



## ANSWERS TO WRITTEN QUESTIONS

### I. Questions from Fédéractive

#### 1) Results:

**How do you explain this swift deterioration in performance in terms of operating profitability and cash generation?**

The Board of Directors is highly attentive to the difficult situation currently faced by the Group after the series of successive shocks recently endured: Russia's invasion of Ukraine in February 2022, high cost inflation, sharp deterioration in consumption from April 2022 onwards in France and Germany (two of the Group's major markets which otherwise remained resilient during the Covid crisis), and China's very strict lockdown measures.

It has kept a close eye on this situation through its meetings, approving the specific action plans presented by management. These action plans paid off in the second half of 2022, both in terms of reducing inventories and contending with the headwinds (costs of raw materials, transport, currencies) which left a €600m dent in the EBIT in the space of two years.

**How do you plan to remedy this situation in an economic context that remains uncertain in Groupe SEB's historical markets?**

In 2023, we expect to see a gradual recovery in Consumer sales, robust growth in Professional sales, and an improvement in our overall operating margin. In today's uncertain environment, these prospects were explained in the company's financial communication in February and, more recently, at the end of April regarding Q1 performance.

## **2) External growth:**

**Can you explain the reasons for this change in policy [in terms of external growth] which appears to be dispossessing SEB of a significant part of its growth while using up investment resources?**

The Group has not changed its external growth policy, and continues to position itself as a consolidator of its business lines.

However, it should be noted that opportunities for significant acquisitions are very few and far between. "Quality" opportunities consistent with the Group's strategy are even rarer.

2

That said, Groupe SEB has demonstrated its ability to seize any such opportunities when they arise.

The acquisition of WMF allowed the Group to gain a foothold in the Professional Coffee market, which remains the cornerstone of its Professional business.

Since then, the Group has completed six successive acquisitions, five of which in the Professional business.

These acquisitions are part of a strategy to establish a diversified portfolio in order to extend the product offering and meet the needs of this customer profile, whether in the Professional Coffee segment, or in other professional equipment segments (Krampouz, Zummo, Pacojet).

The Board of Directors approved all these operations after examining the files presented by management, and plays a very active role in the strategy's development with the creation of the Strategy and CSR Committee in July 2022.

**Can you quantify the contribution of these acquisitions or partnerships to Groupe SEB's sales and earnings?**

The most recent acquisitions were essentially made within the Professional business.

This segment now accounts for 10% of the Group's sales. It ensures a high level of growth and profitability that appropriately complements SEB's traditional consumer sector.

## **3) Innovation:**

**Which actions do you plan to take to address these multiple and frequent departures, and improve product innovation and the number of blockbusters launched each year?**

**In your opinion, what types of resources need to be committed, and at what level, to effectively carry out an ambitious innovation policy?**

Innovation has been an integral part of the Group's strategy right from the go. As such, it has benefited from major investments in human and financial resources.

The Group's Innovation community comprises some 1,500 people (in R&D, strategic marketing, design, along with experts in various fields such as nutrition, for example). 3.6% of the 2022 sales figure was devoted to innovation, generating 503 patent applications.

Claiming that nothing significant has been done since 2006 with Actifry is inaccurate:

- SDA: Optigrill, Cookeo, Cuisine Companion and their digital ecosystems that afford access to multiple innovative services (nutriscore calculation, etc.), cake factory, XÔ cordless canister vacuum cleaner, rice cookers and SUPOR blenders.

Cookware: PTFE 100,000-cycle / ceramic / Titanium (SUPOR) coatings, 5second chopper.

In the meantime, the innovation process underwent an in-depth review in 2021, allowing us to enrich it and define the major consumer trends for the future.

#### **4) CSR:**

##### **What ambitions and resources do you have to step up the development of new, more sustainable business models?**

Assisted by its Strategy and CSR Committee, the Board of Directors has drawn up a very encouraging assessment of the actions taken over many years, which is faithfully described in detail in chapter 3 of the 2022 Universal Registration Document.

The Board is currently developing the roadmap for the next few years based on management's work and proposals.

The Group is still rallied to its cause, and on track to achieve the vast majority of its 2018-2023 objectives. The new 2030 ambition will be disclosed in 2024 as per the original schedule.

3

##### **Which performance indicators are used to measure the breadth and success of the "Circular Revolution" initiatives (recycled materials, reparability, second life, product use sharing, ReparSeb, recycling)?**

First and foremost, the circular revolution involves eco-design, i.e. an approach – and principles – in which we are fully proficient, but which has not yet been systematically implemented in the manufacture of all our products, and which we want to make accessible to as many consumers as possible.

The indicators and objectives associated with our "Circular Revolution" pillar and their results are defined on page 141 of the 2022 Universal Registration Document. All of our initiatives taken to place our products and services at the heart of the circular economy are detailed in chapter 3.9 "Circular Revolution" on pages 209 to 215 of this document.

##### **What are the main levers of the Group's decarbonization strategy to attain its objectives?**

The decarbonization objectives aim to contribute to global carbon neutrality by 2050, and have been validated by the SBTi.

The Group has set up a specific governance structure to achieve its objectives.

The low-carbon strategy for "product manufacturing" (scopes 1 & 2) and "product use" (scope 3) is defined on pages 218-219 of the 2022 Universal Registration Document.

Among others, it covers the following aspects:

- reducing energy consumption on sites through an optimization process;
- increasing the share of renewable energy;
- ensuring product reparability;
- integrating recycled materials;
- reducing the energy consumption of products.

**What initiatives does Groupe SEB intend to step up or launch, and what investments does it plan to make or forego in order to achieve these objectives?**

At the end of 2022, the Group undertook a major two-year investment plan, to the tune of several tens of millions of euros, to continue to optimize its industrial processes and further reduce energy consumption by improving its energy mix.

Eco-design is another pillar on which the Group relies to reduce the energy consumption of its products; it seeks to reduce the energy consumed as much as possible while guaranteeing optimal performance.

As proof of the importance the Group attaches to these issues and its ambition to address them, the proportion of variable remuneration conditional on CSR was increased from 5% to 15% in 2022, including decarbonization objectives.

4

## **5) Governance:**

**Do you not think it necessary to give back to the Board of Directors all its prerogatives so that can choose the best development orientations?**

**Shouldn't the Board examine all significant and structuring acquisition cases, including those whose financing would require a capital increase decided by the shareholders?**

As specified in the Charter and Internal Regulations, the Board of Directors is central to SEB's acquisition strategy and, as such, examines all opportunities, regardless of their scale.

Accordingly, it is consulted and asked for its opinion prior to any strategic decision. This setup ensures a fair balance of powers (as indicated in the answer to question 2 above).

Without limiting itself to external growth operations, the Board of Directors thus remains at the heart of any project that falls outside the scope of the announced strategy, whenever such a project represents a significant investment.

**Do you not think that having a dominant block of 7 concerted directors (54% of the directors excluding staff representatives, i.e. 7 out of 13) unfortunately gives the image of a Board that above all serves the asset-related interests of its directors, even though their participation in the capital barely exceeds 30% (at the OGM)?**

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

This family heritage is reflected in the composition of the Board of Directors, where the presence of directors from the Founder Group (Venelle, Génération and Fédéractive) is in keeping with the family shareholding structure while complying with corporate governance principles, notably through the presence of independent directors.

These long-term shareholders are a guarantee of stability for the Group. This stability is greatly appreciated by the employees.

## II. Question from J.L. Bossy (individual shareholder)

Why is the shareholder not informed of the calculation of scope 4 by the Board of Directors? Does this hide the possible absence of dimensioning actions to resolutely reduce the GHG impacts of the Company's purchases, and, accordingly, the excessive exposure of the Company's results to the price per tonne of CO2?

Scope 4 refers to avoided emissions; there are no officially recognized standards for measuring and reporting avoided emissions.

Groupe SEB calculates its overall carbon footprint (Scope 1/2/3). The GHG impacts of the company's purchases are one of the components of Scope 3, which is presented in the 2022 Universal Registration Document on page 217.

5

### Greenhouse gas emissions assessment

(Further details on the scope of consolidation are provided in the methodological note on page 217)

Greenhouse gas emissions (in tons CO <sub>2</sub> equivalent)	2022	2021	2020
Scope 1	64,773	84,062	71,532
Scope 2	139,590	157,929	144,982
SCOPE 3 - TOTAL	Partial assessment <sup>(2)</sup>	20,937,942	19,259,271
Scope 3 - Raw materials and components	5,629,600	6,404,100	4,409,930
Scope 3 - Use of products sold	Not available <sup>(2)</sup>	13,739,424	13,111,334
Scope 3 - Transport	256,123	316,238	259,826
Scope 3 - Other items <sup>(1)</sup>	478,180	478,180	478,180
TOTAL (SCOPE 1, 2, 3)	Partial assessment <sup>(2)</sup>	21,179,934	19,475,785 <sup>(3)</sup>

(1) The section 'Other items' includes: Capitalized assets, activities associated with energy and fuels (not included in Scope 1 and 2), waste generated by operations, business travel, employee commuting, upstream leased assets, processing products sold, processing of end of life of products sold, downstream leased assets, franchises, investments.

(2) The 2022 data are not available at the time of publication of this document because the two processes are out of phase with each other by a few months. Work is under way to enable emissions caused by use of the products to be communicated at the same time as the other items that make up the carbon footprint.

(3) Reminder of Scope-3 data published in the 2021 URD for 2020: 15,301,744 tCO<sub>2</sub>eq. The change made to this figure is due to methodological corrections, scope enhancements and data accuracy improvements for the Raw materials and components and Use of products sold items.

## III. Question from Yutong Li (individual shareholder)

We know that there are two ways via which a company can return profits to its shareholders, namely dividends and share buybacks. I have noticed that your company has been very active in the use of share buybacks in recent years.

I would therefore like to know why you are so engaged in buying back shares rather than simply distributing dividends? How is it in your interest to buy back your own shares? Also, on which criteria do you base this split between share buybacks and dividends?

I am aware that you have an employee shareholding plan, but please could you give me reasons other than this, because I have noticed that there is a significant gap between your share buyback program and the needs of the employee shareholding plan.

As indicated in the 2022 Universal Registration Document, and in accordance with the authorization granted by the Annual General Meeting of May 19, 2022, the Group may buy back its own shares in order to:

- maintain a liquid market for the company's shares through an investment service provider acting on a fully independent basis;
- allocate shares to eligible employees and executive officers in the scope of performance share plans;
- cancel shares in order to increase return on equity and earnings per share, or to offset the dilutive impact of any capital increases on existing shareholders' interests;
- deliver or exchange shares in connection with any future external growth transactions;
- allocate shares when exercising rights attached to securities.

To date, the shares repurchased by the Group under the buyback program have been used to partially cover the performance share plans, as described in the 2022 Universal Registration Document.

6

By way of information, as at December 31, 2022, the Group held 287,766 of its own shares. On this same date, 627,083 performance shares had yet to be issued (see page 292 of the 2022 Universal Registration Document).

Moreover, in the past, the Group has set up employee shareholding plans, the last of which was carried out in 2019 as part of the capital increase reserved for members of a company savings plan. There have been no new plans since then.

Concerning the remuneration of its shareholders, the Group gives priority to a policy of regular increases in its dividend in line with the Group's results.