRODUCTION RULES

Saving resources is one of the objectives of the Group's industrial sites, thanks to its eco-production policy. **This includes lower consumption of energy, water and materials and reducing and recycling waste.**

The optimization of the aluminum casting process at the Rionegro site in Colombia has halved the quantity of materials required to make a *caldero* (casserole).



MAXIMIZING PRODUCT USE

In October 2018, the Group launched Eurêcook in Paris, a service for renting kitchen equipment in partnership with Monoprix.

Consumers reserve their appliance on the www.eurecook.fr website or in store and pick it up from a collection point or when their shopping is delivered. Once the products have been returned, they are cleaned, checked and repackaged by the social integration association ENVIE.

Better production



BETTER PRODUCTION IS ABOUT BECOMING MORE COMPETITIVE AND EFFICIENT BY CLOSELY MONITORING OUR INDUSTRIAL FACILITIES AND OUR ENTIRE PRODUCTION CHAIN. IT'S ALSO ABOUT INNOVATING CONSTANTLY TO AIM FOR OPERATIONAL EXCELLENCE WHILE RESPECTING OUR COMMITMENTS.



A UNIQUE MANUFACTURING BASE

Groupe SEB's industrial policy aims to serve markets in the best possible way, by continuously improving competitiveness and quality standards with a view to the long term. With an in-house manufacturing base that is unique in its industry, Groupe SEB skillfully combines global industrial power with proximity to consumer markets.



Groupe SEB produces almost 2/3 of the products it sells and has 41 industrial sites worldwide, organized to meet specific market requirements. In mature markets, its sites are dedicated to the products for which the Group holds leading positions and for which it has developed strong technological barriers, both in terms of product concept and process.

In parallel, in emerging markets, the Group's competitive industrial sites allow it to meet the needs of local markets. Some sites also produce for international markets, ensuring that expertise and specific and/or protected technologies stay in-house, since they represent key competitive assets.

Finally, Groupe SEB makes targeted use of sourcing (outsourcing of production) for commodity products or for products where it does not hold strong leadership positions.

CONSTANT REINVENTION

The resilience of Groupe SEB's industrial model stems from its ability to constantly reinvent itself to stay at the cutting edge of innovation, while maintaining a pragmatic vision of the economic reality in its markets. Some of the key drivers behind the Group's industrial performance include adjusting production volumes, reorganizing industrial sites, strict control of manufacturing costs, realignment of production and the use of outsourcing as required.

The Group has long placed people at the heart of its manufacturing base through its OPS (Operation Performance SEB) operational excellence program. By making dialog and the exchange of ideas the cornerstone of industrial performance, Groupe SEB is committed to a collaborative approach that recognizes the value of individuals, encourages best practice sharing – including between sites – and develops a genuine common industrial culture.



In 2018, Thermospot was rolled out at the Colombian factory in Rio Negro.

EMSDETTEN: ROBUST PRODUCTION FACILITIES AND SUCCESS FOR OPS

In 2018, Emsa boosted its production facilities for Clip & Close storage boxes and continued its OPS program.

Major improvements include the introduction of daily SIM* meetings, the reorganization, standardization and enhanced ergonomics of workstations, optimization of plastic injection cycles and the creation of an OPS day for sharing experiences... **leading to substantial gains in performance.**

* SIM (Short Interval Management). This is a system for dealing with hazards, based on dialog and suggestions for improvements.



Successful deployment of OPS in the Emsdetten factory.



The OPS project is now in its second phase, which aims to bring in teams outside of production and help them grow. This new phase involves assessing each site's maturity in terms of implementing processes, to ensure flexibility and adaptability in a context of economic, competitive and social change.

NEW CO-LAMINATION PROCESS AT CANONSBURG

All-Clad has introduced a brand new patented process for metal co-lamination, allowing several alloys with complementary properties (temperature, diffusion, conduction, hardness, durability, etc.) to be assembled for the new C4 Copper cookware ranges. As well as enhancing performance for consumers – precise cooking performance for superior results on the plate – this technological feat optimizes production costs and opens up new fields of product innovation.



CONTINUOUS EXPANSION IN CHINA

With demand in China growing fast, Groupe SEB has continued to modernize, diversify and expand its local industrial facilities. As well as competitive positions on the domestic market, with its highly significant growth potential, the Chinese plants offer major advantages for export markets, which require extremely competitive cost prices for commodity categories.

Almost 33 million products were manufactured in 2018 in Shaoxing, which specializes in electric pressure cookers, kettles, table-top induction hobs and various food preparation product families. As for cookware, Wuhan is now fully dedicated to producing Supor's ranges for the domestic market, with expanded production capacities. Meanwhile, a project was launched this year at the Yuhuan site to increase production capacity for innovative, high-performance technologies.



FUTURE FACING INDUSTRY

In 2016, Groupe SEB began deploying an extensive program that aims to transform its industrial operations. This Industry of the Future program covers all of the Group's production operations, using digital technologies to improve productivity and working conditions while saving resources.

Across industries, businesses are focusing on the Factory of the Future or Industry 4.0. This concept covers various innovations and transformations, all linked with digitization: automation, robotics, data analysis, connected processes, supply chain management, 3D printing etc. To meet this challenge, Groupe SEB set up a working group in July 2016 to improve industrial and logistics performance in economic, human and environmental terms.



THE TEN BUILDING BLOCKS OF THE INDUSTRY OF THE FUTURE

The Industry of the Future program is based on ten projects or core technologies:

- MES (Manufacturing Execution System) and digital continuity
- Big data (maintenance and quality)
- Man-machine and product-process interface
- Automation and collaborative robots, automatic and agile handling
- Supply chain and industrial flexibility
- New industrial processes
- Digital simulation
- Neutral or positive-energy solutions
- Organization of work and access to technical skills
- Health and safety



Managing production in real time.

AROUND TWENTY INITIATIVES ARE ALREADY UNDER WAY AT INDUSTRIAL AND LOGISTICS SITES

The first few months of the project focused on identifying major transformation trends. The Group set up ten projects (technological bricks) centered on core technologies such as big data, automation and collaborative robots, positive or neutral energy solutions, man-machine interface, right

though to support for employees as traditional jobs are transformed. These technological bricks have been entrusted to pilots selected for their expertise, with the resources to explore and implement concrete solutions. It is based on a pragmatic approach – everyone works in “test and learn” mode, experimenting with new approaches thanks to proofs of concept (POC) and defining ambitious indicators, based for example on reducing production time or maintenance costs. This approach allows the benefits and challenges for the Group to be assessed and, where applicable, validated, enabling solutions selected on performance criteria to be rolled out on a larger scale.



A new generation of autonomous robots on assembly lines.

ERBACH ACQUIRES INTELLIGENT ROBOTS

As part of continuous performance improvement, the Erbach site in Germany, specialized in producing Rowenta steam irons, has decided to use a combination of collaborative robots (cobots) and MiR100 transport robots (AGVs). Cobots automatically load and unload components and AGVs transport components between the various assembly lines, maneuvering safely around people and obstacles and carrying loads of up to 100 kg autonomously.

One of the key projects, involving both industrial and IT teams, is based on the development of digital continuity, with the implementation of a Manufacturing Execution System (MES). This will allow data from various industrial and logistics systems to be collected and transferred and made more readily available to Group employees and management systems. Communication flows from the center to the shop-floor and back again. Based on the data collected in this way, the Group uses processing algorithms to generate useful information about product innovation, quality, breakdown prevention, reduction of rejects and energy consumption etc. In the long run, it could even allow consumers to personalize their products by sending definition data directly to the production system.



AUTOMATION TO ENHANCE WELLBEING AND PERFORMANCE

The Group is stepping up agile automation, using collaborative robots (cobots) and Automated Guided Vehicles (AGVs) at its production sites to boost

performance and make tasks less arduous. Experiments are also being launched to study effort sensors incorporated in clothing, various simulation devices and even wearing an exoskeleton to reduce certain physical restrictions.



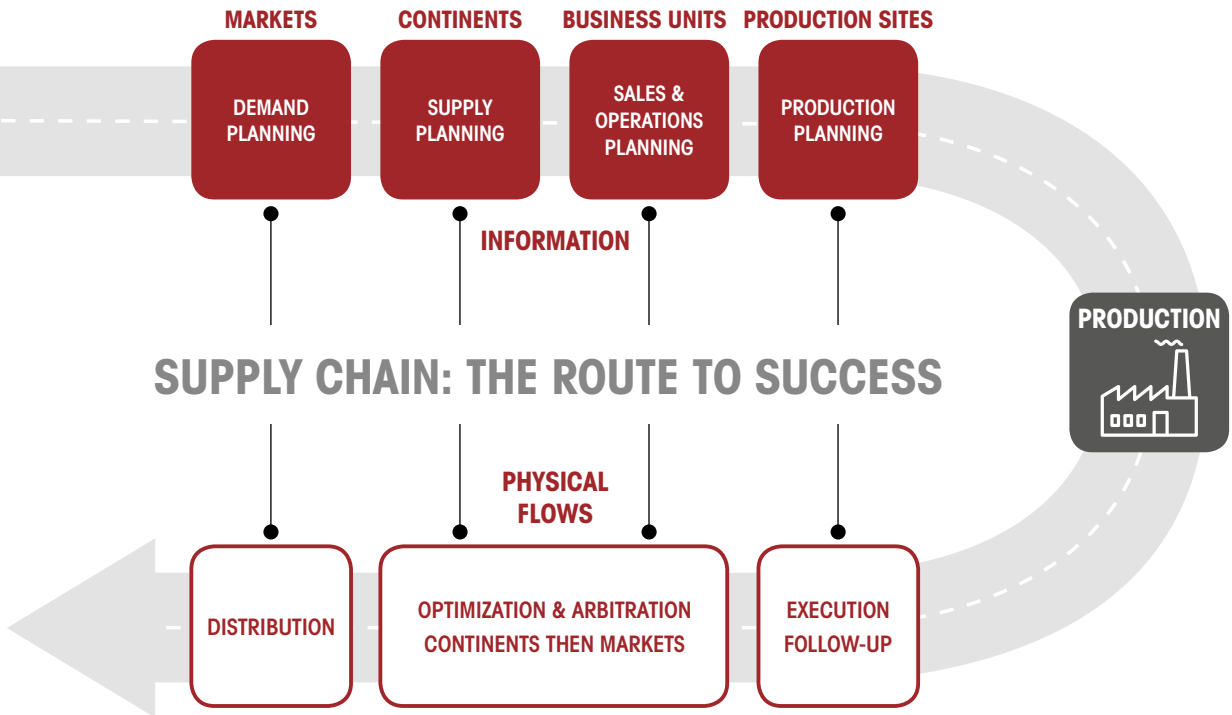
3D printing means parts can be made quickly and cheaply for production lines, such as the automatic screwing plate shown here in red.

Cookware business unit:

number of robots up by more than **10%** a year with **336** robots and **7** AGVs (automated guided vehicles) aiming to make tasks less arduous and improve work safety and conditions.

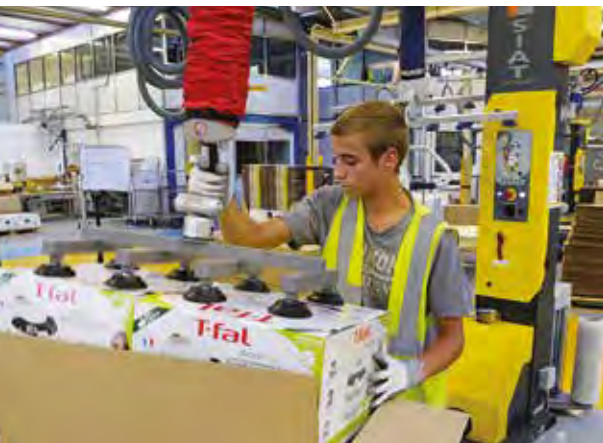
FLEXIBILITY TO SERVE THE SUPPLY CHAIN

To supply its customers on time, the Group must anticipate demand and adapt to variations. This means optimizing management of production capacity at plants worldwide, establishing close relationships with suppliers and delaying product differentiation, while maintaining tight cost control.



EACH TEAM FOCUSED ON ITS KEY SKILLS

To meet these needs, Groupe SEB introduced a new supply chain organization in 2017, with the aim



of constantly improving information flow between the various parties involved – right from the earliest stage of the product design process – and ensuring teams focus on their key skills in order to target operational excellence.

FLEXIBILITY BY DESIGN

To increase flexibility, the supply chain approach must be integrated as early as the product design stage. In this way, project teams are fully involved in the innovation process. The aim is to ensure, right from the start, that the product will be

designed flexibly, that the necessary production capacity will be available and that the right suppliers will be chosen to ensure the launch meets quantity and deadline requirements. Technical platforms (sub-assemblies shared by a range of related products) must rapidly adapt to variations in demand so that plants only produce what is needed, with suppliers located close to the plant.



MORE RELIABLE FORECASTS

We act as a gateway between the Markets and the Small Electrical Appliances and Cookware business units. We help the Markets define their long-term sales forecasts according to the season and the Group's sales objectives and we pass this sales plan on to the Business Units.

To achieve this, we have deployed various tools, which use sales data, historical trends, the geopolitical or competitive context, strategic product families and order book trends. This means we can make more reliable longer-term forecasts and anticipate what we can achieve depending on production constraints.”



RAPHAËL MONDUCCI,
Demand Coordinator EMEA

WE ARE ALL SUPPLY CHAIN

A good working relationship between colleagues directly involved in the supply chain and the Group's other teams – Marketing, Sales, Finance, Human Resources, Industry and IT – is essential to achieve shared objectives: customer satisfaction and the growth of the Group. It is vital, therefore, that everyone feels involved in the supply chain. To achieve this, the Group has introduced a number of internal tools – such as training sessions and information kits – to reinforce company culture around the logistics chain in the wider sense.

INNOVATION PROCESS AND INDUSTRIAL FLEXIBILITY

The multitude of distribution channels (on and offline) requires clearer product differentiation, whereas business performance requires standardization and enhanced economies of scale. The two can be compatible, provided that our production processes are transformed to make them

increasingly innovative. Plastics injection is a good example, since it is now possible to inject three different plastic materials into the same mold, reducing assembly time considerably and keeping the manufacture of plastic parts as close as possible to the customer.

Similarly, using digital technology to enamel steam iron soleplates produced at Pont Evêque and frying pans produced at Rumilly makes it possible to produce personalized decorative elements on a small scale and adapt to demand from our customers.



SHARING EXPERIENCES FOR EVEN MORE FLUIDITY

To boost cooperation between various SEB Asia Sourcing teams, a special initiative called **the Department Share Session** was launched this year. Every month, a team gives a presentation of about two hours, introducing their mission, objectives, priorities and working methods, using a fun and interesting approach. The idea is to improve understanding of our suppliers and internal customers. The session involves people from marketing, content creation, development, purchasing, supply chain, quality, technology, human resources and finance. The objective of this participatory approach is to open up teams and find out more about how they work and the restrictions they face – markets and business units – at all levels of the product creation process to ensure enhanced service quality.



Bring teams together to better understand the trades.

REDUCING ENVIRONMENTAL IMPACT

At Groupe SEB, environmental focus is an integral part of operational performance at our industrial and logistics sites: a low-carbon strategy to fight global warming, reducing and recycling waste, cutting water consumption, maintaining biodiversity, etc.



Energy is one of the core components of the Industry of the Future project launched by the Group in 2016. This involves a dual strategy: reduced energy consumption and increased use of renewable energies.

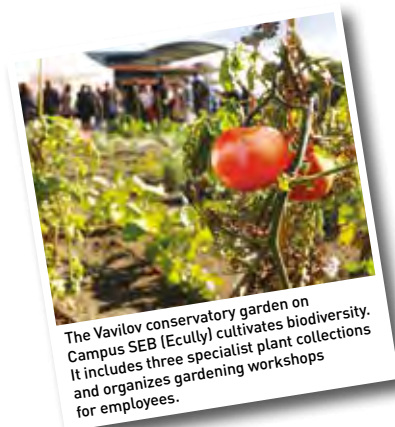
USING LESS ENERGY...

The “eco-innovative projects” challenge organized each year by the Group’s industrial and logistics sites encourages the sharing of good practices to reduce their environmental impact. The 2018 edition identified 42 initiatives, more than half of which deal with reducing energy consumption. At Selongey, for example, optimizing the suction system for the dust created by polishing pressure cookers led to a significant reduction in electricity consumption. It also generated savings in heating bills, thanks to

a reduction in the flow of air from outside the building. The results of the operation: less CO₂ emitted into the atmosphere and a lower energy bill. Since 2010, the Group has cut its energy consumption at its industrial and logistics sites by 20.5% (like for like).

... ENCOURAGING RENEWABLE ENERGY

A solar-powered air-conditioning system for an assembly workshop where summer temperatures were very high: Is-sur-Tille was the Group’s first site to install this kind of system. Since then, several experiments on producing green energy have been launched within the Group: solar panels will be installed at Campus SEB



The Vavilov conservatory garden on Campus SEB (Ecully) cultivates biodiversity. It includes three specialist plant collections and organizes gardening workshops for employees.

SBT LOW-CARBON TARGET

Groupe SEB joined the Science Based Targets (SBT) initiative in 2016. This encourages major international companies to bring their greenhouse gas reduction targets in line with IPCC recommendations for keeping the average increase in temperature worldwide by the end of the century below 2°C.

In 2018, the Group defined its own short-term and long-term SBT targets:

- **By 2023:** 50% reduction in carbon intensity (kg of CO₂ per unit produced) (versus 2013)
- **By 2050:** carbon neutrality (compensating for 100% of the quantity of greenhouse gas emissions from product manufacturing, for example by offsetting carbon).



100%

of factories and logistics entities are ISO 14001 certified

20.5%

reduction in energy consumption by production sites since 2010

Progression of alternative modes of transport:

+56%

of rail transport between the port of Le Havre and the Orleans platform compared to 2016.



in Ecully in 2019 and other projects are under way in France, Colombia, Brazil, Egypt and other countries. "Renewable energy" is also a criteria in the selection of sub-contractors. For example, both of the data centers that host the Group's IT applications in the Paris region are supplied by 100% renewable energy from hydroelectric power stations.

LESS WASTE

Progress is also being made in reducing industrial waste, thanks in particular to work on component packaging, which makes up a large amount of waste for many sites. In Vietnam, for example, the Binh Duong (Asia Fan) site has removed all plastic wrapping for fan components stored in the warehouse. This campaign also involved the reorganization of storage facilities, leading to improvements in ergonomics, quality and efficiency, as well as cutting costs. Another source of improvement is that component

packaging is increasingly being sent back to suppliers, who then reuse it for further deliveries. This is already in place at Erbach (Germany), Selongey, Is-sur-Tille, Vernon (France) and Shanghai (China).

SAVING WATER RESOURCES

To save water resources, industrial sites are striving to reduce their consumption and recycle waste water. For example, the Hangzhou (China) and Rionegro (Colombia) sites recycle waste water, which is treated before being reused in production or in toilet facilities. In Rionegro, a system for collecting and storing rainwater covers more than half of the site's water requirements. And in Itatiaia (Brazil), some of the water processed by the water treatment plant is used to clean the equipment.

RAIL OR RIVER INSTEAD OF ROAD

The transport of products and the materials and components used to produce them generates greenhouse gases. To reduce these emissions, the Group is working on optimizing logistics networks and developing alternatives to road transport (river, rail). In Europe (EMEA), the level of alternative transport used reached 41% in 2018. Compared with the "100% road" option, this led to a 30% reduction in greenhouse gas emissions and a 17% reduction in logistics costs. Improving the load rate of transport units (lorries or sea-going containers) is another area in which progress is being made, particularly by reducing the empty space inside packaging thanks to the Empty Space Hunter system developed by the eco-logistics unit.



Heating coils in the 170 plastics injection machines at the Shaoxing (China) site, have been replaced by a heating strip, which uses 30% less energy than coils.

Better ways to make commitments





COMMITMENT AND ENGAGEMENT IS ABOUT OPENING THE GROUP UP TO ITS ECOSYSTEM AND PROVIDING SUSTAINABLE SUPPORT IN RESPONSE TO THE MAJOR ISSUES AFFECTING OUR SOCIETY.

SUSTAINABLE DEVELOPMENT AT THE HEART OF THE GROUP'S STRATEGY

The Group's sustainable development policy initially put the priority on the fundamentals: human rights and ethics, a responsible labor relations policy, solidarity, sustainable innovation and the environment. Then, capitalizing on the progress made in these areas over the years, the Group moved on to the next phase in 2018, proactively focusing on the specific issues related to its business.



roadmaps, developed in conjunction with representatives of the functions concerned. Each roadmap is based on projects with targets and performance indicators. The roadmap is reviewed twice a year by the Sustainable Development Department and contributors from each function. At the same time, country teams have started to set their own priorities, in line with the new strategy. "Country" action plans are managed by the Sustainable Development officer, often the Human Resources Director for the subsidiary. The Sustainable Development Department also provides support for local teams as they work on projects and aims to set up a network for sharing good practices to build on momentum.

CO-CREATING A NEW SUSTAINABLE DEVELOPMENT VISION

The new approach, finalized in 2018, is the result of a broad internal consultation process in 2017, involving the Group's different functional teams and teams from a dozen countries. In accordance with the UN's Sustainable Development goals, it aligns the vision of all teams on specific issues related to their businesses regarding well-being, nutrition, respect for people, circular economy and environment.

ROADMAPS FOR FUNCTIONS AND COUNTRIES

Implementing the new strategy involves around a dozen themed



The Group encourages employee engagement around responsible projects.



MIX-R: A RESPONSIBLE BUSINESS AGITATOR

Thierry de La Tour d'Artaise, Chairman and Chief Executive Officer of Groupe SEB, and four other business leaders based in the Lyon area set up the **Mix-R** network in 2018, with the aim of getting an increasing number of companies, especially small and medium-sized businesses, involved in CSR (Corporate Social Responsibility). **Mix-R's** ambition is to be a "responsible business agitator". It offers its members various activities that stimulate collective intelligence and co-development: sharing experiences, conferences, inter-company themed events, promotion of successful CSR initiatives, etc.



RAISING EMPLOYEE AWARENESS

Every year, the global Sustainable Development Week, organized on a worldwide scale, is an excellent opportunity to get employees involved. The theme of the 2018 edition was the circular economy, one of the five pillars of the Group's new sustainable development strategy. There was a wide range of activities on offer: a quiz on the circular economy via the intranet; a repair café and anti-waste cookery workshop (France); raising awareness of paper recycling thanks to the installation of a "green box" (Egypt); replacing plastic cups with mugs and raising awareness of food waste (Brazil); a "no printing day" challenge (Chile and Argentina); educational games on the UN's Sustainable Development Goals (WMF), etc.

RECOGNITION AND AWARDS FOR CSR PERFORMANCE

The Group's commitments and actions are closely observed by investors specializing in corporate social and environmental responsibility (CSR), as well as by extra-financial rating agencies. For example, Vigeo-Eiris, Europe's leading agency, carries out an assessment every two years. Groupe SEB's 2018 rating, up seven points on 2016, puts it first in its

sector in Europe, out of a panel of 32 companies. It is also ranked 29th out of 4,159 global businesses, ahead of its competitors Philips and Electrolux. SEB shares are also included in various SRI (Socially Responsible Investment) indices, including the international **FTSE4Good** index, a global benchmark in this area. It is listed in the Personal & Household Goods category with a score of 4/5.

Groupe SEB win the Social Responsibility and Environmental Awareness Award at the European Business Awards. Competing against 112,000 companies from 34 European countries, Groupe SEB was selected thanks to its reparability policy for its brands: Rowenta, Tefal, Moulinex, Krups, Calor, and Seb.



ETHICS: VIGILANCE AT ALL TIMES

Code of Ethics, Responsible Purchasing Charter, audits... Groupe SEB ensures its ethical, social and environmental standards are respected in all the countries where it operates, thanks to an extensive set of information and control measures. It includes its employees and partners, and above all its suppliers, in this approach.



A CODE OF ETHICS SHARED BY ALL

18 key topics, 11 languages – the Code of Ethics provides precise details of the individual and collective rules that make up the Group's ethical approach. It covers all subjects, from fighting corruption to preventing conflicts of interest, via non-discrimination and environmental protection. It was implemented in 2012 with the support of almost 10,000 hours of training. In 2018, the Group launched a new training campaign to ensure that all employees understand its key concepts and

know how to react if faced with an ethical dilemma. 87.3% of the Group's 11,000 connected employees have completed the six modules of the fun and interactive e-learning program. Theoretical information is followed by quizzes and practical examples, in which employees have to deal with an ethical issue. For non-connected employees, an equivalent on-site training program will be organized in 2019. Training on the Code of Ethics is compulsory for all new employees.

173 SUPPLIERS AUDITED IN 2018

About a quarter of the Group's panel of suppliers of raw materials/components is audited each year to ensure they meet ethical, social and environmental standards. The audits are carried out by Intertek, a specialist consultancy, which reviews almost 300 points on the WCA (Workplace Condition Assessment) list. In 2018, 237 audits were carried out in Asia, South America and Europe. Corrective action plans are introduced according to a precise formal



HUMAN RIGHTS: GROUPE SEB IN THE TOP 1%

The Group's tangible commitments to human rights put it in the **top 1% of best-performing companies worldwide** in this area, according to the study "Businesses and human rights: the risks of negligence" published by the extra-financial agency Vigeo-Eiris at the end of 2018. This study was published to mark the 70th anniversary of the Universal Declaration of Human Rights and covers companies from 60 countries and 38 different industries.



SOCIAL CLAUSES IN CALLS FOR TENDER

In addition to its compliance requirements, the Group is committed to extending sustainable development aspects of its purchasing policy. For example, it included social and environmental clauses into calls for tender in France. These aim to give priority to suppliers that are committed to helping people in difficulty get back to work or that offer environmentally-friendly solutions. Across all French sites, subcontracting involving people with disabilities and professional inclusion represented **nearly €3 million in 2018**, or 301 full-time equivalents.



four training sessions, attended by 128 Asian suppliers, along with the Group buyers responsible for monitoring them.

AUDITING THE GROUP'S SITES TOO

To assess the practices of its own teams, the Group applies the same system of social, ethical and environmental audits to its own industrial sites situated in high-risk areas¹ as for its suppliers: the same external agency, the same

check list, the same procedures for corrective measures and follow-up audits. In 2018, six sites were audited in the Czech Republic, India, China and Brazil. Three sites received the Intertek Achievement Award (AA), with a compliance score of over 90% and no major non-compliance: Itatiaia and Recife in Brazil and ProHeq (WMF) in the Czech Republic.

A whistleblowing system means Group employees or people from outside the Group can report situations that contravene the Code of Ethics.

procedure, which includes follow-up audits to ensure the situation has been resolved.

INFORMATION AND SUPPORT

For Groupe SEB, it is not enough just to monitor its suppliers. It also supports them by raising their awareness in a variety of ways: sending them the Group's Responsible Purchasing Charter, which sets out its requirements in terms of sustainable development; communicating on the Charter of Ethical, Social and Environmental Audits which explains the procedure and the points evaluated during the audits; training courses in this field, etc. In 2018, the Group organized



9,600

employees took the e-learning training course for the Code of Ethics

25%

of the assessment score of new suppliers is linked to social and environmental criteria

€3 million

allocated to subcontractors using the services of the protected sector in France

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

For better support



PROVIDING BETTER SUPPORT
FOR OUR EMPLOYEES IS ABOUT RECOGNISING
THE VALUE OF EXPERTISE AND DIVERSITY TO
HELP US CONSTRUCT A SHARED CULTURE. IT'S
ALSO ABOUT ENCOURAGING OUR EMPLOYEES TO
GET INVOLVED IN MEANINGFUL PROJECTS.



MAKING PROGRESS TOGETHER

All over the world, Groupe SEB teams total some 34,000 employees. To uphold the collective approach that ensures its success, the Group focuses on developing skills and encouraging performance and quality of life in the workplace, through shared vision of its values and strategy.



Workplace gender diversity in action: thanks to specific training courses, female production operators can become line supervisors, machinists, welders etc. 21 women took part in these training courses in France in 2018.

MOTIVATING CAREER PATHS

Professional development at Groupe SEB is not just possible – it is encouraged. In 2018, the majority of management positions, both in France and in other countries, were filled by internal promotion and succession planning for 80% of key positions involves Group employees. Geographical and professional mobility is facilitated by the publication of job offers on the iMove@SEB site. In addition, since the end of 2018, employees have been able to view the descriptions of 250 types of posts within the Group on the intranet.

DEVELOPING SKILLS

Training is essential to developing skills and helping people make progress, and more than 80% of Group employees follow training programs at least once a year. E-learning continues to expand on the iGrow@SEB digital platform, which offers more than 160 modules accessible to the vast majority of connected employees.



High-level training courses are organized by the Groupe SEB University. In 2018, the University designed a new program aimed at middle managers: *Management & Leadership in Action*. Available in five languages, this program should reach 1,300 managers over four years.

THE BENEFITS OF EXPERT TUTORS

In France, Groupe SEB works with management and employee representatives via a strategic workforce planning approach. This includes a training program, focused mainly on digital solutions (such as the Factory of the Future), building bridges between functions

MENTORING: EVERYONE BENEFITS



The principle of mentoring 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.

Martin Zouhar, Senior Vice-President Eurasia, mentor:

“Our discussions have been fascinating, dynamic and spontaneous. Listening to Albane, I realized that I had been faced with similar issues earlier on in my career. In those days I had to ‘learn on the job’, whereas mentoring means you can introduce people to different tried-and-tested ways of doing things.”

Albane Ary, Marketing Manager Kitchen Electrics, GS Deutschland, mentee :

“Martin’s experience will help me deal with the professional and managerial challenges I’m facing and consider the various alternatives. As his career has taken him to various countries, he also provides me with a new and objective way of looking at issues in the DACH (Germany, Austria, Switzerland) zone.”



Groupe SEB was awarded the **Happy Trainees** (France) label in 2018 for the fifth successive year, entering the Top 10 companies in the 100 to 499 interns/trainees category.



and expert tutoring. This allows experienced employees to pass on their skills to tutees over a period of several months. The Group hopes to double the number of tutors in 2019.

WELCOMING YOUNG PEOPLE

More than 70% of the young graduates recruited by the Group come from a pool of young talent, which it nurtures in a number of ways: close relationships with targeted higher education establishments, working with several hundred interns and trainees each year, and specific programs such as the Graduate program, which began in 2018. This targets young people from business schools, engineering schools and universities, giving them the chance to carry out three successive

assignments within the Group: twelve months in France, followed by two periods of six months working for subsidiaries abroad.

TOWARDS A PERSONALIZED DIGITAL ECOSYSTEM

In a working environment in where digital technology is spreading fast, the Group aims to optimize "employee experience", especially for colleagues working on a computer. In 2018, it began developing a personalized and personalizable interface for its connected employees. This will give them a single entry point for all the functions and collaborative systems of Office 365, their Yammer communities and the information and business tools they need to carry out their work. This entry point

will be personalized to suit the user profile and can also be customized according to their areas of interest, independently of the location and device used.

- An average of **19 H** of training per employee (in 2018)
- **80%** of key positions were filled by internal promotion
- **70%** of young graduate recruitments come from a pool of interns and trainees
- More than **30,000** applications received on the Group's e-recruitment platform
- **160** e-learning modules freely accessible on iGrow@SEB
- Almost **900** mentoring partnerships in France (expertise, integration, work-study contracts)



MORE WOMEN MANAGERS

Since diversity is a source of dynamism, creativity and innovation, the Group encourages it in all its forms: equality between men and women, cultural and social mix, balance between young and old, integration of people with disabilities etc. As a result, the proportion of women in management is increasing: in 2018, they represented 38% of managers worldwide, compared with 29% in 2007. Some entities are doing particularly well in terms of equality, such as the Central and Southern Europe cluster: here, women occupy five of the eleven places on the Executive Committee, 19 of the 28 management positions and represent 50% of employees overall. In France, women represented 60% of newly recruited managers. Here, equality between women and men

at work is formalized in a collective agreement, which was renewed in 2018. This clarifies and expands on actions that have already been agreed, taking social developments into account.

QUALITY OF LIFE IN THE WORKPLACE: ON A POSITIVE TRACK

71% of employees say they are proud to work for the Group and 68% say that it's a great company to work for (four points higher than the average for the sector). These are the results of the Great Place To Work barometer for the period 2016-2018. This survey, introduced by the Group in 2012, is carried out in around forty countries every other year. It supports each entity in getting teams involved in defining areas where progress is needed. In France, measures taken to improve quality of life in

DIVERSITY OF PROFILES: A SOURCE OF RICHNESS

To increase the percentage of young people from underprivileged communities applying for work placement training positions, the Group works with the recruitment agency Mozaik RH, which specializes in promoting diversity. In 2018, around twenty young people were recruited for work placement contracts through a new job dating format, in which managers meet candidates without having seen their CVs.



"BEST EMPLOYER" IN FRANCE IN ITS SECTOR

In the list of Best Employers in France established by Capital magazine and the Statista institute, **Groupe SEB holds first place in the electrical equipment sector for the second year in a row**, with a special mention for its CSR (Corporate Social Responsibility) policy and quality of life in the workplace. Across all sectors, it is in the top 20 of the 2,100 companies with over 500 employees rated highest by the employees themselves (survey of a panel of 20,000 employees).



The Group carries out numerous initiatives to improve the quality of life at work.

EMPLOYEE PROTECTION: ALWAYS IMPROVING

The economic and political situation in our country is complicated. So our teams especially appreciate the Group's commitment to offering its employees better protection, beyond simply complying with legislation. We had a statutory guarantee for life cover, but it was a lump-sum pay-out and therefore not linked to income. We have introduced the new method of calculation and made the new agreement part of the budget, and it has been in place since July 2018. This agreement was very well received by employees, since it puts them on the same level as their colleagues in other countries and reinforces their feeling of being part of a big family."



ANTONINA GRUBSKAYA,
Human Resources Manager
Ukraine

When it comes to making it easier to sound the alarm, all initiatives are welcome: in Colombia, industrial sites have introduced a mobile app to encourage workers to report safety or environmental risks.



the workplace include a number of schemes such as teleworking (almost 500 employees had taken this up by 2018), a social worker on duty at all sites and, at some sites, physiotherapy, osteopathy and occupational psychology services, as well as priority access to inter-company childcare places and the development of caretaker/personal assistance services.

A GLOBAL EMPLOYEE PROTECTION PLATFORM

When it comes to employee protection, the Group aims to offer its teams a good level of cover all over the world, independently of its legal obligations. In 2018, it started to roll out a global platform based on three key elements: life insurance, medical cover for hospitalization and preventive medical check-ups, and

parenting (maternity and paternity leave). All employees, whatever their country and level in the hierarchy, will benefit from the same level of guarantees. This scheme will be rolled out progressively by 2020.

HEALTH AND SAFETY: A CONSTANT CONCERN

The Group has set itself an ambitious objective for 2020: half the number of accidents compared with 2017. In factories, health and safety is automatically on the agenda for daily meetings held at

each production line. Given that 75% of accidents could be avoided by changing behaviors, the behavior-based safety visit (VCS) plays a key role in the Group's safety standards. It aims to eliminate dangerous practices and conditions through dialog between the employee being "visited" and a manager. It includes aspects of health and ergonomics with check points linked to posture. Each employee working at an industrial or logistics site is visited on average twice a year in high-risk sectors.



In Korea, Groupe SEB was awarded the Great Place to Work prize for its actions and results in terms of quality of life in the workplace.

40 countries
surveyed by the Great Place To Work social barometer

60%
of managers recruited in France are women

81%
of factories and logistics entities are OHSAS 18001 (health/safety) certified

COMBATING SOCIAL EXCLUSION

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



GLOBAL INVOLVEMENT IN CHARITY WEEK

Every year, Charity Week unites teams from all over the world as they carry out community service. Employees from 53 sites and 32 countries got involved in a wide variety of campaigns in 2018 on the theme of "Together to fight exclusion". In France, Campus SEB organized ten charity days with 122 employees participating in teams: painting at an accommodation center, furniture renovation with a social integration workshop, a day of sharing with refugees etc. The majority of sites collected food, toys or clothes and many campaigns were aimed at helping

underprivileged children. In Brazil, for example, employees in Recife rebuilt a small neighborhood school which was in a fragile situation and the Mexican subsidiary supported the Renaissance foundation, which helps street children.

COMMITTED SUBSIDIARIES

Aside from Charity Week, Group subsidiaries support local initiatives, often making long-term commitments. This is the case for Supor, in China, which has been supporting a program that has been building schools in disadvantaged rural areas since 2006 (22 schools already built and two under construction).

In the Nordic countries (Sweden, Denmark, Norway, Finland), the Group continues to support the partnership set up more than ten years ago by OBH with the Star of Hope association, which provides assistance with education, healthcare and food. The four subsidiaries sponsor 30 children in the Philippines, who will be

INTERNS ARE ALSO INVOLVED...

In France, the Group works with **"Vendredi", a social start-up** offering internships shared with associations. The intern spends four days a week at the company and one day with an association, working on a mission with a strong social impact.



Hong Kong - Preparation of Food
Angel meals.



BUILDING A LIFE PROJECT

The Fonds Groupe SEB has been a partner of the Life Project 4 Youth association since 2014, first in Vietnam and then in India from 2016. The fund supports the development of professional training centers to help excluded young people build a future for themselves. People aged 17 to 24 have access to an 18-month integration program. In addition to upgrading their basic knowledge, they also experiment with the creation, development and management of a micro-business initiative. They receive

support for their personal projects, whether they want to set up their own business, join a company or continue with their studies. At the end of 2018, the association was supporting 541 young people in India and Vietnam.

Since 2009, it has supported almost 2,000 young people in Asia, of whom more than half have now been able to join the world of work.

supported through to adulthood. In Colombia, the Imusa Samurai foundation has been organizing the renovation or construction of accommodation for families in need for many years: in 2018, 60 employees helped build seven houses around Bogota and Medellin, in partnership with the Techo foundation.

BUILDING TEAMS

What better way of getting to know each other than joining a charity project? In March 2018, 150 employees were involved in the first edition of Groupe SEB France's Charity Days, an offshoot of the company's Be#One project. More than a third of the staff at the subsidiary helped with the national collection for the *Restos du Coeur* association (which offers free meals) and other campaigns: sorting second-hand clothes, renovating furniture, painting or gardening for social inclusion initiatives, redeveloping parks and gardens, events at social centers, distributing food etc.

PRODUCT SHARING

Product sharing operations are another form of charity work in place at Groupe SEB. In France, Tefal and Carrefour worked together in 2018: for each product bought, another was donated to the Agence du Don en Nature (an agency supporting donations in kind). In the same spirit, Groupe SEB got together with Camif, an online sales specialist, for the "Acheter, c'est aussi donner" ("Buying is also giving") campaign. For every

purchase of a Seb pressure cooker, one of the Group's cookware products was donated to the *Banque Solidaire de l'Équipement* (an association donating equipment), supported by the *Emmaüs Défi* association. In Poland, the Group's 15 Home&Cook stores took part in an original initiative: over a period of six months, they suggested that consumers add €1.20 to the price of a frying pan to help finance a charity chosen by each store.



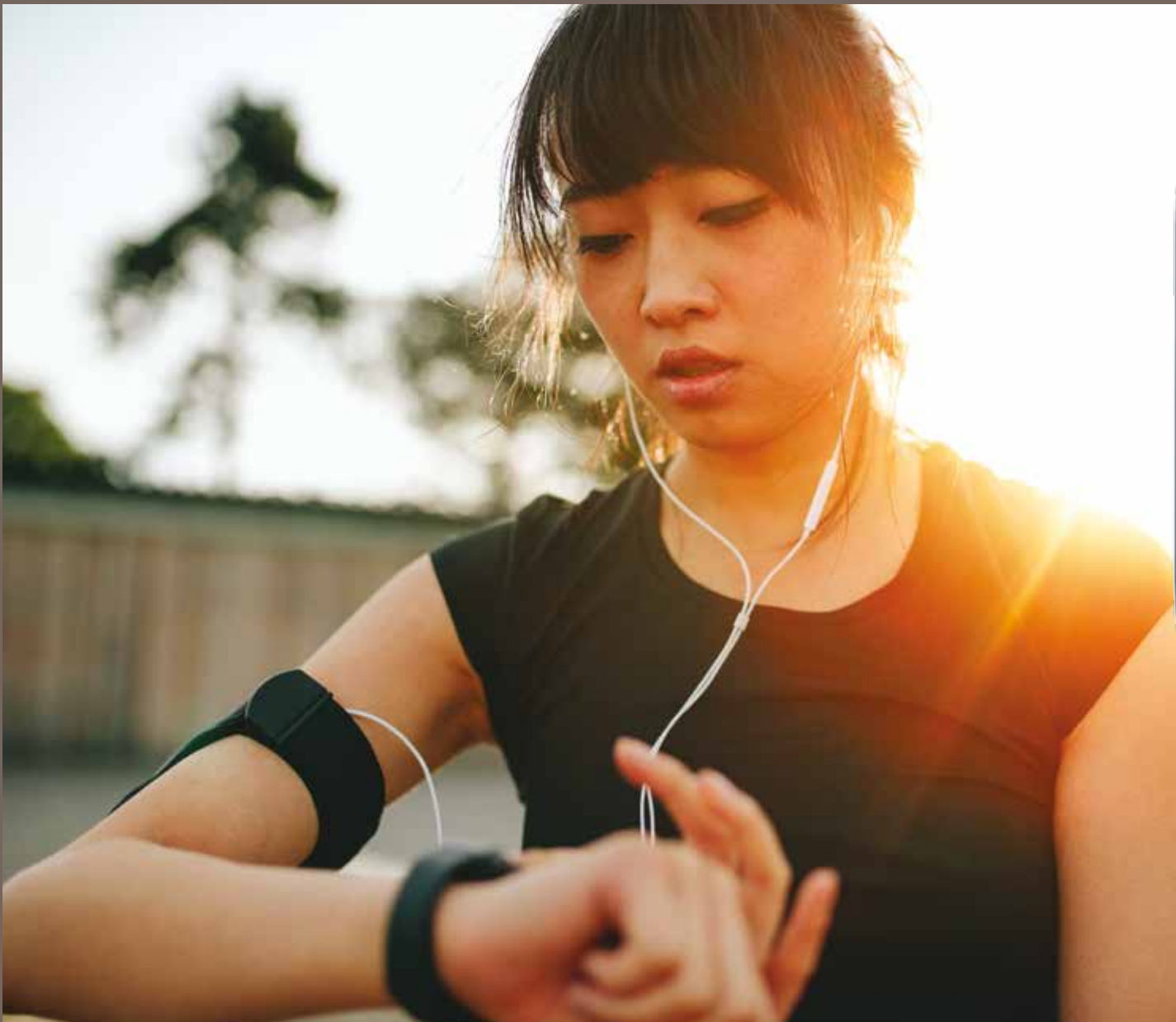
Supor school in China.

€2.91 million
allocated to corporate
philanthropy by Groupe SEB
(Fund and subsidiaries)

53
sites involved
in Charity Week

413
projects supported by
the Groupe SEB Fund
since 2007

To better understand



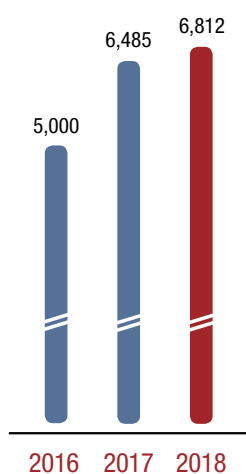
BETTER UNDERSTANDING
THE GROUP PERFORMANCE IS
ACCOMPANYING A LONG-TERM
STRATEGY BASED ON VALUE CREATION
FOR ALL ITS STAKEHOLDERS.



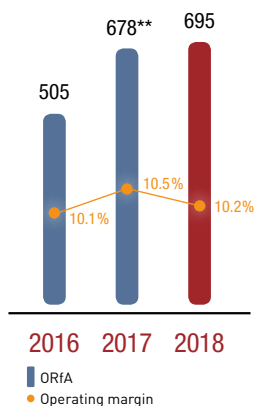


2018 in figures

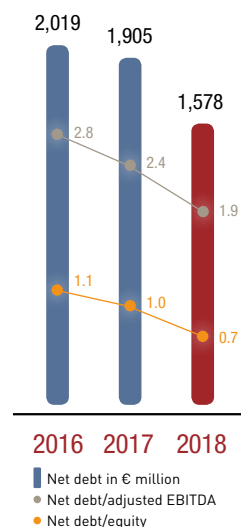
SALES
IN € MILLIONS



OPERATING RESULT FROM ACTIVITY AND OPERATING MARGIN
IN € MILLIONS



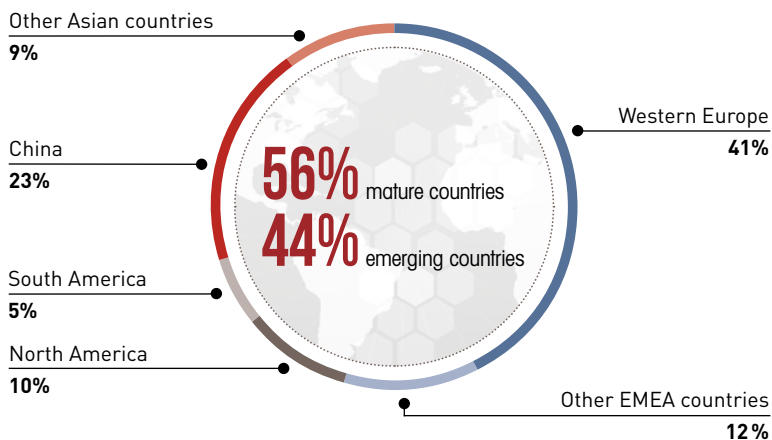
NET DEBT AND DEBT RATIOS
AT 31/12



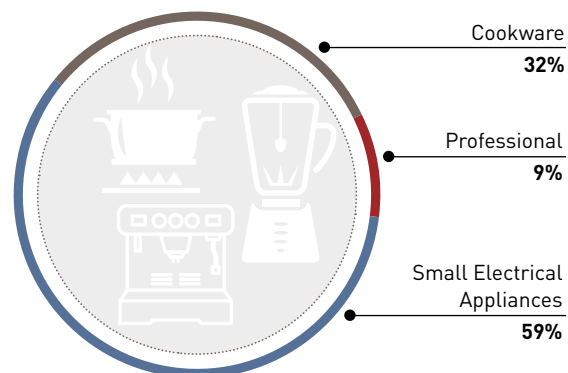
* LFL = like-for-like (constant exchange and consolidation scope)

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

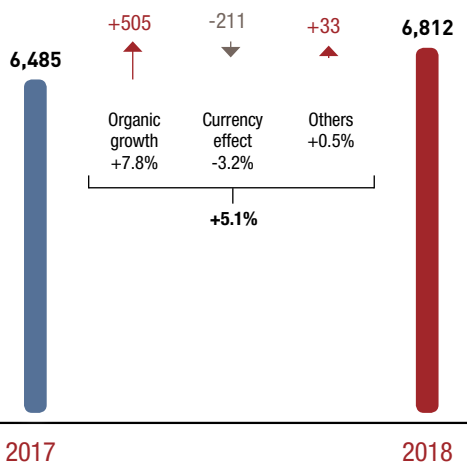
BREAKDOWN OF THE SALES BY GEOGRAPHICAL ZONE



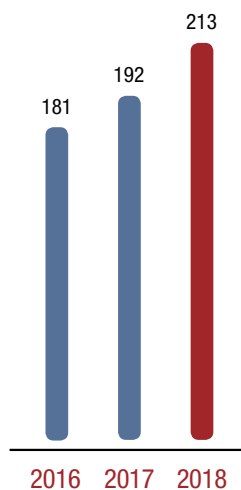
BREAKDOWN OF THE SALES BY ACTIVITY



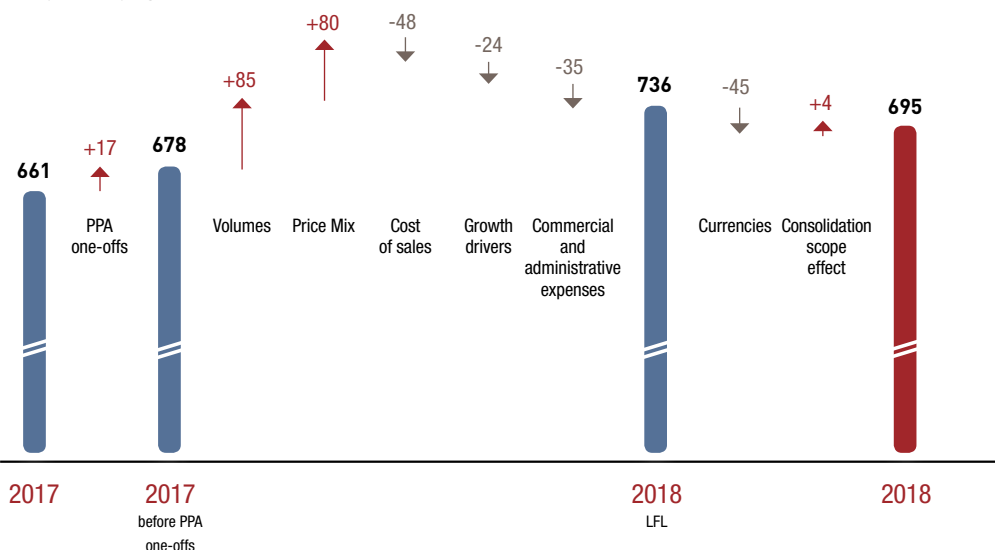
CHANGES IN SALES 2017/2018
IN € MILLIONS



INVESTMENTS
IN € MILLIONS



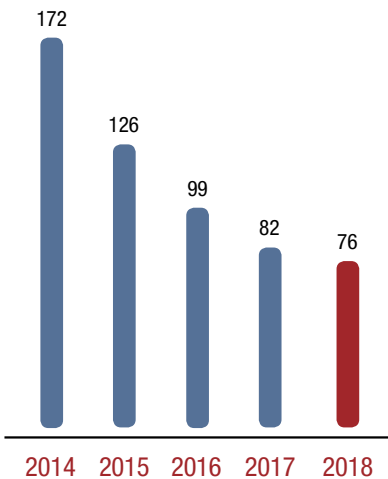
CHANGES IN OPERATING RESULTS FROM ACTIVITY
IN € MILLIONS



SOCIAL PERFORMANCE

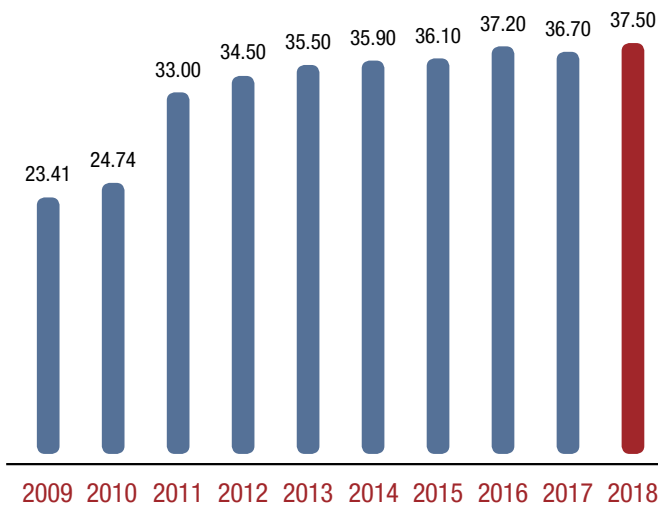
EVOLUTION IN THE NUMBER OF ACCIDENTS

NUMBER OF WORK ACCIDENTS WITH ABSENCE AND WITH A DIRECT LINK TO THE WORKLINK TO THE WORK



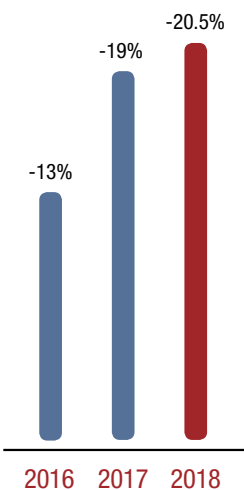
EVOLUTION IN THE NUMBER OF WOMEN MANAGERS

IN %

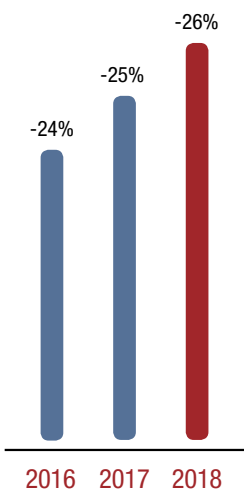


ENVIRONMENTAL PERFORMANCE AND COMMITMENT TO CORPORATE RESPONSIBILITY

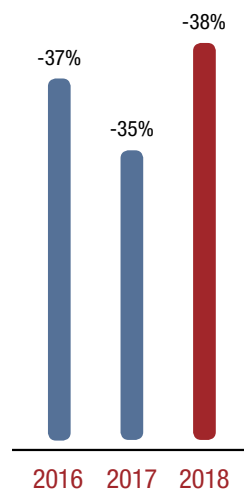
ECO-PRODUCTION: EVOLUTION IN GREENHOUSE GAS EMISSIONS



ECO-LOGISTICS: EVOLUTION IN GREENHOUSE GAS EMISSIONS



EVOLUTION IN THE USE OF RECYCLED MATERIALS



In 2018,
93.1%
of the total volume of electrical products sold worldwide were repairable.

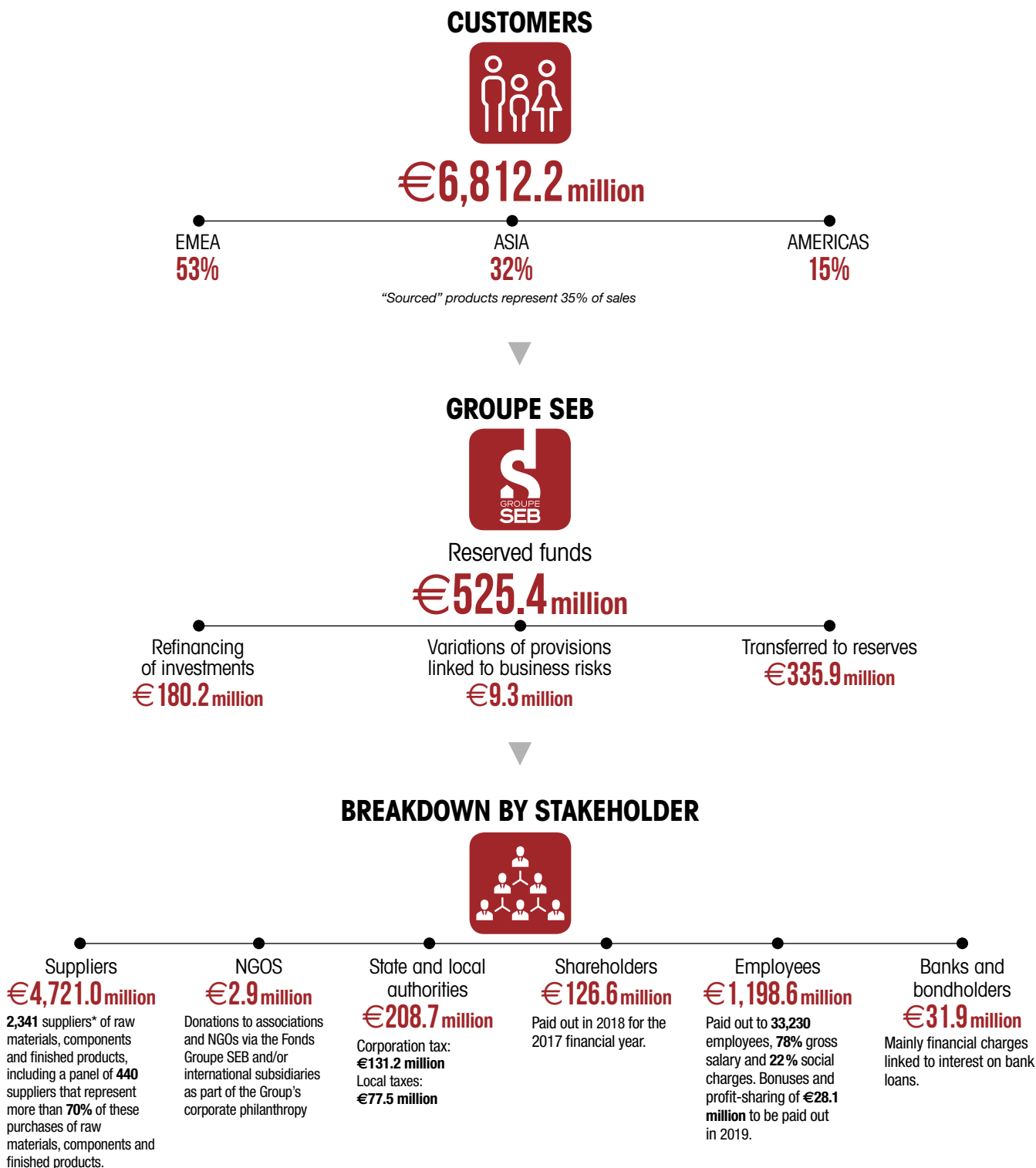


Commitment to corporate responsibility:
€ 2.91 million
allocated to corporate philanthropy in 2018, a 17% increase since 2016

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 2018 between Groupe SEB and its various stakeholders.



BOARD OF DIRECTORS



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



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



VENELLE INVESTISSEMENT
Director – member of the Founder Group

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



FÉDÉRACTIVE
Director – member of the Founder Group

SARAH CHAULEUR
Permanent representative of FÉDÉRACTIVE on the Board of Directors



YSEULYS COSTES 
Independent director



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



FFP Invest 
Independent director
BERTRAND FINET
Permanent representative of FFP Invest on the Board of Directors



BRIGITTE FORESTIER
Director representing employee shareholders



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



LAURENT HENRY
Employee director




JEAN-NOËL LABROUE 
Independent director



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



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



Fonds Stratégique de Participations (FSP) 
Independent director

CATHERINE POURRE
Permanent representative of FSP on the Board of Directors



Member of the Audit Committee



Member of the Nomination and Remuneration Committee



Family directors



Independent directors



Employee directors



14
members

1/3
independent
directors

46%
of women

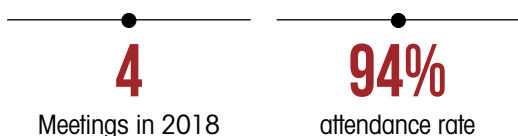
8
meetings
in 2018

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

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

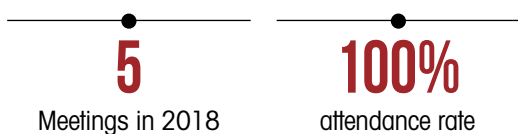
AUDIT COMMITTEE

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



NOMINATIONS AND REMUNERATION COMMITTEE

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

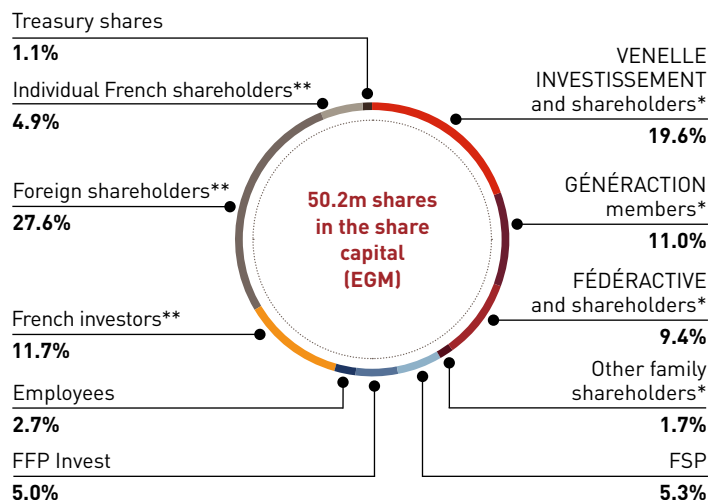


CHANGES IN THE COMPOSITION OF THE BOARD OF DIRECTORS IN 2018

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

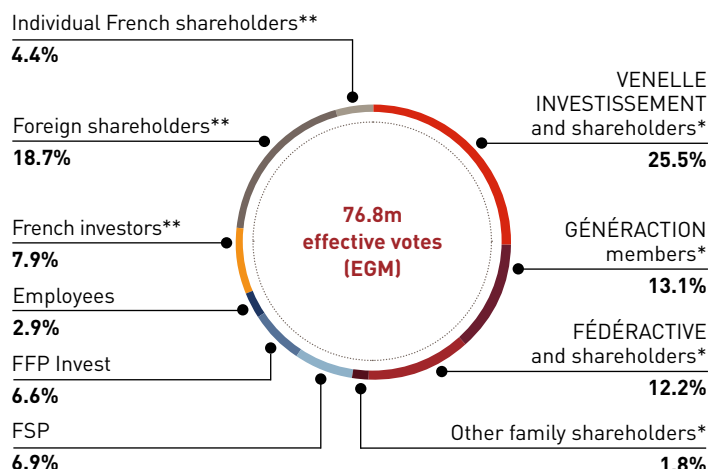
- Jean-Noël Labroue,
- FÉDÉRACTIVE, represented by Sarah Chauleur,
- Delphine Bertrand.

STRUCTURE OF SHAREHOLDING



* Founder Group: 41.7%
 ** Free float: 44.2%

DISTRIBUTION OF VOTING RIGHTS



* Founder Group: 52.7%
 ** Free float: 31.0%

CHANGES IN THE COMPOSITION OF THE BOARD OF DIRECTORS IN 2019

- Within six months of the 2019 Annual General Meeting, appointment of a new employee director by the European Works Council
- At the 2019 Annual General Meeting:
 - Appointment of a new independent director,
 - Appointment of a director from the Founder Group to replace Cédric Lescure whose term of office expires at that same Annual General Meeting,
 - Appointment of a director from the Founder Group to replace Hubert Fèvre, whose term of office expires at that same Annual General Meeting,
 - Appointment of a new director from the Founder Group,
 - Reappointment of William Gairard for a four-year term.

STOCK MARKET PERFORMANCE



DATA SHEET

LISTING

Euronext Paris,
Compartment A

ISIN CODE

FR0000121709

LEI CODE

969500WP61NBK098AC47

LISTING DATE

27 May 1975

NUMBER OF SHARES

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

STOCK MARKET INDEXES

CAC® Mid 60, SBF® 120,
CAC® Mid & Small,
CAC® All-Tradable,
STOXX® Europe 600,
Vigeo Europe 120,
MSCI Global - FTSE4Good

OTHER INFORMATION

IAS index –
Eligible in SRD

TICKERS

Reuters: SEBF.PA
Bloomberg: SK.FP

PERFORMANCE 2018

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

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

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

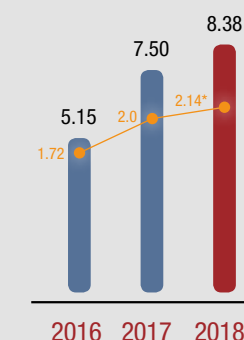
Lowest price mid-session: **€105.60**

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

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

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

DILUTED EARNINGS PER SHARE AND DIVIDEND



■ Diluted earnings per share in €

● Dividend in €

* Dividend proposed at the AGM of 22 May 2019

Shareholders Department

+33 (0)4 72 18 16 01 - actionnaires@groupeseb.com

Service Titres SEB (Securities Department) - BP2S – Corporate Trust Services

+33 (0)1 57 43 90 00 - contact form available on the site <https://planetshares.bnpparibas.com/login>

www.groupeseb.com



Design and production: Actifin - Compilation: Groupe SEB Financial Communications - Françoise LAFRAGETTE - Translation: Caupenne & Co - Photos: Groupe SEB picture library, Jean-François DEROUBAIX, Solène PICCA, Gilles PIEL, Charles SIAUX, Philippe SCHULLER, iStock - Printing: Typocentre

BUSINESS AND SUSTAINABLE
DEVELOPMENT REPORT

2018

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